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

Deputy Mayor Jerry Nankervis called the meeting to order at 6:00 p.m. in the Assembly Chambers.

Assemblymembers Present: Rob Edwardson, Maria Gladziszewski, Norton Gregory, Loren Jones, Jesse Kiehl, Ken Koelsch, Beth Weldon, Jerry Nankervis, Mary Becker(telephonic).

Assemblymembers Absent: None.

Bartlett Hospital Board Members Present: Brenda Knapp, President; Robert Storer, Marshal Kendziorek, Rosemary Hagevig, Linda Thomas, and Mark Johnson

Staff present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Beth McEwen, Acting Clerk; Jane Mores, Deputy City Attorney; Robert Palmer, Assistant City Attorney; Greg Chaney, Lands Manager; Beth McKibben, CDD Planning Manager; Chuck Bill, BRH CEO; Dallas Hargrave, HR/RM Director; Joe Warner, BRH CFO; Bradley Grigg,Chief Behavioral Health Officer

II. APPROVAL OF AGENDA

The agenda was approved as submitted.

III. APPROVAL OF MINUTES

A. February 26, 2018 Committee of the Whole Meeting

Mr. Nankervis noted that he submitted minor grammatical corrections in the minutes of the February 26 meeting to the Clerk. *Hearing no objection, the minutes were approved with correction.*

IV. AGENDA TOPICS

A. Joint meeting with the Bartlett Regional Hospital Board

Bartlett Regional Hospital (BRH) President Brenda Knapp and CEO Chuck Bill introduced their staff and board members present.

Mr. Bill and Mr. Warner presented information about the finances and recent programs of the hospital over the past year. One of the items highlighted by Mr. Bill included the new three dimensional mammography imaging system, a significant improvement.

The hospital annually sees about 2500 patients with 9300 days of patient care, 3100 days of Rainforest Recovery Center (RRC), and 333 babies were delivered in 2017. They are running around 16,000 emergency visits a year. BRH is working closely with the University of Alaska on a nursing program and has hired 25 of their students over the last few years. There are approximately 10 students currently enrolled in the UAS program.

Mr. Bill said that last year they were talking about the sunset of the Small Hospital Demonstration Project. He said that is a project that pays them the difference between the Medicare Fee for Service pays and the cost of what BRH provides. He said they were successful in getting that renewed and it brings in about $3.5 million a year to them. It has played a significant role in keeping the hospital from being in the red at this time and without it, they would be losing approximately $260,000 overall. It has recently been renewed and they hope to break even by the time it ends in 2020.

Hospital staff answered a number of questions from Assemblymembers about particular line items on the revenue and expense sheet. Some of the topics covered were the impact of PERS as well as the merit increases on the salary and benefits side of the finance sheet. They also discussed the impacts of federal and state legislation on the future of the BRH including a bill in the State Senate that addresses how assaults against health care workers can be charged in a way similar to that of assaults against first responders. At this time, those rules stop at the hospital doors and police cannot arrest a perpetrator without having seen the assault themselves.

Following Mr. Bill and Mr. Warner's presentations, Mr. Grigg provided an overview of the Rainforest Recovery Center and the progress of the expansion project funded from the 1% Sales Tax. He stated that project is currently in the design phase and it will add four detox bays to the current facility which in turn creates a one stop shop detox center.

Discussion took place regarding a detox vs. a sleep off facility and the models required for each and the need/demand for each of those two separate types of care. Mr. Bill explained that since Housing First has come online, they have seen a drastic reduction in the need for sleep off beds and this frees up some of that area for the much needed detox treatment.

Additional discussion took place regarding the opioid epidemic and the grant funding BRH has received to address this issue. Mr. Grigg explained that they are currently in the second year of a three year grant program and as of this date, they have 35 patients engaged in that program. The third year of the program starts July 1 and they anticipate its continued growth through the end of the program.

Discussion then turned to ways the Assembly might be able to assist BRH in recruiting and retaining personnel. Mr. Bill explained that there are a variety of components that play into recruiting and retaining professionals to work at the hospital. Lifestyle and family reasons are usually near the top of the list but while housing is one component, it is slightly less of an issue over that of recruitment and spouses willing to move to or stay in Juneau.

Mr. Gregory also brought up issues relating to patients getting stuck in Juneau and not well enough to travel on a commercial air flight but not so sick that they would be eligible for Medicaid travel. Mr. Bill explained that while Medicaid kicks in for flights to Juneau, it is often more difficult to get patients back to their homes outside of Juneau. Mr. Gregory said he has heard about a nominal insurance that people can purchase for a nominal fee that would pay for their transportation to get back home once they have come to Juneau. Mr. Bill said he was not aware of that type of insurance but they will look into it further.

Mr. Nankervis thanked the Hospital Board and staff members for attending the meeting and their work at the hospital.

B. **Hurlock Avenue Property**

Mr. Watt reported that there was a detailed memo in the packet which includes a "four-option" decision tree that was meant to be a road map for the Assembly's decision making.

1) If the decision is made to dispose of the Hurlock property to a private, for-profit entity, then a fair market value sale would be required per CBJ 53.09.200(e).

2) If the decision is made to sell the Hurlock property at less than fair market value to a non-profit entity - CBJ Code 53.09.270 applies.

3)If the Assembly decided to sell the property via a competitive bid process, CBJ 53.09.250 would apply.

4) If the decision is made to lease the property, CBJ 53.20.040 leasing rules with respect to appraisals and timing of the lease rates would apply.

Mr. Watt explained that this matter has been before the Assembly Lands Committee and received quite a bit of discussion and public testimony and involvement from the neighborhood as well as the proposers. The Lands Committee struggled with the issue and the proposals and they were not able to easily identify one best single option so they rated the top two as Gehring Nursery School and Alaska Legacy Partners coming in at a tie, followed by Polaris House, then by Aunt Margaret's Home, and Prama Home respectively.

Assemblymembers asked questions about the option to sell the property outright and/or demolish the building, subdivide the property and then sell it as separate lots vs. the proposals that were brought before the committee. Ms. Becker as Chair of the Lands Committee explained that the fair market value sale was always an option on the table but that the Lands Committee took the route of seeking proposals from the community for community purpose uses so those could be weighed against an option to sell the property.

Additional discussion took place with members debating the pros and cons of the various proposals as well as the option to sale the property.

Mr. Nankervis said he was having a hard time determining how best to proceed, whether that would be through a process of inclusion or excluding certain options.

***MOTION* by Ms. Weldon to limit the discussion to the Alaska Legacy Partners and Gehring Nursery School proposals.**

Ms. Weldon said that as she sat on the Lands Committee and heard all the proposals and received all the information, the other proposals had significant holes in them that did not rise to the level of these two proposals. Ms. Weldon said she was more in favor of the Alaska Legacy Partners than the Gehring Nursery School option.

Mr. Jones objected to the motion and offered an amendment.

***AMENDMENT* from Mr. Jones that they include the option of demolishing the building and subdividing and selling the property outright as one of the options in the above motion.**

Additional discussion took place regarding non-profit or for profit status of the two proposers in the primary motion. Mr. Nankervis also asked Mr. Palmer to weigh in on whether or not the amendment would actually fit in with the primary motion.

Mr. Palmer said his understanding of the primary motion was to exclude everything other than Alaska Legacy Partners and Gehring Nursery School and Mr. Jones' amendment was also to include an amendment to tear down, subdivide and sell the property. He said that he thinks all three of those could go forward. He said it may be more clearly handled if Ms. Weldon's motion was withdrawn and take up the motion to tear down, subdivide and sell and if that failed then it would make sense for Mr. Weldon's motion to be brought back up.

Additional discussion took place regarding process.

Ms. Weldon withdrew her motion (which resulted in the amendment also being withdrawn).

***MOTION* by Mr. Jones that the Committee of the Whole recommend to the Assembly that the City proceed with demolishing the existing building, subdividing the existing lot, and selling those lots in at fair market value in a competitive process.**

Ms. Weldon objected to the motion. She said said that $380,000 is a pretty good deal for that property and she feels that the property should be used for an identified need in the community.

In response to a question about possibly subdividing the property, Mr. Chaney said such a subdivision would result in approximately 4 lots.

Mr. Gregory also objected to the motion. He said the Lands Committee went through an extensive process to date and if this was approved, he said public comment should be reopened.

Mr. Edwardson said such a proposal should have been identified earlier in the process.

Roll Call

Aye: Jones,
Nay: Edwardson, Gladziszewski, Gregory, Becker, Kiehl, Koelsch, Nankervis

Motion failed 1 aye, 7 nays.

***MOTION* by Ms. Weldon to exclude Aunt Margaret's House, Prama Home Inc., Polaris House from the entities they are considering to purchase the land.**

Mr. Nankervis asked for clarification. Ms. Weldon explained that her motion is trying to exclude the three entities above and narrow the options to just the Alaska Legacy Partners and Gehring Nursery School and that those two would be considered under a land purchasing option rather than leasing option. Mr. Edwardson asked if the intent of her motion was for the land purchase to be at full market value. Ms. Weldon answered that was her intent.

Mr. Jones objected to the motion.

Mr. Gregory said the process has been narrowed down to two and he would like to narrow it down to one and he wished to make an amendment to narrow it down to just the one option.

***AMENDMENT* by Mr. Gregory to also exclude Gehring Nursery School from the list of the proposals being considered.**

Mr. Jones said that he objected to the amendment.

Mr. Kiehl said he was getting lost and that he didn't feel the COW has had the conversation yet about whether this should only be looking at a sale of the property or if they want to do a lease and the reasons they might want to select one vs. the other.

Mr. Jones said that the motion is to sell so if they vote for the motion, they are voting to sell the property rather than leasing it.

Ms. Weldon explained the reason why she suggested they go with a purchase over a lease. Mr. Edwardson asked if it changed his point of order with respect to discussion of a purchase or a lease.

Mr. Palmer said the motion is for a purchase by and the amendment is to narrow that down to one of the two. He said that the Assembly does not have to abide by either of those if it decides to vote otherwise. It can do what it thinks is necessary, whether that is a lease or a purchase. He said that at this point, the lease option is still on the table and still available so Mr. Edwardson's question is still relevant to the amendment.

Mr. Nankervis asked for a roll call vote on the amendment.
***AMENDMENT* by Mr. Gregory to also exclude Gehring Nursery School from the list of the proposals being considered.**

Ayes: Gregory, Becker, Weldon, Koelsch
Nay: Edwardson, Gladziszewski, Jones, Kiehl, Nankervis

Motion failed 4 ayes, 5 nays.

Mr. Nankervis said the original motion was back before the body:
***MOTION* by Ms. Weldon to exclude Aunt Margaret's House, Prama Home Inc., Polaris House from the entities they are considering to purchase the land.**

Mr. Jones stated that he maintained his original objection.

Mr. Kiehl said he would like to leave open the possibility of a lease. He said he is OK with narrowing the field to the two finalists and is reasonable and was well discussed in Lands and information provided in the written materials but he said it seems that there is work yet to do. If the city is going to provide any potential uplift to the finances at this point, they should leave the option of a negotiated sale or negotiated lease at fair market value. He said he doesn't know how to amend a motion to exclude but he would like to offer a conceptual amendment to remove the requirement that this be a sale moving forward.

***AMENDMENT* by Mr. Jones to add to the purchase option that the Assembly might also consider a lease.**

Mr. Jones stated that Mr. Kiehl has a point that if they are going to limit it to two options, both of the two finalists have issues about not being non-profit, both serve a need, and if the Assembly is going to try to meet the community need, the Assembly should be able to consider a lease. If they are both for profits, then it would have to be a fair market lease and they can deal with it on that basis rather than an outright sale.

Ms. Weldon objected to the amendment and stated that both entities are willing to purchase the property for fair market value so the Assembly should honor their wishes. Ms. Gladziszewski noted that on page 20 of 24, Gehring said that would prefer to purchase the property.

Mayor Koelsch said that one of the things that came out during the discussion at this meeting was that this property was leased for the past 50 years and the building was in pretty poor shape so they may not wish to go into any lease at this junction.

Ms. Becker said that she didn't want to add to the motion but just make note that one of the things they were looking for was that during the negotiations, the city is looking for a time certain for the entity to actually have their program up and running.

Mr. Nankervis asked for a roll call vote on the amendment:
***AMENDMENT* by Mr. Jones to add to the purchase option that the Assembly might also consider a lease.**

Ayes: Jones, Kiehl, Becker
Nay: Edwardson, Gladziszewski, Nankervis, Gregory, Weldon, Koelsch

Motion failed 3 ayes, 6 nays.

Mr. Nankervis said the original motion was back before the body:
***MOTION* by Ms. Weldon to exclude Aunt Margaret's House, Prama Home Inc., Polaris House from the proposals the Assembly is considering to purchase the land.**

Ayes: Kiehl, Becker, Edwardson, Gladziszewski, Nankervis, Gregory, Weldon, and Koelsch
Nay: Jones

Motion passed 8 ayes, 1 nay.

Mr. Nankervis asked the City Manager if he had the information he needs in order to proceed.

Mr. Watt said that the question for the Assembly is whether or not they need any further information, and if so, what further information does it need before making a final decision.

Discussion took place about whether or not the Assembly needed additional information to make its decisions or if it wished to make a decision at this time.

Ms. Gladziszewski said she would want quite a bit more information about the two remaining proposals and Mr. Kiehl said some additional information and further research from staff would help in in making a decision. Mr. Watt said they have identified two community needs, they have identified the method as a fair market sale and both entities have indicated that they would pay the appraised value. He said they could do something as simple as a coin toss, or a sealed bid/final offer, or they could do an auction. He said that recalling the 2nd and Franklin Street option, there had been a desire for a guarantee in the sale ordinance that specific development proposed would be achieved which brings banks and financing and reversion clauses into the picture. He said they would need to take the pulse of the Assembly to determine how strong of a commitment it required and for what period of time if they would require the provision of either of those services. He said those are the kinds of things still before the Assembly to decide. He said that he could extend an offer to both parties to make a best and final offer and evaluate those and bring a recommendation back to the Assembly.

Mayor Koelsch said they have already crossed the bridge of asking for full value. They have narrowed it down to two entities, and it now is up the Assembly to decide which need is of higher importance to our community right now, senior care or child care. He is comfortable doing something like that in order to move forward.

Ms. Weldon said doesn't like the coin toss/game of chance route. Ms. Weldon said she doesn't necessarily agree with the Mayor that this is a decision between child care vs. senior care. She said when looking at this in Lands Committee, it seemed that one proposal seemed much more financially solvent than the other and it seemed like a better proposal. Ms. Weldon said she would like to see both entities bring their best proposals forward and the Assembly can decide which one is going to make it.

Mr. Jones asked both the City Attorney and Manager to weigh in on this question. Given that they are down to a sale at fair market value for two for-profit entities, they have not affirmatively passed a motion that they will only sale for either a day care center or senior housing. His understanding is that if either for-profit entity purchased the property at fair market value with no other conditions, then they could do anything they wanted with that property.

Mr. Palmer said that consistent with what the City Manager said, yes, unless the Assembly imposes conditions like they did with the 2nd and Franklin property, if it was sold for fair market value then they could construct whatever that entity wants.

Mr. Nankervis asked the Manager if that provided him with the additional information he needed to move forward and bring it back to the Assembly at a future meeting.

Mr. Watt said that he thinks they have done what they could do at this time.

C. **Public Safety Task Force Recommendations**

Ms. Cosgrove gave a recap of the work of the task force. She said that the Task Force met approximately 10 times and the discussions were both focused and free ranging. There was great participation, lots of ideas shared and recommendations were down to three major categories for possible action:

1) Staffing:
There were three subareas looked at with respect to staffing.

- JPD staffing recruitment and retention - those issues were bumped back to JPD and the HR/RM Department and they are actively working on those issues now and they expect to have a report back to in front of the COW at a future meeting.
- Staffing in the CBJ Law Department as well as seeking additional support for the DA office.

2) Treatment and Diversion:

- Coordination with RRC, GHS, and Dept. of Corrections
- Some discussion about creation of a separate residential treatment center for incarcerated individuals with the belief that mixing incarcerated and non-incarcerated populations doesn't serve either population very well and there might be some missed opportunities for addiction recovery.
- A third option was the possibility of hiring a consultant for conducting an analysis of service gaps. This is something the Juneau Community Foundation has already started on from a narrower scope. The CBJ Law Department believes that if they make that a slightly larger scope, that they may in fact be able to identify some places where they can be taking action or encourage others to take action as the case might be.

3) Legislative fixes:

- There was a lot of discussion about legislative fixes because all of this began before SB54 modified SB91.
- Since that time there have been some additional issues before the legislature that they are trying to track.

Finally, the last topic explored was that pertaining to discussions regarding video surveillance and looking at a pilot program to fill in some of the holes of the existing video camera systems in the higher crime areas. There are a number of ways to go with that as well.

Assemblymembers had questions regarding some of the points in the memo including how the persons move from one portion of the correctional system to another, i.e. how they move from incarceration to recovery and rehabilitation.

Ms. Cosgrove and Mr. Grigg answered the questions and provided background on how persons move through the various programs and how grant funds are tied to those services.

Mayor Koelsch thanked everyone who served on the task force for their work.

Assemblymembers and staff including Chief Mercer, Deputy Chief Campbell and Ms. Cosgrove fielded a wide variety of questions answers that came up as a result of the Task Force's report.

D. **State Parking Update (Verbal Report)**

Mr. Watt provided an update about parking in the downtown area. The State of Alaska is consolidating work spaces and bringing more of their workers into the downtown area, primarily filling in the office spaces within the State Office building. That in turn has put a lot of pressure on parking.

Mr. Watt updated the members on the status of the Mental Health land and CBJ's role as an intermediary with all the interested parties in coming up with approximately 100 additional parking spaces. He said they are currently working on an interim solution and have asked State Dept. of Administration to work with CBJ on long range visionary parking ideas as well as short term solutions including encouraging employees to use carpool and transit systems.

Mr. Watt said they have recently received an appraisal of the Public Safety Building, for the land only, as if the building wasn't there, at $520,000 which seems reasonable given other property sales and transactions. He said that CBJ has a grant from the State of AK that could be used to procure that property.

Additional discussion took place regarding the Willoughby District Parking Report from September 2015 and how that applies to this current situation.

E. **Rainforest Recovery Center Intake & Assessment Project Update [Packet Supplement Posted 3-16-2018]**

This was document was provided as supplemental material after the meeting packet was finalized and printed.

V. ADJOURNMENT

There being no further business, the meeting adjourned at 9:39 p.m.