

# ASSEMBLY COMMITTEE OF THE WHOLE

## **DRAFT** MINUTES

July 15, 2024, at 6:00 PM



### Assembly Chambers/Zoom Webinar

---

#### A. CALL TO ORDER

The July 15, 2024, Assembly Committee of the Whole meeting was called to order by Deputy Mayor Michelle Hale at 6:15 pm.

#### B. LAND ACKNOWLEDGEMENT

Mr. Kelly provided the following land acknowledgement: "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:** Ella Adkison, 'Wáahlaal Gidaag, Paul Kelly, Greg Smith, Wade Bryson, Christine Woll, Alicia Hughes-Skandijs, Deputy Mayor Michelle Hale, Mayor Beth Weldon

**Assemblymembers absent:** None

**Staff present:** City Manager Katie Koester, Deputy City Manager Robert Barr, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Assistant City Attorney Emily Wright, Assistant City Attorney Sherri Layne, Clerk Tech Kevin Allen, Eaglecrest Interim General Manager Erin Lupro, Lands Manager Dan Bleidorn, Engineering and Public Works Director Denise Koch, Parks and Recreation Director George Schaaf, Assistant City Attorney Nicole Lynch, Bartlett Regional Hospital (BRH) Chief Financial Officer Joe Wanner, BRH Chief Operating Officer Kim McDowell, BRH Community Relations Director Erin Hardin

#### D. MANAGER'S REQUEST FOR AGENDA CHANGES/APPROVAL OF AGENDA

Manager Koester did not have any agenda changes but provided a statement. She wanted to acknowledge the tragedy that occurred earlier that day when Steven Kissack was shot and killed by local law enforcement.

#### E. AGENDA TOPICS

##### 1. Bartlett Regional Hospital (BRH) Fiscal Sustainability

BRH Chair Kenny Solomon-Gross, outlined the public process by which the proposals/requests in the packet were developed and voted upon and now before the Assembly for consideration. He then asked BRH Finance Chair Max Mertz to provide the presentation by the BRH Board on each of those topics.

BRH Board Finance Chair Max Mertz talked about BRH's financial sustainability, as the hospital had been operating at a loss since 2019. Mr. Mertz noted that the numbers presented to the Assembly had been updated since the May 29, 2024, meeting.

Mr. Mertz said Behavioral Outpatient Psychiatric Services (BOPS) was originally identified as a non-core service, but the BRH board reevaluated and believed it was a core service of the hospital. He said they would continue to support BOPS. He said Applied Behavioral Analysis (ABA) had been transferred to an independent practice.

Mr. Mertz said BRH planned to continue Hospice and Home Health Care Services (HHS). He said they had a detailed five-year projection for that program, and they expected the program to become solvent. The BRH board asked for operational support for the next five years, estimated at \$386,000 per year, which included unrecovered administrative overhead costs. He said they were also looking at fundraising and general community support. Joe

Wanner, Chief Financial Officer for BRH, said administration costs were estimated at \$249,000 per year. 'Wáahlaal Gidaag asked about the number of tribal citizens who receive Hospice and Home Health care. Mr. Wanner said they would provide that information as soon as possible after the meeting.

Mr. Mertz said the Crisis Care Services building opened in late 2023. He said it was originally envisioned to provide voluntary and involuntary inpatient mental health services to adults and youth, but currently only provided voluntary services to youth for up to 7 days. He said it was not meeting the needs of the community. Mr. Mertz said the BRH Board recommended closing the facility. Kenny Solomon-Gross, BRH Board President, said they still planned to provide crisis care and spoke to the Mobile Integrated Health Unit's ability to deescalate potential issues. He spoke to multiple discussions that they have had with staff and partners on providing crisis care in the community and while they are hoping to provide those services in the community, this is not meeting that need. Ms. Hughes-Skandijs asked about closing a youth mental health facility when they were in short supply across the state. Mr. Solomon-Gross said the building's physical setup severely limited the services. Mr. Mertz said the program and building were not meeting the needs of youth or the community and the state and what they need to do is figure out the best way to meet that need going forward. He said that what they have ended up with is a program that is not meeting the need and has costs at a significantly higher amount than initially estimated.

Mr. Mertz said the Rainforest Recovery Center (RRC) provided intensive inpatient substance use treatment disorder services. He said that it is difficult to separate finances from impact and that it is a small number of individuals who are using this program. He said the BRH Board would continue to look for third-party operators but that if none were secured then BRH would request \$1.76 million in operational support in perpetuity. He said RRC served a small population, with 40% coming from Juneau and 60% from other communities. He said if this program closed then people would need to travel to Anchorage or Seattle for treatment. Mr. Mertz said this program used to get an annual subsidy from CBJ, receiving approximately \$1.5 million in 2020, and without they kind of CBJ funding or funding from a third-party operator, they would need to close the program. Mr. Mertz said they are hoping to get clarity from the Assembly on the direction to take for these as they are starting to lose some staff as a result of the uncertainty of program continuity.

'Wáahlaal Gidaag said that she found it interesting that only tribal citizens were named as a racial group and she was curious as to how many Caucasian, Asian, and other ethnic groups make up the remaining 50% of participants. Mr. Mertz said that he did not know those statistics but that they can try to find that information and relay that to the Assembly.

Ms. Hale commented that when she looked over the packet before it went to press, the point of having the tribal citizens identified in there was that Southeast Alaska Regional Health Consortium (SEARHC) offered a similar, though less intensive, service and CBJ hasn't gotten that reimbursement from SEARHC. She said that has been part of the conversation in exploring this further but she apologized for that type of approach. Mayor Weldon said that after a very productive meeting with SEARHC, SEARHC handles its clients with outpatient services as opposed to inpatient services and she asked if BRH has run a model on potentially switching RRC to an outpatient service to see how much that costs. Mr. Mertz said they had not looked at converting to a lower level of service. Ms. Hale asked about the recidivism rate for inpatient verses outpatient models. Mr. Solomon-Gross said about 37% of people using RRC had used the service in the previous year; he did not have numbers for outpatient models. He said SEARHC closed their inpatient service in Sitka due to high financial cost.

Mr. Wanner said they had been restructuring and streamlining core hospital services as well, not just cutting programs. He said they instituted a Full Time Equivalent (FTE) control board and have reduced hospital staffing by 27.8 FTE since February. He said they have been reviewing contracts and have trimmed \$539,000 in contracts deemed unnecessary. He said they were working on becoming a Critical Access Designation Hospital, which would improve the Medicare reimbursement rate. Mayor Weldon asked how being a critical access hospital would affect HHS. Mr. Wanner said HHS would not be affected, but BRH was estimated to receive an additional \$5.6 million in reimbursement for outpatient services like infusion, therapy, and radiology.

Ms. Hughes-Skandijs asked how BRH defined core services. Mr. Mertz said core services were defined as traditional services of a community hospital. He said one metric was when the revenue stream was outside of Medicare, Medicaid, or a third-party insurer. He said services like RRC were normally run by a nonprofit, not a governmental service.

Manager Koester said the Assembly needed to discuss potential subsidies to the hospital in FY25 and ongoing funding for future years. She said if the Assembly wanted to put an advisory vote to the people on the October 2024 ballot, that would need to pass by the 7/29/2024 Assembly meeting. Manager Koester said she recommended a one-time subsidy for Hospice and Home Health Care in FY25 and revisit any potential subsidy in future years. She said she could not recommend taking on the operating cost of RRC or Crisis Care.

Manager Koester said the easiest funding lever for the Assembly for one-time spending was the fund balance, which was currently at \$6.3 million, and for ongoing subsidies was property tax. She said the Assembly could also reduce city services or ask the voters to increase the sales tax.

**MOTION** by Mayor Weldon to direct staff to draft an appropriating ordinance for \$386,000 for the Hospice and Home Health Care Services program and forward it to the Assembly Finance Committee and asked for unanimous consent. *Hearing no objection, motion passed by unanimous consent.*

Assemblymembers shared their thoughts on funding Rainforest Recovery Center. Mr. Kelly said he would like to provide at least one year of funding for RRC. Mr. Bryson disagreed, saying that only funding for a single year would make it harder to retain or recruit staff. He supported a permanent solution, such as closing the facility or funding for longer than a single year. Ms. Woll said RRC was a crucial service for the community and there were other items in the CBJ budget items to cut before RRC. She said she would like this conversation to continue in an Assembly Finance Committee (AFC). Mayor Weldon said she needed more information before she could support providing \$1.7 million for the program. Ms. Hughes-Skandijs said while RRC only served a small number of people, that was true of many hospital services. She supported moving this topic to the AFC. Ms. Adkison said this was a vital health service in the region and wanted to support it. Ms. Hale said RRC provided benefits to Capital City Fire and Rescue and Juneau Police Department which were not captured in financial numbers.

**MOTION** by Mr. Kelly to direct staff to draft an appropriating ordinance for \$1.7 million for the Rainforest Recovery Center and forward it to the Assembly Finance Committee and asked for unanimous consent.

**OBJECTION** by Mr. Bryson. **OBJECTION** by Mayor Weldon. They did not want to commit to a dollar amount before further discussion.

Mr. Kelly withdrew his motion.

**MOTION** by Mr. Kelly to refer the discussion of the Rainforest Recovery Center to the Assembly Finance Committee and asked for unanimous consent. *Hearing no objection, motion passed by unanimous consent.*

Assemblymembers shared their thoughts on funding Crisis Care Services. Ms. Hughes-Skandijs said the Assembly and BRH needed to take responsibility for signing off on funding a building that did not meet the community's need. Ms. Woll supported the BRH Board recommendation to close the building. Mayor Weldon supported finding a different model of crisis care. Mr. Bryson said families who use this service were going through one of the worst times of their lives, but he could not see BRH continuing to run the facility because it was unsustainable. Ms. Hughes-Skandijs said she would like to continue this conversation. Ms. Hale cautioned the Assembly that it was the job of the BRH Board to know the fine details and did not want the Assembly to take over the BRH Board's job.

Ms. Adkison asked if there was anything the Assembly could do to help with an active Mobile Integrated Health Unit. Mr. Solomon-Gross said they would not ask for financial support now but they may come back to the Assembly in the future.

The Assembly chose not to make a motion to fund the Crisis Care Services or continue discussion at another meeting.

Mayor Weldon said she did not believe an advisory proposition was necessary and that any additional funding provided could be found elsewhere in the budget. The rest of the Assembly agreed.

## **2. Eaglecrest Gondola Update**

Manager Koester provided an update to the Eaglecrest Gondola project. She said the project was at about 35% design and did not provide a firm estimate for total cost due to the unique nature of what they are trying to build. She said the towers need to be able to safely carry 12 to 15 passengers in a heavy wind environment. She said CBJ Engineering believed installing the Gondola within the \$12.5 million funded project cost was achievable by scaling down the project to backbone infrastructure with no amenities. She said as the gondola became revenue positive, additional amenities could be built. Manager Koester said the Assembly approved an alternative procurement process for the Eaglecrest Gondola project which brings the contractor on early in the design process.

Manager Koester said CBJ Engineering believed that the gondola could be built by the summer of 2026, but Eaglecrest staff noted that there would still need to be testing, staff training, the creation of safety protocols, and the actual sale of tickets. She said it looked like 2027 was more realistic for a full summer season.

Manager Koester said the franchise agreement with Goldbelt was still pending.

Manager Koester said, unrelated to the gondola, the Eaglecrest Board hired Kirk Duncan, a former Eaglecrest General Manager, to advise the board on the hiring of a new general manager, winter operations, and an infrastructure assessment. Manager Koester reminded the Assembly they provided a loan to Eaglecrest of just over \$.5 million, authorized a 6% increase to staff salaries, and funded a \$50,000 study. She said Mr. Duncan's preliminary analysis confirmed the current budget was sufficient for winter operations but there were outstanding near-term capital needs that needed to be addressed.

## **3. Grants Pass vs. Johnson Update (Camping in Public Places)**

Mr. Barr said that after the shooting of Steven Kissack, a person experiencing homelessness, earlier in the day they thought about pulling this agenda item. The Manager's office ultimately decided to continue with it and reiterated their sympathy for Steven Kissack's family and friends.

Mr. Barr said the Assembly decided, at the June 3, 2024 Committee of the Whole meeting, to revisit camping in public places after the Supreme Court decided *Grants Pass v Johnson*. Ms. Layne, Assistant Municipal Attorney, said they had been operating under a 9<sup>th</sup> Circuit Court ruling that had stated cities could not criminalize people for sleeping in public places if they have nowhere else to go. That was appealed to the Supreme Court who vacated the decision. She said local communities, in the absence of state legislation, could now enforce bans on camping, littering, or anything related to sleeping in public.

Mr. Barr said CBJ had code in place that defined rules around camping in public places. He said it prohibited camping on public right of ways or living inside most vehicles and allowed camping on most other public lands for up to 48 hours. He said violations of those code sections were defined as non-criminal infractions and thus punishable by fines. He said that unless given other direction by the Assembly, they planned on using the current sections of code to address especially challenging sites and situations.

M. Barr said there were more people experiencing homelessness than shelter space available and noted that shelters do not work for all people. He said there will always be some people camping. He said they can selectively enforce the code already in place on a criteria-driven basis, focusing only on sites that present the most significant health and safety concerns.

Ms. Adkison asked about having a designated camping area next year. Mr. Barr said they are currently preparing the Cold Weather Emergency Shelter for this winter to include better restrooms and potable water. He said they do not have a good plan for the following summer.

Mr. Bryson asked what the service providers such as The Glory Hall and St. Vincent de Paul, organizations that help people experiencing homelessness, thought of CBJ's proposed course of action. Mr. Barr said that in broad

strokes the organizations supported this. Mr. Bryson asked about impounding vehicles. Mr. Barr said the largest limiting factor was the capacity of the impound yard.

Mr. Kelly asked for more clarification on health or safety concerns that might trigger enforcement. Mr. Barr said they look at a variety of health and safety impacts including excessive amounts of human waste, garbage, needles, and evidence of criminal activity.

Ms. Hughes-Skandijs asked about enforcement actions since this Supreme Court decision came down. Mr. Barr said no enforcement actions had been taken. He said the Manager's office wanted to bring this information to the Assembly before the code was utilized again.

Ms. Woll asked about the downtown camping limitations. Mr. Barr said the downtown camping code was limited to private property, so nothing had changed due to the Supreme Court decision.

Mr. Smith asked about an exclusionary zone around The Glory Hall and Teal Street Center. Mr. Barr said the code currently on the books would allow the Juneau Police Department to take enforcement actions as necessary, and that a shelter safety zone may not be necessary. He said the Assembly could choose to implement a shelter safety zone.

Ms. Woll asked for the development of metrics to make sure that these code provisions were not applied in a discriminatory manner. Ms. Hughes-Skandijs said homelessness was a spectacular failure by the federal and state government and that it was not justifiable to criminalize the act of existing in public spaces. Mr. Bryson said he wanted to come up with an effective solution that helps service providers; he said Juneau provided better and more services to people experiencing homelessness than anywhere else in the State. Multiple staff members echoed Ms. Woll's request and Chair Hale asked for a verbal update in a couple of months.

#### **F. STAFF REPORTS**

##### **4. Informational Only: CBJ Downtown Office Temporary Shuffle**

Manager Koester said Human Resources staff moved into City Hall and IT staff moved to working remotely for now and will be relocated to Marie Drake when possible.

**G. NEXT MEETING DATE** - August 5, 2024, 6:00 pm.

#### **H. SUPPLEMENTAL MATERIALS**

#### **I. ADJOURNMENT**

There being no further business to come before the Assembly Committee of the Whole, the meeting adjourned at 8:47 pm.