

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
March 19, 2018, 6:00 PM.
Assembly Chambers - Municipal Building**

Assembly Work Session - No Public Testimony Taken.

I. ROLL CALL

II. APPROVAL OF AGENDA

III. APPROVAL OF MINUTES

- A. February 26, 2018 Committee of the Whole Meeting

IV. AGENDA TOPICS

- A. Joint meeting with the Bartlett Regional Hospital Board
- B. Hurlock Avenue Property
- C. Public Safety Task Force Recommendations
- D. State Parking Update (Verbal Report)
- E. Rainforest Recovery Center Intake & Assessment Project Update [Packet Supplement Posted 3-16-2018]

V. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

**ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

February 26, 2018, 7:00 PM.

Municipal Building - Assembly Chambers

Assembly Work Session - No Public Comment - Meeting will start at 7 pm or immediately follow the Special Assembly Meeting, which starts at 5:30 p.m.

I. ROLL CALL

Chairman Nankervis called the meeting to order at 6:40pm.

Assemblymembers Present: Deputy Mayor Jerry Nankervis, Mary Becker, Jesse Kiehl, Loren Jones, Maria Gladyszewski, Rob Edwardson, Beth Weldon (telephonic), and Norton Gregory (telephonic)

Assemblymembers absent: Mayor Ken Koelsch

Staff present: Deputy Manager Mila Cosgrove, Assistant City Attorney Robert Palmer, Acting Clerk Beth McEwen, Finance Director Bob Bartholomew, Parks and Recreation Director Kirk Duncan; and Assistant Attorney Emily Wright

II. APPROVAL OF AGENDA

There being no changes, the agenda was approved as presented.

III. APPROVAL OF MINUTES

A. February 5, 2018 Committee of the Whole Meeting

B. February 13, 2018 Committee of the Whole Minutes

MOTION by Ms. Becker to approve the minutes of the February 5 and February 13, 2018 Assembly Committee of the Whole meetings and asked for unanimous consent. *Hearing no objection, the minutes were approved.*

IV. AGENDA TOPICS

A. National Council on Alcoholism and Drug Dependence (NCADD) Opioid Grant

Mr. Riley Neff Warner the Opioid Misuse Prevention Coordinator with JAMHI-Alaska Partnerships for Success gave a presentation on the status of opioid abuse in Juneau and the collaborative efforts by agencies working on the issue at the local and statewide levels.

The Alaska Opioid Policy Task Force recommended following a five step strategic prevention framework of Assessment, Capacity, Planning, Implementation, and Evaluation. They recommended focusing on 12-25 year old age group as they were the identified as the majority of opioid users seeking treatment.

The Juneau Opioid Work group meets monthly at Juneau Public Health Center and consists of a coalition with partners including Juneau Police Department, State of Alaska Dept. of Public Safety, Central Council Tlingit & Haida Indian Tribes of Alaska (CCTHITA), Southeast Alaska Regional Health Consortium (SERHC), Gastineau Human Services (GHS), and Juneau Alliance for Mental Health Inc. (JAMHI).

He explained the relevance of the situation here in Juneau and their focus on not only preventing loss of life but also addressing issues relating to diseases such as an explosion of Hepatitis C and neonatal abstinence syndrome (NAS). He mentioned the increase in deaths in Juneau and also the increase of property crimes and other related burdens that face the Juneau Police Department as a result of the opioid epidemic. This is a multi-generational issue and their coalition has been talking about building a framework to prevent this from continuing.

He also explained the strategies they are working on including a prescription disposal bag program and information kits, a prescriber's pledge taken by medical providers, enhancement and promotion of medication assisted treatment (MAT), and a variety of other strategies using CDC guidelines, online and other resources.

Mr. Warner said they were requesting CBJ provide a liaison to the Juneau Opioid Work Group and would especially like to see an Assembly liaison involved. They would like to see CBJ be a champion for this cause.

Assemblymembers had a wide variety of questions for Mr. Warner regarding the statistics he provided, the grant funding for the Alaska task force and the coalition work as well as the extent that CBJ (police, BRH, EMTs, RRC, and the schools) is already involved in this work.

Mr. Warner explained the roles that CBJ departments have held with the coalition including the involvement of JPD and RRC. The staff from those departments also provide the coalition with updates on the services they provide. He said the coalition would welcome Assembly participation and there is no limit to who could or should come to the monthly meetings.

Ms. Gladziszewski asked how they measure success and how they will evaluate whether or not what they are doing is effective.

Mr. Warner explained that part of their five step process includes evaluation and recalibration and realignment of the program depending on the metrics and outcomes.

Mr. Nankervis asked as part of the baseline data for the doctors mentioned, if they would be trying to come up with a live number of currently addicted persons in Juneau?

Mr. Warner said that is not part of their target as it is a very difficult number to get. He said they are working from the base of knowledge that there is a substantial problem, and they would like to get a framework in place that works for this epidemic, so a similar approach can be used for any future needs.

Mr. Nankervis said that with respect to the request relating to an Assembly liaison, he suggested Mr. Warner send a notice of the meetings to the BoroughAssembly@juneau.org email address and anyone interested with time available, might attend. Ms. Cosgrove also asked Mr. Warner to notify the Manager's office and specifically if there are particular staff who should be made aware of the meetings.

B. Centennial Hall Governance

Ms. Cosgrove noted the memo in the packet regarding the possibility of entering into a management agreement with Juneau Arts and Humanities Council (JAHC) staff to take over the roll of managing Centennial Hall. This topic was discussed at the December 4, 2017 Committee of the Whole meeting and there have been discussions about this possibility. At that meeting, they were looking for a basic thumbs up or thumbs down on this concept. At that meeting, staff was given a "yellow light" to look into this further and try to flesh out that idea a little bit more. That is the purpose for this presentation to provide additional detail to the Assembly.

Ms. Cosgrove said that they think entering into this agreement would be beneficial to CBJ for a variety of different reasons as well as benefits to the JAHC. Some of the expected results included:

- Fiscal - this could potentially be a cost savings or cost neutral proposal.
- Operational - joint management of Centennial Hall and JACC has the potential of providing a more efficient use of space and use of multiple buildings by user groups
- Economic Development - it is hoped that this would provide for additional economic opportunities relating to arts and cultural events as well as a travel destination for larger conventions and meetings.
- Regarding operational agreement options between a lease or management agreement, they finally arrived at recommendation to go with a management agreement rather than a lease.

Ms. Cosgrove noted the main differences between the choice of the JAHc leasing the facility or entering into a management agreement has to do with control and liability. She said a management agreement gives CBJ a little more control of what happens and CBJ still retains a little more liability than if they just lease the facility all together. She said they've worked with Finance and Law to determine whether or not this would be eligible for a sole source exemption in the procurement process.

Ms. Cosgrove said with respect to the personnel issues, Centennial Hall currently employs 6 benefited employees and 9 non-benefited employees. This move would likely cause a termination study to be done. She mentioned that all the current employees are in PERS Tier 4 which are defined contribution rather than defined benefits. She said she isn't quite certain how all of this gets triggered in the PERS program and it has been difficult to get a truly informed decision from PERS about it. With respect to the impact on current staff, she would hope to be able to absorb them into our current CBJ employment pool and if that was not possible, then possibly JAHc would be able to take them on under their framework. If all of that failed, it would go through the layoff procedures but they are hoping to avoid that if at all possible.

In addition to staffing impacts, there are physical plant budget impacts. The intent is for this to be cost neutral or cost savings agreement. Centennial Hall does currently pay into the full cost allocation equation on both the building maintenance side and also to Parks and Recreation administrative functions, as well as HR, Law, and Finance departments. Those pieces would have to be cared for, and while not all of that would go away under a management agreement, it would lessen as they moved forward.

She said they are now looking for the Assembly to give staff some policy direction on how they wish to move forward. She said staff has looked at this and they believe it makes sense but that the proof would be in the final management agreement. She thinks they can arrive at a place that is in the best interest of the city. Along those lines, there is an attachment in the packet that lays out some high level conceptual pieces of what they might include in a management agreement. She noted that packet also contains FY17/FY18 Centennial Hall budget documents.

Mr. Nankervis asked if Ms. Cosgrove had anyone in the audience she wanted to bring forward to help field comments and questions. Ms. Cosgrove stated that there were a number of JAHc members present as well as JAHc Executive Director Nancy DeCherney.

Ms. DeCherney came forward to answer questions from the committee.

Ms. Gladziszewski said she feel this is a good idea but she noted that it is outside of the main mission of the JAHc and asked Ms. DeCherney to provide an assessment of their enthusiasm for taking on building management.

Ms. DeCherney said that it is not unusual for local arts agencies, which this council is, to run facilities for communities. They have gotten this far in the process because she does feel that the JAHc could do a good job with Centennial Hall and manage it for the benefit of the whole community. She realizes it is a lot more work to do and would be an interesting challenge. They are presently working on building a larger building so she feels this would fit in with that process.

Mr. Edwardson asked what they would plan to do with Centennial Hall differently than what is currently

being done right now.

Ms. DeCherney said that the current set up for Centennial Hall is somewhat limited by CBJ restrictions. She said that she feels the JAHc would be able to provide additional flexibility to the community and offering of community services. An example of this would be with respect to hiring an extra person if necessary as the CBJ hiring procedures are a little more involved and time consuming.

Mr. Jones had a number of questions. He said this is a different model than that used for enterprise boards. There is very little mention in the documents relating to revenues and he would like to see additional details as to how the revenues may or may not go to the JAHc. It does mention that there is a goal to reduce general fund support. He then went through some of the ups and downs of the previous years' budgets, and said he would like to see a proposed budget on how JAHc might take this budget and make it their own including personnel services and benefits before he was comfortable in wanting to march ahead with this. One crucial question that he had was if there was any way to have a management contract that didn't require all employees to be JAHc employees.

Ms. Cosgrove stated that the short answer is no but that the reason that answer is no is because they have not gotten into the fine details of the financial negotiations yet so they don't have a draft management agreement ready to go. That takes a lot of staff time and resources to do that and they want to know for sure that the Assembly is OK with them going down that path before they get into those details. It does not mean those things are off the table, it just means that they have not finalized what that would specifically look like.

Mr. Jones mentioned concern that they hear lots of comments during budget time regarding the city "subsidizing" Eaglecrest, the pools and the Treadwell Arena. And while he doesn't agree with the arguments as the Assembly and community value those services to the community, he noted they those arguments are likely to also come up when they begin speaking about subsidizing Centennial Hall. He said with respect to the lease vs. a management agreement, he has a lot more questions before he would be comfortable with the proposal.

Ms. Becker said her concern is focused on the personnel issues and what the difference would be between a new JACC employee vs. CBJ staff currently employed by Centennial Hall.

Ms. Cosgrove said that the easy answer is that they would no longer be CBJ employees. As to whether or not they would be full time/benefitted employees, that would be up to JAHc. There may be some duplication of staff or not.

Ms. DeCherney noted that they don't currently have those answers as they will not be putting a budget together until she knows whether or not they are moving forward on this. Presently, JAHc staff do not have as good of benefits as CBJ employees. Some benefits the JAHc staff enjoy that CBJ does not is they let people bring their dogs to work with them and they have a certain amount of flexibility with things such as time off. They do not have the staff level that would be necessary to run both facilities at this time. If they did enter into this agreement, they would be able to offer more people more full time positions. Currently the JACC has 4 full time and 9 part time employees. Some events, such as the wearable arts event, required them to hire out of town staff for lighting, staging, etc...

Additional discussion took place relating to PERS and retirement benefits.

Ms. Becker asked how this might change how the Hotel Tax is redistributed and used when Centennial Hall is no longer a CBJ run facility.

Ms. Cosgrove explained that the Hotel Tax is divided into sevenths and a portion of it does go directly to Travel Juneau. She noted on page 41 of the packet that Travel Juneau allocation used to all be included in with Centennial Hall and now it is separated out as an Assembly grant. Although they have not yet finalized arrangements, she would assume the remainder of that would still be available for the

running of Centennial Hall. Whether that is done through a management fee type of arrangement or through an Assembly grant, that would still need to be worked out. Using very rough numbers, Centennial Hall operations are currently paid using approximately 60% Hotel Tax funding with some General Fund money and approximately 40% of revenues through rentals, leases, and charges for services. She said part of the goal, getting back to Mr. Jones' questions, they would hope that balance would shift. That the two facilities being managed more closely together might actually generate more on the revenue side because overall they would be able to create more ability to rent the space a greater percentage of the time. The goal is to get it in use more than it is now.

Ms. Weldon asked Ms. DeCherney to comment on whether the JAHc feels a management agreement vs. a lease is the best way to go. She also asked Ms. DeCherney if management by JAHc would potentially lift some of the current Centennial Hall restrictions on outside food coming in.

Ms. DeCherney said she didn't feel she could answer the first question as it is still something they are working towards. She said with regard to the food service question, she is a food service person and she has similar concerns that Centennial Hall has with respect to food service. She also feels that the Arts Council has run the JACC in a way that has been welcoming and successful. She said that one of the things that has been mentioned is that there is an advisory group that would get together and she hopes that group will have discussions relating to what does and doesn't work in the facilities so they are meeting people's needs successfully.

Mr. Edwardson said the proposal suggests they hope to raise more revenues through this plan, he asked how frequently the JACC is currently rented out now.

Ms. DeCherney said that the JACC is rented pretty frequently. She noted that because they are a non-profit, they can do fundraising that the city cannot go out for. The JACC is busy almost every day even on Sunday's when they are closed and they often have simultaneous user groups using one or more parts of the facility at any given time.

Mr. Kiehl asked about the full cost allocation numbers as they relate to Centennial Hall. Ms. Cosgrove said she would have to get back to them on the numbers for the full cost allocation since it was not in the budget documentation provided in the packet.

Mr. Kiehl noted there had previously been discussions among Willoughby District facilities groups and he noted that Travel Juneau has been part of this discussion and asked if KTOO or Elizabeth Peratrovich Hall entities were also included in these discussions. Ms. Cosgrove said that while Travel Juneau has been part of those discussions, the other Willoughby District entities have not been. He suggested they may want to reach out to those other groups as well about this proposal.

Mr. Kiehl asked Mr. Palmer to comment on the risk management issues involved in a management agreement vs. a lease and how it works. Mr. Palmer noted that this is still in the high level of talks at this time and that the devil would be in the details. On a risk spectrum, CBJ's current ownership and management of Centennial Hall being run by CBJ staff is one end of the spectrum with the highest level of risk, a lease of the facility to another entity would be the lowest end of the risk spectrum. He said a management agreement would fall on the spectrum somewhere in the middle of the two. Those details would have to be worked out once they have been given a green light from the Assembly to proceed further.

Mr. Kiehl's final concern related to the scheduling priorities of the hall and the flexibility to respond to community needs as they arise. He noted that one of the functions of Centennial Hall is to serve as an emergency relief center/shelter and asked how they envision that working as part of this concept.

Ms. Cosgrove pointed to page 2 of conceptual mutual agreement which states the priorities of use as follows:

1. Emergency Use
2. Legislature & Governor

3. Full day, multi day events
4. Full day, single day events

Mr. Jones said he has additional questions regarding the physical plant impact, the sales tax monies and timing of the CIP projects for scheduled repairs and that would need to be addressed significantly. He disagrees with the common conception that non-profits can do more and better for less money. He said that most of those non-profits get their funding from government and that it is essentially paying less for similar services and not always to the benefit of the community. He said there is no reason we can't be effective as government operations and non-profits are not a panacea.

Mr. Edwardson asked Ms. Cosgrove for confirmation that the Assembly did not ask for this and he asked if the Manager has a recommendation on where to go from here. Ms. Cosgrove said they are looking for a thumbs up or thumbs down policy level decision by the Assembly. If they support it, staff will move forward and work on a management agreement and if the Assembly is not interested in this policy change, they will not move forward on this.

Mr. Jones said he was not sure if he is ready to make a decision on thumbs up or thumbs down at this time. He would like to get public input before the Assembly tells the manager which way they should proceed and he would like to see further public process/input on the idea.

Ms. Becker said she was in agreement with Mr. Jones and still has many questions and isn't yet ready to give it a thumbs up/thumbs down at this time.

Mr. Nankervis asked how this management agreement might compare to the turf building (Dimond Park Field House). Ms. Cosgrove noted that it is a bit different, the turf building is owned by a non-profit and is currently under a management agreement under which Eaglecrest manages the contract to provide staffing resources. She did say this may be somewhat comparable to the Gastineau Human Services or the Care-A-Van management agreements.

Mr. Nankervis said he shares Mr. Jones' concerns that this needs to have public comment and he would suggest referring this to a committee to allow for further discussion and an opportunity for public comment.

Ms. Weldon said, having been a renter for both facilities, that she is excited by the idea and would like to see this move forward and also open it up for public comment.

Ms. Gladziszewski said the COW is a committee and they could take public comments here if they wished. She noted with respect to Mr. Edwardson's comment that this did not come from the Assembly, that this did in fact come from the Assembly. The Assembly brought up the issue of the running of Centennial Hall and asked the Manager's office to come up with a solution and this process is a result of that. She said she understands there is a lot more work to be done to flesh it out and she said that there is a little bit more information needed, as opposed to the in depth detail. She agrees that it is something they can move slowly down this path and get a little more information so the public can respond to the concept.

Mr. Jesse said he is excited by the concept and the opportunity. His question would be for staff about whether there is an intermediate step that could be done along the path rather than going out to solicit public comment on a vague concept.

Ms. Cosgrove said she agrees that it would be valuable to have public comment on this concept. She said, where the Assembly takes that comment is up to the Assembly. They could referred it back to the Public Works and Facilities Committee (PWFC) or decide to take public comment at a COW meeting or even add it to an Assembly agenda. As to what the public will be commenting upon and the information they need before they have that opportunity, she didn't feel a fleshed out management is necessary but just the high level concept should be fine. She said that while they take the public comment route, staff could continue to work with JAHC to develop the management agreement and work out some of the details. At the end of the day, there is a body of work that no one will want to

tackle until they receive a robust thumbs up from the Assembly. She said, if they are anticipating this being effective with the beginning of the fiscal year, having that public comment and getting those thumbs up on a timely basis would be important. With that in mind, she would like to get some direction from the Assembly as to where they want this to go next.

Additional discussion took place regarding which committee it would go to and what potential dates and times to hold public comment on this.

It was suggested that this might be best to be scheduled for a PWFC meeting on March 19 swapping time slots with the Lands Committee to allow for public testimony in the evening. Mr. Jones suggested they frame the message to request for public comment specifically relating to this topic. Mr. Edwardson said he would also like to see an outreach effort from JAH and CBJ staff to those groups who are normal users of the JAH and Centennial Hall.

Mr. Nankervis asked if the Assembly was comfortable with staff moving forward on this in the meantime and hearing no objection, he said it would move forward accordingly.

C. Public Safety Task Force Recommendations

Ms. Cosgrove noted that the final report from Mayor's Task Force on Public Safety was provided as a Red Folder item. She said the intent for this meeting was to provide this as informational with substantive comments to follow-up at a future meeting. She then turned it over to Mr. Nankervis who was the Chair of the Task Force for additional comments.

Mr. Nankervis extended his thanks to all the members of the task force: David Campbell from JPD; Sherri Layne and Emily Wright from the Law Department; Don Habeger Community Coordinator for the Juneau Reentry Coalition; Bradley Grigg, Chief Behavioral Health Officers from BRH; Terry Goff, General Manager at Safeway; Angie Kemp, District Attorney; and Deputy Manager Mila Cosgrove as the staff liaison.

He said they held about 10 meetings and covered a wide range of topics and the challenge was to try to stay on task. He said this is primarily just information today as the Mayor just received the final draft today and since he was the one to form the task force and isn't at this meeting, any follow-up should be scheduled for a future meeting.

He said that respect to the work of the task force, the topic of Recruitment & Retention of Police Officers took up a lot of the committee's time even though it only takes up one paragraph of the report. They also talked about a misdemeanor probation officer at length. He said that might come to fruition.

They discussed additional support in the District Attorney's (DA's) office which they didn't limit to just one thing such as just a clerk or just an attorney, there was also discussion about an investigator. Many states employ an investigator in the DA's office and that frees up a lot of law enforcement time. The DA gets with their investigator and says this is what is needed to be followed up and their office does all the follow-up and then the officers are not continually being pulled back in the case. We have not had an investigator in the 30 years that Mr. Nankervis has been in Juneau. That is something that they do in other states and it is a very valuable tool. He said that Ms. Kemp did not want to get that specific so anything we could get here would be a benefit.

They also talked quite a bit about treatment and diversion and had many great presentations on it by people who know quite a bit about that subject. He said there is so much going on in that arena that you could get lost in that for a very long time. He said they just wanted to condense it to a few things and then bring it back to the Assembly.

They discussed legislation and when they first started the group, that was when SB91 was in place. Then SB54 came along and the body decided to let SB54 work a little while before they took a position on what should be done as a result of that. In the meantime, they will keep an eye on all the

legislation relating to public safety issues.

He said they also talked about security cameras and that was the issue that received the most public comment. They didn't actually receive public comment through the usual methods such as testimony at meetings, but rather, this was a topic that people would stop him to talk and say that they felt it would be great to implement security cameras. While he has some reservations about security cameras, the task force wanted it included. He said that if CBJ does go down that road, it may spark some hearty debate with possibly the ACLU and definitely with the Law Department. JPD was very concerned about how those systems would be, whether it would be a passive/unmanned system or not and where that would go. He said there are already some cameras in place at locations such as the docks, the airport and other locations. It is likely to engender quite a bit of debate if the issue of security cameras moves forward.

He said that overall, the task force did a great job and he appreciated Ms. Cosgrove's support. They had regular public attendance at meetings and providing input. Mr. Jones and others were consistently in attendance and provided valuable input as well.

Mr. Nankervis said that he had received word from the Mayor just before the meeting that he was not feeling well so would not be at this meeting and they did not have any opportunity to discuss the final report since it just came out earlier in the day.

He wanted to be sure the Assembly had a chance to see it and would bring this back for further discussion at a future meeting. They didn't pursue the budgetary details at this level but that could be something they can pursue if the Assembly did want to look further at any portions of the task forces recommendations.

Mr. Jones said that when he attended the meetings, there had been some discussion about the additional funding for a position in the district attorney's office. He said the governor has put in his proposed state budget some additional funding for more staff in the district attorney's office. Mr. Jones asked if we have requested that our CBJ lobbyist to follow and that track that topic or not. He said depending on where that was in the process, if this is something we can write a letter in support of or ask our lobbyist right away to keep on top of, that would keep it from being delayed if this task reports recommendations are to be postponed to a future committee meeting.

Mr. Nankervis said that he can't speak about where that budgetary legislation is in the legislature, but that it looked like the funding the governor was proposing for the DA's office was for one position for Southeast. He said it would not necessarily be for a position in Juneau.

Mr. Kiehl noted that the House is closing out budget subcommittees now and the Department of Law budget subcommittee did fund the Governor's request for prosecutor resources. He said that is step one of four.

V. ADJOURNMENT

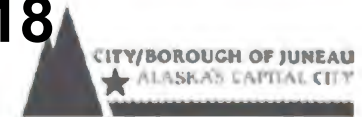
There being no further business to come before the committee, the meeting was adjourned at 8:18 p.m.

Bartlett Regional Hospital



BRH / CBJ Joint Meeting

March 19, 2018



A City and Borough of Juneau Enterprise Fund

Bartlett Regional Hospital

Our Mission

Bartlett Regional Hospital provides its community with quality, patient-centered care in a sustainable manner.

Our Vision

Bartlett Regional Hospital will be the best community hospital in Alaska.

Our Values

At Bartlett Regional Hospital we C.A.R.E.

Courtesy

We act in a positive, professional and considerate manner, recognizing the impact of our actions on the care of our patients and the creation of a supportive work environment.

Accountability

We take responsibility for our actions and their collective outcomes; working as an effective, committed and cooperative team.

Respect

We treat everyone with fairness and dignity by honoring diversity and promoting an atmosphere of trust and cooperation. We listen to others, valuing their skills, ideas and opinions.

Excellence

We choose to do our best and work with a commitment to continuous improvement. We provide high quality, professional healthcare to meet the changing needs of our community and region.

Bartlett Regional Hospital

Packet Page 12 of 26

BRH / CBJ Joint Meeting March 19, 2018 Agenda

Mission Statement

Bartlett Regional Hospital provides its community with quality, patient-centered care in a sustainable manner.

Introductions

YTD Finance Report

Joe Wanner, CFO

Summary of Legislation issues and impact on BRH

Chuck Bill, CEO

BRH Cost Comparison

Chuck Bill, CEO

Update on RRC Intake and Assessment Project

Bradley Grigg, CBHO

BARTLETT REGIONAL HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH AND YEAR TO DATE OF FEBRUARY 2018

MONTH ACTUAL	MONTH BUDGET	MO \$ VAR	MTD % VAR	PR YR MO		YTD ACTUAL	YTD BUDGET	YTD \$ VAR	YTD % VAR	PRIOR YTD ACT	PRIOR YTD % CHG
\$3,636,441	\$3,725,582	-\$89,141	-2.4%	\$3,319,902	1. Gross Patient Revenue:	\$33,000,502	\$32,332,731	\$667,771	2.1%	\$30,376,283	8.6%
\$966,934	\$907,615	\$59,319	6.5%	\$866,370	2. Inpatient Revenue	\$8,355,524	\$7,876,797	\$478,727	6.1%	\$7,877,184	6.1%
\$4,603,374	\$4,633,197	-\$29,823	-0.6%	\$4,186,271	3. Inpatient Ancillary Revenue	\$41,356,026	\$40,209,528	\$1,146,498	2.9%	\$38,253,467	8.1%
\$6,272,141	\$6,484,405	-\$212,264	-3.3%	\$6,700,350	4. Total Inpatient Revenue	\$58,078,754	\$56,275,466	\$1,803,288	3.2%	\$54,336,785	6.9%
\$10,875,514	\$11,117,602	-\$242,087	-2.2%	\$10,886,621	5. Outpatient Revenue	\$99,434,780	\$96,484,994	\$2,949,786	3.1%	\$92,590,252	7.4%
\$299,153	\$311,844	-\$12,692	-4.1%	\$268,573	6. Total Patient Revenue - Hospital	\$2,914,094	\$2,706,364	\$207,730	7.7%	\$2,356,849	23.6%
\$19,593	\$22,000	-\$2,407	-10.9%	\$11,422	8. RRC Inpatient Revenue	\$110,670	\$190,930	-\$80,261	-42.0%	\$153,324	-27.8%
\$461,363	\$766,007	-\$304,644	-39.8%	\$537,143	8. RRC Outpatient Revenue	\$6,934,244	\$6,647,888	\$286,356	4.3%	\$5,797,608	19.6%
\$11,655,624	\$12,217,453	-\$561,830	-4.6%	\$11,703,758	9. Physician Revenue	\$109,393,787	\$106,030,176	\$3,363,611	3.2%	\$100,898,032	8.4%
\$2,536,798	\$2,143,557	-\$393,241	-18.3%	\$4,263,422	10. Total Gross Patient Revenue	\$20,213,157	\$18,603,006	-\$1,610,151	-8.7%	\$19,383,849	4.3%
-\$287,500	\$0	\$287,500		\$0	Deductions from Revenue:	-\$2,300,000	\$0	\$2,300,000			
\$1,846,787	\$2,605,311	\$758,524	29.1%	-\$12,144	10. Inpatient Contractual Allowance	\$20,542,402	\$22,610,383	\$2,067,981	9.1%	\$16,894,175	21.6%
\$99,926	\$414,545	\$314,619	75.9%	\$352,435	10a. Rural Demonstration Project	\$3,615,178	\$3,597,658	-\$17,520	-0.5%	\$3,184,563	13.5%
\$12,841	\$19,132	\$6,291	32.9%	\$18,176	11. Outpatient Contractual Allowance	\$146,003	\$166,039	\$20,036	12.1%	\$158,500	0.0%
\$92,552	\$80,638	-\$11,914	-14.8%	\$67,337	12. Physician Service Contractual Allowance	\$1,077,245	\$699,813	-\$377,432	-53.9%	\$1,032,701	4.3%
\$77,716	\$309,699	\$231,983	74.9%	\$23,846	13. Other Deductions	\$1,654,620	\$2,687,752	\$1,033,132	38.4%	\$2,837,239	-41.7%
\$4,379,120	\$5,572,882	\$1,193,763	21.4%	\$4,713,072	14. Charity Care	\$44,948,603	\$48,364,651	\$3,416,048	7.1%	\$43,491,026	3.4%
36.00%	42.3%			39.3%	15. Bad Debt Expense	38.5%	42.3%			39.1%	
1.5%	3.2%			0.8%	16. Total Deductions from Revenue	2.5%	3.2%			3.8%	
37.6%	45.6%			40.3%	% Contractual Allowances / Total Gross Patient Revenue	41.1%	45.6%			43.1%	
\$7,276,505	\$6,644,571	\$631,934	9.5%	\$6,990,686	% Bad Debt & Charity Care / Total Gross Patient Revenue	\$64,445,184	\$57,665,525	\$6,779,659	11.8%	\$57,407,006	12.3%
\$307,021	\$153,979	\$153,042	99.4%	\$169,835	% Total Deductions / Total Gross Patient Revenue	\$1,301,016	\$1,336,329	-\$35,313	-2.6%	\$1,273,418	2.2%
\$7,583,526	\$6,798,550	\$784,976	11.5%	\$7,160,521	17. Net Patient Revenue	\$65,746,199	\$59,001,854	\$6,744,345	11.4%	\$58,680,425	12.0%
\$3,111,099	\$2,821,807	-\$289,292	-10.3%	\$2,994,646	18. Other Operating Revenue	\$26,837,339	\$24,489,286	-\$2,348,053	-9.6%	\$25,276,281	6.2%
\$156,312	\$191,828	\$35,517	18.5%	\$209,059	19. Total Operating Revenue	\$1,543,008	\$1,664,794	\$121,787	7.3%	\$1,634,963	-5.6%
\$133,235	\$40,618	-\$92,617	-228.0%	\$143,395	Expenses:	\$1,552,160	\$352,512	-\$1,199,648	-340.3%	\$1,678,831	-7.5%
\$1,477,512	\$1,494,195	\$16,683	1.1%	\$1,399,127	20. Salaries & Wages	\$13,091,541	\$12,967,440	-\$124,101	-1.0%	\$12,104,702	8.2%
\$4,878,158	\$4,548,448	-\$329,709	-7.2%	\$4,746,227	21. Physician Wages	\$43,024,048	\$39,474,032	-\$3,550,015	-9.0%	\$40,694,777	5.7%
64.3%	66.9%			66.3%	22. Contract Labor	65.4%	66.9%			69.3%	
\$60,031	\$50,015	-\$10,016	-20.0%	\$60,758	23. Employee Benefits	\$609,063	\$434,045	-\$175,018	-40.3%	\$495,096	23.0%
\$171,093	\$185,071	\$13,978	7.6%	\$194,758	% Salaries and Benefits / Total Operating Revenue	\$2,543,381	\$1,606,147	-\$937,234	-58.4%	\$1,512,790	68.1%
\$176,274	\$208,719	\$32,445	15.5%	\$183,676	24. Medical Professional Fees	\$1,384,582	\$1,811,369	\$426,787	23.6%	\$1,581,961	-12.5%
\$882,107	\$849,271	-\$32,836	-3.9%	\$819,377	25. Physician Contracts	\$7,750,445	\$7,370,414	-\$380,031	-5.2%	\$7,406,627	4.6%
\$134,684	\$124,798	-\$9,886	-7.9%	\$64,737	26. Non-Medical Professional Fees	\$955,862	\$1,083,064	\$127,202	11.7%	\$909,885	5.1%
\$235,757	\$237,880	\$2,123	0.9%	\$271,287	27. Materials & Supplies	\$2,027,170	\$2,064,432	\$37,262	1.8%	\$1,851,833	9.5%
\$62,857	\$48,721	-\$14,136	-29.0%	\$57,811	28. Utilities	\$513,214	\$422,824	-\$90,390	-21.4%	\$347,889	47.5%
\$46,907	\$36,873	-\$10,034	-27.2%	\$41,714	29. Maintenance & Repairs	\$334,888	\$320,006	-\$14,882	-4.7%	\$366,240	-8.6%
\$622,281	\$580,460	-\$41,821	-7.2%	\$600,502	30. Rentals & Leases	\$4,896,343	\$5,037,543	\$141,200	2.8%	\$4,943,937	-1.0%
\$53,995	\$51,468	-\$2,527	-4.9%	\$55,120	31. Insurance	\$437,451	\$446,674	\$9,223	2.1%	\$445,631	-1.8%
\$77,052	\$96,468	\$19,416	20.1%	\$93,845	32. Depreciation & Amortization	\$628,290	\$837,119	\$208,829	24.9%	\$722,090	-13.0%
\$7,401,195	\$7,018,192	-\$383,003	-5.5%	\$7,189,811	33. Interest Expense	\$65,104,736	\$60,907,669	-\$4,197,067	-6.9%	\$61,278,756	-6.2%
\$182,331	-\$219,642	\$401,973	-183.0%	-\$29,290	34. Other Operating Expenses	\$641,462	-\$1,905,815	\$2,547,277	-133.7%	-\$2,598,332	-124.7%
\$23,695	\$19,936	\$3,759	18.9%	\$31,749	35. Total Expenses	\$199,867	\$173,016	\$26,851	15.5%	\$175,488	13.9%
\$149,299	\$150,839	-\$1,540	-1.0%	\$156,213	36. Income (Loss) from Operations	\$1,197,806	\$1,309,061	-\$111,255	-8.5%	\$1,300,453	-7.9%
\$172,994	\$170,775	\$2,219	1.3%	\$187,962	37. Non-Operating Revenue	\$1,397,672	\$1,482,077	-\$84,405	-5.7%	\$1,475,941	-5.3%
\$355,326	-\$48,867	\$404,193	827.1%	\$158,672	38. Interest Income	\$2,039,134	-\$423,738	\$2,462,872	581.2%	-\$1,122,391	281.7%
					39. Total Non-Operating Revenue						
					40. Net Income (Loss)						

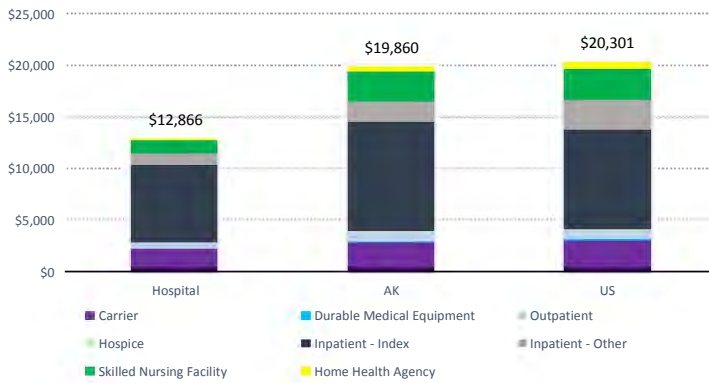
BARTLETT REGIONAL HOSPITAL
BALANCE SHEET
February 28, 2018

	February-18	January-18	June-17	<u>CHANGE</u> <u>FROM PRIOR</u> <u>FISCAL YEAR</u>
ASSETS				
Current Assets:				
1. Cash and cash equivalents	25,644,863	25,269,827	15,199,378	10,445,485
2. Board designated cash	31,440,828	31,691,451	33,330,639	(1,889,811)
3. Patient accounts receivable, net	12,665,209	11,521,606	12,306,751	358,458
4. Other receivables	6,226,873	7,330,406	7,328,372	(1,101,500)
5. Inventories	2,632,616	2,399,521	3,050,729	(418,113)
6. Prepaid Expenses	1,664,976	1,675,424	778,047	886,929
7. Other assets	16,148,862	16,146,862	16,161,862	(13,000)
8. Total current assets	96,424,228	96,035,097	88,155,779	8,268,449
Appropriated Cash:				
9. CAMHU and other funds	10,000,000	10,000,000	10,000,000	-
Property, plant & equipment				
10. Land, bldgs & equipment	152,037,018	151,991,091	150,538,518	1,498,501
11. Construction in progress	1,138,507	1,116,345	910,287	228,220
12. Total property & equipment	153,175,525	153,107,436	151,448,805	1,726,720
13. Less: accumulated depreciation	(95,288,911)	(94,666,630)	(90,392,568)	(4,896,343)
14. Net property and equipment	57,886,615	58,440,806	61,056,238	(3,169,623)
15. Deferred outflows/Contribution to Pension Plan	2,989,061	2,989,061	2,989,061	-
16. Total assets	167,299,903	167,464,965	162,201,076	5,098,827
LIABILITIES & FUND BALANCE				
Current liabilities:				
17. Payroll liabilities	2,035,181	2,178,826	1,414,442	620,739
18. Accrued employee benefits	3,373,253	3,263,849	3,273,942	99,311
19. Accounts payable and accrued expenses	1,578,762	1,613,574	2,397,328	(818,566)
20. Due to 3rd party payors	4,851,190	4,851,190	1,556,868	3,294,322
21. Deferred revenue	2,110,420	2,614,145	15,111	2,095,310
22. Interest payable	57,015	(13,449)	362,193	(305,178)
23. Note payable - current portion	815,000	815,000	790,000	25,000
24. Other payables	441,078	442,684	1,464,161	(1,023,083)
25. Total current liabilities	15,261,898	15,765,819	11,274,045	3,987,855
Long-term Liabilities:				
26. Bonds payable	19,005,000	19,005,000	19,795,000	(790,000)
27. Bonds payable - premium/discount	1,673,925	1,690,393	1,812,087	(138,162)
28. Net Pension Liability	69,123,712	69,123,712	69,123,712	-
29. Deferred In-Flows	770,501	770,501	770,501	-
30. Total long-term liabilities	90,573,138	90,589,606	91,501,300	(928,162)
31. Total liabilities	105,835,037	106,355,425	102,775,345	3,059,694
32. Fund Balance	61,464,866	61,109,540	59,425,732	2,039,134
33. Total liabilities and fund balance	167,299,903	167,464,965	162,201,076	5,098,827

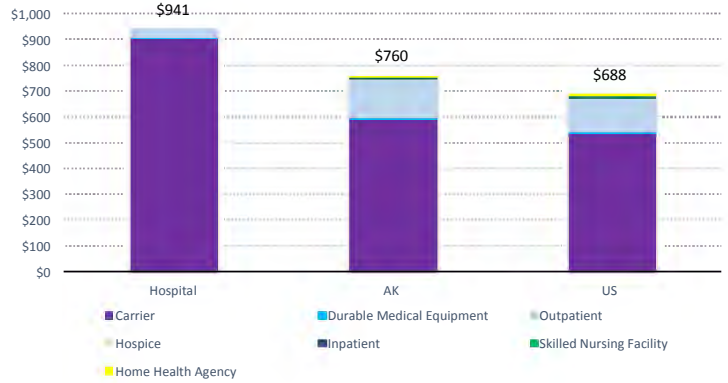
Calendar Year 2016 Medicare Average Spending Per Beneficiary (MSPB) Report

Bartlett Regional Hospital

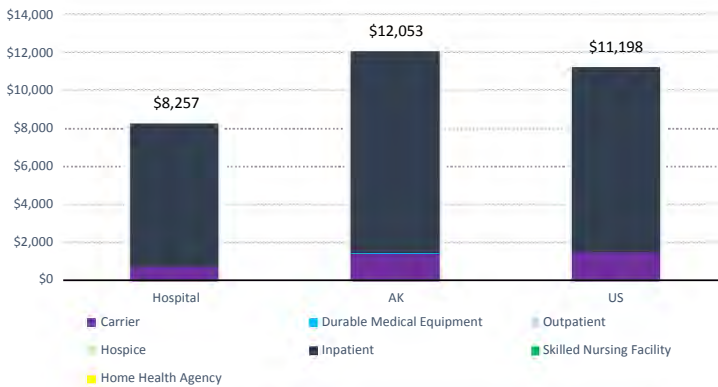
MSPB Summary



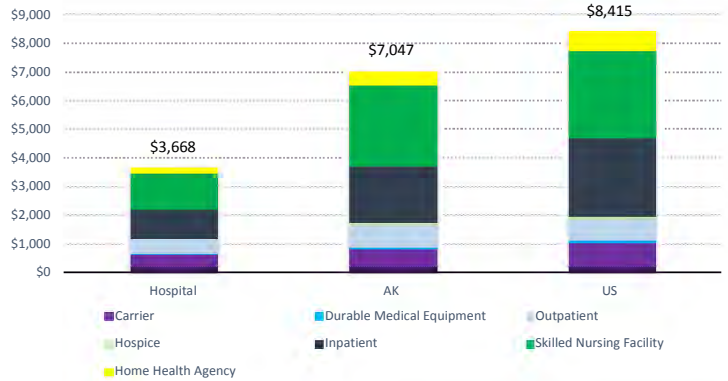
1 to 3 days Prior to Index Hospital Admission



During Index Hospital Admission



1 through 30 days After Discharge from Index Hospital Admission



Non risk adjusted Medicare Average Spending Per Beneficiary

Claim Type	Hospital	AK	US
Carrier	\$2,282	\$2,848	\$3,097
Durable Medical Equipment	\$47	\$89	\$112
Outpatient	\$570	\$900	\$823
Hospice	\$0	\$118	\$122
Inpatient - Index	\$7,510	\$10,599	\$9,676
Inpatient - Other	\$966	\$1,969	\$2,751
Skilled Nursing Facility	\$1,277	\$2,843	\$3,012
Home Health Agency	\$214	\$494	\$708
Total	\$12,866	\$19,860	\$20,301

Non risk adjusted Medicare Average Spending Per Beneficiary

Period	Claim Type	Hospital	AK	US
1 to 3 days Prior to Index Hospital Admission	Carrier	\$902	\$591	\$536
	Durable Medical Equipment	\$2	\$5	\$7
	Outpatient	\$37	\$150	\$126
	Hospice	\$0	\$0	\$0
	Inpatient	\$0	\$5	\$6
	Skilled Nursing Facility	\$0	\$2	\$2
	Home Health Agency	\$0	\$7	\$11
	Total	\$941	\$760	\$688
During Index Hospital Admission	Carrier	\$741	\$1,437	\$1,502
	Durable Medical Equipment	\$6	\$17	\$20
	Outpatient	\$0	\$0	\$0
	Hospice	\$0	\$0	\$0
	Inpatient	\$7,510	\$10,599	\$9,676
	Skilled Nursing Facility	\$0	\$0	\$0
	Home Health Agency	\$0	\$0	\$0
	Total	\$8,257	\$12,053	\$11,198
1 through 30 days After Discharge from Index Hospital Admission	Carrier	\$639	\$820	\$1,059
	Durable Medical Equipment	\$39	\$67	\$85
	Outpatient	\$533	\$750	\$697
	Hospice	\$0	\$118	\$122
	Inpatient	\$966	\$1,964	\$2,745
	Skilled Nursing Facility	\$1,277	\$2,841	\$3,010
	Home Health Agency	\$214	\$487	\$697
	Total	\$3,668	\$7,047	\$8,415
All Claim Types in Episode		\$12,866	\$19,860	\$20,301

Estimated Risk-Adjusted MSPB Amount

This portion of the report differs from the rest of the report in that the MSPB amounts for hospital, state, and US are risk-adjusted.

Estimated Risk adjusted MSPB Amount

	Hospital	AK	US
Risk-adjusted National Median MSPB Amount (A)	\$20,308		
MSPB Score (B)	0.84	0.93	0.98
Estimated MSPB Amount (Average Risk-adjusted Spending) (A) x (B)	\$17,059	\$18,887	\$19,902

Notes:

- (1) Medicare average spending per beneficiary data is from the CMS Hospital Compare website: <http://www.medicare.gov/hospitalcompare/Data/spending-per-hospital-patient.html> and covers the time period of January 1, 2016 through December 31, 2016.
- (2) "Inpatient - Other" includes inpatient service during 1 to 3 days prior to index hospital admission and 1 through 30 days after discharge from index hospital admission.
- (3) Spending attributable to the Carrier category primarily includes physician, ambulance, and Part B drug payments.
- (4) Each graph displays hospital spending relative to state and national values. Spending numbers are price-standardized and non-risk-adjusted.
- (5) Estimated risk-adjusted MSPB amounts are calculated as Risk-adjusted National Median MSPB Amount multiplied by Hospital MSPB Score.

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
155 S. Seward St., Juneau, Alaska 99801
(907) 586-5252

TO: Jerry Nankervis, Chair
Assembly Committee of the Whole

FROM: Greg Chaney, CBJ Lands Manager 

SUBJECT: 9290 Hurlock Ave - Former Juneau Youth Services, Cornerstone Campus

DATE: March 14, 2018

Lands Committee Action Concerning Disposal of Property at 9290 Hurlock Avenue

On November 20th, 2017, the Lands Committee learned that Juneau Youth Services (JYS) was vacating their lease with the City regarding the Cornerstone Campus located at 9290 Hurlock Avenue. The Committee asked staff to solicit proposals for alternative uses for the facility and six applications were received. After significant review during the intervening months, at the February 26th Lands Committee meeting the proposals were ranked in order of preference:

1 Alaska Legacy Partners - Gehring Nursery School (Tie)
3 Polaris House 4 Aunt Margaret's House 5 Prama Home Inc.
Glory Hole (JCCM) (Withdrawn)

Alaska Legacy Partners and Gehring Nursery School tied as the Lands Committee's preferred applicants however all five applicants were forwarded to the Assembly for final consideration.

Background

Once the City became aware that the Cornerstone Campus was going to be vacated, staff conducted an organization wide search to determine if the property should be retained for CBJ use. No City use was identified and the Lands Committee was notified about the property's status.

On December 4th, 2017, the Lands committee adopted a motion of support for the City Manager to solicit Letters of Interest from the public for potential uses of 9290 Hurlock Avenue and bring the results back to the committee. After a significant outreach campaign, the Lands and Resources Division hosted an open house on January 8th. Over 30 people attended, representing approximately 10 community service organizations. In addition, Lands staff provided special tours of the facility to any organization that requested access. Twelve organizations in total toured the site, some on multiple occasions.

JYS vacated the property and handed over the keys on January 26, 2018, at which point the City became responsible for maintenance of the property and buildings. JYS has estimated that maintenance and utility costs are approximately \$5,000 to \$6,000 per month. This unbudgeted expense will be paid by the CBJ Lands Fund until operation of the facility has been transferred to another organization.

Six organizations submitted applications for the negotiated sale or lease along with a non-refundable \$500 application fee. These applications represented a cross-section of service organizations in our community. Below, in alphabetical order, are the six organizations and community need they proposed to address:

- **Alaska Legacy Partners** Elder Care Assisted Living
- **Aunt Margaret's House** Re-Entry Housing Exiting Prison/Seasonal Housing
- **Gehring Nursery School** Pre-K Childcare
- **Glory Hole (JCCM)** Homeless Shelter (Later withdrawn)
- **Polaris House** Mental Health Temporary Housing/Mental Health Care
- **Prama Home Inc.** Combined Homeless Youth, Pre-K Childcare, Elder Care

Applications, minutes and additional information are available at the following links:

Relevant sections of the January 29th 2018 Lands Committee Packet:

<https://packet.cbjak.org/CoverSheet.aspx?ItemID=5120&MeetingID=804>

February 26th 2018 Lands Committee Packet:

<https://packet.cbjak.org/MeetingView.aspx?MeetingID=811&MinutesMeetingID=891&doctype=Agenda>

February 26th 2018 Lands Committee Draft Minutes

<https://packet.cbjak.org/CoverSheet.aspx?ItemID=5322&MeetingID=829>

Staff Summary of the Six Proposals

Alaska Legacy Partners LLC is a for profit company that proposes to convert the site to an elder care assisted living center for 16 to 18 clients. This group is planning to make an \$850,000 investment to upgrade the building. This facility will be operated by a private company based in Washington State. The primary concern with the initial proposal was that the applicants wished to buy the property for \$1; however Title 53 only allows sale of property

for less than fair market value to other government agencies and appropriate non-profits. Alaska Legacy Partners has since indicated that they are willing to pay the full appraised value for the property (\$350,000) with terms to be negotiated if they are selected. Alternatively they would consider forming a non-profit arm to manage the facility.

Kelli Grummett dba “Aunt Margaret’s House” includes a two part plan of re-entry housing for people exiting the prison system and housing for seasonal workers. Seasonal housing is a service that is currently being provided by the private sector. Housing for people exiting from the criminal justice system is a specialized need that is not being adequately addressed at this time. A strong element of this application is that the Cornerstone Campus was designed to be used for housing, so relatively little investment in remodeling would be needed to begin operation. The applicant has indicated that she is willing to pay fair market value for the facility or would be willing to form a non-profit organization to manage the property if that was considered more appropriate.

The Gehring Nursery School is proposing to provide Pre-K childcare at the site. This group has a track record of building and managing a childcare program in Juneau. The main weakness for this application is that the Cornerstone Campus was not built for this purpose. Before operating a childcare facility in the building, significant remodeling would be necessary. The application did not include any details about the extent of remodeling needed, budget for the remodeling, or source of funds for the remodel. Considering that childcare is a very marginal business and the proposal does not address this critical issue, this application leaves reviewers concerned that the investment in the property would not be sustainable in the long run. Gehring Nursery School has indicated they are willing to pay the full appraised value (\$350,000) for the property utilizing a payment plan. Alternatively they would be willing to consider forming a non-profit arm to manage the facility but due to the challenges of forming a non-profit this is not their preferred choice.

The Juneau Cooperative Christian Ministry dba “The Glory Hole” proposed to move the homeless shelter to the Cornerstone Campus. The application was subsequently withdrawn.

Polaris House is already running a successful operation and could benefit from a larger facility to expand their program. They have demonstrated that they can be self-sustaining and would be able to use the building with relatively few modifications. In addition, the demand for mental health services is high and benefits would be felt throughout the community. However, the Cornerstone Campus is located in a D5 single-family residential zone and some of the main elements of the Polaris House program, such as the club house and work training programs, may have difficulty to permit in a D5 zoning district. Since Polaris House is a non-profit, they could qualify to lease the facility for less than fair market value, in addition Polaris House has indicated that they are willing to consider purchasing the building for fair market value.

Prama Home Inc. has proposed the most unique and ambitious use for the location. They are proposing a combined program for homeless youth, pre-K childcare, and elder care. If this could be developed, it would be a significant achievement and asset for the community. However, developing such a program would require a large amount of investment and work to create a program that would allow for the three user groups to function in a collaborative manner. The original budget submitted would have relied on the program manager to volunteer for an unspecified period of time. The Lands Committee expressed concern that the

proposal was not sustainable. In response Prama House Inc. submitted a revised budget that included a paid position for the facility manager. Prama Home Inc. is a non-profit and would be eligible to lease the property for \$1 a year

Considering how complex the proposal is, it Prama Home Inc. would be likely to require a great deal of lead time before the facility could be operational.

Financial Standing With CBJ

At this time the Gehring Nursery School and Polaris House are in good financial standing with the CBJ.

Alaska Legacy Partners and Prama Home Inc. need to file Business Personal Property Tax forms with the Assessor's Office. This is a straightforward process and should not be a barrier to participation in this selection process.

Kelli Grummett has outstanding 2016 and 2017 property taxes for a foreclosed house she purchased at auction on Nowell Avenue. This is a complex situation however, these property taxes would have to be paid in full before Ms. Grummett would be considered to be in good financial standing with the CBJ.

Summary

All of the proposals received would result in improved services for the community. The information received in the applications was often conceptual since very little time was available to develop detailed concepts. Therefore staff's comments are preliminary and additional information may come to light as proposals are refined.

Up to this point in the evaluation process, the focus has been to investigate and determine which proposals would most appropriately and realistically meet a community need. Since this is an evolving process, some of the applications have been modified to address recently identified concerns. Once a final proposal has been selected, there will be an opportunity for the Manager to negotiate final terms, details and conditions for the lease or sale which will be brought before the Assembly for final approval by ordinance.

Alternatively if none of the proposals appear to be appropriate because of zoning, financing, sustainability or other considerations, the Assembly will still have the option of approving a competitive fair market value sale of the property.

Relevant Code Sections:

Relevant sections of the CBJ code that would pertain to making a final selection and negotiated arrangement are cited below:

CBJ§53.09.200(e) *Sale price.* Except as provided in CBJ 53.09.270, *Disposals for public use*, the sale price for City and Borough land **shall not be less than market value** as determined by the manager. (emphasis added)

- I. As stated above in CBJ§53.09.200(e) the sale of City land or resources to a for-profit entity for less than fair market value is not permitted. If the decision is made to dispose of the Hurlock property to a private, for-profit entity, then a fair market value sale will be required. Since this evaluation process is evolving, it is appropriate for applicants to adjust their proposals to address Assembly concerns. In addition, for-profit entities may negotiate sale terms other than paying full market value in cash up front. For example, extended payment plans, delayed payment, equal value trades, or services could be considered as components of a negotiated fair market value sale.
- II. If the decision is made to sell the Hurlock property at less than fair market value to a non-profit corporation, then CBJ§53.09.270 applies:

The sale, lease, or other disposal of City and Borough land or resources may be made to a private, nonprofit corporation at less than the market value provided the disposal is approved by the assembly by ordinance. (emphasis added)

...the interest in land or resource is to be used solely for the purpose of providing a service to the public which is supplemental to a governmental service or is in lieu of a service which could or should reasonably be provided by the state or the City and Borough.

- III. If the Assembly decides to not pursue any of the applications submitted and disposes of the property via a competitive process for the general public at fair market value, the process is outlined in CBJ§53.09.250. This is straightforward sealed competitive bid process that is used for most CBJ land sales.
- IV. If the decision is made to **lease** the Hurlock property, an appraisal for leasing the facility and setting the lease amount must be conducted within 90 days prior to the date fixed for the beginning of the term of the lease, as outlined by CBJ§53.20.040. An appraisal was completed in December 2017 to establish the fair market **sale** price for the property. If the property were leased, a new appraisal would be required to establish the appropriate market **lease** rate.

If a **less than fair market value lease** is proposed, then CBJ§53.20.050 applies:

No land shall be leased for less than the approved, appraised annual rental except that when leased to a governmental unit, agency, department or body for public purposes, or to a nonprofit organization for the purpose of performing a public or quasi-public health function, such minimum rental may be waived by the assembly by resolution; however, such waiver does not constitute a waiver to the requirement for a review and adjustment of rental rates every five years.

Out of the 5 applications under consideration, Gehring Nursery, Aunt Margaret's House, and Alaska Legacy Partners have a current status of **for** profit entities.

- **Gehring Nursery** has indicated that they would be willing to form a non-profit in order to qualify for a less than fair market lease but they would prefer to purchase the property over time for the appraised value.

- **Aunt Margaret's House** stated that they would be willing to purchase the property for \$365,000 which is above the appraised price of \$350,000. Alternatively, Aunt Margaret's House has also stated that they would be willing to consider forming a non-profit to qualify for a less than market rate lease if that was preferred by the Assembly.
- **Alaska Legacy Partners** initially proposed a token payment of \$1 for the property. Alaska Legacy Partners stated they are willing to consider a fair market value purchase or if selected would consider forming a non-profit to operate a facility at the Cornerstone Campus.

It should be noted that forming a non-profit organization is a time consuming legal process.

Two of the applicants, Polaris House and Prama Home Inc. have **non-profit** status.

- **Polaris House** indicated that they are interested in leasing the property for \$1 a year as was the case for Juneau Youth Services lease of the property. They also stated that they would be willing to consider purchasing the facility.
- **Prama Home Inc.** proposed in their application that they would be like to enter into a \$1 a year lease agreement modeled on the previous Juneau Youth Services lease of the property.

Since Polaris House and Prama Home Inc. are registered non-profits, a less than fair market lease could be approved if the Assembly finds that their proposals would provide a “quasi-public health function.”

Further Considerations

There are many factors to consider when evaluating the applications and selecting a preferred proposal. Up to this time, Title 49 requirements including zoning, conditional use permits, variances and other aspects of a Community Development Department review and possible Planning Commission considerations have not be addressed. Permitting is an iterative process which involves adjusting a project design to address code requirements. Some proposals may not be allowed on the Cornerstone Campus due to existing D5 single family residential zoning. Since the proposals are in a preliminary form, the Community Development Department would have to evaluate a complete application to determine if a project complied with zoning criteria.

Staff Recommendation

Staff recommends that the Committee of the Whole select a preferred applicant and forward this recommendation to the full Assembly for approval. Final terms of the lease or sale agreement to be negotiated by the Manager and, if appropriate, adopted by Assembly ordinance.



City and Borough of Juneau
Deputy Mayor's Office
155 South Seward Street
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Telephone: 586-5240 | Facsimile: 586-5385

DATE: February 26, 2018
TO: Ken Koelsch, Mayor
FROM: Jerry Nankervis, Deputy Mayor
RE: Final Report, Mayor's Taskforce on Public Safety

Background:

On July 31, 2017, the Mayor's Taskforce on Public Safety was created and charged with:

1. Creating an inventory of what services the CBJ currently provides or has access to in the areas of Public Safety, Treatment for Drug and Alcohol abuse/Addiction, and reentry.
2. Making recommendations to the Mayor regarding options available to the CJB to combat and reverse the current crime trends, including what services may be added or enhanced to address the treatment of drug and alcohol abuse.

In addition to myself as Chair, members of the taskforce included: David Campbell, Deputy Chief JPD; Sherri Layne and Emily Wright, CBJ Criminal Prosecutors; Don Habeger, Community Coordinator for the Juneau Reentry Coalition; Bradley Grigg, Chief Behavioral Health Officer, Bartlett Regional Hospital; Terry Goff, General Manager Safeway; and Angie Kemp, District Attorney. Mila Cosgrove, Deputy City Manager was the staff liaison.

The Taskforce held 10 meetings between August 9, 2017 and January 30, 2018. During those meetings the Taskforce discussed what services were available in the community and generated and discussed ideas to define potential solutions to resolving the increasing crime and addiction issues in our community. Those ideas fit into three primary topic areas; staffing, diversion and treatment, and legislation.

Staffing:

There is a national shortage of people who are qualified and interested in serving as sworn Police Officers. Juneau's size and geographical isolation combine to limit the number of people who apply as sworn staff and meet hiring criteria. In addition, sworn staff participates in the 20 year retirement system which serves to qualify officers for retirement with a shorter career span than non public safety staff. While staffing numbers are always a moving target, currently out of the 55 sworn positions (including command staff), 8 are eligible for retirement now, 8 are eligible within the next 5 years, and 30 are more than 5 years out. There are 9 vacant positions.

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Recruitment and Retention of Police Officers: Many ideas surfaced during the taskforce discussions that might have an impact on this area. In addition, the Assembly identified first responder recruitment and retention as a 2018 goal. The Taskforce's recommendation is to focus JPD command staff and Human Resource staff with generating strategies to more effectively recruit and retain sworn staff and to determine how to most effectively deploy the current staff given the current vacancies. Part of this discussion should include a discussion of whether the Assembly should support different retirement system options through the legislative process. There was a consensus in the group that it was too early to evaluate an increase in staffing due to the number of existing vacancies. Costs associated with this solution will be dependent on the strategies identified.

Create a Misdemeanant Probation Officer: Hire a staff person to serve as a Probation Officer for individuals working their way through the system with misdemeanor convictions. This function would take over where pre-trial services leaves off and help assure that misdemeanants follow through with probation conditions and have access to services. The cost of creating this level of staff would be approximately \$125,000 which includes salary, benefits and training costs.

Support additional staff for the District Attorney's Office: Over the last 3 years, the local District Attorney's Office has lost a significant number of staff. This puts staff in the position of triaging what cases go forward for prosecution and generally impairs their ability to be as effective as needed. The Governor's submitted budget includes additional funding for the DA's Office. The CBJ Assembly should support additional funding for the DA's Office and specific funding for staffing in the Juneau/Southeast Office.

Treatment & Diversion:

According to staff from the CBJ Law Department and the District Attorney's Office, a significant majority of crime in the community is directly related to drug and alcohol addiction. Any effort to effectively identify and treat individuals with substance abuse disorders should have a positive impact on reducing crime in general and recidivism.

Coordinate meeting between Rainforest Recovery Center, Gastineau Human Services, and AK Department of Corrections: Issues to be addressed should include bed to bed protocols to allow incarcerated individuals or those who are ready for release to go directly into treatment. Also, anyone needing an addiction assessment should have access to one. CBJ may be able to reduce barriers to this by providing a small amount of grant funding to assure that addiction assessments are available to anyone in the criminal justice system who might need one. Anticipated cost is \$10,000 - \$25,000.

Create a separate residential treatment center for incarcerated individuals: Currently, individuals in the criminal justice system who need substance abuse treatment do not have ready access to such services. When treatment is provided as an alternative to incarceration, individuals are co-housed (at least locally) with individuals who have sought voluntary treatment. Having the populations mixed, particularly if the person who is getting treatment for diversion reasons is there just for diversion and not motivated to fully engage in treatment, can have an adverse impact on those who are there for voluntary reasons. In addition, a number of residential treatment centers, Rainforest Recover

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included, tailor their programs for a period of up to 30 days. There needs to be a longer term, residential option available to the incarcerated population which will also allow more tailored service delivery.

Hire a contractor to conduct an analysis of service gaps: This contract could include substance abuse assessment and treatment options as well as gaps in other services that might benefit those making their way through the criminal justice system and help reduce recidivism. It is believed it may be possible to find grant funding to covers such an analysis.

In addition, a general assessment of treatment options in the community for those individuals who are not involved in the criminal justice system. As an example, there is a shortage of beds in the community for females who are transferring out of Rainforest into a supported environment. The ability to identify, and solve issues prior to individuals entering the criminal justice system is ideal.

Legislation:

There were several ideas for legislative “fixes” including stiffer penalties for heroin possession, sentence structuring that incentivizes treatment, changes to the public safety retirement system, and other related ideas. Bills will be introduced this legislative session that should be monitored and supported if appropriate. As an example, HB 171 is legislation that deals with education, training, and work programs in the Department of Corrections. It is also possible that there may be legislation introduced dealing with Heroin possession and distribution.

The consensus of the group was that SB 54 modified SB 91 and the new legislation should be given time to take effect prior to advocating for further changes.

Other:

A recommendation was made to pilot a program to put security cameras in high crime areas. JPD could weigh in on the best placement and the Law Department should weigh in on any associated legal issues associated with such placement.

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 www.bartletthospital.org

Rainforest Recovery Center Intake & Assessment Project Update

The Problem: Treatment services within our community lack coordination and are difficult for a patient to understand what is available to them. Additionally, a comprehensive care continuum does not exist. This makes it difficult for clients and families to navigate the system to get help. In order to provide a service continuum between acute, residential, intensive day, and outpatient care, additional space is needed to provide a single point of entry for the community and help clients based on individualized assessment connect to the appropriate level of care.

The Solution:

- Approximately 4,000 square feet of new space that will expand addictions services to Alaskans ages 18 and over by the:
 - Creation of a Detox Bay at RRC to allow for on-site detoxification and addiction treatment. This would reduce volume on Medical and MHU floors as appropriate, and reduce wait times in the Emergency Department.
 - Creation of an Addiction Assessment Center by renovating the existing entry way and office space, that would serve as a single point of entry to provide assessment, placement, and outpatient treatment for substance use.

The Benefits: This plan capitalizes on existing facility space located close to the Emergency Department and Medical Floors if necessary, allows for the continued integration of services with Bartlett Outpatient Behavioral Health, and provides a single point of entry into the community to complete assessments and provide appropriate levels of care in a cost effective coordinated manner. It creates the space for a continuum model and effectively shares resources. It helps contribute to BRH leading the fight against addiction through unique healthcare assets and demonstrates a coordinated commitment to addiction treatment.

Update:

Architectural Design RFP awarded to Jensen Yorba Lott, Inc. in December 2017.

- Key Dates over the next 8 months:

April 16, 2018	Survey & Conceptual Submittal
May 7, 2018	Start Schematic Design
June 18, 2018	Schematic Design Submittal
July 2, 2018	Design Development Begins
September 17, 2018	Begin Construction Documents
November 14, 2018	Construction Documents Submittal
November 30, 2018	Bid Ready Construction Documents