

LOT 3e



TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: April 1, 2021

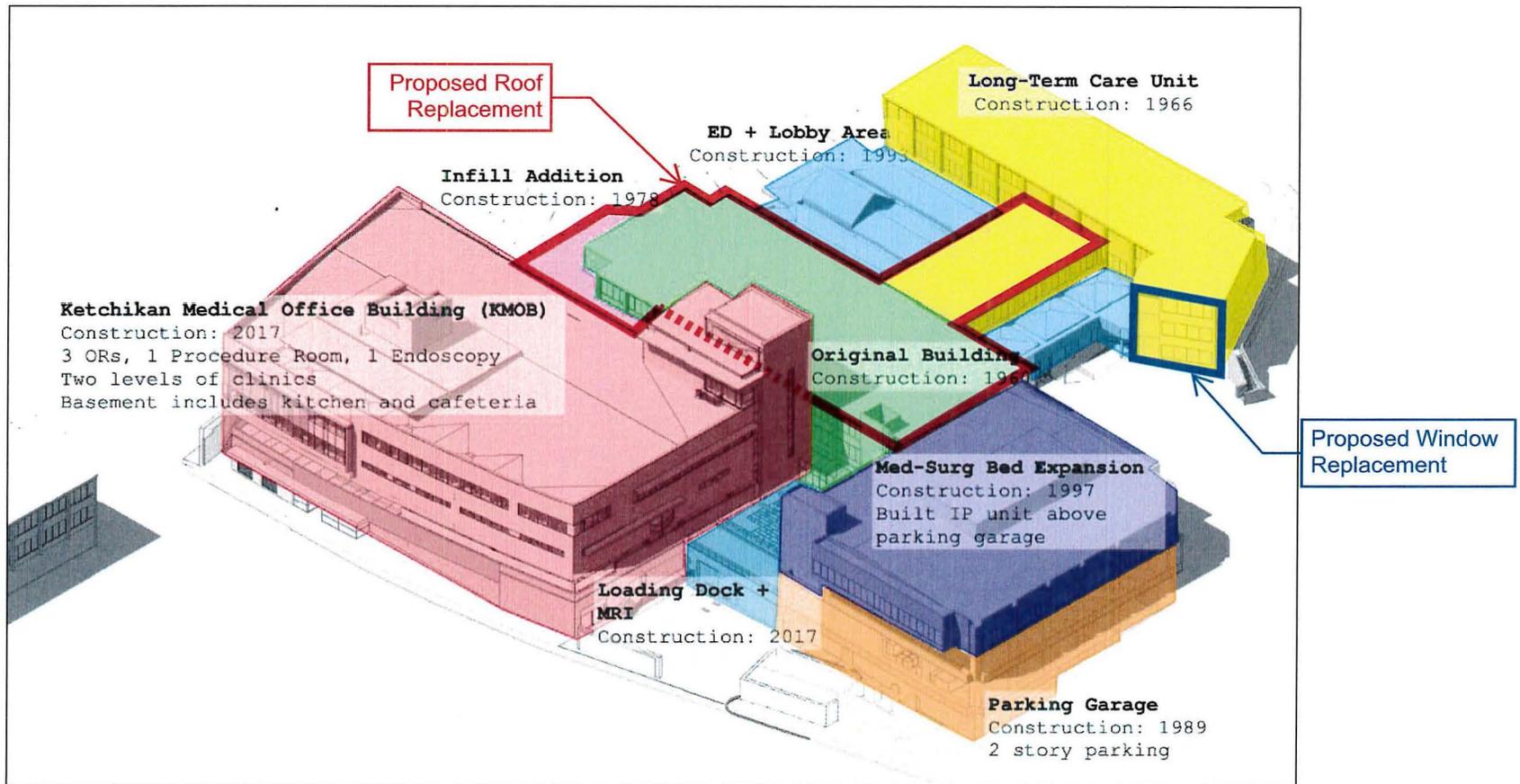
RE: **Hospital Roof and Long-Term Care Window Replacement**

In adopting the 2021 General Government Operating and Capital Budget, the City Council appropriated \$60,000 to the Public Health Department for the design of replacing the hospital roof adjacent to the new addition. Over the last several weeks, my office has been in discussion with representatives of PeaceHealth to discuss means by which this project and replacement of the windows at the hospital's long-term care unit can move forward (see attached schematic). Both projects are considered critical and need to be addressed this year if further damage to facilities is to be avoided.

Given the fiscal constraints confronting the Hospital Sales Tax Fund, the City is not in a position to fund the projects this year. The estimated cost for both projects is \$1,800,000. PeaceHealth and my office have concluded that both entities need to work together to seek funding for the work that may be available through the American Rescue Plan Act of 2021. In order to preserve the timeline for the work to take place this year, design needs to begin immediately. To that end, my office intends to enter into two contracts with Welsh Whiteley Architects, LLC in the amounts of \$43,985 and \$24,725 respectively for the design of both projects. While I have the authority to enter into contracts under \$50,000, minor budget transfers in the amounts of \$16,015 and \$8,710 will be required to fund design of the long-term care window replacement project. It is my intent to submit such budget transfers to the City Council for consideration at its meeting of April 15, 2021. Completion of the designs will allow the City to bid both projects when funding becomes available.

Recognizing how important both projects are to the community and its operations at the Ketchikan Medical Center, PeaceHealth, through its Executive Vice President and General Counsel Ron Saxton, has agreed to fund whatever portion of the repair costs that isn't funded by grants. This is potentially a major financial donation to the City on the agency's part and my office wishes to acknowledge PeaceHealth's ongoing efforts to improve health care within the greater community.

Site Overview and Building Vintage



Karl Amylon

From: Saxton, Ron <RSaxton@peacehealth.org>
Sent: Thursday, April 1, 2021 7:54 AM
To: Karl Amylon; Lacey Simpson
Cc: Stevens, Dori M
Subject: RE: KMC roof and windows

CAUTION: External Email

This email originated from a source outside the City of Ketchikan. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Karl and Lacey

I think the email below (sent separately) incorporates Karl's changes. If this is OK, then proceed with it. If you have further comments, let me know.

Ron

From: Saxton, Ron
Sent: Thursday, April 1, 2021 8:53 AM
To: Karl Amylon <KarlA@City.Ketchikan.Ak.Us>; 'Lacey Simpson' <LaceyS@City.Ketchikan.Ak.Us>
Cc: Stevens, Dori M <DStevens1@peacehealth.org>
Subject: KMC roof and windows

Karl

As you know, the City owned Ketchikan Medical Center has two important projects that are necessary to protect the long-term integrity of the hospital's building envelope from weather and water intrusion. The City recently performed an assessment of the main building's roof and the windows to examine causes and evaluate solutions for the periodic water intrusion increasingly experienced because of the age of the structure. It is critical that this work be done in summer 2021.

The City determined that approximately \$1.3M is needed for work on the main and adjacent building roof and approximately \$245,000 for replacement of windows on the north side of the building.

Given the continued downturn in City tax revenues the City is currently unable to fund any of this work. Given the serious safety and operational issues caused by the water intrusion, the repairs cannot be postponed. Therefore, PeaceHealth proposes the following:

1. The City and PeaceHealth will work together to immediately seek government funding of this work through recently distributed federal stimulus money. To the extent funds are received, they will be used to fully or partially fund the work.
2. PeaceHealth agrees to fund whatever portion of the repair costs that are not ultimately funded by government grant.
3. The City will acknowledge that PeaceHealth is voluntarily providing assistance to the City and Hospital on a one-time basis in light of the difficult financial times brought about by the COVID-19 world-wide pandemic.

Ron

Ron Saxton | Executive Vice President & General Counsel

PeaceHealth | 1115 SE 164th Ave. Dept. 302 | Vancouver, WA 98683 | 360-729-1108

Executive Assistant: Wendy McMillen | wcmillen@peacehealth.org | (360) 729-1343



This message is intended solely for the use of the individual and entity to whom it is addressed, and may contain information that is privileged, confidential, and exempt from disclosure under applicable state and federal laws. If you are not the addressee, or are not authorized to receive for the intended addressee, you are hereby notified that you may not use, copy, distribute, or disclose to anyone this message or the information contained herein. If you have received this message in error, immediately advise the sender by reply email and destroy this message.

--

This email has been processed with the City of Ketchikan SPAM filter. Please still be diligent with suspicious emails as no SPAM filter is 100% effective.

Department: Public Health	Project Priority: 3	Project Number:
Project Title: Hospital Roof Replacement	Start Date: 01/21 End Date: 12/22	Estimated Project Cost:
Description: This project would fund the design and construction of the roof on the sections of the hospital adjacent to the new addition. This is roof has had ongoing leaking issues over the last two years. The leaks have increased exponentially in the past year. The roof is at the end of its useful life.		Design 60,000 Land/Right-of-Way Construction Management Construction 1,140,000 Equipment Other Project Total 1,200,000

Source of Funds	Fund No.	Prior Years	Adopted 2021			Projected Requirements				Total Project
			Reappropriated	New Funding	Total	2022	2023	2024	2025	
Hospital Sales Tax Fund	110			60,000	60,000	1,140,000				1,200,000
Total				60,000	60,000	1,140,000				1,200,000