



## Petersburg Borough Petersburg Medical Center

12 South Nordic Drive  
Petersburg, AK 99833

### Meeting Minutes Hospital Board Regular Meeting



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Thursday, October 30, 2025

5:30 PM

Assembly Chambers

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#### 1. Call to Order/Roll Call

##### A. Call to Order

Board President Cook called the meeting to order at 5:30PM.

##### B. Roll Call

##### PRESENT

Board President Jerod Cook  
Board Vice President Cindi Lagoudakis  
Board Secretary Marlene Cushing  
Board Member Heather Conn  
Board Member Joe Stratman  
Board Member Jim Roberts  
Board Member Joni Johnson

#### 2. Approval of the Agenda

##### A. Approval of October 30, 2025 Hospital Board Agenda

Motion made by Board Member Stratman to approve October 30, 2025, Hospital Board Meeting Agenda, Seconded by Board Member Johnson. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

#### 3. Approval of Board Minutes

##### A. Approval of September 25, 2025, Hospital Board Meeting Minutes

Motion made by Board Member Roberts to approve September 25, 2025, Hospital Board Meeting Minutes, Seconded by Board Member Stratman. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

#### **4. Visitor Comments**

None.

#### **5. Board Member Comments**

Vice President Lagoudakis shared her appreciation for the recent visit from the Rasmuson Foundation, noting how nice it was to have them in Petersburg and spending time with the Kinderskog program. She mentioned that the Foundation representatives asked thoughtful questions, provided helpful insights, and their interest and engagement in meeting with the team and learning about our work were greatly appreciated.

Board President Cook welcomed the newest member, Joni Johnson, and expressed appreciation for her willingness to serve on the Hospital Board.

Board Member Johnson expressed her appreciation for the welcome and commented she was happy to be part of the board.

#### **6. Committee Reports**

##### **A. Resource**

Board Vice President Lagoudakis reported that expenses are running slightly above budget, primarily due to costs associated with travelers and impacts from our cost report. Revenue from the MRI is still pending, as Phil discussed on PMC Live today. Our investments continue to perform well, with some of the gains reflecting increases in market value. The balance sheet remains strong, and the transition to in-house billing is proceeding effectively.

Currently, the hospital maintains 100 days of cash on hand. The committee discussed the evolving landscape for grants, legislation, and insurance providers. Efforts are underway to align costs across various medical plans and to engage with additional contracted payers.

The committee also reviewed the capital budget, including allowances for unknowns as we advance planning for the new building project. Funds have been reserved to address potential adjustments, which will be discussed further during the meeting. As noted by Phil on PMC Live, we continue to work with the state on the Certificate of Need and remain committed to pursuing this process.

##### **B. LTC Quality**

#### **7. Reports**

A. Case Management/ Swing Bed Management  
Elizabeth Hart provided a written report.

B. Chief of Staff  
Dr. Selina Burt provided a written report.

- C. Clinic  
Kelly Zweifel provided a written report.
- D. Community Wellness  
Julie Walker provided a written report.
- E. Youth Programs  
Katie Holmlund provided a written report.
- F. Dietary  
Jeanette Ely provided a written report.

Board Secretary Marlene thanked Jeanette for the fabulous job she has done during her time at Petersburg Medical Center.

Board Member Stratman congratulated Jeanette on the audit results from the Food and Nutrition Services Department being citation-free.

Board Member Roberts commented that the employee food program looked like it was doing really well.

Board Vice President Lagoudakis noted that Jeanette has put PMC on a good path, she has done an excellent job, and she will be missed.

- G. Home Health  
Ruby Shumway provided a written report.

Board Member Roberts noted the request for Board Members to assist in advertising and promoting the Cedar Social Club.

- H. New Facility  
Justin Wetzel provided a written report.

Board Vice President Lagoudakis expressed concern about a section of the parking lot at the WERC building where she feels the concrete in the lot matches just right with the concrete opposite a deep gravel ditch, creating a safety hazard. She suggested placing cones or a barrier—similar to the snow fence at the harbor—to prevent accidents. She emphasized the importance of clearly marking the area. Board Member Roberts agreed, noting that cones had previously been in place but were removed. Phil confirmed that he will put up cones or road signs to mark the area.

Board Member Stratman requested clarification regarding the discussion on KFSK Live earlier that day, specifically about the shift in the New Facility project from a two-phase to a three-phase approach. CEO Phil Hofstetter noted that during a board meeting earlier this summer, Roy Rountree of Bettisworth North recommended exploring a three-phase approach in light of ongoing challenges securing state and federal funding.

Following that recommendation, the Steering Committee—consisting of Board President Cook, members of hospital leadership, facilities, the medical director, the Borough Manager, and Phil—met to discuss potential design concepts. The committee

considered breaking the project into smaller, more achievable phases, each resulting in a usable, operational facility upon completion. Long Term Care was identified as a possible next focus area, though planning remains in the very early stages.

Phil emphasized that more detailed information will be needed before bringing formal recommendations to the Board or proceeding to broader discussions with the Borough or community. The intent is to develop an innovative, scalable concept that remains financially attainable—where, similar to the WERC building, each phase would stand alone as a functional and beneficial addition to the organization.

Board Member Stratman inquired about the timing of the most recent Steering Committee meeting. CEO Phil Hofstetter responded that the committee met in late July/early August. During that time, Bettisworth North visited Petersburg to conduct a facility assessment, which has not yet been finalized. Once completed, the focus will shift toward exploring potential next-phase concepts for Long Term Care.

CEO Hofstetter noted that since Board President Cook serves on the Steering Committee, it may be beneficial to provide regular report-outs from these meetings—similar to the current reporting structure for the Resource and Quality Committees. While no formal motion was required, the suggestion received general agreement from the Board. CEO Hofstetter also mentioned that Board Member Roberts had previously expressed interest in participating in future discussions or upcoming work sessions. Board Member Stratman agreed that adding a report-out to keep the board up to date, would be beneficial.

- I. Quality  
Stephanie Romine provided a written report.
- J. Infection Prevention  
Rachel Kandoll provided a written report.
- K. Executive Summary  
CEO Phil Hofstetter provided a written report.

Phil Hofstetter began by thanking the Rasmuson Foundation for visiting Petersburg and meeting with the Kinderskog program. He noted that the Foundation expressed strong interest in the program and discussed potential opportunities to utilize their tiered funding to support it. He also thanked Katie, Julie, and their team for hosting a positive and productive visit.

Phil highlighted the Healthcare Transformation Bill as a significant upcoming development that could impact healthcare delivery in Alaska. He explained that much of the current discussion at the state level and within the Alaska State Hospital and Nursing Home Association centers around this initiative. The State of Alaska is required to submit its application to the Centers for Medicare and Medicaid Services (CMS), which must approve the plan before funding allocations are determined—potentially as early as January.

Earlier this year, in response to the State's Request for Information (RFI), Phil submitted PMC's proposal, which included concepts and preliminary designs for the

phased New Facility project, along with programmatic initiatives such as home-based care, telehealth, behavioral health, and direct primary care. Although CMS has stated that capital funding will not be included in this cycle, PMC remains hopeful that some infrastructure support may still be available through creative funding approaches. Phil will continue to provide updates at future board meetings as the process advances.

Phil also reported that patient volumes remain generally stable across departments, with primary care seeing a notable increase. A renewed focus on expanding specialty care services continues, and the hospital recently secured a contract to resume scopes and colonoscopy services, with the goal of reopening those clinics in January—an important step in restoring preventive care access in Petersburg.

Finally, Phil provided an update on the Certificate of Need (CON) process, noting that it has been a complex and time-consuming effort due to the multi-phase nature of the project. The CON encompasses not only the MRI but also the new facility plans. The hospital continues to correspond with the State to resolve remaining questions, and Phil hopes the next step will be the open hearing phase of the approval process.

**L. Financial**

Jason McCormick provided a written report.

**FY26 Capital Budget update for Board Approval**

CFO, Jason McCormick reported Primary Care visits increased compared to the previous two months, with a total of 984 visits, largely supported by the Specialty Clinic, which accounted for 132 visits. Radiology volumes remained consistent, though slightly lower, which aligns with the typical seasonal trend as volumes generally peak during the summer months.

Laboratory testing remained steady at 2,261 tests for the month. Rehabilitation Services experienced a decline in visits following the departure of one therapist, which also impacted Home Health visits. As expected, Emergency Department volumes decreased from the summer average of approximately 100 visits per month to around 65 visits, consistent with typical winter levels.

Inpatient activity increased slightly due to seasonal illness, averaging just over one inpatient and one swing bed patient per day. Long-Term Care continues to operate at full capacity, with 420 resident days for the month.

Gross revenues totaled \$2.7 million, exceeding the budget of \$2.6 million. Contractual allowances were slightly higher, reflecting the increased revenue levels. Net patient revenue came in at \$2.154 million, which is \$11,000 above budget.

The 340B program showed higher-than-normal revenue this month due to prior transactions being reconciled. Kinderskog grant revenue remained consistent with summer levels, while in-kind and grant revenues increased slightly due to new activities and data reporting associated with the WERC Building.

Total operating revenues were \$2.5 million, compared to a budget of \$2.3 million. Operating expenses were \$2.4 million, reflecting higher activity levels and increased contract labor costs.

Net income for the month was \$101,000, compared to a budgeted \$160,000. Investment income rebounded strongly following summer market fluctuations, and the hospital continues to receive various grants related to WERC Building projects.

Overall, it was a strong financial month, with year-to-date results remaining positive. Key items being monitored include the lack of MRI-related revenue pending the Certificate of Need, which was budgeted but not yet realized, and increased costs associated with bringing the WERC Building online. These additional expenses are expected to positively impact future cost report adjustments later in the fiscal year, typically reviewed around December or January.

#### Capital Budget Discussion

The next item on the agenda pertains to FY26 capital budget. Typically, each year includes an allocation of approximately \$100,000 to cover unanticipated equipment or facility repairs—items that inevitably arise but are difficult to predict. This contingency amount was not included the FY26 capital budget, and as a result, we are requesting that the board approve a \$100,000 increase to the FY26 capital budget to continue the standard.

Board President Cook confirmed that this allocation has historically been included in prior budgets and suggested making this amendment to maintain consistency with past practice.

Board Secretary Cushing inquired whether the new CT scanner would be leased or purchased outright. McCormick clarified that the preference would be to lease or finance the equipment, noting that it is generally advantageous to finance large capital purchases over their useful life to preserve cash reserves. Maintaining a strong days cash on hand position (ideally 120–150 days) helps ensure access to the lowest possible borrowing rates and most favorable terms for future capital projects.

McCormick also noted that leasing can be particularly beneficial for nonprofit organizations. When equipment is leased, the leasing company retains title and can depreciate the asset on their taxes, which in turn can lower the interest rate offered to the hospital.

Board Member Stratman observed that the Dietary Department was not itemized in the capital budget, though their board report mentioned needs such as a refrigerator and oven. He asked whether the additional \$100,000 could be used for such items. CEO Hofstetter confirmed that those would be appropriate uses of the requested capital contingency funds.

Vice President Lagoudakis motions to add \$100,000 to FY26 Capital Budget to replace equipment that fails unexpectedly and that needs to be replaced in the current year.

Roll Call Vote:

Board President Jerod Cook-YEA  
Board Member Heather Conn- YEA  
Board Secretary Marlene Cushing- YEA  
Board Vice President Cindi Lagoudakis-YEA  
Board Member Joe Stratman-YEA  
Board Member Jim Roberts-YEA  
Board Member Joni Johnson-YEA

By motion Petersburg Medical Center Hospital Board approved amending the FY26 Capital Budget to include 100,000 for miscellaneous equipment expenses.

## **8. Old Business**

## **9. New Business**

### A. Review of Current Board Committee Appointments:

Quality Improvement Committees  
Long Term Care: Marlene Cushing  
Infection Control: Joe Stratman  
Critical Access Hospital: Joe Stratman

Resource Committee: Jerod Cook, Cindi Lagoudakis, and James Roberts

Joint Conference Committee: Board President (standing appointment): Jerod Cook

Foundation Committee: Marlene Cushing

Community Engagement: Marlene Cushing and Cindi Lagoudakis

Evaluation Committee: Jerod Cook, Heather Conn, and *Kim Simbahon*

Bylaws Committee: Jerod Cook, Joe Stratman, and James Roberts

Kinder Skog Advisory Committee: Cindi Lagoudakis

Election of Officers at next Hospital Board Meeting.

## **10. Next Meeting**

### A. Scheduled for December 4, 2025, at 5:30pm in Assembly Chambers.

## **11. Executive Session**

### A. Executive Session

*By motion the Board will enter into Executive Session to consider medical staff appointments/reappointments, and any legal concerns.*

Motion made by Board Member Roberts to enter into Executive Session, Seconded by Board Member Johnson.

Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

Reconvened post Executive Session.

Motion made by Board Vice President Lagoudakis to appoint Nathaniel Ord, MD, and Mallory Christopher, MD, and to reappoint Angela Menish, ARNP, Joseph Roth, MD, Alice Hulebak, MD, and John Hoyt, MD. Seconded by Board Member Stratman. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Stratman, Board Member Roberts, and Board Member Johnson.

## **12. Adjournment**

Motion made by Board Member Roberts to adjourn, Seconded by Board Member Stratman. Voting Yea: Board President Cook, Board Member Conn, Board Secretary Cushing, Board Vice President Lagoudakis, Board Member Stratman, Board Member Roberts, and Board Member Johnson.