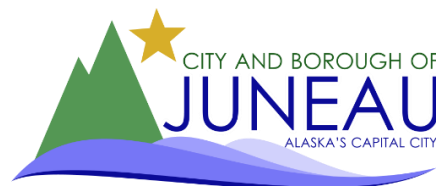


ASSEMBLY COMMITTEE OF THE WHOLE WORKSESSION MINUTES

February 13, 2023 at 6:00 PM

Assembly Chambers/Zoom Webinar/YouTube Livestream



<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

Assembly Committee of the Whole Worksession-no public testimony will be taken.

A. CALL TO ORDER

Deputy Mayor Maria Gladziszewski called the meeting order at 6:00p.m.

B. LAND ACKNOWLEDGEMENT

Mr. Bryson led the Land Acknowledgment: We would like to acknowledge that the City and Borough of Juneau is on Tlingit land, and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*

C. ROLL CALL

Assemblymembers Present: Maria Gladziszewski, Wade Bryson, Greg Smith, Christine Woll, Michelle Hale, Carole Triem, and Mayor Beth Weldon (via Zoom).

Assemblymembers Absent: Alicia Hughes-Skandijs, 'Wáahlaal Gíidaak

Staff Present: City Manager Rorie Watt, Acting City Attorney Sherri Layne, Municipal Clerk Beth McEwen, Deputy Clerk Diane Cathcart, CDD Planning Manager Scott Ciambor, Finance Director Jeff Rogers, Engineering/Public Works Director Katie Koester, City Architect Jeanne Rynne, Port Director Carl Uchytel, Library Director John Thill, City Museum Director Beth Weigel, Lands and Resources Director Dan Bleidorn, Parks and Recreation Director George Schaaf, Parks and Recreation Deputy Director Michele Elfers, Tourism Manager Alexandra Pierce, Bartlett Regional Hospital CEO David Keith and CFO Sam Muse, CDD Planners Teri Camery and Irene Gallion.

D. APPROVAL OF AGENDA

The agenda was approved as presented.

E. APPROVAL OF MINUTES

1. June 6, 2022 Assembly Committee of the Whole Draft Minutes

Hearing no objections, the minutes of the June 6, 2022 COW meeting were approved.

F. AGENDA TOPICS

2. BRH - Management Agreement for Wildflower Court

Mr. Watt said that Bartlett senior staff and Bartlett Regional Hospital Board members were available to answer questions regarding the proposed takeover of Wildflower Court (WFC) by Bartlett Regional Hospital (BRH). Mr. Watt also referenced a February 9, 2023 Memorandum from BRH senior leadership to the Assembly asking for \$1,475,300.

“To reduce the liability assumed by the hospital, it has been recommended that the outstanding PTO and bond liabilities be extinguished prior to any merger. The Assembly could choose to help facilitate the merger by contributing funding in the amount of these liabilities (\$1,475,300) for their extinguishment.”

Mr. Watt also told the Assembly that assuming the arrangement between WFC and BRH moves forward, there would ultimately be a resolution that would come before the Assembly to authorize it.

David Keith, Chief Executive Officer of BRH, provided a history of the agreement between WFC and BRH and the merits of BRH acquiring WFC. Mr. Keith said that first they need to create a letter of intent, then a management agreement for the transition, then ultimately the change of ownership paperwork.

Mr. Smith asked to be provided with the financial projections of taking over WFC. Mr. Keith answered that nursing homes and hospitals align with expenses and there are opportunities for overall reduction of costs. BRH is part of a group purchasing organization that allows them to purchase goods and services at a reduced rate, where WFC is paying retail prices. Contracts can also be combined, which may create savings as well. Mr. Keith said that WFC will become profitable.

Mr. Bryson asked if taking over WFC was in response to Southeast Alaska Regional Health Consortium (SEARHC) growing their medical industry. Mr. Keith said this was done to increase the quality of care through BRH and that a lot of hospitals are pivoting to provide an entire continuum of care. BRH wanted to broaden their scope of services which is partly why they added Home Health and Hospice care.

Ms. Hale asked if this change would result in higher rates for users. Mr. Keith said that most elderly people spend down their savings and enter a nursing home as a Medicaid patient. Mr. Keith said they will probably receive a higher reimbursement rate from Medicaid on behalf of patients but it should not affect users directly.

Mayor Weldon asked how this will integrate with the Home Health and Hospice program. Mr. Keith said that these programs work together. He said that when individuals reside in a nursing home, that is their home; therefore, the Home Health program may also provide services to those individuals.

Ms. Triem asked for details regarding absorbing the administrative functions of WFC, such as HR, maintenance, and IT. Mr. Keith said that this will be covered in the transitional agreement, but they often struggle to fill such positions and consolidating these groups of employees will be beneficial. Mr. Keith also noted that they finished the interview to fill BRH’s IT Director position and plan to move forward with that in the next week.

Ms. Gladziszewski asked if the actual financial numbers have been reviewed by the BRH Board. Mr. Keith said they have been reviewed by the BRH Finance Committee and will be codified at the upcoming BRH Board meeting. Mr. Muse, Chief Financial Officer of BRH, said they are in the due diligence process and have access to all WFC’s financial documentation.

Mayor Weldon asked why BRH or CBJ would cover Paid Time Off (PTO) and bond liabilities. Mr. Keith said that WFC has about a million dollars in reserve, and they hope the liabilities would be mitigated by that reserve. Mr. Muse said that it was the City Attorney’s recommendation that BRH mitigate the liability defusing the debt prior to merging. Mayor Weldon asked for more clarification on why CBJ

would be responsible for liabilities. Ms. Layne, Acting City Attorney, said that Mr. Palmer had concerns about taking on debt, especially the bond debt, and it should be taken care of before a merger or purchase of WFC. Ms. Barbra Nault, outside counsel for BRH, said they are in ongoing discussions with WFC about the amount of their PTO liabilities for current employees and 401K contributions liabilities, and those discussions have centered on the concept of WFC using their current funds or fund generated during the transition period to pay those liabilities down. The bond discussion has been different and handled through the CBJ Law department.

Mr. Smith asked if the \$1,475,300 BRH request to cover PTO and bond liabilities is the entire amount needed. Mr. Keith said the \$1,475,300 should cover everything, and the funding mechanism could either be directly from the Assembly or for the Assembly to give permission for BRH to take it out of their fund balance reserves.

Ms. Hale said that BRH will receive almost \$4,000,000 in equity in the building.

MOTION by Mayor Weldon to move a resolution of support for BRH to engage with WFC a letter of intent and eventual transition plan and asked for unanimous consent.

Hearing no objection, motion passed by unanimous consent.

- 3. Ordinance 2022-64** An Ordinance Reorganizing and Consolidating the Aquatics Board, the Treadwell Arena Advisory Board, the Jensen-Olson Arboretum Advisory Board, and the Parks and Recreation Advisory Committee. (Referred from the January 9, 2023 HRC/Assembly Meetings)

Mr. Watt said that Ordinance 2022-64 had been at the January 9, 2023 Human Resources Committee meeting and Assembly Meeting, where it had been referred to the COW. Mr. Watt said many boards struggle with getting applicants or quorums and all boards require significant staff time to manage. He recommended a single larger board to take on the duties of several smaller boards. Mr. Watt said there had been public comments recommending designated seats to cover various interests and that while it is ultimately the Assembly choice, he recommends against having designated seats. Mr. Watt also said the memo in the packet by Assistant Municipal Attorney Gottschalk regarding the Systemic Racism Review Committee's (SRRC) recommendations was an area the Assembly might want to review and discuss.

Ms. Triem asked how the budgets were developed for Treadwell Ice Arena, the pools, and the Jensen-Olson Arboretum Advisory Board (JOAAB). Mr. Watt answered that Parks and Recreation department has the city's most complicated budget. He said that while he believes they legally have the authority in the Charter and Code to move money between Parks and Recreation programs, historically they have not. He said that consolidating the advisory board would have no impact on the budgeting process. Ms. Triem asked if the new board would look at budgets. Ms. Elfers, Deputy Director for Parks and Recreation, said that if the ordinance passed the board would look at parts of the budget, like the fee schedule and the CIP budget, but not the entire Parks and Recreation budget. Ms. Triem asked if the ordinance allows the board to provide recommendations about the Department's fee schedule at individual facilities or broadly overall. Ms. Elfers answered that specific fee recommendations would be brought to the board.

Mr. Bryson asked how often the subcommittees have action items on their agendas. Ms. Elfers said it does not happen very frequently. Mr. Bryson asked what a meeting looked like when there are no action

items. Ms. Elfers said sometimes there are informational updates on operations or discussion that does not lead to action items for staff. Ms. Gladziszewski provided statistics of times the boards did not meet, either due to lack of quorum or lack of items on the agenda: 22% of the aquatics board meetings were cancelled and 69% of Treadwell meetings were cancelled.

A discussion was had on the merits of designated seats for certain facilities versus open seats.

Ms. Gladziszewski asked if this ordinance goes forward, would the PRAC become all new members. Ms. Elfers answered that was correct and they would appoint nine members.

Mr. Smith stated that as the PRAC liaison and the HRC chair, he has seen this ordinance in all its various iterations. He said that he was not as supportive of consolidating seats and that the PRAC supported the ordinance as written. He said that there was a change that they were looking at making when this was previously before the Assembly and then it got moved back to the COW. The amendment had to do with the make up of any subcommittees and whether non-PRAC members would be allowed on subcommittees. He said the amendment he would propose was drafted but he did not have a copy of it. It was to be on page 5 of 6 of the ordinance, line 9.

MOTION by Mr. Smith to move Ordinance 2022-64 to the full assembly for public hearing for purposes of amendment.

Amendment #1 by Mr. Smith on page 5, line 9, striking “Members of such subcommittees are limited to PRAC members” and replacing it with: “Membership on subcommittees may include public seats in addition to PRAC Members.”

Additional discussion took place regarding the status of “special or temporary” committees vs. standing subcommittees.

Ms. Gladziszewski asked if subcommittees are included anywhere in the ordinance. Mr. Watt said he did not know, but had other information that might be germane to the discussion. He said that Docks and Harbors are working on their rules of procedure and they have the ability to establish special committees to facilitate board business and to allow members who are not on the board to participate and vote.

Mayor Weldon objected for purposes of a question. Mayor Weldon asked Mr. Smith how members of the subcommittee would be selected. Mr. Smith said that language is on page 5, line 7 stating that “The chairperson – subject to ratification by the PRAC or a majority of the PRAC...” can create special temporary subcommittees to complete PRAC business. Mayor Weldon clarified that members of the PRAC would select the public seats.

Ms. Triem asked for a brief at-east at 7:09pm. The meeting resumed at 7:14pm.

Mayor Weldon withdrew her objection.

Amendment #1(a) by Ms. Triem to amend Mr. Smith’s Amendment #1 on page 5, line 8 of the packet, to add the words “permanent or” to the following sentence “The chairperson – subject to ratification by the PRAC – or majority of the PRAC may create **permanent or** temporary special subcommittees to facility any discrete PRAC business issues.”

Additional discussion took place regarding the best way to establish a permanent facilities subcommittee vs. the language above.

After discussion, Ms. Triem withdrew her amendment #1(a).

Ms. Gladyszewski called for any objection to Mr. Smith's Amendment #1 on page 5, line 9, striking "Members of such subcommittees are limited to PRAC members" and replacing it with: "Membership on subcommittees may include public seats in addition to PRAC Members." **Hearing no further objection, Amendment #1 passed by unanimous consent.**

Amendment #2 by Ms. Triem to add the following language as written by Manager Watt:

"Facilities Subcommittee. There is established a Facilities subcommittee that will focus on the health and good repair of all facilities under the purview of the PRAC. At a minimum of once per year the facilities subcommittee shall engage users of each facility to hear from those users and to plan for facility needs."

Ms. Hale objected for purposes of a comment. She appreciated how broad the amendment is and that it does not focus on a single facility. Ms. Hale removed her objection.

Ms. Woll said that when they were discussing this in the HRC, they also were doing appointments to the Juneau Commission on Aging and she asked the City Attorney staff why CBJ is allowed to create seats based on age but not based on race. Mr. Gottschalk answered that "race, unlike age, is a suspect classification in Alaska and federally. In Alaska, the suspect classifications are race, color, creed, sex, and national origin. He said that any specific age-based criteria just needed to be rationally related to a legitimate government interest. He stated that the CBJ Charter at 15.2, as far as municipal appointments it doesn't actually forbid consideration of age, where as we do in Title 41 as employment. He spoke to some of the federal legislation that allows for age related exceptions such as the Older Americans Act, which promotes the wellbeing of older individuals. There are also state components in Title 47, with the State Commission on Aging, that provides a means to support older persons in communities and distributing federal funds.

Ms. Hale said that she appreciated the depth of Mr. Gottschalk's analysis. She noted that the Assembly has not found a good way of broadening racial representation of city boards and commissions to better reflect the community. She thanked the SRRC for their work.

Mr. Bryson said that recruiting diverse community members to serve on boards and committees has been a perennial problem. He said he supports reducing the number of seats as filling them is a problem.

Ms. Woll said that she knows the greater issue will not be solved by this Amendment alone and would like to echo Ms. Hale's comment that there should be a continuous focus on looking at ways at diversifying the boards and committees. She looks forward to implementing processes that make the application process easier and more inviting that she's been working with Mr. Hargraves on.

Mayor Weldon says the SRRC has been talking about ways they can change their mission and this may be a good way to engage the SRRC in finding solutions. HRC Chair Smith asked Ms. Cathcart to put this on a future HRC meeting.

Hearing no objection, Amendment #2 passed by unanimous consent.

Hearing no objection, Ordinance 2022-64 as amended, was moved to the full Assembly.

- 4. Resolution 3023** A Resolution of the City and Borough of Juneau Opposing the Wild Fish Conservancy Lawsuit and Protecting the Southeast Alaska Troll Fishery from Closure.

Ms. Triem said that many Southeast Alaska communities, including Petersburg, Sitka, Wrangell, and Ketchikan, have passed ordinances in support of the Southeast Alaska Troll Fishery. Ms. Triem said the

first round of the lawsuit has wrapped up but that there might be an appeal; she urged the Assembly to show support to this industry.

Mr. Bryson said he wanted the record to reflect that this supports **Trollers** and does not support **trawlers**.

Mayor Weldon and Mr. Smith both raised concerns about the use of the “prosecution” in the draft resolution. Ms. Layne suggested changing the language to “support the activity of Southeast winter and summer troll fisheries”. Ms. Gladziszewski then suggested “continuation” instead of “prosecution”.

Ms. Hale asked if she had a conflict of interest, as she has a hand-troll permit. Ms. Layne said she did not see this as a conflict of interest for Ms. Hale.

MOTION by Ms. Hale to move Resolution 3023, and substituting of the word on page 2 line 38 from “prosecution” to “continuation” so the line would read “The City and Borough of Juneau urges the National Marine Fisheries Service (NMFS) to prioritize preparation of the necessary documents and processes to support continuation of the Southeast winter and summer troll fisheries;” to the Assembly and asked for unanimous consent.

Hearing no objection, Resolution 3023 as amended, was moved to the Assembly.

G. STAFF REPORTS

5. Telephone Hill Update-verbal report

Ms. Gladziszewski said there are regular updates about Telephone Hill on the Lands, Housing, and Economic Development Committee agendas. She asked for clarification about an RFP for a property manager that listed July 2023 vacating date for residents. Mr. Watt answered that the property manager will be under contract in a matter of days so the neighborhood will have a sole point of contact. He said there is a date in the RFP for July because that was a timeframe provided by the neighborhood association. He said that no decision has been made and CBJ does not yet own the property. Mr. Watt said there is also a planning RFP which will include everything from a leave as-is option to multiple development options that closed today. He anticipated the consultant team would be on board in the next couple of weeks and would start the public planning process. Mr. Watt said they expect the State of Alaska to convey the property to CBJ “sometime soon” and when that conveyance happens the neighborhood association, which is the lessee, will dissolve itself and each person will go to the property manager as a point of contact.

Ms. Gladziszewski reiterated that the City has not asked or required the properties to be vacated by July 2023.

Ms. Hale asked if the property manager will contact people to make a five-month lease. Mr. Watt said the direction of the Assembly was to continue to current situation, which was month-to-month leases and a soft landing. Mr. Watt said they want care for the likelihood that some people will move out on their own, and CBJ does not want to have vacant properties.

H. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS

I. NEXT MEETING DATE: March 6, 2023, 6:00p.m.

J. SUPPLEMENTAL MATERIALS

K. ADJOURNMENT

There being no further business, the meeting adjourned at 7:52p.m.