

**CITY COUNCIL JOINT WORK SESSION WITH THE  
COMMUNITY HEALTH SERVICES BOARD  
JULY 06, 2011 @ 6:15 PM  
LIBRARY MEETING ROOM  
MINUTES**

**A. CALL TO ORDER**

*Vice Mayor Dave Reggiani* called the Council Work Session to order at 6:15 pm on July 06, 2011 in the Library Meeting Room.

**B. ROLL CALL**

Present for roll call were Council members *James Kacsh*, *David Allison*, *Bret Bradford* and *Dave Reggiani*. Absent were *Mayor James Kallander* and Council members *Keith van den Broek*, *EJ Cheshier* and *Robert Beedle*. Health Services Board members present for roll call were President *David Allison*, *Kristin Carpenter*, *Sandra Aspen*, *Tim Joyce* and *Kerin Kramer*. Absent was Health Services Board member *EJ Cheshier*. Also present was City Clerk *Susan Bourgeois*. Quorums of City Council and Health Services Board were established.

*Vice Mayor Reggiani* asked if there were any conflicts of interest to declare. *Kerin Kramer* is employed by NVE and they have put in a proposal so she declared that as a conflict. *Reggiani* said he agreed and asked her to refrain from discussion at this work session.

**C. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Audience Comments regarding agenda items

*Angela Arnold* of 406 Council thanked everyone for reviewing all of the proposals. She wanted everyone to know that the Native Village of Eyak was sincere with its proposal to help with the administration of CCMC and that the offer is still on the table – she didn't see their proposal in the packet and questioned why *Kerin Kramer* had to declare a conflict if NVE isn't being discussed this time.

**D. WORK SESSION TOPIC**

2. Discussion of proposals and identification of follow-up questions to ask proposers for further clarification

*Tim Joyce* said as a comment to the public comment, that all four proposals are still being discussed, the two in the packet had been asked follow up questions which is why the answers to those questions were in the packet tonight for review. Native Village of Eyak's proposal was more straightforward and did not require further questions. *Allison* followed up by saying that the HSB did not want to preempt Council and therefore, hadn't eliminated any of the proposals.

Council member *Keith van den Broek* arrived at 6:20 pm. Council member *Robert Beedle* arrived at 6:25 pm.

*Allison* gave an overview of where they are to date. The HSB has met twice on the topic; they have looked at all the proposals and looked at compliance to the RFP. Wrangell for example had no costs in it – they simply said negotiated. NVE's proposal was not comprehensive for all health services; it did not include long term care and sound alternatives for example. Their price was nothing except for ownership and maintenance of the building itself. They didn't spend too much time on this because of all the costs that they would still have to incur. They decided that an in-depth financial analysis would be necessary to really determine the feasibility of that proposal. They, therefore, spent a lot of time on Providence and QHR. *Allison* said it came down to one important fundamental question; did we want to maintain an active role or did we want to hand it over. He said the proposals varied in what role a City board would have (i.e. advisory or governing). He said the board thought Providence and NVE were two that we would really hand over control – there would be advisory boards in either of those scenarios. If we went with QHR we would maintain an active role with a decision making board. *Carpenter* mentioned that the

Providence scenario might mean we could become more of a feeder station to the services they offer in Anchorage whereas QHR wouldn't have a home base to direct our patients to but would instead be more willing to develop our services right here. Similarly, *Allison* mentioned that with Wrangell running our hospital there could be grant competition between Wrangell's hospital and ours. *Allison* said that initially the HSB seemed to lean toward QHR but then they felt there were a lot of questions they still needed answered. *Aspen* said that with QHR there would be a pool of CEO's to choose from and our CFO would remain whereas Providence would bring in their own CEO and CFO. *Reggiani* asked about the word "control" and handing over power etc. however, ultimately, any of these entities would still be under **contract** with the City. There was agreement to that statement. There would be City contracts involved. Yes, *Allison* said, ultimately there would be a City contract and we could say, "we don't want you managing our health services anymore" and they could be gone. *Joyce* mentioned the "type of board" dilemma as well – advisory or policy making – which do we (i.e. the community) want? Then, he continued, do we have charter, code changes to make? Do we want an appointed board? an elected board? He went on to wonder if we have enough people in the community interested to take on this role? The alternative is going with a company with a proven track record that says we will "take this off your hands".

*Carpenter* mentioned that the cost of professionals running the hospital seems high but the benefits are access to resources as well as proven abilities as far as recruitment of quality providers. The goal is to get to financial stability. *Beedle* said when you look at an advisory board vs. a board in control, we have been using the control board model and we haven't been doing so well.

#### E. AUDIENCE PARTICIPATION – none

#### F. COUNCIL AND BOARD MEMBER COMMENTS

*Aspen* likes the idea of opening us up to more services; more pools of employees – broadening our horizons – bringing in new resources.

*Carpenter* leans toward maintaining control as a governing board. She said the community has so much vested in the hospital she wants to maintain the ability to contribute local knowledge.

*Allison* has yet to really make up his mind – he agrees that if we do stick with a governing board, some changes within that system still need to be made. He does question whether the expertise exists in the community to run that board well. He would like direction on what Council wants HSB to do next in this process. He also said that *Nichole Hunt* from Coding Concepts will be in and he hopes she can give her input.

*Joyce* agrees with *Allison* and would also like direction from Council.

*Bradford* said he likes QHR as well as NVE. He would like to meet with the HSB again.

*van den Broek* leans toward a local advisory board over a governing board. He believes the community's quirks etc. can be conveyed in that way.

*Kacsh* thinks that we don't need a governing board either – he like an advisory situation. He would like the HSB to make a recommendation to Council.

*Reggiani* thinks this meeting was not long enough. There will be another Joint Work Session on at a time to be determined. *Nichole Hunt* should be present at such a meeting.

#### G. ADJOURNMENT

*M/Bradford S/Kacsh* to adjourn the work session at 6:55 pm.

Hearing no objection, the work session was adjourned.

Approved: July 20, 2011

Attest:

  
Susan Bourgeois, City Clerk

