

Special Ketchikan City Council meeting was called to order by Mayor Weinstein at 7:02 p.m., January 13, 2009, with the following members present: Dick Coose, Jason Harris, Kj Harris, Marty West and Lew Williams III. Councilmembers Sam Bergeron and Charles Freeman were absent.

The Pledge of Allegiance was given by all persons in the Chambers.

Staff present were Manager Amylon, Assistant Manager Martin, Public Works Director Hansen and Deputy Clerk Welk.

COMMUNICATIONS – None

PERSONS TO BE HEARD

Sister Betty Kane representing Sisters of St. Joseph of Peace/PeaceHealth d/b/a Ketchikan General Hospital, 234 Carlanna Lake Road spoke to the Council about the Hospital Facility Master Plan. Ms. Kane asked that the Council support the plan in hopes to improve the facility and better serve the community.

Bruce Schwartz, 16 mile North Tongass Highway, informed he is a physician on the hospital's medical staff. Mr. Schwartz spoke on the medical staff's perspective and how important a long-range facility plan is. He stated the new hospital HVAC system was very important for the surgeons, as previously there wasn't the proper number of air exchanges per hour in the operating rooms during hip and knee replacements. He continued the operating rooms are very out of date, are too small, hold multiple computers, monitors and screens along with other equipment. Dr. Schwartz explained medical procedures are more complex and there is simply less room for the patients. He added occasionally patients have to be sent south due to the conditions in the operating room, or because there isn't enough personnel. Dr. Schwartz also remarked on the difficulty in recruiting personnel because of the aforementioned conditions.

Peter Rice, 1395 Pond Reef Road, advised he is also a physician at Ketchikan General Hospital. Dr. Rice said he splits his time 50/50 between clinical work and medical director of the employee physician group. He explained he is also responsible for recruiting, and having a modern facility is key for his ability to do this. Dr. Rice stated the average age of the collective physician group is getting up there, and only 2% of new medical student graduates are going into general internal medicine. Lastly, he asked the Council to support and accept the Hospital Site and Facility & Medical Office Master Plan.

NEW BUSINESS

Presentation of Ketchikan General Hospital Site and Facility Master Plan – NAC Architecture/PeaceHealth

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Patrick Branco, Ketchikan General Hospital CEO, began the presentation. Mr. Branco thanked the Council for their time and effort, as well as all those involved in the Plan. Mr. Branco discussed the following highlights made during a Power Point presentation:

- Initial Presentation & Overview of Site and Facility Master Plan – Council Approval
- Steps in the Process
- PeaceHealth Mission and Core Values
- Major Events of the Past Decade
- Where We Need to Go

Dan Jardine of NAC Architecture continued with the presentation, noting he and his partner have spent the last 20 years of their professional careers specializing in health care planning and design. Mr. Jardine highlighted the following regarding the Master Plan:

- Current State of Affairs
- Planning Precepts for Continued Success
- Critical Needs and Priorities – Surgery, Clinical Offices, Parking and Infrastructure
- Opportunities, Challenge and Facts
- Opportunities – Available Site 1, Site 2, Site 3 and Site 4 (Preferred Site)
- New Building on Preferred Site 4 – Advantages and Disadvantage (Options 10 & 10A)
- New Building (Option 10) Features
- New Building (Option 10A) Features
- Preliminary Project Schedule & Budget (Total Project Cost \$7.5 million)

Ken Tonjes, CFO of Ketchikan General Hospital, thanked the Council and staff for their ongoing efforts and support, and asked for the approval of the Site and Facility Master Plan tonight. Mr. Tonjes spoke regarding the following:

- Reminder – What We are Asking For
- Recognition of Current Environment
- Role KGH Holds in the Community
- Operational Income History: 2004-2009
- Medical Group Net Income History: 2004-2009
- Bad Debt & Charity History: 2004-2009
- Surgical Case History: 2004-2009
- Admission & Patient Day History: 2004-2009
- Financial Impacts of Not Addressing Facility Needs
- Projected Income From Operations: 2009-2013
- Actual & Projected Capital Expenditures: 2006-2013
- Funding of Projected Capital Expenditures: 2010-2013
- Why is the Master Plan Critical to Our Success

Councilmember Kj Harris questioned if the cost of approximately \$75 million by 2015 was accurate, to which Dan Jardine answered yes.

Mayor Weinstein remarked the project is not in a status where we can take advantage of the current year's economic stimulus, but there is some talk of that being a two-year process. He asked, assuming that the Council gives approval to the concept presented and design moves forward in an expeditious manner, if it would be build-ready sooner than what was shown, and Mr. Jardine responded the two years noted for planning is based on a normal cycle of additional planning pre-design and getting all permits in place. He said if in fact there was motivation to do so, the project could be approached as an accelerated design. Mr. Jardine informed typically a foundation package was put together that would allow the basic foundation to proceed before design of the remaining portions are complete. He stated there is need to have a good contractor on board from the beginning, which is not an approach you want to take with a strict design bid public approach. He continued it would be possible to accelerate the construction and maybe start in a year rather than two years.

Councilmember Jason Harris remarked he was concerned the new preferred location did not include a helicopter pad. Mr. Jardine responded after the new building is complete and some of the pressure is relieved on the rest of the campus, there will be opportunities for putting a new helicopter pad back on campus instead of at the Wolfe Point site.

In response to Councilmember Williams, Mr. Branco confirmed they are asking for approval of the plan tonight. He explained the first \$3 million would need to be dealt with in the near future. Mr. Branco continued part of the discussion at last year's legislative fly-in was the renovation of the surgical spaces, and we had a \$4.4 million request of a \$7.5 million project. He said we are looking to shift that to the new plan and get the bulk of the design phase money with legislative and community support.

In response to Councilmember Coose, Manager Amylon advised the City has had tentative discussions relative to displacement of the KAR House, and clearly it would have to be relocated to another facility. He stated depending on what Council does in terms of continuing in-patient services either on its own or through a private contractor, he has had discussions with Tongass Substance Screening. Mr. Amylon informed Tongass Substance Screening believes there are potential sites available in the community that would meet their needs.

Councilmember Jason Harris questioned where they propose the \$59 million for the actual construction phase come from. Mr. Tonjes responded that is going to be the big challenge. He informed the hospital is not in a position to incur debt, as they would have difficulty accommodating the debt service associated with that debt, and still keep the breadth of services currently provided. Mr. Tonjes said the reality is the City will not be able to accommodate that big of a number either, and it would take a combination of partners such as state, federal and other organizations. He continued those funds could not be pursued until there is an approved Facility Master Plan and that is the reason for the meeting tonight.

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Councilmember West asked if there were a projection, how much of an increase in funding would be available if the hospital sales tax was made borough wide. Mayor Weinstein remarked it had been discussed in both previous consolidation proposals, and it was estimated it would be about half a million. The mayor added if the Assembly were willing to ask, it should be put out for community discussion and paid equally through sales tax.

Mayor Weinstein commented the hospital has shifted gears compared to a year ago when they asked for much less money. He agreed instead of small fixes, it would be prudent to look at what is needed for the next 20 to 30 years. Patrick Branco confirmed that for \$7 million they could renovate the surgery suite, which was the plan drafted five years ago; however, considering acquisition of engineers and evaluating spaces, it turned out to be an inadequate solution. He continued the ceiling heights would not work and the newly replaced roof would have to be replaced again and raised an additional four feet.

In response to Councilmember Jason Harris, Mayor Weinstein informed he has spoken not only with legislators, but he had a meeting with the governor's deputy chief of staff a month ago. He said they are very well aware that the former request is not the current request.

Moved by Williams, seconded by West the City Council approve the Ketchikan General Hospital Site and Facility and Medical Office Master Plan.

Motion passed with Kj Harris, Williams, West, Coose and Jason Harris voting yea; Bergeron and Freeman absent.

MAYOR AND COUNCIL COMMENTS

Councilmember Jason Harris thanked hospital staff and NAC Architecture for the presentation.

Councilmember Coose asked management to get a breakdown on how the current \$7.00 is used relative to passenger head tax for the next regular meeting.

Councilmember Kj Harris commented he is looking forward to Thursday's meeting.

Councilmember West remarked it was an interesting presentation and thanked them for the hard work.

Mayor Weinstein thanked everyone for the information, and said the concept makes sense. He continued if it makes sense to the medical professionals, architects and engineers, then that is what we have to plan for.

ADJOURNMENT

As there was no further business, the Council adjourned at 8:15 p.m.

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Bob Weinstein, Mayor

ATTEST:

Heidi Welk, Deputy City Clerk