



City and Borough of Wrangell  
Borough Assembly Meeting  
AGENDA

Tuesday, August 25, 2020

Location: Teleconference

Work Session - 6:00 PM / Regular Assembly Meeting – 7:00 PM

Resolution No. 03-20-1520 allows for the temporary suspension of in-person Assembly Meetings and allows for teleconference meetings, due to COVID-19, until October 17, 2020 unless terminated before that date.

Teleconference Information for anyone wishing to call into the meeting and speak under Persons to be Heard

**If you wish to call into the meeting to speak under Persons to be Heard**, please contact the Borough Clerk at 907-874-2381 or email: [clerk@wrangell.com](mailto:clerk@wrangell.com) **no later than Tuesday, August 25<sup>th</sup> at 4:00 p.m.** so that you can be added to the Sign-Up sheet.

You will be called in the order that your request is received.

Please note that KSTK is still broadcasting the Borough Assembly meetings. Therefore, if you wish only to listen in, you may do so by tuning into KTSK!

**To Join by Computer:**

**<https://zoom.us/j/9078742381?pwd=MTNqSEdncjRyakh2UCtMVUNxMndYUT09>**

**And Enter the Meeting ID: 907 874 2381**

**Then Enter Password: 99929**

**OR**

**To use your phone, call one of the following numbers:**

**+1 669 900 9128**

**+1 346 248 7799**

**+1 301 715 8592**

**+1 312 626 6799**

**+1 646 558 8656**

**+1 253 215 8782**

**And enter the Meeting ID: 907 874 2381**

**Then enter the Password: 99929**

**WORK SESSION**

**a.** FY 2021 Capital Improvement Projects Plan

**1. CALL TO ORDER**

a. PLEDGE OF ALLEGIANCE led by Assembly Member Patty Gilbert

b. CEREMONIAL MATTERS

**2. ROLL CALL**

### 3. PERSONS TO BE HEARD

### 4. AMENDMENTS TO THE AGENDA

### 5. CONFLICT OF INTEREST

### 6. CONSENT AGENDA

- [a.](#) MOTION ONLY - Consent Agenda
- [b.](#) Minutes of the August 4, 2020 Special Assembly Meeting
- [c.](#) Minutes of the August 14, 2020 Special Assembly Meeting
- [d.](#) Minutes of the August 11, 2020 Regular Assembly Meeting
- [e.](#) CORRESPONDENCE: Southeast Senior Services FY 2020 4th Quarter Report

### 7. BOROUGH MANAGER'S REPORT

- [a.](#) COVID-19 Update (Verbal at Meeting)
- [b.](#) July 2020 Police Department Report
- [c.](#) Valvoda v. CBW et al. Lawsuit Expenditure Report
- [d.](#) Economic Development Department Report
- [e.](#) WML&P July 2020 Revenue Report
- [f.](#) APCM Investment July 2020 Report

### 8. BOROUGH CLERK'S FILE

- [a.](#) Borough Clerk's Report

### 9. MAYOR AND ASSEMBLY BUSINESS

### 10. MAYOR AND ASSEMBLY APPOINTMENTS

### 11. PUBLIC HEARING

### 12. UNFINISHED BUSINESS

- [a.](#) Approval of the FY 2019 Audit (*postponed from the August 11, 2020 Regular Assembly Meeting*)

### 13. NEW BUSINESS

- [a.](#) Approval to Negotiate the Sale of Borough Owned Property, Lot 6A, Block 61, Industrial Park Subdivision III, to Brett Woodbury and Mike Matney
- [b.](#) Approval of Rescission of CARES Act Funding to Wrangell Public Schools in the Amount of \$250,000
- [c.](#) **PROPOSED RESOLUTION No. 08-20-1537** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING THE SUPPLEMENTAL BUDGET FOR GENERAL, NOLAN CENTER, PARK & RECREATION, SALES TAX AND TRANSIENT TAX FUNDS OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, FOR THE FISCAL YEAR 2019-2020
- [d.](#) Approval of Amendment to Professional Services Agreement with R&M Engineering Ketchikan in the Amount of \$41,021

- e.     **RESOLUTION No. 08-20-1538** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2021 BUDGET IN MULTIPLE FUNDS PROVIDING FOR THE AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT FOR THE LAND DEVELOPMENT SURVEY SERVICES PROJECT
- f.     **RESOLUTION No. 08-0-1539** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA DECLARING AN ECONOMIC DISASTER IN THE CITY AND BOROUGH OF WRANGELL, ALASKA DUE TO COVID-19 AND POOR REGIONAL RETURNS OF ALL SALMON SPECIES
- g.     Approval of CARES Act Expenditure in the Amount of \$15,000 for Southeast Senior Services for Senior Center Van Match Funding for COVID-19 Mitigation Services for Wrangell Seniors
- h.     Approval of CARES Act Expenditure in the Amount of \$6,700 for KSTK Radio for COVID-19 Related Broadcasting and Public Service Notices
- i.     Approval of Contract with Ketchikan Mechanical for the Touchless Plumbing Fixtures Project in the Amount of \$256,505.65
- j.     Approval to Dispose of City Surplus Property

**14. ATTORNEY’S FILE** – Available for Assembly review in the Borough Clerk’s office

**15. EXECUTIVE SESSION**

**16. ADJOURNMENT**

**City and Borough of Wrangell**  
**FY2021 Capital Improvements and Major Maintenance Proposed Projects**

Item a.

Dept.	Project Name	Estimated Project Cost	CBW Funding	Outside Funding			Total Requested in CBW Contributions	Manager Recommended FY21 CIP Funding Request
			FY21 CIP Funding Request	Grants and Donations	Loans	In-Kind Contributions		

GENERAL FUND								
Nolan Center	Civic Center Floor Replacement	\$ 41,000.00	\$ 41,000.00	\$ -	\$ -	\$ -	\$ 41,000.00	\$ 41,000.00
PSB	Public Safety Building Assessment	\$ 165,000.00	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 10,000.00	\$ 10,000.00
P&R	Skeet Range Improvements	\$ 55,070.00	\$ -	\$ 55,070.00	\$ -	\$ -	\$ -	\$ -
*P&R	Swimming Pool HVAC Upgrades, Phase III	\$ 40,000.00	\$ 40,000.00	\$ -	\$ -	\$ -	\$ 40,000.00	\$ 40,000.00
P&R	Swimming Pool Lighting Upgrades	\$ 40,000.00	\$ 40,000.00	\$ -	\$ -	\$ -	\$ 40,000.00	\$ 40,000.00
*P&R	Kyle Angerman Memorial Playground Replacement	\$ 192,000.00	\$ 56,000.00	\$ 116,000.00	\$ -	\$ 20,000.00	\$ 56,000.00	\$ 56,000.00
Public Works	Environmental Work Plan for Public Works Yard Site	\$ 55,000.00	\$ 55,000.00	\$ -		\$ -	\$ 55,000.00	\$ 55,000.00
<b>Total General Fund</b>		<b>\$ 588,070.00</b>	<b>\$ 242,000.00</b>	<b>\$ 171,070.00</b>	<b>\$ -</b>	<b>\$ 20,000.00</b>	<b>\$ 242,000.00</b>	<b>\$ 242,000.00</b>

WMC LEGACY FUND								
WMC Legacy	Environmental Work Plan for Wrangell Medical Center	\$ 35,000.00	\$ 35,000.00	\$ -	\$ -	\$ -	\$ 35,000.00	\$ 35,000.00
<b>Total WMC Legacy Fund</b>		<b>\$ 35,000.00</b>	<b>\$ 35,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,000.00</b>	<b>\$ 35,000.00</b>

NORTH COUNTRY TRAILHEAD ACCESS ROAD REPAIR FUND								
*Streets	North Country Trailhead Access Road Repair	\$ 61,790.00	\$ -	\$ 56,190.00	\$ -	\$ 5,600.00	\$ -	\$ -
<b>Total North Country Trailhead Access Road Repair</b>		<b>\$ 61,790.00</b>	<b>\$ -</b>	<b>\$ 56,190.00</b>	<b>\$ -</b>	<b>\$ 5,600.00</b>	<b>\$ -</b>	<b>\$ -</b>

SECURE RURAL SCHOOLS FUND								
*Streets	High School Sidewalk Replacement Project	The sidewalk project was approved in the FY21 Operating Budget in the SRS Fund, and requires approval to transfer to CIP Fund						
	High School Sidewalk Replacement Project	\$ 55,000.00	\$ 55,000.00	\$ -	\$ -	\$ -	\$ 55,000.00	\$ 55,000.00
Schools	Primary School Gymnasium Flooring Improvements	\$ 45,000.00	\$ 45,000.00	\$ -	\$ -	\$ -	\$ 45,000.00	\$ 45,000.00
Schools	High School Elevator Repairs/Replacement	\$ 163,000.00	\$ 163,000.00	\$ -	\$ -	\$ -	\$ 163,000.00	\$ 163,000.00
<b>Total Secure Rural Schools Fund</b>		<b>\$ 263,000.00</b>	<b>\$ 263,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 263,000.00</b>	<b>\$ 263,000.00</b>

4	COMMERCIAL PASSENGER VESSEL EXCISE TAX FUND							
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**City and Borough of Wrangell**  
**FY2021 Capital Improvements and Major Maintenance Proposed Projects**

Item a.

Dept.	Project Name	Estimated Project Cost	CBW Funding		Outside Funding			Total Requested in CBW Contributions	Manager Recommended FY21 CIP Funding Request
			FY21 CIP Funding Request		Grants and Donations	Loans	In-Kind Contributions		
*P&R	Mt Dewey Trail Extension FLAP Grant Match	\$ 504,577.00	\$ 50,000.00		\$ 454,577.00	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00
<b>Total Commercial Passenger Vessel Excise Tax Fund</b>		<b>\$ 504,577.00</b>	<b>\$ 50,000.00</b>		<b>\$ 454,577.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000.00</b>	<b>\$ 50,000.00</b>

INDUSTRIAL CONSTRUCTION FUND									
Ind Constr	Environmental Work Plan (former) Wilcox Automotive	\$ 65,000.00	\$ 65,000.00		\$ -	\$ -	\$ -	\$ 65,000.00	\$ 65,000.00
<b>Total Industrial Construction Fund</b>		<b>\$ 65,000.00</b>	<b>\$ 65,000.00</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,000.00</b>	<b>\$ 65,000.00</b>

WRANGELL MUNICIPAL LIGHT & POWER FUND									
**WML&P	AMI Electric Metering System Upgrades	\$ 560,000.00	\$ 560,000.00		\$ -	\$ -	\$ -	\$ 560,000.00	\$ 560,000.00
WML&P	Environmental Assessment for Utilities Campus Master Plan	\$ 102,000.00	\$ 102,000.00		\$ -	\$ -	\$ -	\$ 102,000.00	\$ 102,000.00
<b>Total Municipal Light &amp; Power Fund</b>		<b>\$ 662,000.00</b>	<b>\$ 662,000.00</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 662,000.00</b>	<b>\$ 662,000.00</b>

WATER FUND									
Water	Upper Dam Stability and Repairs Alternative Analysis (First Phase toward Shovel Ready)	\$ 65,000.00	\$ 65,000.00		\$ -	\$ -	\$ -	\$ 65,000.00	\$ 65,000.00
Water	Ash Street Water Main Replacement Engineering Design (toward Shovel Ready)	\$ 95,000.00	\$ 95,000.00		\$ -	\$ -	\$ -	\$ 95,000.00	\$ 95,000.00
<b>Total Water Fund</b>		<b>\$ 160,000.00</b>	<b>\$ 160,000.00</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 160,000.00</b>	<b>\$ 160,000.00</b>

HARBOR FUND									
***Harbor	Ports and Harbors Surveillance System	\$ 560,000.00	\$ 100,000.00		\$ -	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00
***Harbor	Inner Harbor Replacement Engineering Design (toward shovel ready)	\$ 672,000.00	\$ 672,000.00		\$ -	\$ -	\$ -	\$ 672,000.00	\$ -
<b>Total Harbor Fund</b>		<b>\$ 1,232,000.00</b>	<b>\$ 772,000.00</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 772,000.00</b>	<b>\$ 100,000.00</b>

SEWER FUND									
**Sewer	Node 8 Sewer Pump Station Rehabilitation	\$ 150,000.00	\$ 150,000.00		\$ -	\$ -	\$ -	\$ 150,000.00	\$ 150,000.00
<b>Total Sewer Fund</b>		<b>\$ 150,000.00</b>	<b>\$ 150,000.00</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000.00</b>	<b>\$ 150,000.00</b>

**City and Borough of Wrangell**  
**FY2021 Capital Improvements and Major Maintenance Proposed Projects**

Item a.

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			FY21 CIP Funding Request	Grants and Donations	Loans	In-Kind Contributions		

SALES TAX FUND: SCHOOLS, HEALTH, AND SANITATION									
Solid Waste Transfer Station Baler			\$90,000 was approved for this project in the FY21 Operating Budget in the Sales Tax Fund, and requires approval to transfer to CIP Fund						
***Sanitation	Solid Waste Transfer Station Baler	\$ 475,000.00	\$ 90,000.00	\$ -	\$ -	\$ -	\$ 90,000.00	\$ 90,000.00	
<b>Total Sanitation Fund</b>		<b>\$ 475,000.00</b>	<b>\$ 90,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,000.00</b>	<b>\$ 90,000.00</b>	

- Notes:
1. \* Identifies projects approved in FY20, not transferred to a CIP Fund. Projects remain viable and are in a variety of progressive phases.
  2. \*\* Identifies projects approved in part in the WML&P's FY20 operating budget, which was unspent and rescoped with an associated additional funding requirement
  3. \*\*\* Identifies projects under review for grant funding. If grant funding is unsuccessful or the timing is such that it is not in the Borough's best interest to wait on outside funding, a local funding source may need to be identified.

**Summary of Requested FY21 Capital Improvement Projects by Funding Source:**

	CBW Contributed Funding	Grants/Loans/ In-Kind	Total Project Funding	
General Fund	\$ 242,000.00	\$ 191,070.00	\$ 433,070.00	
Wrangell Medical Center Legacy Fund	\$ 35,000.00		\$ 35,000.00	
North Country Trailhead Access Road Repair Fund	\$ -	\$ 56,190.00	\$ 56,190.00	
Secure Rural Schools Fund	\$ 263,000.00	\$ -	\$ 263,000.00	(\$55,000 already approved as noted above)
Commercial Passenger Vessel Excise Tax Fund	\$ 50,000.00	\$ 454,577.00	\$ 504,577.00	
Industrial Construction Fund	\$ 65,000.00	\$ -	\$ 65,000.00	
Municipal Light & Power Department Fund	\$ 662,000.00		\$ 662,000.00	
Water Fund	\$ 160,000.00		\$ 160,000.00	
Harbor Fund	\$ 100,000.00	\$ -	\$ 100,000.00	
Sewer Fund	\$ 150,000.00	\$ -	\$ 150,000.00	
Sanitation Fund	\$ 90,000.00	\$ -	\$ 90,000.00	(\$90,000 already approved as noted above)
<b>Total Requested FY20 CIP/MM Funding</b>	<b>\$ 1,817,000.00</b>	<b>\$ 701,837.00</b>	<b>\$ 2,518,837.00</b>	

# City and Borough of Wrangell

## Fiscal Year Budget

### Capital Improvement Fund

City & Borough of Wrangell Alaska  
Capital Improvement Fund  
Fiscal Year 2021

		Project Cost	Prior Year	FY 2021
<b>General Fund Projects</b>				
<b>11300 000 7900 00 11001</b>	Parks & Recreation Swimming Pool Domestic Hot Water Tank	35,000		
	Transfer from General Fund		12,950	22,050
	Revenue			
	Expenditures		12,950	22,050
<b>11300 000 7900 00 11002</b>	Public Safety Building Piping Heating System	25,000		
	Transfer from General Fund		2,827	32,173
	Revenue			
	Expenditures		2,827	32,173
<b>11300 000 7900 00 11003</b>	Public Safety Building Assessment	155,000		
	Transfer from General Fund			155,000
	Revenue			
	Expenditures			155,000
<b>Total General Fund Projects</b>				
	Transfer from General Fund			209,223
	Revenue			
	Expenditures			209,223
<b>Harbor Projects</b>				
<b>74310 000 7900 74001</b>	Shoemaker Harbor	10,700,000		
	Transfer from Harbor Fund		5,256,666	435,697
	Revenue		4,088,258	
	Expenditures		9,344,924	435,697
<b>74310 000 7900 74002</b>	Summer Float Project	92,000		
	Transfer from Transient Tax Fund		67,000	25,000
	Revenue			
	Expenditures		67,000	25,000

City & Borough of Wrangell Alaska  
Capital Improvement Fund  
Fiscal Year 2021

Power & Light Projects  
70300 000 79000 70001

Electric Generation Project	7,337,864		
Transfer from Power & Light Fund		266,994	449,738
Revenue			
Expenditures		266,994	449,738

Total CIP Fund

Transfer from Other Funds			1,119,658
Revenue			
Expenditures			1,119,658

**CITY & BOROUGH OF WRANGELL, ALASKA****Consent Agenda MOTION**

***Move to approve the Consent Agenda as submitted.***

**SUBMITTED BY:**

Kim Lane, Borough Clerk

**INFORMATION:**

***Consent agenda.*** Items listed on the consent agenda or marked with an asterisk (\*) are considered routine and will be passed in one motion; provided, upon the request of any member, the manager, or the clerk, an item on the consent agenda shall be removed from the consent agenda and placed under New Business for assembly action.

## **Minutes of Special Assembly Meeting Held on August 4, 2020**

Mayor Stephen Prysunka called the Special Assembly meeting to order at 6:00 p.m., August 4, 2020, held by Zoom Teleconference.

PRESENT: PRYSUNKA, GILBERT, POWELL, MORRISON, HOWE

ABSENT: DECKER

Borough Manager Von Bargaen and Deputy Borough Clerk Mollen were also in attendance.

### **PERSONS TO BE HEARD:**

**Michael Lockabey** – Does not support a public mask mandate. Supports common sense but does not think that the Assembly should mandate the beliefs on the community. Encouraged other people listening to speak up as well. Asked the Assembly to revisit the decision to allow written comment to be read into the record.

Mayor Prysunka and Manager Von Bargaen reviewed that written comments are welcome to be sent in and will be forwarded to the Assembly Members, just not read as part of the meeting.

**CONFLICT OF INTEREST** – None.

### **ITEM(s) OF BUSINESS:**

#### **5a Discussion Item: Potential Local Face Covering Mandate**

Von Bargaen stated that Captain Sprehe will have information for the Assembly and will be looking for direction at the end for action to be taken at the next meeting.

Sprehe recapped the course of the pandemic for Wrangell and the events that happened along the way. Sprehe also reviewed the ways that we can contain the spread of the disease through masks, washing hands, hand sanitizer, staying home when sick, etc. She stated that it was a good time to bring this idea forward.

Prysunka turned it to Von Bargaen to guide the discussion and she opened it to questions from the Assembly.

Gilbert asked about DHSS providing Juneau with cloth face masks and wanted to know if we have access to that supply. Sprehe stated that we do have those and were given 2,000 recently. We have access to those at the Fire Department and City Hall. Gilbert also asked what level of risk we are out in Southeast Alaska. Jamie Roberts, EOC, was on and stated that she would get back on that because the data hub had just been revised today.

Gilbert asked how effective the contact tracing is in town. Roberts stated that Public Health is overwhelmed, and they are asking positive individuals to contact their own contacts immediately to prevent spreads more quickly. Von Bargaen added that there is no local

participation in contact tracing.

Prysunka asked Sprehe to discuss the contact tracing efforts. Sprehe stated that as the numbers increased, Public Health realized their limitations and they have brought on the National Guard medical members, University of Alaska nursing students, school health nurses and volunteers to train as well to assist in this.

Morrison asked about the effectiveness of mask mandated in other communities. Sprehe stated that there are six communities that have mandated masks in indoor places and three that are in outdoor places as well. Cordova, Dillingham, and Seward are like-sized communities with mandates for indoor places. Morrison asked how that is being enforced, but no information was available.

Powell mentioned that he heard Petersburg passed a mandate and rescinded it. Sprehe stated that they did have one on April 23<sup>rd</sup> and did not renew it due to divisiveness. Von Bargaen stated that her sister in Valdez commented on the enforcement and that although fines are an option, the police are not enforcing those. She also stated that if they have a medical reason not to wear a mask, they cannot ask about that.

Prysunka asked why this is a recommendation now and Sprehe stated that it is because of the community spread and symptomatic local cases now.

Howe asked the scope and the duration of a proposed mandate. Prysunka stated that this discussion was to understand where everyone is, and the next step would be to bring forward an ordinance to the Assembly for a full vote at the next meeting. He would recommend a sunset date or period at that time as well.

Gilbert stated that community members have mentioned that they have walked into businesses that are not using masks and they left. She asked if the businesses have reached out to the EOC for assistance. Sprehe stated that they have not reached out to her, but there are other members as well that may have been asked. Sprehe stated that they have asked for masks, but not support.

Gilbert stated that a community member asked if the City has a policy for employees for masks. Von Bargaen stated that a city-wide employee mask policy is in effect starting today and that customer-facing locations have had a mask policy since May 6<sup>th</sup> when the buildings opened.

Morrison stated that she wears a mask when she goes out but felt that it is up to each business to enforce if they want to have a policy for their business. She felt that it was the Assembly's job to encourage, not mandate.

Howe asked if there were any legal challenges to this yet. Von Bargaen stated that the Governor has expressed that each community needs to address this on their own and the Attorney General supported this. As a Home-Rule Borough, we have the authority to make a law regarding this.

Powell stated that he agreed with Morrison but thinks that people do not understand what



will happen if there are further breaks-outs. Specifically, the state could shut down businesses again and he would like to avoid that. He recommends the Mayor make a Proclamation encouraging this. He thinks that the enforcement will be difficult.

Sprehe mentioned that Sitka had a mandate that failed 3-4 and they brought it back as a Proclamation to try to keep businesses open.

Gilbert stated that she has had a lot of conversations with people that want the mandate but does not think that is the way to go. Also noted that Wrangell is in a unique spot because cases may need to be medevacked. Would like to see a Medivac Preparedness Checklist from the EOC so that people know what is involved in medevacking patients. She also suggested “Mask Mornings” where people who want a mask while being out could do so during a specific time frame. She also noted that kids will be expected to wear masks when school starts back soon.

Morrison agreed with Gilbert and stated that we cannot expect children to do what we will not do, and again, recommended a proclamation.

Prysunka stated that medical employees wear masks all day and we can wear a mask for a short period of time while shopping. He also noted that Anchorage is in the red currently and we need to do all we can to help the health care system.

Sprehe stated that they can put together a medivac checklist and that everyone should know that if you are medevacked out you are not a burden on another community and taking a bed away from them. She also noted that Wrangell is currently classified as intermediate.

Von Bargaen also noted the costs that can be associated with a medivac to the patient and community.

Gilbert asked if medivac with transport a medical advocate. Sprehe stated that you cannot and cannot have someone in the hospital unless you are a child.

Gilbert also asked about the doubling rate and Jamie Roberts stated that the information was not available yet with the redesigned dashboard.

Howe asked about enforcement.

Prysunka stated that he was in favor of the Assembly making a statement and that it would be a step forward for the Assembly. He was not in favor of a fine, though. Sprehe stated that the fines that she was aware of are in Juneau \$25, Dillingham \$100-\$1000 (progressive) and businesses can ask you to leave, State-wide Alaska Airlines has a no service policy and you can end up on the “No-Fly” List.

Gilbert stated that calling it a “Directive” instead of a Proclamation might mean more. Von Bargaen stated that she has never seen a Directive, but Sitka’s is called a Resolution. It is very well-written and includes how masks should be worn, no fines, and no shaming people that do not wear masks.

Prysunka stated that he was leery of the travel testing, but it has been effective as we have 4 cases from the airport testing. He wants to support the work of the EOC and is in favor of this as a way to do that.

Gilbert stated that the EOC was working well with the school to reopen safely.

Morrison asked for the next step. Prysunka asked to give direction to the City Manager to draft a Resolution and bring it before the Assembly at the next meeting on August 11<sup>th</sup>.

Gilbert stated that she would like a Public Hearing for this Resolution, even though we do not normally do a Public Hearing for Resolutions.

Von Bargaen stated that in lieu of a Public Hearing, the Mayor can just open the floor at that item. After discussion, the Public Hearing was decided on.

Powell asked for Sitka's Resolution to be sent out for review. Von Bargaen will send it out.

Sprehe discussed isolation and quarantine and the difference between the two. People in isolation have been tested positive and should stay home except for emergency care. Positive cases are asked to isolate for 10 days and until fever-free for 24 hours as well as a reduction of symptoms. Quarantine is for close contacts who have potentially been exposed. They should stay home for 14 days from the last contact with the person and should watch for any symptoms. Testing is NOT a substitute for quarantine.

Howe asked Sprehe about testing and if it shows if you had it previously or only currently. Sprehe stated that epidemiology has determined that the test can pick up "litter" from a previous infection, but more information would be needed from epidemiology.

Von Bargaen stated that Clerk Lane mentioned that Public Hearings require notice that we cannot meet before next week. It was decided to open the floor before that item and publish this as well.

Sprehe noted that people can get masks through her by calling the Fire Hall. The Library also has adult masks and children's masks to give away as well.

Special Assembly meeting adjourned at 7:29 p.m.

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Stephen Prysunka, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, MMC, Borough Clerk

**Minutes of Special Assembly Meeting  
Held on August 14, 2020**

Vice-Mayor Patricia Gilbert called the Special Assembly meeting to order at 5:30 p.m., August 14, 2020, held by Zoom Teleconference.

PRESENT: DALRYMPLE, GILBERT, POWELL, HOWE

ABSENT: DECKER, PRYSUNKA, MORRISON

Borough Manager Von Barga and Borough Clerk Lane were also in attendance.

**PERSONS TO BE HEARD** – None.

**CONFLICT OF INTEREST** – None.

**ITEM(s) OF BUSINESS:**

**5a RESOLUTION No. 08-20-1536** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE JOB DESCRIPTION OF THE FACILITIES MAINTENANCE SPECIALIST POSITION (*postponed from the August 11, 2020 Regular Assembly Meeting*)

***M/S: Powell/Howe to approve Resolution No. 08-20-1536. Motion approved unanimously by polled vote.***

Special Assembly meeting adjourned at 5:35 p.m.

\_\_\_\_\_  
Stephen Prysunka, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, MMC, Borough Clerk

## Minutes of Regular Assembly Meeting – Rescheduled from July 28, 2020

**Held on August 11, 2020**

Mayor Prysunka called the held Rescheduled Regular Assembly meeting to order at 7:00 p.m., August 11, 2020 by Zoom teleconference. The pledge was led by Assembly Member Powell and the roll was called.

PRESENT: POWELL, GILBERT, PRYSUNKA, MORRISON (joined at 7:02pm), HOWE

ABSENT: DECKER

Borough Manager Von Barga and Borough Clerk Lane were also in attendance by teleconference.

### CEREMONIAL MATTERS

Mayor Prysunka presented a Certificate of Service to Mya DeLong for her service on the Borough Assembly.

Mayor Prysunka expressed his deepest sympathies to the Decker's who recently suffered a great loss. The Decker's are a huge part of the Communities fabric and their children have been enjoyed by everyone on the Community. This loss is felt by so many. Cannot express enough the love that we all have for Gig and Julie; Prysunka also acknowledged the incredible upswell of support in the Community.

### PERSONS TO BE HEARD

**Jim Nelson Sr., resident** stated that he wanted to wait to speak until Agenda Item 13c came up on the Agenda (Nelson land item).

**Dale Parkinson, resident** stated that he believed that because the mask covering item was not enforceable, it appeared that it was a political statement.

**Dr. Debbe Lancaster, WPS Superintendent** provided a brief update on the School's plans on reopening this fall.

### AMENDMENTS TO THE AGENDA

Prysunka asked that Item 13c be moved up to be considered before Item 13a. There were no objections from the Assembly.

### CONFLICT OF INTEREST

Gilbert declared a conflict of interest to Item 11a (ORDINANCE No. 979 OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE WITHDRAWAL FROM THE PORT AUTHORITY KNOWN AS THE "INTER-ISLAND FERRY AUTHORITY" AND CALLING A REFERENDUM ON THE PROPOSITION TO WITHDRAW FROM SAID PORT AUTHORITY) since she is currently a seated member of the IFA Board. Prysunka declared that he did not see that she had a conflict of interest, since he had no financial gain. There were no objections from the Assembly.

### CONSENT AGENDA

- a. Minutes from the June 23, 2020 Regular Assembly Meeting
- b. Minutes from the July 21, 2020 Special Assembly Meeting

***M/S: Gilbert/Morrison to approve the Consent Agenda, as presented. Motion approved unanimously by polled vote.***

#### BOROUGH MANAGER'S REPORT

Von Barga provided updates on the following:

- COVID-19 Update:
  - Working with School District Re-opening (Community Risk Assessment)
  - Jamie Roberts (Thank you) for researching and coming up with the community risk
  - EOC working on Mask recommendation; intention is positive encouragement
  - Internal Borough Mask Policy
  - Working on Borough Travel Policy & Screening Policy
  - As of Friday (August 7), we have received 133 borough grant applications totaling just over \$156,000 has been approved for payment
- Library wrapping up the Summer Reading Program
- AMHS two-minute testimonial submitted to AML
- Met with St. Francis volunteer cat shelter and they will be closing; asking for options to possibly partner with the Borough
- Landless issue: Delegation is planning on submitting legislation in September of this year; lobbyist is monitoring closely; draft report will be provided to the Assembly, when available; with loss of federal land in our area, there will be PILT impacts
- IBEW Negotiating ground rules were accepted by the IBEW
- Professional Services Agreement on Public Safety Building; Amber contacted state to see if we were selected for grant funds by WCA and we were not selected
- Investment Committee meeting scheduled for next week; quarterly thereafter
- Zirembo abandoned vehicles: contacted Clint at the Forest Service; will start meeting again
- Chugach Ranger Boat exhibit: Forest Service requested that the Borough donate the fill since filling the area will be necessary to place the Chugach in the desired location at the Nolan Center; Port Commissioner Mitchell offered to donate that fill – Thank you!

In response to Powell on where we were at in moving the Capital Facilities Department to the Electric Department, Amber Al-Haddad stated that with the reduced staff, we need to get the phone system set up; lots of items boxed up so we are just about ready

#### BOROUGH CLERK'S FILE

Clerk Lane's report was provided.

MAYOR AND ASSEMBLY BUSINESS – None.

#### MAYOR AND ASSEMBLY APPOINTMENTS

Appointment to fill the Vacancy on the Wrangell Borough Assembly

***M/S: Gilbert/Morrison to approve the appointment of Bob Dalrymple to the Wrangell Borough Assembly for the Unexpired Term ending October 2020. Motion approved unanimously by polled vote.***

#### PUBLIC HEARING

**11a ORDINANCE No 979 OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE WITHDRAWAL FROM THE PORT AUTHORITY KNOWN AS THE "INTER-ISLAND FERRY AUTHORITY" AND CALLING A REFERENDUM ON THE PROPOSITION TO WITHDRAW FROM SAID PORT AUTHORITY**

Mayor Prysunka declared the Public Hearing open for Ordinance No. 979.

There were no persons who wished to speak under the Public Hearing.

Prysunka declared the Public Hearing closed on this item and entertained a motion.

***M/S: Gilbert/Howe to approve Ordinance No. 979. Motion approved unanimously by polled vote.***

UNFINISHED BUSINESS – None.

NEW BUSINESS

**13c a** Approval to Negotiate Sale, Lease or Access Easement, Addressing Borough Access and Utility Easements Requirements, for a Portion of Lot 11, Block 83, USS 1119 with Jim and Sue Nelson

***M/S: Powell/Morrison to Approve the Negotiation of the Sale, Lease or Access Easement, Addressing Borough Access, and Utility Easements Requirements, for a Portion of Lot 11, Block 83, USS 1119 with Jim and Sue Nelson.***

Von Bargaen stated that Mr. Nelson came to the Borough several months ago, requesting to purchase this city owned property; went before the Planning & Zoning Commission and they recommended the sale of the parcel with the caveat that access and utility easement issues be addresses; parcel has a major waterline running through it as well as electrical utility infrastructure running through it; if parcel is sold, access and utility easements would need to be platted; would prohibit the Nelson's from placing any permanent structures on it; Administration believes however, that instead of selling the parcel to the Nelson's, would be a better alternative to provide an access easement since the Nelson's can never really do anything with this property. The approval by the Assembly would allow negotiations to start.

Mr. Nelson stated that he wanted to purchase the property; get it on the tax rolls; does not want to build on the parcel; just wants to have the driveway; also stated that the electrical superintendent had told him that he wanted to put up a fence across it, on the property line; spoke with Von Bargaen and she had told him not to worry about that then saw that the Electrical Superintendent was up there surveying it; called Electrical Superintendent and was told that "yes" we are putting a fence across there; wants not to have to worry about it. Stated that there is a water line going through the property but there is no electrical lines going through it.

Von Bargaen stated that she was the one who told the electrical superintendent to get a survey of the property to establish the property line, both on the top in where the Nelson's house is and on the lower property line as well.

Von Bargaen stated that this item was before the Assembly because if the direction were to move forward with negotiations, expenses would be incurred.

Mr. Nelson stated that if the Assembly agreed to sell it, they were willing to allow the easements.

Von Bargaen stated that she would address the fence issue with Mr. Nelson.

Powell stated that he was in favor with moving forward with negotiating the sale of the property.

Gilbert stated that she was also in favor with selling the property.

***Motion approved unanimously by polled vote.***

**13a b RESOLUTION No. 08-20-1534 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA ENCOURAGING THE RESIDENTS OF AND VISITORS TO THE CITY AND BOROUGH OF WRANGELL TO WEAR FACE COVERINGS IN PUBLIC PLACES**

***M/S: Gilbert/Powell to approve Resolution No. 08-20-1534.***

Von Bargaen stated that following item was being brought forward, based on the Assembly's direction on the discussion had by the Assembly at the Special Assembly meeting on August 4, 2020; no enforcement on this Resolution; this is a friendly recommendation.

***Motion approved unanimously by polled vote.***

**13b c Approval of the FY 2019 Audit**

***M/S: Powell/Howe to approve the FY 2019 Audit.***

Von Bargaen stated that there were four findings in this audit; this audit covers July 2018 to June 2019; findings have been addressed by Finance Director Mason; measures have been put in place to prevent future findings. Von Bargaen stated that Ms. Mason has prepared an RFP to see about getting a different auditor for the Borough.

Prysunka questioned if there was anyone from the audit firm on the line to speak to the findings. Von Bargaen stated that no, they were not on the line and that if the Assembly wanted them on the line, the Assembly could postpone action on this item and put it on the next agenda and have the auditors on the line.

Prysunka stated that there are a significant number of findings; he would like them to be on the line to give the Assembly a full report and speak to the findings; believes that it should be a part of their service.

***M/S: Morrison/Powell to postpone the approval of the FY 2019 audit.***

It was stated that this item will be on the August 25, 2020 Assembly meeting Agenda.

***Postponement of this item was approved unanimously by polled vote.***

**13d** Approval of Second Modification to Wrangell Marine Service Center Mill Dock 1 Lease, as requested by Steve Thomassen

***M/S: Gilbert/Morrison to approve the Second Modification to Wrangell Marine Service Center Mill Dock 1 Lease, as requested by Steve Thomassen. Motion approved unanimously by polled vote.***

**13e** Approval of a Professional Services Agreement with Black Point IT Services for Managed IT Services in the amount of \$52,140

***M/S: Morrison/Howe to approve a Professional Services Agreement with Blackpoint-IT Services for Managed for IT Services in the Amount of \$52,140. Motion approved unanimously by polled vote***

**13f** Discussion Item: EPA Targeted Brownfields Assessment Program

Amber Al-Haddad stated that the property that this addressed was at the corner of Front Street and Campbell Drive (across from Twisted Roots); explained in detail that upon exhuming the underground storage tanks several years ago, it was found that there was contaminated soil in the ground; removed about 40 cubic yards of contaminated soil then; assessment done still shows that the perimeter of the pit still shows contamination; DEC wants additional sampling to be done to determine the level of contamination. Shannon & Wilson has submitted a work plan; EPA Brownfields Program is an alternative for funding of this project, however they would perform the additional site assessment to determine the level of contamination; to finalize eligibility, EPA needs to determine if the contamination was caused by one of the 2 prior owners before the City was financially viable to pay for the clean-up; EPA would reach out to the individual and would require 3 years of back tax returns to determine financial viability; the two options are to go through the EPA Brownfields Assessment program and have them contact the prior owner or the City would need to use local funding to pay for the project.

Powell stated that he has a hard time pursuing financial responsibility of a prior owner when the contamination could have been caused by several owners back.

Prysunka questioned at what point is the prior seller released from the responsibility for the activities that took place on the property. Al-Haddad stated that according to EPA and DEC, it's forever; Von Bargaen stated that yes, it's forever for hazardous materials.

After further discussion, Prysunka requested that Staff reach out to the prior owner to discuss this with them. There were no objections from the Assembly.

**13g** Approval of Professional Services Agreement with AMC Engineers in the Amount of \$164,605 for the Wrangell Public Safety Building Assessment

***M/S: Morrison/Gilbert to approve the Professional Services Agreement with AMC Engineers in the Amount of \$164,605 for the Wrangell Public Safety Building Assessment. Motion approved unanimously by polled vote.***



**13h RESOLUTION No. 08-20-1535** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY21 BUDGET IN THE CIP FUND BY TRANSFERRING \$9,605 FROM GENERAL FUND RESERVES TO THE PUBLIC SAFETY BUILDING ASSESSMENT PROJECT AND AUTHORIZING ITS EXPENDITURE

***M/S: Powell/Morrison to approve Resolution No. 08-20-1535. Motion approved unanimously by polled vote***

**13i RESOLUTION No. 08-20-1536** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE JOB DESCRIPTION OF THE FACILITIES MAINTENANCE SPECIALIST POSITION

***M/S: Powell/Gilbert to approve Resolution No. 08-20-1536.***

Von Bargaen stated that the job description attachment did not include the tract changes; Amber Al-Haddad also stated that there was an error in the Resolution.

***M/S: Gilbert/Morrison moved to postpone this item until Friday, August 14, 2020 at 5:30 p.m. Motion approved unanimously by polled vote.***

#### ATTORNEY'S FILE

**14** Available for Assembly review in the Borough Clerk's office.

#### EXECUTIVE SESSION

**15 Executive Session:** IBEW Grievance COW-20-02

***M/S: Gilbert/Morrison moved pursuant to 44.62.310 (c) (1), that we recess into executive session and invite the Borough Manager into the session, to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the Borough, specifically to receive an update on and discuss IBEW Grievance COW-20-02. Motion approved unanimously by polled vote.***

Regular Assembly meeting recessed into Executive Session at 8:54 p.m.

Regular Assembly meeting reconvened back into Regular Session at 10:12 p.m.

Prysunka stated that there was no further business to discuss.

Regular Assembly meeting adjourned at 10:13 p.m.

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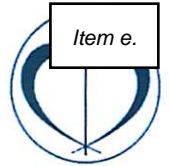
Stephen Prysunka, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, MMC, Borough Clerk



# Southeast Senior Services

A Division of Catholic Community Service, Inc.



Helping elders in Southeast Alaska stay healthy, safe and independent

August 3, 2020

Ms. Lisa Von Bargaen, City and Borough Manager  
City and Borough of Wrangell  
P O Box 531  
Wrangell, AK 99929

Dear Ms. Von Bargaen:

We want to thank the City and Borough of Wrangell for its generous support of our Wrangell Senior Center. We are pleased to report the following services provided by our Wrangell Senior Center staff in the fourth quarter of Fiscal Year 2020:

- \* 71 senior citizens received 2,495 home-delivered meals.
- \* 61 senior citizens received 1,064 rides.

During the fourth quarter the Wrangell Senior Center was closed due to COVID-19. All elders were able to receive home-delivered meals during this time.

Please contact me at (907)463-6154 or [Marianne.mills@ccsjuneau.org](mailto:Marianne.mills@ccsjuneau.org) if you would like additional information.

Sincerely,

Marianne Mills  
Program Director

MM/acb



## **Police Department Report for the Month of July 2020**

During the month of July, 2020, the Correctional Staff had several days of vacation time which resulted in two days of overtime. We also had two people out for Covid related reasons which resulted in 5 days of overtime. The number of people housed at the jail were:

6 in January, with 42 days served between them

8 in February with 146 days served between them

7 in March with 47 days served between them

2 in April with 31 days served between them

3 in May with 47 days served between them

11 in June with 84 days served between them

5 in July with 76 days served between them

Attached is a summary of all the calls for service that the Police Department received in the month of July, 2020. We had 220 calls for service. You will notice that there is a difference in the number of people booked and the number held for the month of July. That is because three people that had been held were arrested last month and are still housed in our facility,

July 2020 Stats			
<b>ALCOHOL OFFENSES</b>		<b>ANIMAL VIOLATIONS</b>	
Citizen Report DWI	2	Animal Citations	1
DWI		Bear Complaints	
Contributing to Delinquency of Minor		Bird Complaints	
Furnishing Alcohol to Minor		Cat Complaints	
Intoxicated Person	1	Cruelty to Animals	
Minor on Licensed Premises		Dog Complaints	4
MIPC		Dog Bites	
Refuse Chemical Test		Other Animal Complaints	5
<b>CRIMES AGAINST PERSON</b>		<b>CITY OFFENSES</b>	
Assault non-family-strong-arm		Curfew Violation	
Assault 1		Fireworks Prohibited	8
Assault 2		Littering	
Assault 3		Truancy	
Assault 4	3		
Assault with Weapon		<b>MISCELLANEOUS OFFENSES</b>	
Child In Need	1	Conditions of Release Violation	1
Indecent Exposure		DVO Violation	
Misconduct Involving Weapons		MISC 3	
Sexual Abuse of Minor		MISC 4	
Sexual Assault		MISC 6	
Sexual Harassment		Minor with Tobacco	
Suicide Threat	1	Probation Revocation	
Stalking		Probation Violation	1
<b>CRIMES AGAINST PROPERTY</b>		Restraining Order Violation	1
Arson		SOR Violation	
Attempted Theft		<b>OFFENSES AGAINST PUBLIC ORDER</b>	
Burglary		Discharge Firearms	
Criminal Trespass	2	Disturbance	6
Forgery		Disorderly Conduct	2
Fraud	2	Domestic Disturbance	2
Larceny from Business	1	Failure to Obey Police Officer	
Larceny from Others	4	Fight	
Larceny from Residence		Harassment	1
Malicious Mischief	4	Interfering with Arrest	
Malicious Mischief Business		Interfering with Report of Crime	
Malicious Mischief Private Property		Loitering	
Theft of Services		Peeping Tom	
Theft from Watercraft		Report of Gunshots	
Vehicle Theft		Resisting Arrest	
		Soliciting	
		Vagrancy	

<b>July 2020 Stats Page 2</b>			
<b>TRAFFIC OFFENSES</b>			
Abandoned Vehicle	2	Funeral Escort	
Citation Equipment/Registration		Health & Safety	2
Citation License Violations		Illegal Entry	
Citation Parking		Inmate Booking	2
Citation Speeding		Inmate Incident	
Complaint ATV		Juvenile Contacts	
Complaint Parking	2	Lost Property	1
Complaint Reckless Driving	2	Miscellaneous Paper Service	1
Complaint Speeding		Missing Person	
Failure to Yield to Pedestrian		911 Wrong Number/No One There	3
Failure to Yield to School Bus		NFS Checks	
Hit & Run	1	Order to Show Cause	
Traffic Accident/Fatal		Officer Injury	
Traffic Accident/Injury		Oversized Load Permit	
Traffic Accident/No Injury	3	Prisoner Transport	
Traffic Accident/Property Damage		Possible Fugitive	
Traffic Hazard		Probation Referral (juvenile)	
Unauthorized Use of Vehicle		Prowler Report	
Vehicle Impound		Reckless Endangerment	
Verbal Warning	6	Recovered Firearm	
		Runaway	
<b>MISCELLANEOUS ENTRIES</b>			
		Search Warrant	
		Security Check	
Agency Assist	107	SOR Registration	
Arrest Warrant (other Agency's)		Shoplifting	
Background Check		Subpoena Service	3
Bench Warrant (our Agency)		Summons Service	4
Brady Law		Suspicious Circumstance	1
Burglar Alarm		Stolen Property	
Citizen Assist	10	Title 47	
Civil Matter	6	Unattended Death	2
Controlled Burn		Unsecured Premises	1
Courtesy Transport	3	Vacation Check	
Dance Permit		Watercraft Accident	
Death Investigation		Welfare Check	5
Death Notification			
DMV Items Issued		<b>UCR INFO</b>	
DVO Service	1		
Drug Information		Physical Arrests	2
Drug Interdiction		Theft \$ Amount	
86'd Letter	1	Vehicle Theft \$ Amount	
EDP	1		
Extra Patrol		<b>JUVENILE INFO</b>	
Fire		Arrests	
Found Property	4	Contacts	
		Crime	
		Traffic Stops or Citations	

August 21, 2020

To: Mayor Prysunka & Assembly Members  
 From: Lisa Von Bargen, Borough Manager  
 Re: Financial Status of Valvoda v. CBW et al.

On August 12<sup>th</sup> the financial status of the Valvoda case was reported to the Assembly. The total expended through July 31, 2020 is \$49,209.30. The table below shows a monthly accounting beginning in March of 2019. As a reminder, APEI, the Borough's insurance company is picking up half of the expense of the case. That means nearly \$100,000 in legal fees has been expended for this frivolous suit costing the other party less than \$1,000 so far.

I mistakenly reported in the last memo that the Borough has a \$50,000 deductible on this type of case, so after that threshold is reached, APEI should be covering all expenses. **That not correct.** As indicated, APEI was contacted to confirm this information. The Borough's deductible is actually \$10,000. The deductible is **in addition to** the cost share. If the case ends in a settlement, APEI will bill the CBW for the \$10,000 deductible. If the case ends with a Dismissal with Prejudice (which is what the Attorney has filed) the Borough's obligation ends with the cost share and the deductible is not billed. To clarify, if the Judge dismisses the case with prejudice the matter is closed and no further claims related to this case can be brought against the Borough.

Valvoda v. CBW et. al							
January	2019	\$	-	January	2020	\$	4,632.55
February	2019	\$	-	February	2020	\$	1,874.18
March	2019	\$	2,405.03	March	2020	\$	1,708.19
April	2019	\$	3,830.10	April	2020	\$	139.00
May	2019	\$	6,735.50	May	2020	\$	864.75
June	2019	\$	8,192.04	June	2020	\$	2,245.96
July	2019	\$	6,002.85	July	2020	\$	2,208.54
August	2019	\$	2,903.81	August	2020	\$	-
September	2019	\$	2,447.31	September	2020	\$	-
October	2019	\$	1,739.74	October	2020	\$	-
November	2019	\$	660.00	November	2020	\$	-
December	2019	\$	619.75	December	2020	\$	-
			\$35,536.13				\$13,673.17
					\$49,209.30		

## MEMORANDUM

**TO:** HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY  
CITY AND BOROUGH OF WRANGELL

**FROM:** MS. CAROL RUSHMORE, ECONOMIC DEVELOPMENT DIRECTOR

**SUBJECT:** Economic Development Department

**DATE:** August 18, 2020

### **Tourism:**

The RFP for the COVID-19 related Branding effort has been noticed and published and responses are due on August 31. They are also working on online and social media efforts and updating information for the Travel Planner.

### **Economic Development:**

All Wrangell Cares Grant funding opportunities became available online by July 15. As of Wednesday 8/19/20 the updated stats on application submittals are as follows:

As of noon on Wed. 8/19

168 applications submitted

162 have been processed requesting \$233,000

4 of those need additional information

17 have been denied for: (3) being essential service, (6) new - not an active business in 2019, (1) duplicate application, (1) out of state fisherman (although boat stays here year round); (6) ineligible

56 were for small business grant by fishermen

52 were for small business grant other than fisherman

9 for Accounting assistance

5 for lift fee assistance

10 for the Social Service Grant

3 for the Food Assistance Grant

29 for Targeted visitor assistance (8) accommodations (9) retail (12) excursions

\$189,000 has been approved for payment

### **Census:**

August 31 is the deadline for SELF response to the Census. Census enumerators are already on the ground visiting non-responsive households. As of August 19 Wrangell's current response rate is 40% with just over half of those responding via the internet. But this is VERY low. Alaska in general has a 51% response rate. I had a lengthy teleconference with Senator Murkowski's office and some of the regional Census directors because of information passed to me by one of the remote enumerators of the Wrangell Borough. It raised concerns by me not only for Wrangell's count but also for Alaska's count. IF you responded to the Census in April, May or June without the 10 digit identifying code that came with the hand delivered packets later, you may still be visited by a Census worker (enumerator). The 10 digit code helps match up a household's response to the house location on the map, but if for some



reason the address and/or description provided by the online respondent without the 10 digit code was not matched with the map, an enumerator will come by to ask the questions again. That will then allow the Census to match the previous information with the map—so residential units are not missed or counted twice. This has happened for some of the early responses and I know there is some frustration by individuals and concern that they will not be counted, or liked the anonymity of responding online and now having to respond again. The Alaska Census staff were pushing and encouraging the early response. For those households that did not respond online or by mail, a Census worker will come to the door and try several times to get the household counted. We are starting another push for folks to respond to the workers or to respond online. All information is kept confidential. As everyone will recall, COVID-19 pandemic slowed the Census activities down. We had numerous local events planned to help people with their response but they were cancelled and even the packets that were supposed to be delivered to each house was put on hold for about 3 months. PLEASE respond or respond again with the field Census worker so EVERYONE CAN COUNT FOR WRANGELL.

**Planning and Zoning:**

Staff has completed the PSA and Notice to Proceed for the survey of the Institute property Phase 1, a block on Pine/Etolin Ave, and the former Byford property at 4 mile Zimovia Highway. Discussions with R&M Engineering regarding site designs are ongoing. Additional survey work is before the Assembly at this meeting.

**GIS Mapping Updates:**

Staff has been working with our GIS contractor to update our mapping system with new subdivisions, errors etc. We are still sorting out a few of the necessary changes and mapping issues but hopefully will be completed soon. There were delays on Staff's part due to the grant application development and launch. Once this is complete then the online mapping will be updated as well. Changes to the maps and proofing other errors takes time and is being worked on in between COVID and other duties.

**COVID-19:**

Staff spends a large portion of time working on COVID-19 efforts from the perspective of impacts to businesses, industries, tourism, and general travel issues. Webinars have tapered off somewhat with most webinars now specific training opportunities for businesses, clarifications for mandates and COVID-19 response, and regional efforts on impacts or concerns shared by various groups.

**Chugach Ranger Boat:**

Staff have participated in several teleconferences regarding the Status of relocating the M/V Chugach to its proposed location next to the Nolan Center. The USFS is to provide staff with design drawings for review of the vessel's location and for the fill work that needs to be completed.

# City and Borough of Wrangell

## Wrangell Municipal Light and Power Department Report

### August 20, 2020

#### Power Generation Solutions Project

To date WML&P has completed the following milestones:

- Status of 20 Cylinder generator –
  - 20 Cylinder is in place within the Powerplant
    - Control and Distribution is 90% complete
  - Pre-lube system had to be rebuilt
- The Week of August 10, Davis Buss of EPS was here to work on the Generator Controls. Though he accomplished a lot, his trip also revealed several issues with the 20 Cylinder itself. Largely due to the amount of time that the generator had been sitting, and the way it was 'put away', we will be needing to work on the fuel delivery system, and the starter. We also discovered that this unit has no "pre-lube" system, which means that it largely sits 'dry', or un-lubricated. Not a big problem, but one that we will need to correct before putting this unit into service.
- Work in Progress:
  - Replace injectors
  - Install a Pre-lube system
  - Replace the existing starter

#### Financials:

- In the month of **July** WML&P sold 1,927,916 KW Hours of Electricity, generating \$237,361.86 of Revenue. This can be compared to 2018 and 2019 as follows:
  - 2018 - WML&P sold 2,287,544 KW Hours of Electricity, generating \$280,768.03 of Revenue.
  - 2019 - WML&P sold 1,885,328 KW Hours of Electricity, generating \$233,462.15 of Revenue.

#### Additional Information:

- Last month I reported the following: Wrangell has experienced several outages during the month of July. These outages have originated in Ketchikan, attributed to 'bird-strikes'.
- Wrangell has experienced two more outages that originated in another community. SEAPA has agreed to look at our Protective Relay coordination to see if adjustments can be made that will allow Wrangell to ride through outages coming from other communities. This may require a coordination study. Such a study will take time. I will

keep the City Manager and Assembly informed of developments around a possible coordination study.

- The SEAPA shutdown is to begin September 8 and run through October 9<sup>th</sup>. However, for WML&P, the actual impact will be from the 8<sup>th</sup> through the 18<sup>th</sup>.

# CITY AND BOROUGH OF WRANGELL #7990

Account Statement - Period Ending July 31, 2020



## ACCOUNT ACTIVITY

Portfolio Value on 06-30-20	8,731,909
Contributions	0
Withdrawals	-3,016
Change in Market Value	270,705
Interest	1
Dividends	4,579

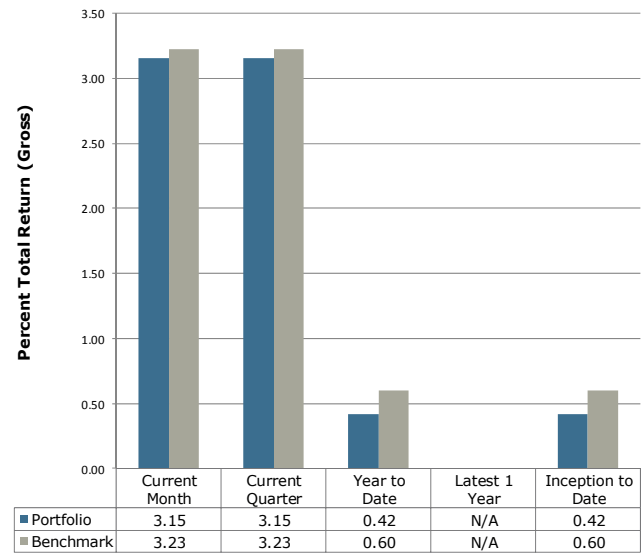
Portfolio Value on 07-31-20	9,004,178
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## MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Brandy Niclai, CFA®
Contact Phone Number:	907/272-7575

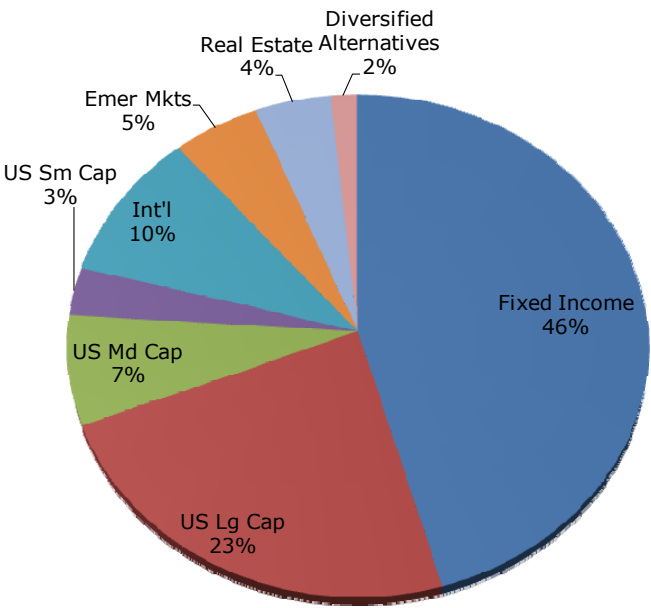
## INVESTMENT PERFORMANCE

Current Account Benchmark:  
Equity Blend



Performance is Annualized for Periods Greater than One Year

## PORTFOLIO COMPOSITION



Alaska Permanent Capital Management Co.  
**PORTFOLIO SUMMARY AND TARGET**  
**CITY AND BOROUGH OF WRANGELL #7990**  
*July 31, 2020*

Asset Class & Target	Market Value	% Assets	Range
<b>FIXED INCOME (45%)</b>			
US Fixed Income (25.0%)	2,324,260	25.8	15% to 35%
TIPS (10.0%)	884,676	9.8	5% to 15%
International Fixed Income (5.0%)	444,411	4.9	0% to 10%
Cash (5.0%)	451,720	5.0	0% to 10%
<b>Subtotal:</b>	<b>4,105,067</b>	<b>45.6</b>	
<b>EQUITY (47%)</b>			
US Large Cap (22.0%)	2,102,151	23.3	12% to 32%
US Mid Cap (7.0%)	639,227	7.1	0% to 15%
US Small Cap (3.0%)	276,722	3.1	0% to 6%
Developed International Equity (10.0%)	871,717	9.7	5% to 15%
Emerging Markets (5.0%)	465,287	5.2	0% to 10%
<b>Subtotal:</b>	<b>4,355,103</b>	<b>48.4</b>	
<b>ALTERNATIVE INVESTMENTS (8%)</b>			
Real Estate (2.0%)	137,121	1.5	0% to 5%
Alternative Beta (0.0%)	0	0.0	0% to 10%
Infrastructure (3.0%)	267,925	3.0	0% to 6%
Commodities (3.0%)	138,961	1.5	0% to 6%
<b>Subtotal:</b>	<b>544,008</b>	<b>6.0</b>	
<b>TOTAL PORTFOLIO</b>	<b>9,004,178</b>	<b>100</b>	

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY AND BOROUGH OF WRANGELL #7990**  
*July 31, 2020*

Quantity	Security	Security Symbol	Avg Cost	Total Cost	Price	Market Value	Pct. Assets
<b>DOMESTIC FIXED INCOME FUNDS/ETF</b>							
3,488	ISHARES SHORT TREASURY BOND ETF	SHV	110.67	386,029	110.74	386,261	4.3
17,501	VANGUARD SHORT-TERM TIPS ETF	VTIP	49.31	862,939	50.55	884,676	9.8
25,981	VANGUARD TOTAL BOND MARKET ETF	BND	85.18	2,212,942	89.46	2,324,260	25.8
				3,461,909		3,595,197	39.9
<b>INTERNATIONAL FIXED INCOME FUNDS/ETF</b>							
7,632	VANGUARD TOTAL INTL BOND ETF	BNDX	57.05	435,397	58.23	444,411	4.9
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>							
1,027	FLEXSHARES QUAL DIV ETF	QDF	48.32	49,622	44.29	45,486	0.5
450	ISHARES EDGE MSCI USA QUALITY FACTOR ETF	QUAL	100.66	45,298	100.67	45,301	0.5
6,160	SPDR S&P 500 ETF	SPY	324.14	1,996,725	326.52	2,011,363	22.3
				2,091,645		2,102,151	23.3
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>							
3,438	ISHARES CORE S&P MIDCAP 400 ETF	IJH	200.30	688,622	185.93	639,227	7.1
<b>DOMESTIC SMALL CAP EQUITY FUNDS/ETF</b>							
3,886	ISHARES S&P SMALLCAP 600 INDEX ETF	IJR	81.06	315,006	71.21	276,722	3.1
<b>INTERNATIONAL EQUITY FUNDS/ETF</b>							
5,976	ISHARES ETF CORE MSCI EAFE	IEFA	64.13	383,248	58.36	348,759	3.9
8,428	ISHARES MSCI EAFE INDEX FUND	EFA	68.75	579,392	62.05	522,957	5.8
				962,641		871,717	9.7
<b>EMERGING MARKET FUNDS/ETF</b>							
8,998	ISHARES ETF CORE MSCI EMERGING MKTS	IEMG	53.70	483,150	51.71	465,287	5.2
<b>REAL ESTATE &amp; INFRASTRUCTURE</b>							
5,417	FLEXSHAR STX GLOBAL BROAD INF ETF	NFRA	54.04	292,723	49.46	267,925	3.0
1,847	JPMORGAN BETABUILDERS MSCI US REIT ETF	BBRE	89.26	164,872	74.24	137,121	1.5
				457,595		405,046	4.5
<b>COMMODITIES</b>							
3,420	iSHARES BB ROLL SELECT COMMODITY ETF	CMDY	36.80	125,842	40.63	138,961	1.5
<b>CASH AND EQUIVALENTS</b>							
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	cash01		65,459		65,459	0.7
<b>TOTAL PORTFOLIO</b>				<b>9,087,266</b>		<b>9,004,178</b>	<b>100.0</b>

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**CITY AND BOROUGH OF WRANGELL #7990**  
*From 07-01-20 To 07-31-20*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
<b>CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT</b>					
07-01-20			Beginning Balance		55,164.69
07-07-20	07-07-20	dp	Dividend	VANGUARD TOTAL BOND MARKET ETF	4,219.16
07-07-20	07-07-20	dp	Dividend	VANGUARD TOTAL INTL BOND ETF	360.23
07-15-20	07-15-20	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	0.77
07-15-20	07-15-20	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	0.06
07-17-20	07-17-20	wd	Withdrawal	from Portfolio	-3,016.31
07-31-20	07-31-20	dp	Transfer from	DIVIDEND ACCRUAL	8,730.29
<b>07-31-20</b>			<b>Ending Balance</b>		<b>65,458.89</b>
<b>DIVIDEND ACCRUAL</b>					
07-01-20			Beginning Balance		8,730.29
07-31-20	07-31-20	wd	Transfer to	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	-8,730.29
<b>07-31-20</b>			<b>Ending Balance</b>		<b>0.00</b>

Alaska Permanent Capital Management Co.  
REALIZED GAINS AND LOSSES  
**CITY AND BOROUGH OF WRANGELL #7990**  
*From 07-01-20 Through 07-31-20*

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
TOTAL GAINS					0.00
TOTAL LOSSES					0.00
			0.00	0.00	0.00



Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY AND BOROUGH OF WRANGELL #7990***  
*From 07-01-20 To 07-31-20*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>DEPOSITS AND EXPENSES</b>				
MANAGEMENT FEES				
07-31-20	07-31-20	MANAGEMENT FEES		3,084.38
				<b>3,084.38</b>
<b>DIVIDEND</b>				
DOMESTIC FIXED INCOME FUNDS/ETF				
07-07-20	07-07-20	VANGUARD TOTAL BOND MARKET ETF		4,219.16
INTERNATIONAL FIXED INCOME FUNDS/ETF				
07-07-20	07-07-20	VANGUARD TOTAL INTL BOND ETF		360.23
				<b>4,579.39</b>
<b>INTEREST</b>				
CASH AND EQUIVALENTS				
07-15-20	07-15-20	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		0.77
07-15-20	07-15-20	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		0.06
				0.83
				<b>0.83</b>
<b>WITHDRAW</b>				
CASH AND EQUIVALENTS				
07-17-20	07-17-20	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		3,016.31
07-31-20	07-31-20	DIVIDEND ACCRUAL		8,730.29
				11,746.60
				<b>11,746.60</b>

# CITY AND BOROUGH OF WRANGELL #6869

Account Statement - Period Ending July 31, 2020



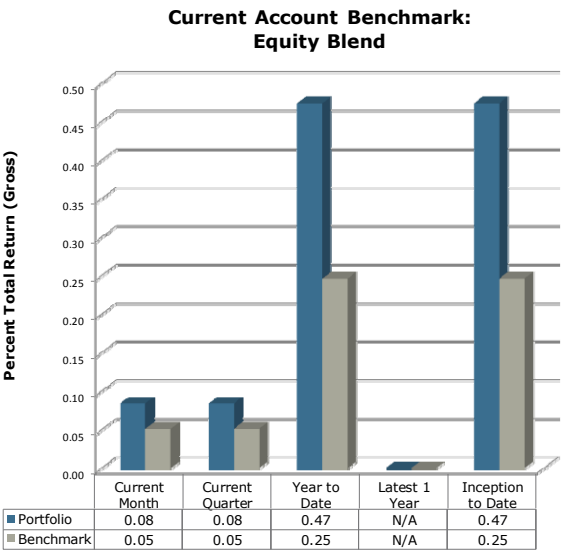
## ACCOUNT ACTIVITY

Portfolio Value on 06-30-20	5,026,019
Contributions	0
Withdrawals	-628
Change in Market Value	-1,082
Interest	5,314
Dividends	0
Portfolio Value on 07-31-20	5,029,623

## MANAGEMENT TEAM

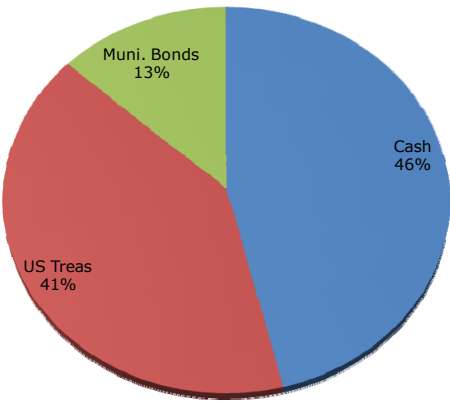
Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Brandy Niclai, CFA®
Contact Phone Number:	907/272-7575

## INVESTMENT PERFORMANCE



Performance is Annualized for Periods Greater than One Year

## PORTFOLIO COMPOSITION



### Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 0.11% Average Maturity: 1.10 Yrs

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY AND BOROUGH OF WRANGELL #6869**  
*July 31, 2020*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>MUNICIPAL BONDS</b>									
100,000	ALASKA ST REF-SER A 4.000% Due 08-01-20	101.64	101,640	100.00	100,000	1.99	4,000	2,000	0.00
35,000	NEVADA ST CAPITAL IMPT-CULTURAL AFFAIRS-SER A 5.000% Due 08-01-20	102.12	35,742	100.00	35,000	0.70	1,750	875	0.00
80,000	MINNESOTA ST 5.000% Due 08-01-21	101.81	81,450	100.00	80,000	1.59	4,000	2,000	4.99
25,000	State of Wisconsin 5.000% Due 05-01-22	106.00	26,500	108.51	27,126	0.54	1,250	312	0.13
50,000	N SLOPE BORO AK 5.000% Due 06-30-22	102.04	51,022	100.35	50,175	1.00	2,500	215	4.80
25,000	STATE OF WASHINGTON 5.000% Due 07-01-22	104.01	26,003	104.49	26,124	0.52	1,250	104	2.58
25,000	STATE OF MARYLAND 5.000% Due 08-01-22	107.52	26,881	109.73	27,431	0.55	1,250	625	0.13
25,000	MISSISSIPPI ST 5.250% Due 11-01-22	109.96	27,490	111.37	27,843	0.55	1,312	328	0.18
35,000	WASHINGTON ST 5.000% Due 02-01-23	109.98	38,495	112.09	39,231	0.78	1,750	875	0.15
35,000	OHIO ST 5.000% Due 05-01-23	108.12	37,844	113.29	39,652	0.79	1,750	437	0.15
25,000	MASSACHUSETTS ST 5.000% Due 07-01-24	105.61	26,403	109.22	27,304	0.54	1,250	104	2.51
30,000	MASSACHUSETTS ST 5.000% Due 10-01-26	106.15	31,844	105.61	31,683	0.63	1,500	500	3.96
25,000	MINNESOTA ST 5.000% Due 08-01-27	101.72	25,429	100.00	25,000	0.50	1,250	625	5.00
50,000	WASHINGTON STATE MOTOR VEHICLE TAX 5.000% Due 06-01-28	103.66	51,832	103.80	51,900	1.03	2,500	417	4.42
65,000	MASSACHUSETTS ST 5.000% Due 08-01-33	104.65	68,020	104.80	68,123	1.35	3,250	1,625	4.51
	Accrued Interest				11,043	0.22			
			656,593		667,637	13.27		11,043	
<b>U.S. TREASURY</b>									
155,000	US TREASURY NOTES 2.625% Due 05-15-21	102.71	159,208	101.96	158,040	3.14	4,069	862	0.14
205,000	US TREASURY NOTES 2.125% Due 08-15-21	102.39	209,906	102.05	209,213	4.16	4,356	2,011	0.15
125,000	US TREASURY NOTES 2.875% Due 10-15-21	103.65	129,561	103.30	129,121	2.57	3,594	1,060	0.14
85,000	US TREASURY NOTES 2.875% Due 11-15-21	103.93	88,344	103.50	87,978	1.75	2,444	518	0.16
200,000	US TREASURY NOTES 2.500% Due 02-15-22	103.87	207,736	103.63	207,266	4.12	5,000	2,308	0.14

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY AND BOROUGH OF WRANGELL #6869**  
*July 31, 2020*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
180,000	US TREASURY NOTES 1.750% Due 05-15-22	102.75	184,957	102.88	185,189	3.68	3,150	668	0.14
180,000	US TREASURY NOTES 1.500% Due 08-15-22	102.36	184,255	102.81	185,063	3.68	2,700	1,246	0.12
80,000	US TREASURY NOTES 1.625% Due 11-15-22	102.82	82,253	103.44	82,750	1.65	1,300	276	0.12
80,000	US TREASURY NOTES 2.000% Due 02-15-23	104.08	83,267	104.75	83,803	1.67	1,600	738	0.13
300,000	US TREASURY NOTES 0.250% Due 04-15-23	100.01	300,038	100.36	301,089	5.99	750	221	0.12
400,000	US TREASURY NOTES 0.250% Due 06-15-23	99.98	399,905	100.37	401,484	7.98	1,000	128	0.12
	Accrued Interest				10,037	0.20			
			2,029,431		2,041,034	40.58		10,037	
<b>TREASURY BILLS</b>									
500,000	CASH MANAGEMENT BILLS 0.000% Due 08-11-20	99.98	499,885	100.00	499,989	9.94	NA	0	0.07
150,000	CASH MGMT BILL 0.000% Due 09-15-20	99.90	149,852	99.99	149,985	2.98	NA	0	0.08
500,000	CASH MANAGEMENT BILLS 0.000% Due 09-22-20	99.95	499,759	99.99	499,930	9.94	NA	0	0.10
500,000	US TREASURY BILLS 0.000% Due 10-15-20	99.94	499,693	99.98	499,895	9.94	NA	0	0.10
150,000	US TREASURY BILLS 0.000% Due 10-29-20	99.99	149,979	99.98	149,966	2.98	NA	0	0.09
400,000	US TREASURY BILLS 0.000% Due 12-10-20	99.91	399,646	99.96	399,848	7.95	NA	0	0.11
			2,198,815		2,199,612	43.73		0	
<b>CERTIFICATE OF DEPOSIT</b>									
100,000	MERCHANTS BNK OF INDIANA 1.000% Due 10-16-20	100.00	100,000	100.19	100,194	1.99		290	0.08
	Accrued Interest				290	0.01			
			100,000		100,484	2.00		290	
<b>CASH AND EQUIVALENTS</b>									
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		20,854		20,854	0.41			
<b>TOTAL PORTFOLIO</b>			<b>5,005,693</b>		<b>5,029,623</b>	<b>100</b>	<b>61,525</b>	<b>21,370</b>	

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY AND BOROUGH OF WRANGELL #6869***  
*From 07-01-20 To 07-31-20*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>PURCHASES</b>				
TREASURY BILLS				
07-30-20	07-31-20	US TREASURY BILLS 0.000% Due 10-29-20	150,000	149,979.30
				<b>149,979.30</b>
<b>DEPOSITS AND EXPENSES</b>				
MANAGEMENT FEES				
07-31-20	07-31-20	MANAGEMENT FEES		628.70
				<b>628.70</b>
<b>INTEREST</b>				
AGENCIES				
07-13-20	07-13-20	FREDDIE MAC 1.750% Due 01-13-23		437.50
07-17-20	07-17-20	FREDDIE MAC 1.750% Due 01-17-23		437.50
07-28-20	07-28-20	FREDDIE MAC 2.000% Due 01-28-22		500.00
				1,375.00
CASH AND EQUIVALENTS				
07-15-20	07-15-20	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		0.18
MUNICIPAL BONDS				
07-01-20	07-01-20	MASSACHUSETTS ST 5.000% Due 07-01-24		625.00
07-01-20	07-01-20	STATE OF WASHINGTON 5.000% Due 07-01-22		625.00
				1,250.00
				<b>2,625.18</b>

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY AND BOROUGH OF WRANGELL #6869***  
*From 07-01-20 To 07-31-20*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>SALES, MATURITIES, AND CALLS</b>				
AGENCIES				
07-13-20	07-13-20	FREDDIE MAC 1.750% Due 01-13-23	50,000	50,000.00
07-17-20	07-17-20	FREDDIE MAC 1.750% Due 01-17-23	50,000	50,000.00
07-28-20	07-28-20	FREDDIE MAC 2.000% Due 01-28-22	50,000	50,000.00
				150,000.00
				<b>150,000.00</b>
<b>WITHDRAW</b>				
CASH AND EQUIVALENTS				
07-17-20	07-17-20	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		628.25
				<b>628.25</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***CITY AND BOROUGH OF WRANGELL #6869***  
*From 07-01-20 Through 07-31-20*

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
07-13-20	50,000	FREDDIE MAC 1.750% Due 01-13-23	50,195.42	50,000.00	-195.42
07-17-20	50,000	FREDDIE MAC 1.750% Due 01-17-23	50,163.46	50,000.00	-163.46
07-28-20	50,000	FREDDIE MAC 2.000% Due 01-28-22	50,150.46	50,000.00	-150.46
TOTAL GAINS					0.00
TOTAL LOSSES					-509.34
			<b>150,509.34</b>	<b>150,000.00</b>	<b>-509.34</b>

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**CITY AND BOROUGH OF WRANGELL #6869**  
*From 07-01-20 To 07-31-20*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
<b>CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT</b>					
07-01-20			Beginning Balance		18,836.79
07-01-20	07-01-20	dp	Interest	MASSACHUSETTS ST 5.000% Due 07-01-24	625.00
07-01-20	07-01-20	dp	Interest	STATE OF WASHINGTON 5.000% Due 07-01-22	625.00
07-13-20	07-13-20	dp	Interest	FREDDIE MAC 1.750% Due 01-13-23	437.50
07-13-20	07-13-20	dp	Sale	FREDDIE MAC 1.750% Due 01-13-23	50,000.00
07-15-20	07-15-20	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	0.18
07-17-20	07-17-20	dp	Interest	FREDDIE MAC 1.750% Due 01-17-23	437.50
07-17-20	07-17-20	dp	Sale	FREDDIE MAC 1.750% Due 01-17-23	50,000.00
07-17-20	07-17-20	wd	Withdrawal	from Portfolio	-628.25
07-28-20	07-28-20	dp	Interest	FREDDIE MAC 2.000% Due 01-28-22	500.00
07-28-20	07-28-20	dp	Sale	FREDDIE MAC 2.000% Due 01-28-22	50,000.00
07-30-20	07-31-20	wd	Purchase	US TREASURY BILLS 0.000% Due 10-29-20	-149,979.30
<b>07-31-20</b>			<b>Ending Balance</b>		<b>20,854.42</b>



# CITY & BOROUGH OF WRANGELL, ALASKA

## CLERK'S REPORT

### SUBMITTED BY:

Kim Lane, MMC, Borough Clerk

### Upcoming Meeting/Informational dates:

- Aug 31** Declaration for Candidacy closes for all Elected Seats (see below)
- Sept 7** Labor Day – All City facilities are closed
- Sept 8** Regular Assembly mtg. scheduled for 6pm via Zoom Teleconference
- Sept 10** Planning & Zoning Commission mtg. scheduled for 6pm via Zoom Teleconference
- Sept 21** Absentee Voting Begins for the Regular Borough Local Election  
(Clerk's office at City Hall from 8am to 4pm M-F)
- Sept 22** Regular Assembly mtg. scheduled for 6pm Zoom Teleconference

I wanted to say *thank you* to Aleisha Mollen, Deputy Clerk for stepping in for me in my absence!

*Elections* – The State of Alaska, Division of Elections (DOE) will be using new voting equipment this year. What that means for our local election is that we will also be using this new equipment. I have viewed the multiple training sessions that the DOE had published, and I have a good idea now, on using the new equipment.

*Election Safety* – We will be providing single-use face masks for voters and cloth face masks and face shields for the election workers on election day (October 6<sup>th</sup>). Also, the election workers will have gloves to use (if they should choose to do so). I have ordered a mass amount of felt pens (new for the ballot and election equipment) and will have a dirty and clean bin for those pens. My “plan” is to give each voter when they are given their ballot and when they deposit their ballot into the voting scanner, they will drop their felt pen into a “used” container for cleaning and reuse. I will most likely take direction from what the State does for the Primary Election next month!

For the Upcoming Local Election, here are the races that will be available and the names of those who have submitted *declarations for candidacy*:

- |                  |                                      |
|------------------|--------------------------------------|
| Mayor:           | One – (2 Year Term)                  |
|                  | • <i>Stephen Prysunka</i>            |
| Assembly:        | Two – (3 Year Terms)                 |
|                  | • <i>None yet!</i>                   |
| Assembly:        | One – (1 Year <i>Unexpired</i> Term) |
|                  | • <i>None yet!</i>                   |
| School Board:    | One – (3 Year Term)                  |
|                  | • <i>Constance Harris</i>            |
| Port Commission: | One – (3 Year Term)                  |
|                  | • <i>None yet!</i>                   |
| Port Commission: | One – (2 Year <i>Unexpired</i> Term) |
|                  | • <i>None yet!</i>                   |

The upcoming Election dates are:

MUNICIPAL LOCAL BOROGUH ELECTION - Tuesday, October 6, 2020

GENERAL ELECTION (Federal -State of Alaska) - Tuesday, November 3, 2020

*Scanning into Laserfiche:* I am back to scanning documents (records) into Laserfiche. This month I have focused on Resolutions and the backup (meeting agenda backup). This is a slow but necessary process! I will start on Ordinances once I have scanned in at least 5 years' worth of Resolutions. I am in 2017 currently.

*EOC (Emergency Operations Command):* I have continued to meet, as part of the EOC, each morning (M-F). The daily morning meetings serve as a briefing for the team so that we each know what is going on and what might be coming up (meetings, teleconference, etc.). The discussion that we have is everything COVID-19.

# CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 25, 2020
	<u>Agenda Section</u>	<b>12</b>

Approval of the FY 2019 Audit (*postponed from the August 11, 2020 Regular Assembly Meeting*)

<p><b><u>SUBMITTED BY:</u></b></p> <p>Joyce Mason, Finance Director</p>	<p><b><u>FISCAL NOTE:</u></b></p> <p><b>Expenditure Required:</b> \$XXX Total</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;">FY 20: \$</td> <td style="width: 33%; border-bottom: 1px solid black;">FY 21: \$</td> <td style="width: 33%; border-bottom: 1px solid black;">FY22: \$</td> </tr> <tr> <td style="height: 15px;"></td> <td></td> <td></td> </tr> </table> <p><b>Amount Budgeted:</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;"></td> <td style="width: 40%; border-bottom: 1px solid black;">FY20 \$XXX</td> </tr> </table> <p><b>Account Number(s):</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;"></td> <td style="width: 40%; border-bottom: 1px solid black;">XXXXXX XXX XXXX</td> </tr> </table> <p><b>Account Name(s):</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;"></td> <td style="width: 40%; border-bottom: 1px solid black;">Enter Text Here</td> </tr> </table> <p><b>Unencumbered Balance(s) (prior to expenditure):</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;"></td> <td style="width: 40%; border-bottom: 1px solid black;">\$XXX</td> </tr> </table>	FY 20: \$	FY 21: \$	FY22: \$					FY20 \$XXX		XXXXXX XXX XXXX		Enter Text Here		\$XXX
FY 20: \$	FY 21: \$	FY22: \$													
	FY20 \$XXX														
	XXXXXX XXX XXXX														
	Enter Text Here														
	\$XXX														

**Reviews/Approvals/Recommendations**

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

**ATTACHMENTS:** 1. FY 2019 Audit

**RECOMMENDATION MOTION:**

Move to Approve the FY 2019 Audit.

**SUMMARY STATEMENT:**

This item was postponed from August 11<sup>th</sup> to ensure a representative from BDO, the Borough's audit firm, could be in attendance to provide information and answer any questions. The remainder of this agenda statement remains unchanged.

The FY 2019 Audit is available for review and approval.

This audit was extremely difficult to complete for Fiscal Year 2019. The supporting documentation for the numbers were hard to locate and reconcile as, being new, staff was not familiar with the Borough's processes. There was a time lag for reconciling Fiscal Year 2018 and therefore affected the Fiscal Year 2019 timing. These issues, and well as reconciling Fiscal Year 2020 have been resolved.

The Basic Financial Statements start on Page 6. The statements contain all the Governmental funds and the Enterprise funds of the Borough.

The net position (fund balance) of the Governmental funds is \$53,651,228 and Enterprise funds is \$54,306,233. The Governmental funds have an unrestricted net position of \$9,160,425 and \$5,305,233 for the Enterprise funds. The unrestricted funds can be used for any operating expenditures and expenses as appropriated by the Assembly. The Governmental funds unrestricted net position increased \$1,536,837 compared to fiscal year 2018 and the Enterprise funds decreased by \$2,781,381. Below is a comparison of the net position for 2019 and 2018.

	Governmental Funds			Enterprise Funds		
	2019	2018	Change	2019	2018	Change
Net Assets	\$ 59,455,007	\$ 52,292,934	\$ 7,162,073	\$ 59,686,708	\$ 56,890,685	\$ 2,796,023
Total Liabilities	5,803,779	6,072,783	(269,004)	5,380,475	5,010,114	370,361
Net Position	53,651,228	46,220,154	7,431,074	54,306,233	51,880,571	2,425,662
Net Revenue	17,028,983	9420723	7,608,260	11,855,120	8,810,066	3,045,054
Net Expenditures	9,597,909	8923740	674,169	9,429,458	9,636,402	(206,944)
Net Change in Net Position	\$ 7,431,074	\$ 496,983	\$ 6,934,091	\$ 2,425,662	\$ (826,336)	\$ 3,251,998

The Borough had four material findings from the FY 19 Fiscal Year which were given to me after the first draft audit was submitted to the Borough. This explains why the Manager previously reported to the Assembly there were no findings. Please specifically review Pages 139-148 of the audit document to understand the findings and the corrective actions. As a reminder, the FY 2019 Audit covers the period of July 1, 2018 – June 30, 2019. As it is now July of 2020, much has changed. New policies for the internal controls have been implemented, and all beginning and ending balances are balanced. The first three findings deal with the lack of internal controls and the fourth finding is due to the audit missing 9 months after the end of the fiscal year deadline. The four findings from 2019 were:

**Finding 2019-001:** General Ledger Reconciliation and External Financial Reporting – Internal Control over Financial Reporting – Material Weakness

**Finding 2019-002:** Journal Entry Review and Approval, and Support – Internal Control Over Financial Reporting – Significant Deficiency.

**Finding 2019-003:** Types of Services Allowed and Unallowed – Internal Control Over Compliance – Significant Deficiency

**Finding 2019-004:** Material Weakness in Internal Control over Compliance, Material Noncompliance – Reporting

The fourth finding related to the timing in which the audit is complete, versus when it is due to the State. Municipal audits are technically due to the State by March 31<sup>st</sup> of the following fiscal year. This was a finding in 2018 as well. Administration places the blame for this finding squarely on BDO – the auditor. This is the second year in a row the audit has been months late. In fact, BDO originally promised the Finance Director the FY19 audit would be done by the end of December. For this reason, the Finance Director has prepared an RFP for Municipal Audit Services that will be sent to the Assembly for review in the next few days. The timing of audit completion the past couple of years is completely unacceptable. It is time to see if audit services can be procured from another firm. The CBW is not the only entity have trouble in this regard.

## **City and Borough of Wrangell, Alaska**

**Basic Financial Statements, Required  
Supplementary Information,  
Supplementary Information and Single  
Audit Reports  
Year Ended June 30, 2019**

## **City and Borough of Wrangell, Alaska**

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Basic Financial Statements, Required Supplementary Information,  
Supplementary Information  
and Single Audit Reports  
Year Ended June 30, 2019

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Tel: 907-278-8878  
Fax: 907-278-5779  
www.bdo.com

3601 C Street, Suite 600  
Anchorage, AK 99503

Item a.

## Independent Auditor's Report

Honorable Mayor and Borough Assembly  
City and Borough of Wrangell

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City and Borough of Wrangell, Alaska (the Borough), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City and Borough of Wrangell, Alaska, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 58 through 60, and the schedules of the borough's information on the net pension and OPEB liability and Borough contributions to the pension and OPEB plans on pages 61 and 62, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise City and Borough of Wrangell's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule of State Financial Assistance, as required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, and the combining and individual fund financial statements and schedules listed in the table of contents for the year ended June 30, 2019, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements for the year ended June 30, 2019, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City and Borough of Wrangell as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated July 24, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2020, on our consideration of City and Borough of Wrangell's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City and Borough of Wrangell's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City and Borough of Wrangell's internal control over financial reporting and compliance.

*BDO USA, LLP*

Anchorage, Alaska  
June 19, 2020

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## Basic Financial Statements

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## City and Borough of Wrangell, Alaska

## Statement of Net Position

	Primary Government			Component Unit
	Govern- mental Activities	Business- type Activities	Total	Wrangell Public Schools
<i>June 30, 2019</i>				
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets</b>				
Cash and investments	\$ 23,342,647	\$ 7,617,178	\$ 30,959,825	\$ 1,799,284
Receivables, net of allowance for doubtful accounts:				
Property and sales taxes	827,920	-	827,920	-
Accounts	36,222	519,126	555,348	-
Grants and shared revenues	479,536	401,238	880,774	182,624
Land sales and improvements	49,066	-	49,066	-
Accrued interest	65,835	111	65,946	-
Internal balances	86,553	(86,553)	-	-
Inventories	94,334	170,344	264,678	37,315
Restricted cash and investments	-	1,494,588	1,494,588	-
Capital assets:				
Land, land improvements and construction in progress	1,186,678	9,693,040	10,879,718	-
Other capital assets, net of depreciation	32,425,104	39,402,563	71,827,667	102,596
<b>Total Assets</b>	<b>58,593,895</b>	<b>59,211,635</b>	<b>117,805,530</b>	<b>2,121,819</b>
<b>Deferred Outflows of Resources</b>				
Related to pensions	553,560	321,968	875,528	360,987
Related to other postemployment benefits	307,552	153,105	460,657	283,779
<b>Total Deferred Outflows of Resources</b>	<b>861,112</b>	<b>475,073</b>	<b>1,336,185</b>	<b>644,766</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 59,455,007</b>	<b>\$ 59,686,708</b>	<b>\$ 119,141,715</b>	<b>\$ 2,766,585</b>

## City and Borough of Wrangell, Alaska

## Statement of Net Position, continued

	Primary Government			Component Unit
	Govern- mental Activities	Business- type Activities	Total	Wrangell Public Schools
<i>June 30, 2019</i>				
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
<b>Liabilities</b>				
Accounts payable	\$ 190,776	\$ 1,127,925	\$ 1,318,701	\$ 65,900
Customer utility deposits	-	79,213	79,213	-
Accrued interest payable	5,854	4,194	10,048	-
Accrued payroll and related liabilities	-	-	-	209,281
Unearned revenue	94,085	1,372,599	1,466,684	2,055
Noncurrent liabilities:				
Due within one year:				
Accrued leave	278,246	121,451	399,697	18,271
Bonds and loans	250,000	4,134	254,134	-
Due in more than one year:				
Unamortized bond premium	39,232	-	39,232	-
ADEC loan	-	52,253	52,253	-
USDA Rural Development loan	-	85,448	85,448	-
Bonds	260,000	-	260,000	-
Net pension liability	3,539,530	1,988,068	5,527,598	3,468,383
Net other postemployment benefits liability	764,213	370,208	1,134,421	618,876
<b>Total Liabilities</b>	<b>5,421,936</b>	<b>5,205,493</b>	<b>10,627,429</b>	<b>4,382,766</b>
<b>Deferred Inflows of Resources</b>				
Related to pensions	98,672	40,060	138,732	106,947
Related to other postemployment benefits	283,171	134,922	418,093	245,155
<b>Total Deferred Inflows of Resources</b>	<b>381,843</b>	<b>174,982</b>	<b>556,825</b>	<b>352,102</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>5,803,779</b>	<b>5,380,475</b>	<b>11,184,254</b>	<b>4,734,868</b>
<b>Net Position</b>				
Net investment in capital assets	33,062,550	48,953,768	82,016,318	102,596
Restricted	11,428,253	47,115	11,475,368	-
Unrestricted (deficit)	9,160,425	5,305,350	14,465,775	(2,070,879)
<b>Total Net Position</b>	<b>53,651,228</b>	<b>54,306,233</b>	<b>107,957,461</b>	<b>(1,968,283)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 59,455,007</b>	<b>\$ 59,686,708</b>	<b>\$ 119,141,715</b>	<b>\$ 2,766,585</b>

See accompanying notes to Basic Financial Statements.

## City and Borough of Wrangell, Alaska

## Statement of Activities

Year Ended June 30, 2019	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Wrangell Public Schools
		Fees, Fines & Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Primary Government		Total	
					Govern- mental Activities	Business- type Activities		
<b>Functions</b>								
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 1,857,168	\$ 58,736	\$ 1,976	\$ -	\$ (1,796,456)	\$ -	\$ (1,796,456)	
Public safety	2,091,413	234,271	395,610	-	(1,461,532)	-	(1,461,532)	
Public works	1,896,255	78,468	23,680	7,225,110	5,431,003	-	5,431,003	
Parks and recreation	646,507	128,336	(4,705)	-	(522,876)	-	(522,876)	
Library	293,979	-	23,402	-	(270,577)	-	(270,577)	
Community services	845,133	7,154	473,917	481,720	117,658	-	117,658	
Education	1,961,505	-	1,156,286	-	(805,219)	-	(805,219)	
Unallocated interest	5,949	-	-	-	(5,949)	-	(5,949)	
Total governmental activities	9,597,909	506,965	2,070,166	7,706,830	686,052	-	686,052	
Business-type activities:								
Electric utility	3,996,536	4,100,855	46,728	-	-	151,047	151,047	
Water utility	1,263,518	697,338	34,466	-	-	(531,714)	(531,714)	
Sewer utility	633,489	597,518	2,165	-	-	(33,806)	(33,806)	
Sanitation utility	574,409	634,601	(840)	-	-	59,352	59,352	
Port	2,961,506	1,407,825	310,777	3,847,601	-	2,604,697	2,604,697	
Total business-type activities	9,429,458	7,438,137	393,296	3,847,601	-	2,249,576	2,249,576	
<b>Total Primary Government</b>	<b>\$ 19,027,367</b>	<b>\$ 7,945,102</b>	<b>\$ 2,463,462</b>	<b>\$ 11,554,431</b>	<b>686,052</b>	<b>2,249,576</b>	<b>2,935,628</b>	

## City and Borough of Wrangell, Alaska

## Statement of Activities, continued

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Fees, Fines & Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Primary Government		Component Unit	
					Govern- mental Activities	Business- type Activities	Wrangell Public Schools	
Year Ended June 30, 2019	Expenses					Total		
Component Unit								
Wrangell Public Schools	\$ 6,208,107	\$ 64,279	\$ 717,064	\$ -			\$ (5,426,764)	
General Revenues								
Taxes:								
Property taxes					\$ 1,772,228	\$ -	\$ 1,772,228	
Sales taxes					2,924,583	-	2,924,583	
Payments in lieu of taxes					474,063	-	474,063	
Other taxes					101,030	-	101,030	
Contributions from primary government					-	-	-	
Grants and entitlements not restricted to a specific purpose					431,603	-	431,603	
Investment income					827,792	4,363	832,155	
Other					213,723	171,723	385,446	
Total General Revenues					6,745,022	176,086	6,921,108	
Change in Net Position					7,431,074	2,425,662	9,856,736	
Net Position (Deficit), beginning					46,220,154	51,880,571	98,100,725	
Net Position (Deficit), ending					\$ 53,651,228	\$ 54,306,233	\$ 107,957,461	
							\$ (1,968,283)	

See accompanying notes to Basic Financial Statements.

## City and Borough of Wrangell, Alaska

Governmental Funds  
Balance Sheet

	Major Funds						Total Govern- mental Funds
	General	Permanent Fund Special Revenue	Sales Tax Special Revenue	Economic Recovery Capital Project	Nonmajor Funds		
<i>June 30, 2019</i>							
<b>Assets</b>							
Cash and investments	\$ 7,386,034	\$ 8,002,094	\$ 849,172	\$ 1,353,445	\$ 5,751,902		\$ 23,342,647
Receivables, net of allowance for doubtful accounts:							
Property and sales taxes	592,310	-	235,610	-	-		827,920
Accounts	33,337	-	-	-	2,885		36,222
Grants and shared revenues	15,479	-	-	-	464,057		479,536
Accrued interest	44,890	17,295	-	-	3,650		65,835
Land sales and improvements	-	-	-	-	49,066		49,066
Interfund loans receivable	86,553	-	-	-	-		86,553
Inventory	-	-	-	-	94,334		94,334
<b>Total Assets</b>	<b>\$ 8,158,603</b>	<b>\$ 8,019,389</b>	<b>\$ 1,084,782</b>	<b>\$ 1,353,445</b>	<b>\$ 6,365,894</b>		<b>\$ 24,982,113</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 173,981	\$ -	\$ -	\$ -	\$ 16,795		\$ 190,776
Unearned revenue	12,225	-	-	-	81,860		94,085
<b>Total Liabilities</b>	<b>186,206</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,655</b>		<b>284,861</b>
<b>Deferred Inflows of Resources</b>							
Delinquent property taxes	38,064	-	-	-	-		38,064
Land sale receivables not yet due	-	-	-	-	49,066		49,066
<b>Total Deferred Inflows of Resources</b>	<b>38,064</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,066</b>		<b>87,130</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>224,270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147,721</b>		<b>371,991</b>
<b>Fund Balances</b>							
Nonspendable	86,553	-	-	-	94,334		180,887
Restricted	-	8,019,389	-	-	3,408,864		11,428,253
Committed	-	-	1,084,782	-	1,697,398		2,782,180
Assigned	-	-	-	1,353,445	1,017,577		2,371,022
Unassigned	7,847,780	-	-	-	-		7,847,780
<b>Total Fund Balances</b>	<b>7,934,333</b>	<b>8,019,389</b>	<b>1,084,782</b>	<b>1,353,445</b>	<b>6,218,173</b>		<b>24,610,122</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 8,158,603</b>	<b>\$ 8,019,389</b>	<b>\$ 1,084,782</b>	<b>\$ 1,353,445</b>	<b>\$ 6,365,894</b>		<b>\$ 24,982,113</b>

See accompanying notes to basic financial statements.

**City and Borough of Wrangell, Alaska**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to Statement of Net Position**  
**June 30, 2019**

Total fund balances for governmental funds	\$ 24,610,122
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Total net position reported for governmental activities in the  
Statement of Net Position is different because:

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds. These  
assets, net of accumulated depreciation consist of:

Land and land improvements	\$ 1,186,678	
Infrastructure	23,301,828	
Buildings	48,384,677	
Improvements other than buildings	6,293,283	
Machinery and equipment	4,145,606	
Accumulated depreciation	(49,700,290)	
Total capital assets		33,611,782

Other long-term assets are not available to pay for current  
period expenditures and therefore are deferred in the funds.

These assets consist of:

Delinquent property taxes receivable	38,064	
Deferred land sales and improvements receivable	49,066	
Total long-term assets		87,130

Long-term liabilities, including bonds payable and net pension liability  
are not due and payable in the current period and therefore are  
not reported as fund liabilities. These liabilities consist of:

General obligation bonds payable	(510,000)	
Unamortized bond premium	(39,232)	
Accrued interest on bonds	(5,854)	
Accrued leave	(278,246)	
Net pension liability	(3,539,530)	
Net other postemployment benefits liability	(764,213)	
Total long-term liabilities		(5,137,075)

Certain changes in net pension and other postemployment benefits (OPEB)  
items are deferred rather than recognized immediately.

These items are amortized over time.

Deferred outflows of resources related to pensions	553,560	
Deferred inflows of resources related to pensions	(98,672)	
Deferred outflows of resources related to OPEB	307,552	
Deferred inflows of resources related to OPEB	(283,171)	
Total deferred pension and OPEB items		479,269

<b>Total Net Position of Governmental Activities</b>	<b>\$ 53,651,228</b>
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*See accompanying notes to basic financial statements.*

## City and Borough of Wrangell, Alaska

## Governmental Funds

## Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2019	Major Funds					Total Govern- mental Funds
	General	Permanent Fund Special Revenue	Sales Tax Special Revenue	Economic Recovery Capital Project	Nonmajor Funds	
<b>Revenues</b>						
Property taxes, penalties and interest	\$ 1,794,578	\$ -	\$ -	\$ -	\$ -	\$ 1,794,578
Payments in lieu of taxes	474,063	-	-	-	-	474,063
Marijuana taxes, penalties and interest	5,373	-	-	-	-	5,373
Sales taxes, penalties and interest	2,005,131	-	919,452	-	-	2,924,583
Transient taxes	-	-	-	-	95,657	95,657
Intergovernmental	965,949	-	-	-	1,643,604	2,609,553
Charges for services	155,488	-	-	-	194,900	350,388
Sales and leases	102,934	16,440	-	-	121,189	240,563
Investment income	415,510	378,437	-	-	33,845	827,792
Land sales and improvements	-	-	-	-	86,143	86,143
Fines and forfeitures	19,553	-	-	-	-	19,553
Donations and contributions	-	-	-	-	203,355	203,355
Other	181,585	-	55,370	-	54,427	291,382
<b>Total Revenues</b>	<b>6,120,164</b>	<b>394,877</b>	<b>974,822</b>	<b>-</b>	<b>2,433,120</b>	<b>9,922,983</b>
<b>Expenditures</b>						
Current:						
General government	1,412,514	-	-	-	403,739	1,816,253
Public safety	2,178,044	-	-	-	-	2,178,044
Public works	1,261,600	-	-	-	-	1,261,600
Parks and recreation	-	-	-	-	589,898	589,898
Library	293,979	-	-	-	-	293,979
Community services	66,694	-	-	-	498,235	564,929
Education - contributions to school district	-	-	583,619	-	848,488	1,432,107
Debt service:						
Principal	-	-	-	-	240,000	240,000
Interest	-	-	-	-	28,050	28,050
Capital outlay	-	-	42,496	-	18,984	61,480
<b>Total Expenditures</b>	<b>5,212,831</b>	<b>-</b>	<b>626,115</b>	<b>-</b>	<b>2,627,394</b>	<b>8,466,340</b>
<b>Excess of Revenues Over (under)</b>						
<b>Expenditures</b>	<b>907,333</b>	<b>394,877</b>	<b>348,707</b>	<b>-</b>	<b>(194,274)</b>	<b>1,456,643</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	299,926	-	-	-	890,905	1,190,831
Transfers out	(709,766)	(250,000)	(129,025)	-	(102,040)	(1,190,831)
<b>Net Other Financing Sources (Uses)</b>	<b>(409,840)</b>	<b>(250,000)</b>	<b>(129,025)</b>	<b>-</b>	<b>788,865</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>497,493</b>	<b>144,877</b>	<b>219,682</b>	<b>-</b>	<b>594,591</b>	<b>1,456,643</b>
<b>Fund Balances, beginning</b>	<b>7,436,840</b>	<b>7,874,512</b>	<b>865,100</b>	<b>1,353,445</b>	<b>5,623,582</b>	<b>23,153,479</b>
<b>Fund Balances, ending</b>	<b>\$ 7,934,333</b>	<b>\$ 8,019,389</b>	<b>\$ 1,084,782</b>	<b>\$ 1,353,445</b>	<b>\$ 6,218,173</b>	<b>\$ 24,610,122</b>

See accompanying notes to basic financial statements.

**City and Borough of Wrangell, Alaska**  
**Reconciliation of Change in Fund Balances of Governmental Funds**  
**to Statement of Activities**  
**Year Ended June 30, 2019**

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Net change in fund balances - total governmental funds \$1,456,643

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which depreciation (\$1,927,963) exceeded capital outlays (\$104,430). (1,823,533)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Decrease in other long-term receivables	\$ (30,025)	
Contributed capital assets received	<u>7,225,110</u>	
		7,195,085

The repayment of the principal of long-term debt consumes current financial resources in governmental funds. Also, governmental funds report the effect of bond premiums when the debt is first issued, whereas this amount is deferred and amortized in the Statement of Activities. In addition, accrued interest is not recorded in the fund financial statements. This is the change in bond-related transactions:

Principal payments	240,000	
Net decrease in bond premium	19,617	
Decrease in accrued interest	<u>2,484</u>	
		262,101

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Decrease in accrued leave	22,997	
Decrease in net pension obligation and related accounts	300,894	
Decrease in net other postemployment benefit obligation and related accounts	<u>16,887</u>	
		<u>340,778</u>

Change in Net Position of Governmental Activities		<u>\$7,431,074</u>
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*See accompanying notes to basic financial statements.*



## City and Borough of Wrangell, Alaska

Enterprise Funds  
Statement of Net Position

	Major Funds				Nonmajor Fund	Total
	Electric Utility	Water Utility	Port	Sewer Utility	Sanitation Utility	Enterprise Funds
<i>June 30, 2019</i>						
<b>Assets and Deferred Outflows of Resources</b>						
<b>Current Assets</b>						
Cash and investments	\$ 4,089,796	\$ 784,140	\$ 1,727,417	\$ 806,340	\$ 209,485	\$ 7,617,178
Receivables, net of allowance for doubtful accounts:						
Accounts	267,692	40,716	135,087	35,041	40,590	519,126
Grants	-	-	401,238	-	-	401,238
Accrued interest	-	5	100	6	-	111
Inventories	170,344	-	-	-	-	170,344
<b>Total Current Assets</b>	<b>4,527,832</b>	<b>824,861</b>	<b>2,263,842</b>	<b>841,387</b>	<b>250,075</b>	<b>8,707,997</b>
<b>Restricted Cash and Investments</b>	-	-	1,419,714	74,874	-	1,494,588
Property, plant and equipment	7,123,202	17,191,847	65,356,782	12,551,526	1,535,039	103,758,396
Less accumulated depreciation	(5,749,031)	(12,362,971)	(25,935,264)	(9,611,208)	(1,004,319)	(54,662,793)
<b>Net Property, Plant and Equipment</b>	<b>1,374,171</b>	<b>4,828,876</b>	<b>39,421,518</b>	<b>2,940,318</b>	<b>530,720</b>	<b>49,095,603</b>
<b>Total Assets</b>	<b>5,902,003</b>	<b>5,653,737</b>	<b>43,105,074</b>	<b>3,856,579</b>	<b>780,795</b>	<b>59,298,188</b>
<b>Deferred Outflows of Resources</b>						
Related to pensions	150,679	24,049	89,159	34,158	23,923	321,968
Related to other postemployment benefits	60,994	11,047	48,489	18,932	13,643	153,105
<b>Total Deferred Outflows of Resources</b>	<b>211,673</b>	<b>35,096</b>	<b>137,648</b>	<b>53,090</b>	<b>37,566</b>	<b>475,073</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 6,113,676</b>	<b>\$ 5,688,833</b>	<b>\$ 43,242,722</b>	<b>\$ 3,909,669</b>	<b>\$ 818,361</b>	<b>\$ 59,773,261</b>

## City and Borough of Wrangell, Alaska

Enterprise Funds  
Statement of Net Position, continued

	Major Funds				Nonmajor Fund	Total
	Electric Utility	Water Utility	Port	Sewer Utility	Sanitation Utility	Enterprise Funds
<i>June 30, 2019</i>						
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>						
<b>Current Liabilities</b>						
Accounts payable	\$ 575,681	\$ 4,384	\$ 476,464	\$ 51,111	\$ 20,285	\$ 1,127,925
Accrued leave	56,456	19,831	16,288	21,591	7,285	121,451
Customer utility deposits	70,918	8,295	-	-	-	79,213
Accrued interest payable	-	2,507	-	1,687	-	4,194
Unearned revenue	-	-	1,372,599	-	-	1,372,599
Current portion of bonds and loans	-	2,513	-	1,621	-	4,134
Interfund loans payable	-	-	15,593	-	-	15,593
<b>Total Current Liabilities</b>	<b>703,055</b>	<b>37,530</b>	<b>1,880,944</b>	<b>76,010</b>	<b>27,570</b>	<b>2,725,109</b>
<b>Long-term Liabilities, net of current portion</b>						
USDA Rural Development loan	-	-	-	85,448	-	85,448
ADEC loan	-	52,253	-	-	-	52,253
Interfund loans payable	-	-	70,960	-	-	70,960
Net pension liability	916,429	149,620	547,473	219,453	155,093	1,988,068
Net other postemployment benefits liability	147,864	27,296	113,172	47,431	34,445	370,208
<b>Total Long-term Liabilities</b>	<b>1,064,293</b>	<b>229,169</b>	<b>731,605</b>	<b>352,332</b>	<b>189,538</b>	<b>2,566,937</b>
<b>Total Liabilities</b>	<b>1,767,348</b>	<b>266,699</b>	<b>2,612,549</b>	<b>428,342</b>	<b>217,108</b>	<b>5,292,046</b>
<b>Deferred Inflows of Resources</b>						
Related to pensions	18,051	3,660	6,805	6,552	4,992	40,060
Related to other postemployment benefits	53,975	10,081	40,323	17,660	12,883	134,922
<b>Total Deferred Inflows of Resources</b>	<b>72,026</b>	<b>13,741</b>	<b>47,128</b>	<b>24,212</b>	<b>17,875</b>	<b>174,982</b>
<b>Net Position</b>						
Net investment in capital assets	1,374,171	4,774,110	39,421,518	2,853,249	530,720	48,953,768
Restricted	-	-	47,115	-	-	47,115
Unrestricted	2,900,131	634,283	1,114,412	603,866	52,658	5,305,350
<b>Total Net Position</b>	<b>4,274,302</b>	<b>5,408,393</b>	<b>40,583,045</b>	<b>3,457,115</b>	<b>583,378</b>	<b>54,306,233</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 6,113,676</b>	<b>\$ 5,688,833</b>	<b>\$ 43,242,722</b>	<b>\$ 3,909,669</b>	<b>\$ 818,361</b>	<b>\$ 59,773,261</b>

See accompanying notes to basic financial statements.

**City and Borough of Wrangell, Alaska**  
**Enterprise Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**

	Major Funds				Nonmajor Fund	Total Enterprise Funds
	Electric Utility	Water Utility	Port	Sewer Utility	Sanitation Utility	
<i>Year Ended June 30, 2019</i>						
<b>Operating Revenues</b>						
Charges for services	\$ 3,827,550	\$ 696,617	\$ 1,407,825	\$ 597,476	\$ 634,601	\$ 7,164,069
<b>Operating Expenses</b>						
Salaries and employee benefits	666,904	188,899	551,852	171,194	166,870	1,745,719
Other operating expenses	3,022,524	424,889	437,718	186,283	331,407	4,402,821
Depreciation	282,223	635,103	1,971,936	274,357	76,132	3,239,751
<b>Total Operating Expenses</b>	3,971,651	1,248,891	2,961,506	631,834	574,409	9,388,291
<b>Income (Loss) from Operations</b>	(144,101)	(552,274)	(1,553,681)	(34,358)	60,192	(2,224,222)
<b>Nonoperating Revenues (Expenses)</b>						
Investment income	-	211	3,943	209	-	4,363
Interest expense	(24,885)	(14,627)	-	(1,655)	-	(41,167)
State PERS relief	46,728	3,290	(7,004)	2,165	(840)	44,339
State raw fish tax	-	-	307,405	-	-	307,405
State fisheries business tax	-	-	10,376	-	-	10,376
Noncapital grant revenue	-	31,176	-	-	-	31,176
ADEC loan subsidy	-	171,723	-	-	-	171,723
SEAPA dividend	172,014	-	-	-	-	172,014
Other revenues	101,291	721	-	42	-	102,054
<b>Net Nonoperating Revenues (Expenses)</b>	295,148	192,494	314,720	761	(840)	802,283
<b>Income (Loss) Before Capital Contributions</b>	151,047	(359,780)	(1,238,961)	(33,597)	59,352	(1,421,939)
Capital contributions	-	-	3,847,601	-	-	3,847,601
<b>Change in Net Position</b>	151,047	(359,780)	2,608,640	(33,597)	59,352	2,425,662
<b>Net Position, beginning,</b>	4,123,255	5,768,173	37,974,405	3,490,712	524,026	51,880,571
<b>Net Position, ending</b>	\$ 4,274,302	\$ 5,408,393	\$ 40,583,045	\$ 3,457,115	\$ 583,378	\$ 54,306,233

*See accompanying notes to basic financial statements.*

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## City and Borough of Wrangell, Alaska

Enterprise Funds  
Statement of Cash Flows

	Major Funds			Nonmajor Fund		Total
	Electric Utility	Water Utility	Port	Sewer Utility	Sanitation Utility	Enterprise Funds
<i>Year Ended June 30, 2019</i>						
<b>Cash Flows from Operating Activities</b>						
Receipts from customers and users	\$ 4,070,037	\$ 725,102	\$ 1,352,572	\$ 600,365	\$ 627,019	\$ 7,375,095
Payments for interfund services used	(185,300)	(100,832)	(63,234)	(47,924)	(51,517)	(448,807)
Payments to suppliers	(2,454,198)	(321,404)	77,588	(183,767)	(282,280)	(3,164,061)
Payments to employees	(640,048)	(194,538)	(611,927)	(182,100)	(180,623)	(1,809,236)
Net cash flows from operating activities	790,491	108,328	754,999	186,574	112,599	1,952,991
<b>Cash Flows from Noncapital Financing Activities</b>						
State fish taxes received	-	-	317,781	-	-	317,781
<b>Cash Flows for Capital and Related Financing Activities</b>						
Purchase of property, plant and equipment	(183,742)	(38,967)	(7,790,556)	-	-	(8,013,265)
Principal payments on long-term debt	-	(213,101)	(15,593)	(1,591)	-	(230,285)
Interest payments on long-term debt	-	(14,627)	-	(1,655)	-	(16,282)
Capital contributions received	-	-	3,446,363	-	-	3,446,363
Net cash flows for capital and related financing activities	(183,742)	(266,695)	(4,359,786)	(3,246)	-	(4,813,469)
<b>Cash Flows from Investing Activities</b>						
Investment income received	-	237	4,005	209	-	4,451
<b>Net Increase (Decrease) in Cash and Investments</b>	606,749	(158,130)	(3,283,001)	183,537	112,599	(2,538,246)
<b>Cash and Investments, beginning</b>	3,483,047	942,270	6,430,132	697,677	96,886	11,650,012
<b>Cash and Investments, ending</b>	\$ 4,089,796	\$ 784,140	\$ 3,147,131	\$ 881,214	\$ 209,485	\$ 9,111,766
<b>Reconciliation of Cash and Investments to Statement of Net Position</b>						
Cash and investments:	\$ 4,089,796	\$ 784,140	\$ 1,727,417	\$ 806,340	\$ 209,485	\$ 7,617,178
Restricted cash and investments	-	-	1,419,714	74,874	-	1,494,588
<b>Total Cash and Investments</b>	\$ 4,089,796	\$ 784,140	\$ 3,147,131	\$ 881,214	\$ 209,485	\$ 9,111,766

## City and Borough of Wrangell, Alaska

## Enterprise Funds

## Statement of Cash Flows, continued

	Major Funds				Nonmajor Fund	Total Enterprise Funds
	Electric Utility	Water Utility	Port	Sewer Utility	Sanitation Utility	
<b>Reconciliation of Income (Loss) from Operations to Net Cash</b>						
<b>Flows from Operating Activities</b>						
Income (loss) from operations	\$ (144,101)	\$ (552,274)	\$ (1,553,681)	\$ (34,358)	\$ 60,192	\$ (2,224,222)
Adjustments to reconcile income (loss) from operations to net cash flows from operating activities:						
Depreciation	282,223	635,103	1,971,936	274,357	76,132	3,239,751
Noncash expense - PERS relief	46,728	3,290	(7,004)	2,165	(840)	44,339
Decrease in allowance for doubtful accounts	15,125	-	-	-	-	15,125
Miscellaneous nonoperating revenues	248,420	31,897	-	42	-	280,359
(Increase) decrease in assets:						
Accounts receivable	19,834	(887)	(1,358)	2,847	(7,582)	12,854
Inventories	2,133	-	-	-	-	2,133
(Increase) decrease in deferred outflows of resources:						
Related to pensions	(28,002)	(4,996)	(22,902)	(8,466)	(6,062)	(70,428)
Related to other postemployment benefits	(41,228)	(7,356)	(33,719)	(12,466)	(8,927)	(103,696)
Increase (decrease) in liabilities:						
Accounts payable	365,768	2,653	458,075	(45,408)	(2,390)	778,698
Accrued leave	44,393	2,536	(6,515)	6,360	1,001	47,775
Unearned revenue	-	-	(53,895)	-	-	(53,895)
Customer utility deposits	(25,767)	(2,525)	-	-	-	(28,292)
Net pension liability	35,640	6,359	29,149	10,776	7,717	89,641
Net other postemployment benefits liability	37,960	6,773	31,047	11,478	8,219	95,477
Increase (decrease) in deferred inflows of resources:						
Related to pensions	(68,488)	(12,219)	(56,014)	(20,708)	(14,829)	(172,258)
Related to other postemployment benefits	(147)	(26)	(120)	(45)	(32)	(370)
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 790,491</b>	<b>\$ 108,328</b>	<b>\$ 754,999</b>	<b>\$ 186,574</b>	<b>\$ 112,599</b>	<b>\$ 1,952,991</b>
<b>Supplemental disclosure of cash flow information:</b>						
Principal forgiveness on long-term debt	\$ -	\$ 171,723	\$ -	\$ -	\$ -	\$ 171,723

See accompanying notes to basic financial statements.

Notes to Basic Financial Statements  
Year Ended June 30, 2019

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**1. Summary of Significant Accounting Policies**

***Reporting Entity***

The City of Wrangell (City) was incorporated in 1903 as a home rule municipality under the laws of the State of Alaska. It operated as a home rule city until May 30, 2008, at which time it was incorporated and certified as a unified home rule borough by the State of Alaska. On May 30, 2008, the City and Borough of Wrangell (the Borough) was created and the City of Wrangell was dissolved. The City and Borough of Wrangell immediately succeeded to all rights, powers, duties, assets, and liabilities of the former City of Wrangell.

The Borough operates under an assembly-manager form of government and performs municipal duties allowed by Alaska statutes and as directed by its residents.

As required by generally accepted accounting principles, these financial statements present City and Borough of Wrangell (the primary government) and its component unit. The component unit discussed below is included in the Borough's reporting entity because of the significance of their operational or financial relationships with the Borough.

The component unit column in the financial statements include the financial data of the Borough's component unit. It is discretely presented in a separate column to emphasize that it is a legally separate organization from the Borough.

***Wrangell Public Schools***

Wrangell Public Schools is responsible for elementary and secondary education within the Borough. The voters elect the members of the School Board; however, the School District is fiscally dependent upon the Borough because the Borough Assembly approves the total annual budget of the School District, levies the necessary taxes and approves the issuance of bonds for School construction.

Complete financial statements of the component unit can be obtained from their respective administrative office at the address below:

Wrangell Public Schools  
P.O. Box 2319  
Wrangell, AK 99929

***Related Organization***

Thomas Bay Power Authority (TBPA), a related organization, was formed as a joint venture between the cities (now boroughs) of Petersburg and Wrangell. The function of TBPA in recent years was to operate and maintain the Tyee Lake Hydroelectric Project under contract to the Southeast Alaska Power Agency (SEAPA). TBPA had been overseen by a Commission composed of three appointed members from each community, with a seventh "at large" member chosen by the Commission.

In 2014 the two Boroughs surrendered the O&M contract to SEAPA. TBPA is now "dormant" until such time as the two communities agree on a specific task.

## Notes to Basic Financial Statements

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The accounting policies of the Borough conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

### ***Government-Wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Borough and its component units. In general, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) fees, fines and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Borough generally considers all revenues except reimbursement grants to be available if they are collected within 60 days after year end. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only to the extent they have matured.

Property and sales taxes, intergovernmental revenues, charges for services, sales and leases, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue in the current period. All other revenue items are considered to be measurable and available only when received by the government.



## Notes to Basic Financial Statements

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The Borough reports the following major funds based on the required quantitative calculations:

Major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

The *Permanent Fund Special Revenue Fund* accounts for monies set aside to help provide future economic stability to the citizens of Wrangell.

*Sales Tax Special Revenue Fund* accounts for sales tax revenue collected by the Borough from purchases made within the Borough from consumers and business owners. The Borough has elected to report this fund as major due to the fund's significance to the public.

The *Economic Recovery Capital Project Fund* account for the funding and interest earnings associated with a U.S. Department of Agriculture grant for the purpose of economic assistance within the Borough. The Borough has elected to report this fund as major due to the fund's significance to the public.

Major proprietary funds:

The *Electric Utility Enterprise Fund* is used to account for the operations of the electric utility.

The *Water Utility Enterprise Fund* is used to account for the operations of the Borough water system.

The *Port Enterprise Fund* is used to account for the operations of the municipal dock, boat harbors, and travel lift.

The *Sewer Utility Enterprise Fund* is used to account for the operations of the wastewater utility. The Borough has elected to report this fund as major due to the fund's significance to the public.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are allocated administration fees and charges between the enterprise funds and the various other funds and departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. In addition, general revenues include all taxes, investment income, and State and federal entitlement revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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**Notes to Basic Financial Statements**

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***Central Treasury***

A central treasury is used to account for cash from most funds of the Borough to maximize interest income. Investments are stated at fair value. Investment earnings are allocated to most funds based on their respective cash balances. The School District and Medical Center maintain separate cash accounts from the Borough.

***Cash and Cash Equivalents***

For purposes of the statements of cash flows, the proprietary funds consider all cash accounts to be cash and cash equivalents. The central treasury, which holds cash and investments, is used essentially as a cash management pool by each fund.

***Inventories***

Inventories are valued at cost in governmental funds and at the lower of cost or market in the proprietary funds. Cost is determined by the first-in, first-out method. The cost is recorded as an expenditure or expense at the time individual inventory items are consumed.

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

***Grants and Other Intergovernmental Revenues***

In applying the measurable and available concepts to grants and intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts are considered “earned”; therefore, revenues are recognized based upon expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

***Property Taxes***

Property taxes are assessed on real property on January 1 of each year. Mill rates are established annually by Borough ordinance. Taxes are levied on July 1 of each year and are due in two equal installments on August 15 and December 15. Property taxes are recorded as revenue when measurable and available. Borough statutes call for annual foreclosures on property for delinquent taxes.

## Notes to Basic Financial Statements

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### *Interfund Transactions*

During the course of normal operations, the Borough has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers.

### *Capital Assets*

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets (e.g. roads, sidewalks, etc.) were capitalized and included in capital assets for the first time during 2006. Capital assets are defined by the Borough as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are not capitalized.

Property, plant, and equipment of the Borough is depreciated using the straight line method over the following estimated useful lives:

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Infrastructure	50 years
Buildings	20-40 years
Improvements other than buildings	20-50 years
Machinery and equipment	3-8 years

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### *Deferred Outflows of Resources*

A deferred outflow of resources is an item that will result in a future decrease or consumption of equity. In the Government-Wide and Enterprise Fund financial statements, deferred outflows are comprised entirely of pension and other postemployment benefits related transactions.

### *Long-term Liabilities*

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

## Notes to Basic Financial Statements

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### ***Compensated Absences***

The Borough allows employees to accumulate earned but unused vacation and sick leave benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured (e.g., the employee has terminated employment). Because the Borough does not have a policy to pay unpaid accumulated sick leave upon termination, there is typically no liability for unpaid accumulated sick leave. One exception is that any employees who have accumulated sick leave in excess of 480 hours as of fiscal year end must make an election the following month to either convert the excess over 480 hours to vacation leave or convert half of the excess to vacation leave and cash out the other half. A liability for unpaid sick leave is therefore reported which represents only this excess over 480 hours that some employees have accumulated as of June 30.

### ***Deferred Inflows of Resources***

A deferred inflow of resources is an item that will result in a future increase or acquisition of equity. In the Governmental Funds, deferred inflows are reported in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period and taxes collected in advance of their levy date.

In the Government-Wide and Enterprise Fund Financial Statements, deferred inflows are reported in connection with taxes paid in advance and certain pension, and other postemployment benefits related transactions. Those items deferred under modified accrual in the governmental funds as “unavailable” are reversed to revenue at the full-accrual level.

### ***Pensions and Other Postemployment Benefits***

Substantially all employees of the Borough participate in the Public Employees' Retirement System (PERS) administered by the State of Alaska.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, other postemployment benefits and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### ***Fund Balances***

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources:

***Nonspendable fund balance*** - This classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Notes to Basic Financial Statements

*Restricted fund balance* - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* - These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the Borough Assembly. Those committed amounts cannot be used for any other purpose unless the Borough Assembly removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance* - This classification reflects the amounts constrained by the Borough's "intent" to be used for specific purposes, but are neither restricted nor committed. The Borough Assembly and Borough Manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance* - This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Borough's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

***Encumbrances***

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. Any encumbrances outstanding at year end are reported as appropriate constraints of fund balances if they meet the definitions and criteria as outlined above.

***Unearned Grant Revenue***

Amounts received from grantor agencies, which are restricted as to use and have not been expended for the intended use are shown as unearned revenue.

***Comparative Data***

Comparative data for the prior year have been presented in some of the accompanying individual financial statements in order to provide an understanding of changes in the Borough's financial position and operations. Certain amounts in the prior year data have been reclassified to conform to the current year's presentation.

Notes to Basic Financial Statements

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**2. Stewardship, Compliance and Accountability*****Budgetary Accounting***

An operating budget is adopted each fiscal year for the General Fund, most Special Revenue Funds, and the Debt Service Fund on the same modified accrual basis used to reflect actual revenues and expenditures. Appropriations for these funds lapse at year end to the extent that they have not been expended or encumbered. Budgetary control is exercised at the department level. The Borough Manager is authorized to transfer budget amounts between line items within any department; however, any supplemental appropriations that amend the total expenditures of any department or fund require Assembly approval. The budgeted financial statements presented in this report reflect the final budget authorization, including Assembly amendments made during the year.

Budgetary comparison statements are presented as Required Supplementary Information for the following major funds: General Fund, Permanent Fund Special Revenue Fund and Sales Tax Special Revenue Fund. For the year ended June 30, 2019, expenditures exceeded appropriations in the General Government and Public Works departments by \$87,125, and \$387,342 respectively.

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## Notes to Basic Financial Statements

**3. Cash and Investments**

The City and Borough of Wrangell utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments" or in the case of "negative cash," is included in "due to other funds." The Borough also maintains water and sewer bond redemption and reserve accounts as required by the bond covenants.

***Reconciliation of Deposit and Investment Balances***

The following is a reconciliation of the Borough's deposit and investment balances to the financial statements as of June 30, 2019.

	Pooled Cash and Investments	Other	Totals
Bank deposits	\$ 10,083,806	\$ 1,032,598	\$ 11,116,404
Investments	13,689,429	7,648,580	21,338,009
<b>Total Cash and Investments</b>	<b>\$ 23,773,235</b>	<b>\$ 8,681,178</b>	<b>\$ 32,454,413</b>
			Government- wide Statement of Net Position
Cash and investments			\$ 30,959,825
Restricted cash and investments			1,494,588
<b>Total Cash and Investments</b>			<b>\$ 32,454,413</b>

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Notes to Basic Financial Statements

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*Investment Policy*

The Borough's general investment policy authorizes investments in:

1. Treasury bonds, bills, notes or other general obligation evidences of indebtedness of the United States or an agency or instrumentality of the United States, or of the State of Alaska, or of other states of the United States, or of this Borough, of other cities of the State, and of boroughs of this State;
2. Fully insured or fully collateralized certificates of deposit, savings deposits, and other interest-bearing deposit accounts in member banks insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC); and/or
3. Repurchase agreements where the general checking balance at the end of each business day is used to buy a security from the bank and held overnight.

The Borough's Permanent Fund investment policy authorizes investments according to the following guidelines:

1. Fund level investment guidelines. The fund will use low cost, efficient investment vehicles, such as index mutual funds and/or ETFs. The fund will achieve its objective via long-only, unlevered investments. The fund is prohibited from engaging in short sales and margin transactions
2. Product level investment guidelines. The borough assembly will take a conservative posture on derivative securities in order to maintain a risk averse nature. Since it is anticipated that new derivative products will be created each year, it is not the intention of this the borough policy to list specific derivatives that are prohibited from investment; rather, it will form a general policy on derivatives. The borough assembly recognizes that derivatives may be utilized within products as a portfolio management tool. All derivative exposure must be fully collateralized. Direct leverage or borrowing for the purpose of magnifying returns is prohibited.

Investments may be placed with or through member banks insured by the FDIC or FSLIC and broker dealers that are members of the New York Stock Exchange (NYSE), members of the Securities Investor Protection Corporation (SIPC) and registered broker dealers in Alaska.

*Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

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## Notes to Basic Financial Statements

Investment maturities in general investments at June 30, 2019 are as follows:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More than 10 Years
Money market funds	\$ 277,444	\$ 277,444	\$ -	\$ -	\$ -
Certificates of deposit	9,260,974	3,295,828	5,965,146	-	-
U.S. Treasuries	3,339,029	1,693,978	1,587,673	57,378	-
U.S. government agencies	84,135	28,900	45,337	9,898	-
Corporate bonds	240,339	11,971	179,532	48,836	-
Total subject to interest rate risk	13,201,921	\$ 5,308,121	\$ 7,777,688	\$ 116,112	\$ -
Equity securities	487,508				
<b>Total General Investments</b>	<b>\$ 13,689,429</b>				

*Fair Value Measurement*

The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

General investments are classified in the fair value hierarchy as follows at June 30, 2019:

Investment Type	Level 1	Level 2	Level 3	Fair Value
U.S. Treasuries	\$ 3,339,029	\$ -	\$ -	\$ 3,339,029
U.S. government agencies	-	84,135	-	84,135
Corporate bonds	-	240,339	-	240,339
Equity securities	487,508	-	-	487,508
<b>Total Investments at Fair Value</b>	<b>\$ 3,826,537</b>	<b>\$ 324,474</b>	<b>\$ -</b>	<b>\$ 4,151,011</b>

Investments at amortized cost:

Money market funds	\$ 277,444
Certificates of deposit	9,260,974
<b>Total Investments at Amortized Cost</b>	<b>9,538,418</b>
<b>Total Investments</b>	<b>\$ 13,689,429</b>

The Borough has investments in money market funds and certificates of deposit that are not held at fair value, but instead are recorded at amortized cost, as of June 30, 2019.

Notes to Basic Financial Statements

*Credit Risk*

The Borough's general investments in corporate bonds of \$240,339 were rated as follows by Standard & Poors: \$7,253 rated AAA, \$17,168 rated AA+, \$11,971 rated AA, \$37,505 rated AA-, \$13,452 rated A+, \$25,681 rated A, \$63,853 rated A-, \$40,923 rated BBB+, and \$22,533 rated BBB. All of the Borough's investments in U.S. Treasuries are rated AAA. The U.S. government agencies and treasuries are rated AA+.

Investment maturities in Permanent Fund Special Revenue Fund investments at June 30, 2019 are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10 Years
Money market funds	\$ 88,100	\$ 88,100	\$ -	\$ -	\$ -
U.S. Treasuries	1,109,498	196,875	742,669	101,366	68,588
U.S. government agencies	760,090	-	90,727	35,255	634,108
Corporate bonds	825,241	85,160	503,666	82,780	153,635
Total subject to interest rate risk	2,782,929	\$ 370,135	\$ 1,337,062	\$ 219,401	\$ 856,331
Equity securities	4,865,651				
<b>Total Permanent Fund Investments</b>	<b>\$ 7,648,580</b>				

In addition to the investments disclosed above, the Permanent Fund Special Revenue Fund holds \$353,514 in cash. When combined with the investment held in the Permanent Fund Special Revenue Fund at fair value, the total balance of cash and investments is \$8,002,094.

*Fair Value Measurement*

Permanent fund investments are classified in the fair value hierarchy as follows at June 30, 2019:

Investment Type	Level 1	Level 2	Level 3	Fair Value
Equity securities	\$ 4,865,651	\$ -	\$ -	\$ 4,865,651
Corporate bonds	-	825,241	-	825,241
U.S. Treasuries	1,109,498	-	-	1,109,498
U.S. government agencies	-	760,090	-	760,090
<b>Total Investments at Fair Value</b>	<b>\$ 5,975,149</b>	<b>\$ 1,585,331</b>	<b>\$ -</b>	<b>\$ 7,560,480</b>
Investments at amortized cost -				
Money market funds				88,100
<b>Total Investments</b>				<b>\$ 7,648,580</b>

## Notes to Basic Financial Statements

*Credit Risk*

The Borough's Permanent Fund Special Revenue Fund investments in corporate bonds of \$825,241 were rated as follows by Standard & Poors: \$11,056 rated AAA, \$9,443 rated AA+, \$34,016 rated AA, \$98,251 rated AA-, \$81,343 rated A+, \$212,083 rated A, \$209,383 rated A-, \$98,776 rated BBB+, and \$70,889 rated BBB. All of the Borough's investments in U.S. Treasuries are rated AAA. The U.S. government agencies and treasuries are rated AA+.

**4. Accounts Receivable and Valuation Allowances**

The Borough maintains accounts receivable balances of which a portion is reserved as an allowance for doubtful receivables. At June 30, 2019, receivables for the Borough's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

<i>June 30, 2019</i>	Major Governmental Funds			Nonmajor Govern- mental Funds	Total Govern- mental Funds
	General	Permanent	Sales Tax		
Grants and shared revenues	\$ 15,479	\$ -	\$ -	\$ 464,057	\$ 479,536
Property taxes	92,375	-	-	-	92,375
Sales taxes	499,935	-	235,610	-	735,545
Accounts	33,407	-	-	2,885	36,292
Land sales and improvements	-	-	-	49,066	49,066
Accrued interest	44,890	17,295	-	3,650	65,835
Total receivables	686,086	17,295	235,610	519,658	1,458,649
Less allowance for doubtful accounts	(70)	-	-	-	(70)
<b>Net Receivables</b>	<b>\$ 686,016</b>	<b>\$ 17,295</b>	<b>\$ 235,610</b>	<b>\$ 519,658</b>	<b>\$ 1,458,579</b>

	Major Enterprise Funds				Nonmajor Enterprise Fund	Total Enterprise Funds
	Electric Utility	Water Utility	Port	Sewer Utility		
Grants	\$ -	\$ -	\$ 401,238	\$ -	\$ -	\$ 401,238
Accounts	284,073	40,716	158,087	35,041	40,590	558,507
Accrued interest	-	5	100	6	-	111
Total receivables	284,073	40,721	559,425	35,047	40,590	959,856
Less allowance for doubtful accounts	(16,381)	-	(23,000)	-	-	(39,381)
<b>Net Receivables</b>	<b>\$ 267,692</b>	<b>\$ 40,721</b>	<b>\$ 536,425</b>	<b>\$ 35,047</b>	<b>\$ 40,590</b>	<b>\$ 920,475</b>

## Notes to Basic Financial Statements

**5. Capital Assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions and Reclass- ifications	Deletions and Reclass- ifications	Balance June 30, 2019
<b>Governmental Activities</b>				
<i>Capital assets not being depreciated -</i>				
land and land improvements	\$ 1,186,678	\$ -	\$ -	\$ 1,186,678
<i>Capital assets being depreciated:</i>				
Infrastructure	16,034,223	7,267,605	-	23,301,828
Buildings	48,373,983	10,694	-	48,384,677
Improvements other than buildings	6,293,283	-	-	6,293,283
Machinery and equipment	4,094,365	51,241	-	4,145,606
<b>Total capital assets being depreciated</b>	<b>74,795,854</b>	<b>7,329,540</b>	<b>-</b>	<b>82,125,394</b>
<b>Less accumulated depreciation for:</b>				
Infrastructure	3,611,954	632,136	-	4,244,090
Buildings	36,649,610	937,387	-	37,586,997
Improvements other than buildings	4,231,999	192,493	-	4,424,492
Machinery and equipment	3,278,764	165,947	-	3,444,711
<b>Total accumulated depreciation</b>	<b>47,772,327</b>	<b>1,927,963</b>	<b>-</b>	<b>49,700,290</b>
<b>Total capital assets being depreciated, net</b>	<b>27,023,527</b>	<b>5,401,577</b>	<b>-</b>	<b>32,425,104</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 28,210,205</b>	<b>\$ 5,401,577</b>	<b>\$ -</b>	<b>\$ 33,611,782</b>

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# City and Borough of Wrangell, Alaska

Item a.

## Notes to Basic Financial Statements

	Balance July 1, 2018	Additions and Reclass- ifications	Deletions and Reclass- ifications	Balance June 30, 2019
<b>Business-type Activities</b>				
<i>Capital assets not being depreciated:</i>				
Land and land improvements	\$ 959,233	\$ -	\$ -	\$ 959,233
Construction in progress	869,353	7,864,454	-	8,733,807
Total capital assets not being depreciated	1,828,586	7,864,454	-	9,693,040
<i>Capital assets being depreciated:</i>				
Buildings	9,045,651	38,304	-	9,083,955
Improvements other than buildings	79,510,377	17,018	-	79,527,395
Machinery and equipment	5,360,517	93,488	-	5,454,005
Total capital assets being depreciated	93,916,545	148,810	-	94,065,355
Less accumulated depreciation for:				
Buildings	7,131,259	397,001	-	7,528,260
Improvements other than buildings	40,314,805	2,551,400	-	42,866,205
Machinery and equipment	3,976,977	291,350	-	4,268,327
Total accumulated depreciation	51,423,041	3,239,751	-	54,662,792
Total capital assets being depreciated, net	42,493,504	(3,090,941)	-	39,402,563
<b>Business-type Activity Capital Assets, net</b>	<b>\$ 44,322,090</b>	<b>\$ 4,773,513</b>	<b>\$ -</b>	<b>\$ 49,095,603</b>

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## Notes to Basic Financial Statements

Depreciation expense was charged to the functions as follows for the year ended June 30, 2019:

**Governmental Activities**

General government	\$ 178,300
Public safety	86,722
Public works	736,647
Parks and recreation	59,103
Community services	337,793
Education	529,398

<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 1,927,963</b>
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**Business-type Activities**

Electric utility	\$ 282,223
Water utility	635,103
Sewer utility	274,357
Sanitation utility	76,132
Port	1,971,936

<b>Total Depreciation Expense - Business-type Activities</b>	<b>\$ 3,239,751</b>
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**6. Interfund Balances and Transfers**

A schedule of interfund balances and transfers for the year ended June 30, 2019, follows:

**Interfund Loans**

Due to General Fund from:

Port Enterprise Fund for long-term capital advances	\$ 86,553
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<b>Total Amount Due to General Fund</b>	<b>\$ 86,553</b>
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## Notes to Basic Financial Statements

**Transfers**

From General Fund to nonmajor governmental funds to cover operating costs	\$ 709,766
From Sales Tax Special Revenue Fund to:	
Nonmajor governmental funds to cover debt service costs	100,025
Nonmajor governmental funds for pool operating costs	29,000
Total transfers from Sales Tax Special Revenue Fund	129,025
From Permanent Fund Special Revenue Fund to the General Fund for operating costs	250,000
From nonmajor governmental funds to:	
Other nonmajor governmental funds for operating costs	52,114
General Fund to transfer fund balance	49,926
Total transfers from nonmajor governmental funds	102,040
<b>Total Transfers to Other Funds</b>	<b>\$ 1,190,831</b>

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## Notes to Basic Financial Statements

**7. Long-term Liabilities**

The following is a summary of long-term liability transactions of the Borough for the year ended June 30, 2019:

<b>Governmental Activities</b>	Balance July 1, 2018	Additions	Retired	Balance June 30, 2019	Due Within One Year
General Obligation Bonds:					
\$1,280,000 refunding 2015A Series One School bond, due in annual installments of \$225,000 to \$240,000 through 2021, plus semi-annual interest payments at rates ranging from 2.0% to 5.0% per annum	\$ 675,000	\$ -	\$ 215,000	\$ 460,000	\$ 225,000
\$220,000 2011 school bonds, due in annual installments of \$25,000 through 2021, plus semi-annual interest payments at rates ranging from 3.0% to 4.0% per annum	75,000	-	25,000	50,000	25,000
Accrued leave	301,243	278,246	301,243	278,246	278,246
<b>Total Governmental Activities</b>	<b>1,051,243</b>	<b>\$ 278,246</b>	<b>\$ 541,243</b>	<b>788,246</b>	<b>\$ 528,246</b>
Plus unamortized bond premium	58,849			39,232	
	<b>\$ 1,110,092</b>			<b>\$ 827,478</b>	

Other long-term liabilities related to governmental activities, such as accrued leave, are generally liquidated by the General Fund.

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# City and Borough of Wrangell, Alaska

Item a.

## Notes to Basic Financial Statements

Business-type Activities	Balance July 1, 2018	Additions	Retired	Balance June 30, 2019	Due Within One Year
Revenue Bonds:					
\$250,000 1997 Water Utility revenue bonds, due in semi-annual installments of \$7,135 including interest at 4.875% through 2038	\$ 177,530	\$ -	\$ 177,530	\$ -	\$ -
Loans Payable from Direct Borrowings:					
\$91,000 Sewer loan due in semi-annual installments of \$1,623 including interest at 1.875% through 2057	88,660	-	1,591	87,069	1,621
\$1,501,836 Water Utility loan due in annual installments of \$89,987 including interest at 1.5% through 2021	262,060	-	262,060*	-	-
\$57,251 Water Utility loan due in annual installments of \$2,475 to \$3,334, including interest of 1.5% through 2038	-	57,241	2,475	54,766	2,513
\$200,000 Port loan from the General Fund to be paid with 50% of port development fees	102,146	-	15,593	86,553**	15,593
Accrued leave	73,676	121,451	73,676	121,451	121,451
<b>Total Business-type Activities</b>	<b>\$ 704,072</b>	<b>\$ 178,692</b>	<b>\$ 532,925</b>	<b>\$ 349,839</b>	<b>\$ 141,178</b>

\* Of this amount retired in 2019, \$171,723 was retired via a state subsidy. No actual payment was issued from the Borough.

\*\*This interfund loan has been eliminated from long-term debt and loans receivable on the government-wide Statement of Net Position.

# City and Borough of Wrangell, Alaska

Item a.

## Notes to Basic Financial Statements

Annual debt service requirements to maturity for all of the above obligations, except the accrued leave and the Port loan, follow:

		General Obligation Bonds		
Governmental Activities				
Year Ending June 30,		Principal	Interest	Total
2020		\$ 250,000	\$ 18,250	\$ 268,250
2021		260,000	6,875	266,875
		\$ 510,000	\$ 25,125	\$ 535,125
Business-type Activities		Loans Payable from Direct Borrowings		
Year Ending June 30,		Principal	Interest	Total
2020		\$ 4,134	\$ 2,217	\$ 6,351
2021		4,201	2,379	6,580
2022		4,271	2,309	6,580
2023		4,341	2,239	6,580
2024		4,413	2,167	6,580
2025-2029		23,184	9,716	32,900
2030-2034		25,166	7,734	32,900
2035-2039		23,984	5,582	29,566
2040-2044		12,223	4,007	16,230
2045-2049		13,418	2,812	16,230
2050-2054		14,731	1,499	16,230
2055-2056		7,769	219	7,988
		\$ 141,835	\$ 42,880	\$ 184,715

## 8. Net Position

In the Statement of Net Position, net position is reported in the following categories:

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	\$ 33,062,550	\$ 48,953,768	\$ 82,016,318
Restricted:			
Barnes Endowment	50,000	-	50,000
Economic stability	8,019,389	-	8,019,389
Schools and roads	3,358,864	-	3,358,864
Harbor improvements	-	47,115	47,115
Total restricted	11,428,253	47,115	11,475,368
Unrestricted	9,160,425	5,305,350	14,465,775
Total Net Position	\$ 53,651,228	\$ 54,306,233	\$ 107,957,461

## Notes to Basic Financial Statements

## 9. Fund Balances

Fund balances, reported in the Borough's individual major funds and nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints at June 30, 2019:

	Major Governmental Funds					
	General	Permanent Fund Special Revenue	Sales Tax Special Revenue	Economic Recovery Capital Project	Nonmajor Funds	Totals
<b>Nonspendable:</b>						
Interfund loans	\$ 86,553	\$ -	\$ -	\$ -	\$ -	\$ 86,553
Inventory	-	-	-	-	94,334	94,334
<b>Total nonspendable</b>	<b>86,553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,334</b>	<b>180,887</b>
<b>Restricted:</b>						
Economic stability	-	8,019,389	-	-	-	8,019,389
Schools and roads	-	-	-	-	3,358,864	3,358,864
Barnes Endowment	-	-	-	-	50,000	50,000
<b>Total restricted</b>	<b>-</b>	<b>8,019,389</b>	<b>-</b>	<b>-</b>	<b>3,408,864</b>	<b>11,428,253</b>
<b>Committed:</b>						
Community services	-	-	-	-	394,041	394,041
Education and health	-	-	1,084,782	-	-	1,084,782
Swimming pool	-	-	-	-	957,994	957,994
Land and industrial development	-	-	-	-	345,363	345,363
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>1,084,782</b>	<b>-</b>	<b>1,697,398</b>	<b>2,782,180</b>
<b>Assigned:</b>						
Projects	-	-	-	-	956,863	956,863
Economic recovery	-	-	-	1,353,445	-	1,353,445
Community services	-	-	-	-	59,033	59,033
Debt service	-	-	-	-	1,681	1,681
<b>Total assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,353,445</b>	<b>1,017,577</b>	<b>2,371,022</b>
<b>Unassigned</b>	<b>7,847,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,847,780</b>
<b>Total Fund Balances</b>	<b>\$ 7,934,333</b>	<b>\$ 8,019,389</b>	<b>\$ 1,084,782</b>	<b>\$ 1,353,445</b>	<b>\$ 6,218,173</b>	<b>\$ 24,610,122</b>

## Notes to Basic Financial Statements

**10. Municipal Landfill Closure and Postclosure Liability**

On January 15, 1998, the Borough entered into an agreement with company to transport and dispose of municipal solid waste. State and federal laws and regulations require the Borough to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

The Borough has been successful in obtaining grants to assist with closing the landfill and the closure was completed at the end of fiscal year 2012. Management believes that the ongoing monitoring costs will be minimal; therefore no liability has been reflected in these financial statements.

**11. Restrictions of Sales Tax Revenues**

According to the Municipal Code, 28% of sales tax revenue is to be used (1) to pay principal and interest for any bond indebtedness relating to education and health of the Borough; (2) to operate and maintain school facilities; and (3) to construct and maintain sewers within the Borough and other purposes relating to the health and sanitation of the Borough.

Four percent of the total sales tax revenue is to be used to plan, design, construct, and/or improve streets and sidewalks, such as pavement of gravel streets or the replacement of previously paved streets.

The remaining 68% of the current sales tax is available for any General Fund purpose as authorized by law or charter.

**12. School Support**

The following is a summary of the total support provided by the Borough to the School District for the year ended June 30, 2019. Support provided to the School District does not include debt service payments on school facilities or capital expenditures.

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Special Revenue Funds:	
Sales Tax	\$ 583,619
National Forest Receipts	848,488
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<b>Total Contributions to School District</b>	<b>\$ 1,432,107</b>

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Notes to Basic Financial Statements

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**13. Retirement Plans*****(a) Defined Benefit (DB) Pension Plan******General Information About the Plan***

The City participates in the Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. That report is available via the internet at <http://doa.alaska.gov/drdb/pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Police/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other postemployment benefits (OPEB). A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

***Historical Context and Special Funding Situation***

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from an agent-multiple employer plan to a cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Alaska Statute 39.35.280 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board. As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

## Notes to Basic Financial Statements

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The City recorded the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

### ***Employee Contribution Rates***

Regular employees are required to contribute 6.75% of their annual covered salary. Police officers and firefighters are required to contribute 7.50% of their annual covered salary.

### ***Employer and Other Contribution Rates***

There are several contribution rates associated with the pension contributions and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

***Employer Effective Rate:*** This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employee payroll are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

***ARM Board Adopted Rate:*** This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This change results in lower ARM Board Rates than previously adopted.

***On-behalf Contribution Rate:*** This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary fund and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

***GASB Rate:*** This is the rate used to determine the long-term pension liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. For 2019, the rate uses an 8% pension discount rate.

The GASB Rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Notes to Basic Financial Statements

Contribution rates for the year ended June 30, 2019 were determined in the June 30, 2016 actuarial valuations. The City's contribution rates for the 2019 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	16.17%	23.21%	5.58%
Postemployment healthcare (ARHCT)	5.83%	4.37%	0.00%
<b>Total Contribution Rates</b>	<b>22.00%</b>	<b>27.58%</b>	<b>5.58%</b>

In 2019, the City was credited with the following contributions to the pension plan:

	Measurement Period July 1, 2017 to June 30, 2018	City Fiscal Year July 1, 2018 to June 30, 2019
Employer contributions (including DBUL)	\$ 525,495	\$ 508,139
Nonemployer contributions (on-behalf)	108,202	209,381
<b>Total Contributions</b>	<b>\$ 633,697</b>	<b>\$ 717,520</b>

In addition, employee contributions to the Plan totaled \$125,520 during the City's fiscal year.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2019, the City reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the City were as follows:

	2019
City proportionate share of NPL	\$ 5,527,598
State's proportionate share of NPL associated with the City	1,601,473
<b>Total Net Pension Liability</b>	<b>\$ 7,129,071</b>

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 to calculate the net pension liability as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2018 measurement date, the City's proportion was 0.11124 percent, which was an increase of 0.009450 from its proportion measured as of June 30, 2017.

## Notes to Basic Financial Statements

For the year ended June 30, 2019, the City recognized pension expense of \$637,323 and on-behalf revenue of \$74,984 for support provided by the State. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (138,732)
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	122,079	-
Changes in proportion and differences between City contributions and proportionate share of contributions	245,310	-
City contributions subsequent to the measurement date	508,139	-
<b>Total Deferred Outflows and Deferred Inflows of Resources Related to Pensions</b>	<b>\$ 875,528</b>	<b>\$ (138,732)</b>

The \$508,139 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

*Year Ending June 30,*

2020	\$ 261,846
2021	66,752
2022	(94,589)
2023	(5,352)
2024	-
Thereafter	-
<b>Total Amortization</b>	<b>\$ 228,657</b>

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## Notes to Basic Financial Statements

**Actuarial Assumptions**

The total pension liability for the measurement period ended June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2018:

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	For peace officer/firefighter, increases range from 9.66% to 4.92% based on service. For all others, increases range from 8.55% to 4.34% based on age and service.
Allocation methodology	Amounts for FY 2018 were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the fiscal years 2019 to 2039 to the Plan. The liability is expected to go to zero at 2039.
Investment return / Discount rate	8.00%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for others. Post-termination - 96% of all rates of the RP-2000 table, 2000 Base Year projected to 2018 with Projection Scale BB.

The actuarial assumptions used in the June 30, 2017 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013. The assumptions used in the June 30, 2017 actuarial valuation report are the same as those used in the June 30, 2016 actuarial valuation.

## Notes to Basic Financial Statements

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	24%	8.90%
Global ex-U.S. equity	22%	7.85%
Fixed income	10%	1.25%
Opportunistic	10%	4.76%
Real assets	17%	6.20%
Absolute return	7%	4.76%
Private equity	9%	12.08%
Cash equivalents	1%	0.66%

**Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	0.11124%	\$ 7,319,934	\$ 5,527,598	\$ 4,011,498

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

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Notes to Basic Financial Statements

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***(b) Defined Contribution (DC) Pension Plan***

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan.

This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

Contributions to the DC plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the City contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

***Benefit Terms***

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2019 to cover a portion of the City's employer match contributions. For the year ended June 30, 2019, forfeitures reduced pension expense by \$48,580.

***Employee Contribution Rate***

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual's account.

***Employer Contribution Rate***

For the year ended June 30, 2019, the City was required to contribute 5% of covered salary into the Plan.

The City and employee contributions to PERS for pensions for the year ended June 30, 2019 were \$85,679 and \$137,086, respectively. The City contribution amount was recognized as pension expense/expenditures.

***(c) Defined Benefit OPEB Plans***

As part of its participation in PERS, the City participates in the following cost sharing multiple employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD). The ARHCT is a self-insured and self-funded and provides major medical coverage to retirees of the DB Plan. The ARHCT plan was closed to all new entrants effective July 1, 2006. Benefits vary by Tier level. The RMP is self-insured and provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB plans are included in the comprehensive annual financial report for PERS, at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

# Notes to Basic Financial Statements

## Contribution Rates

Employer contribution rates are actuarially determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2019 were as follows:

	Other	Police/Fire
Alaska Retiree Healthcare Trust	5.83%	5.83%
Retiree Medical Plan	0.94%	0.94%
Occupational Death and Disability Benefits	0.26%	0.76%
<b>Total Contribution Rates</b>	<b>7.03%</b>	<b>7.53%</b>

In 2019, the City was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2017 to June 30, 2018	City Fiscal Year July 1, 2018 to June 30, 2019
Employer contributions - ARHCT	\$ 136,960	\$ 165,982
Employer contributions - RMP	12,409	16,108
Employer contributions - ODD	2,473	6,118
Nonemployer contributions (on-behalf) - ARHCT	-	-
<b>Total Contributions</b>	<b>\$ 151,842</b>	<b>\$ 188,208</b>

## OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At June 30, 2019, the City reported a liability for its proportionate share of the net OPEB liabilities (NOL) that reflected a reduction for State OPEB support provided to the City. The amount recognized by the City for its proportional share, the related State proportion, and the total were as follows:

	2019
City's proportionate share of NOL - ARHCT	\$ 1,141,549
City's proportionate share of NOL - RMP	13,546
City's proportionate share of NOL (Asset) - ODD	(20,674)
<b>Total City's Proportionate Share of NOL (Asset)</b>	<b>\$ 1,134,421</b>
State's proportionate share of the ARHCT NOL associated with the City	332,145
<b>Total Net OPEB Liabilities</b>	<b>\$ 1,466,566</b>

## Notes to Basic Financial Statements

The total OPEB liabilities for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 to calculate the net OPEB liabilities as of that date. The City's proportion of the net OPEB liabilities were based on a projection of the City's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2017 Measurement Date Employer Proportion	June 30, 2018 Measurement Date Employer Proportion	Change
City's proportionate share of the net OPEB liability (asset):			
ARHCT	0.10186%	0.11123%	0.00937%
RMP	0.10277%	0.10645%	0.00368%
ODD	0.10277%	0.10645%	0.00368%

As a result of its requirement to contribute to the plans, the City recognized OPEB expense of \$172,260 and on-behalf revenue of \$43,604 for support provided by the State associated with the ARHCT plan.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (128,597)
Changes in assumptions	179,459	-
Net difference between projected and actual earnings on OPEB plan investments	-	(244,607)
Changes in proportion and differences between City contributions and proportionate share of contributions	92,990	(44,889)
City contributions subsequent to the measurement date	188,208	-
<b>Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB Plans</b>	<b>\$ 460,657</b>	<b>\$ (418,093)</b>

The \$188,208 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

*Year Ending June 30,*

2020	\$ (35,888)
2021	(24,708)
2022	(79,772)
2023	(5,298)
2024	-
Thereafter	22
<b>Total Amortization</b>	<b>\$ (145,644)</b>

## Notes to Basic Financial Statements

**Actuarial Assumptions**

The total OPEB liability for each plan the measurement period ended June 30, 2018 was determined by actuarial valuations as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2018:

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	Graded by service, from 9.66% to 4.92% for Peace Officer/Firefighter. Graded by service from 8.55% to 4.34% for all others
Allocation methodology	Amounts for 2018 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Investment return / Discount rate	8.00%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical: 8.0% grading down to 4.0% Post-65 medical: 5.5% grading down to 4.0% Prescription drug: 9.0% grading down to 4.0% RDS/EGWP: 6.5% grading down to 4.0%
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for all others. Post-termination - 96% of all rates of the RP-2000 table, 2000 Base Year projected to 2018 with Projection Scale BB.
Participation (ARHCT)	100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 10% of non-system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The actuarial assumptions used in the June 30, 2017 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013. The assumptions used in the June 30, 2017 actuarial valuation are the same as those used in the June 30, 2016 valuation with the following exceptions:

1. The medical trend rate assumption was updated to reflect anticipated increases in costs based on recent survey data.
2. An obligation for the Cadillac Tax was added to the June 30, 2017 valuation because it was no longer deemed immaterial due to the updated trend rates and the change to use chained Consumer Price Index (which was part of the Tax Cut and Jobs Act passed in December 2017) to project the tax thresholds in future years.

## Notes to Basic Financial Statements

**Long-Term Expected Rate of Return**

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return for each major asset class included in the plans' targeted asset allocation as of June 30, 2018 are summarized in the following table (note that the rates shown below exclude the inflation component):

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Broad domestic equity	24%	8.90%
Global ex-U.S. equity	22%	7.85%
Fixed income	10%	1.25%
Opportunistic	10%	4.76%
Real assets	17%	6.20%
Absolute return	7%	4.76%
Private equity	9%	12.08%
Cash equivalents	1%	0.66%

**Discount Rate**

The discount rate used to measure the total OPEB liability for each plan was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

**Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate**

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 8.00%, as well as what the City's proportionate share of the respective plan's net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<i>Proportional Share</i>	<i>1% Decrease (7.00%)</i>	<i>Current Discount Rate (8.00%)</i>	<i>1% Increase (9.00%)</i>
City's proportionate share of the net OPEB liability (asset):				
ARHCT	0.11123%	\$ 2,311,065	\$ 1,141,549	\$ 161,256
RMP	0.10645%	\$ 40,450	\$ 13,546	\$ (7,440)
ODD	0.10645%	\$ (19,414)	\$ (20,674)	\$ (21,711)

## Notes to Basic Financial Statements

***Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates***

The following presents the City's proportionate share of the net OPEB liabilities calculated using the healthcare cost trend rates, as well as what the City's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's proportionate share of the net OPEB liability (asset):				
ARHCT	0.11123%	\$ 22,159	\$ 1,141,549	\$ 2,489,963
RMP	0.10645%	\$ (11,517)	\$ 13,546	\$ 47,086
ODD	0.10645%	\$ n/a	\$ n/a	\$ n/a

***OPEB Plan Fiduciary Net Position***

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

***(d) Defined Contribution OPEB Plans***

PERS defined contribution members also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows for medical care expenses to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

***Contribution Rate***

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2018, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,103 per year for each full-time employee, and \$1.35 per hour for part-time employees. Employees do not contribute to the DC OPEB plans.

***Annual Postemployment Healthcare Cost***

In 2019, the City contributed \$60,284 in DC OPEB costs. These amounts have been recognized as expense/expenditures.



Notes to Basic Financial Statements

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**14. Risk Management**

The Borough faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for employee medical costs. The Borough is a member of Alaska Public Entity Insurance (APEI), a governmental insurance pool. APEI provides insurance coverage for property and contents damage, torts, general and automobile liability, public officials and employees' liability, law enforcement professional liability and workers' compensation. The Borough has no coverage for potential losses from environmental damages. APEI is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. The Association made no supplemental assessments during the year ended June 30, 2018. Coverage limits and the deductibles on the policies have stayed relatively constant for the last several years.

**15. Contingencies*****Grants***

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and State governments. Any disallowed claims, including amounts already collected, would become a liability.

***Environmental Remediation***

The City and Borough of Wrangell foreclosed on a piece of property in 2004 for the owner's failure to pay property taxes. This property was previously used as a junk yard and is classified as contaminated by both the Alaska Department of Environmental Conservation (ADEC) and the U.S. Environmental Protection Agency (EPA). Both ADEC and EPA have met with the Borough in regards to cleaning this site up to a residential level. As of June 30, 2018, the debris has been removed and the EPA and ADEC have completed their assessment. Clean-up costs have been estimated in the \$4 million range. In September 2015, the ADEC announced that it would step in and manage the project with funding under the State's Oil and Hazardous Substance Release Prevention and Response Fund. Management believes that the State funding will cover the costs of clean up and that the Borough will only provide limited administrative support. No liability has been recorded in these financial statements in connection with this issue.

**16. Subsequent Events**

In preparing these financial statements, the Borough has evaluated all other events and transactions for potential recognition or disclosure through June 19, 2020, the date the financial statements were issued.

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Notes to Basic Financial Statements

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On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the coronavirus as a pandemic, based on the rapid increase in exposure globally.

The Borough’s operations are heavily dependent on the ability to collect property and sales taxes and assess fees for services provided. Additionally, access to grants and contracts from the federal government and the State of Alaska may decrease or may not be available depending on appropriations. The outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation is expected to adversely impact the sales tax revenue base, demand for certain services, and to depress the value of the Borough’s investments in marketable securities. The situation may also adversely impact the Borough’s ability to deploy its workforce as effectively. While expected to be temporary, prolonged workforce disruptions may negatively impact performance of services. As such, this may hinder the ability for the Borough to meet the needs of its constituents. As such, the Borough’s financial condition and liquidity may be negatively impacted for the fiscal year 2020.

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief and Economic Security (CARES) Act.” The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. There is no assurance the Borough is eligible for these funds or will be able to obtain them.

The Borough continues to examine the impact that the CARES Act may have on the Borough. Currently, the Borough is unable to determine the impact that the CARES Act will have on the Borough’s financial condition, results of operation or liquidity.

## 17. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates, including Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* due to the COVID-19 Pandemic. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined.

GASB 84 - *Fiduciary Activities* - Effective for year-end June 30, 2021, with earlier application encouraged - This statement addresses criteria for identifying and reporting fiduciary activities.

GASB 87 - *Leases* - Effective for year-end June 30, 2022, with earlier application encouraged - This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

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Notes to Basic Financial Statements

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*GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period* - Effective for year-end June 30, 2022, with earlier application encouraged - This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

*GASB 90 - Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61* - Effective for year-end June 30, 2021, with earlier application encouraged - This statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria.

*GASB 91 - Conduit Debt Obligations* - Effective for year-end June 30, 2023, with earlier application encouraged - This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

*GASB 92 - Omnibus 2020* - Provisions of this statement related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. All other requirements are required to be implemented for year-end June 30, 2022. This statement addresses a variety of topics such as leases, the applicability of Statement 73 and Statement 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments.

*GASB 93 - Replacement of Interbank Offered Rates* - The provisions of this statement, except for paragraph 11b, 13 and 14 are required to be implemented for year-end June 30, 2021. The requirements of paragraphs 11b, 13 and 14 are effective for year-end June 30, 2022. This statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

*GASB 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements* - Effective for year-end June 30, 2023 - This statement addresses issues related to public-private and public-public partnership arrangements (PPP). This statement provides a definition of a PPP, defines PPPs that meet the definition of a service concession arrangement, and provides a definition and guidance for accounting and financial reporting for availability payment arrangements.

*GASB 95 - Postponement of the Effective Dates of Certain Authoritative Guidance* - Effective immediately, guidance postpones by one year the effective dates of certain provisions, excluding GASB 87 and 94. GASB 87 has been postponed by eighteen months and GASB 94 had previously factored into the effective date the impacts of COVID-19.

## Required Supplementary Information

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## City and Borough of Wrangell, Alaska

## General Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2019</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 4,095,189	\$ 4,101,989	\$ 4,279,145	\$ 177,156
Intergovernmental	855,408	855,408	965,949	110,541
Charges for services	162,500	152,000	155,488	3,488
Sales and leases	116,000	119,000	102,934	(16,066)
Fines and forfeitures	7,500	7,500	19,553	12,053
Investment income	35,000	35,000	415,510	380,510
Other	10,800	18,300	181,585	163,285
<b>Total Revenues</b>	<b>5,282,397</b>	<b>5,289,197</b>	<b>6,120,164</b>	<b>830,967</b>
<b>Expenditures</b>				
General government	1,325,388	1,325,389	1,412,514	(87,125)
Public safety	2,698,812	2,862,311	2,178,044	684,267
Public works	883,258	874,258	1,261,600	(387,342)
Library	309,132	309,132	293,979	15,153
Community services	123,500	123,500	66,694	56,806
<b>Total Expenditures</b>	<b>5,340,090</b>	<b>5,494,590</b>	<b>5,212,831</b>	<b>281,759</b>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(57,693)	(205,393)	907,333	1,112,726
<b>Other Financing Sources (Uses)</b>				
Transfers in	300,000	300,000	299,926	(74)
Transfers out	(643,533)	(738,532)	(709,766)	28,766
<b>Net Other Financing Sources (Uses)</b>	<b>(343,533)</b>	<b>(438,532)</b>	<b>(409,840)</b>	<b>28,692</b>
<b>Net Change in Fund Balance</b>	<b>\$ (401,226)</b>	<b>\$ (643,925)</b>	<b>497,493</b>	<b>\$ 1,141,418</b>
<b>Fund Balance, beginning</b>			<b>7,436,840</b>	
<b>Fund Balance, ending</b>			<b>\$ 7,934,333</b>	

See accompanying notes to Required Supplementary Information.

**City and Borough of Wrangell, Alaska**  
**Permanent Fund Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2019</i>	Original and Final Budget	Actual	Variance with Budget
<b>Revenues</b>			
Investment income	\$ 250,000	\$ 378,437	\$ 128,437
Lease revenue	16,440	16,440	-
<b>Total Revenues</b>	266,440	394,877	128,437
<b>Other Financing Uses - transfers out</b>	(250,000)	(250,000)	-
<b>Net Change in Fund Balance</b>	<u>\$ 16,440</u>	144,877	<u>\$ 128,437</u>
<b>Fund Balance, beginning</b>		<u>7,874,512</u>	
<b>Fund Balance, ending</b>		<u>\$ 8,019,389</u>	

*See accompanying notes to Required Supplementary Information.*

**City and Borough of Wrangell, Alaska**  
**Sales Tax Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**

<i>Year Ended June 30, 2019</i>	Original and Final Budget	Actual	Variance with Budget
<b>Revenues</b>			
Sales tax	\$ 848,000	\$ 919,452	\$ 71,452
Miscellaneous reimbursement	-	55,370	55,370
Investment income	10,000	-	10,000
<b>Total Revenues</b>	<b>858,000</b>	<b>974,822</b>	<b>136,822</b>
<b>Expenditures</b>			
Contributions to school district	583,800	583,619	181
Street design/construction	100,000	42,496	57,504
Other	5,000	-	5,000
<b>Total Expenditures</b>	<b>688,800</b>	<b>626,115</b>	<b>62,685</b>
<b>Excess of Revenues Over Expenditures</b>	<b>169,200</b>	<b>348,707</b>	<b>179,507</b>
<b>Other Financing Uses - transfers out</b>	<b>(171,024)</b>	<b>(129,025)</b>	<b>41,999</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,824)</b>	<b>219,682</b>	<b>\$ 221,506</b>
<b>Fund Balance, beginning</b>		<b>865,100</b>	
<b>Fund Balance, ending</b>		<b>\$ 1,084,782</b>	

*See accompanying notes to Required Supplementary Information.*

**City and Borough of Wrangell, Alaska**  
**Public Employees' Retirement System - Pension Plan**

**Schedule of the Borough's Proportionate Share of the Net Pension Liability**

<i>Years Ended June 30,</i>	2019	2018	2017	2016	2015
Borough's Proportion of the Net Pension Liability	0.11124%	0.10179%	0.12813%	0.12944%	0.09481%
Borough's Proportionate Share of the Net Pension Liability	\$ 5,527,598	\$ 5,261,718	\$ 7,161,690	\$ 6,277,982	\$ 4,421,796
State of Alaska Proportionate Share of the Net Pension Liability	1,601,473	1,960,717	901,438	1,682,286	3,807,733
Total Net Pension Liability	\$ 7,129,071	\$ 7,222,435	\$ 8,063,128	\$ 7,960,268	\$ 8,229,529
Borough's Covered Payroll	3,289,940	3,185,949	3,146,642	3,219,425	3,598,834
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	168.02%	165.15%	227.60%	195.00%	122.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.19%	63.37%	59.55%	63.96%	62.37%

**Schedule of Borough Contributions**

<i>Years Ended June 30,</i>	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 508,139	\$ 525,495	\$ 537,369	\$ 343,399	\$ 340,908
Contributions Relative to the Contractually Required Contribution	508,139	525,495	537,369	343,399	340,908
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	3,516,156	3,289,940	3,185,949	3,146,642	3,219,425
Contributions as a Percentage of Covered Payroll	14.45%	15.97%	16.87%	10.91%	10.59%

*See accompanying notes to Required Supplementary Information.*



**City and Borough of Wrangell, Alaska**  
**Public Employees' Retirement System - OPEB Plans**

**Schedule of the Borough's Proportionate Share of the Net OPEB Liability**

<i>Years Ended June 30,</i>	ARHCT		RMP		ODD	
	2019	2018	2019	2018	2019	2018
Borough's Proportion of the Net OPEB Liability	0.11123%	0.10186%	0.10645%	0.10277%	0.10645%	0.10277%
Borough's Proportionate Share of the Net OPEB Liability	\$ 1,141,549	\$ 860,457	\$ 13,546	\$ 5,359	\$ (20,674)	\$ (14,582)
State of Alaska Proportionate Share of the Net OPEB Liability	332,145	320,648	-	-	-	-
Total Net OPEB Liability	\$ 1,473,694	\$ 1,181,105	\$ 13,546	\$ 5,359	\$ (20,674)	\$ (14,582)
Borough's Covered Payroll	3,289,940	3,185,949	3,289,940	3,185,949	3,289,940	3,185,949
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Payroll	34.70%	27.01%	0.41%	0.17%	-0.63%	-0.46%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	88.12%	89.68%	88.71%	93.98%	270.62%	212.97%

**Schedule of Borough Contributions**

<i>Years Ended June 30,</i>	ARHCT		RMP		ODD	
	2019	2018	2019	2018	2019	2018
Contractually Required Contributions	\$ 165,982	\$ 136,960	\$ 16,108	\$ 12,409	\$ 6,118	\$ 2,473
Contributions Relative to the Contractually Required Contribution	165,982	136,960	16,108	12,409	6,118	2,473
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	3,516,156	3,289,940	3,516,156	3,289,940	3,516,156	3,289,940
Contributions as a Percentage of Covered Payroll	4.72%	4.16%	0.46%	0.38%	0.17%	0.08%

*See accompanying notes to Required Supplementary Information.*

Notes to Required Supplementary Information  
June 30, 2019

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1. Budgetary Comparison Schedule

The budgetary comparison schedule is presented on the modified accrual basis of accounting.

2. Public Employees' Retirement System Pension Plan

*Schedule of the Borough's Proportionate Share of the Net Pension Liability*

This table is presented based on the Plan measurement date. For June 30, 2019, the Plan measurement date is June 30, 2018.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

*Schedule of Borough Contributions*

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position. GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

3. Public Employees' Retirement System OPEB Plans

*Schedule of the Borough's Proportionate Share of the Net OPEB Liability*

This table is presented based on the Plan measurement date. For June 30, 2019, the Plan measurement date is June 30, 2018.

*Changes in Assumptions:* The medical trend rate assumption used for the ARHCT plan was updated to reflect anticipated increases in costs based on recent survey data. An obligation for the Cadillac Tax was added to the June 30, 2017 valuation because it was no longer deemed immaterial due to the updated trend rates and the change to use chained Consumer Price Index (which was part of the Tax Cut and Jobs Act passed in December 2017) to project the tax thresholds in future years.

GASB requires ten years of information be presented. However, until a full 10 years of information is available, the Borough will present only those years for which information is available.

*Schedule of Borough Contributions*

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position. GASB requires ten years of information be presented. However, until a full 10 years of information is available, the Borough will present only those years for which information is available.

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## Supplementary Information

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## City and Borough of Wrangell, Alaska

## Nonmajor Governmental Funds

## Combining Balance Sheet

	Special Revenue Funds					Capital Project Funds			Total Nonmajor Govern- mental Funds
	Transient Tax	Secure Rural Schools	Parks and Recreation	Nolan Center	Debt Service Fund	Residential Construc- tion	Industrial Construc- tion	Misc- ellaneous	
<i>June 30, 2019</i>									
<b>Assets</b>									
Cash and investments	\$ 394,840	\$ 3,358,864	\$ 962,316	\$ 123,413	\$ -	\$ 77,136	\$ 345,972	\$ 489,361	\$ 5,751,902
Receivables:									
Accrued interest	-	-	3,648	2	-	-	-	-	3,650
State grant	-	-	-	-	1,681	-	-	462,376	464,057
Land sales and improvements	-	-	-	-	-	22,463	26,603	-	49,066
Accounts	-	-	2,885	-	-	-	-	-	2,885
Inventory	-	-	-	94,334	-	-	-	-	94,334
<b>Total Assets</b>	<b>\$ 394,840</b>	<b>\$ 3,358,864</b>	<b>\$ 968,849</b>	<b>\$ 217,749</b>	<b>\$ 1,681</b>	<b>\$ 99,599</b>	<b>\$ 372,575</b>	<b>\$ 951,737</b>	<b>\$ 6,365,894</b>

## City and Borough of Wrangell, Alaska

Nonmajor Governmental Funds  
Combining Balance Sheet, continued

	Special Revenue Funds					Capital Project Funds				Total Nonmajor Govern- mental Funds
	Transient Tax	Secure Rural Schools	Parks and Recreation	Nolan Center	Debt Service Fund	Residential Construc- tion	Industrial Construc- tion	Misc- ellaneous		
June 30, 2019										
Liabilities, Deferred Inflows of Resources and Fund Balances										
Liabilities										
Accounts payable	\$ 799	\$ -	\$ 10,855	\$ 4,032	\$ -	\$ 500	\$ 609	\$ -	\$ 16,795	
Unearned revenue	-	-	-	10,350	-	-	-	71,510	81,860	
Total Liabilities	799	-	10,855	14,382	-	500	609	71,510	98,655	
Deferred Inflows of Resources -										
land sale receivables not yet due	-	-	-	-	-	22,463	26,603	-	49,066	
Fund Balances										
Nonspendable - inventory	-	-	-	94,334	-	-	-	-	94,334	
Restricted:										
Schools and roads	-	3,358,864	-	-	-	-	-	-	3,358,864	
Barnes Endowment	-	-	-	50,000	-	-	-	-	50,000	
Committed:										
Community services	394,041	-	-	-	-	-	-	-	394,041	
Swimming pool	-	-	957,994	-	-	-	-	-	957,994	
Land development	-	-	-	-	-	-	345,363	-	345,363	
Assigned:										
Projects	-	-	-	-	-	76,636	-	880,227	956,863	
Community services	-	-	-	59,033	-	-	-	-	59,033	
Debt service	-	-	-	-	1,681	-	-	-	1,681	
Total Fund Balances	394,041	3,358,864	957,994	203,367	1,681	76,636	345,363	880,227	6,218,173	
Total Liabilities, Deferred Inflows of Resources and Fund Balances										
	\$ 394,840	\$ 3,358,864	\$ 968,849	\$ 217,749	\$ 1,681	\$ 99,599	\$ 372,575	\$ 951,737	\$ 6,365,894	

## City and Borough of Wrangell, Alaska

## Nonmajor Governmental Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	Special Revenue Funds					Capital Project Funds			Total Nonmajor Governmental Funds
	Transient Tax	Secure Rural Schools	Parks and Recreation	Nolan Center	Debt Service Fund	Residential Construc- tion	Industrial Construc- tion	Misc- ellaneous	
<i>Year Ended June 30, 2019</i>									
<b>Revenues</b>									
Taxes	\$ 95,657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,657
Intergovernmental	-	986,580	3,928	1,670	169,706	-	-	481,720	1,643,604
Charges for services	-	-	87,876	107,024	-	-	-	-	194,900
Sales and leases	-	-	-	121,189	-	-	-	-	121,189
Investment income	-	-	30,547	56	-	1,309	1,933	-	33,845
Land sales and improvements	-	-	-	-	-	79,691	6,452	-	86,143
Donations and contributions	-	-	3,355	200,000	-	-	-	-	203,355
Other	879	-	33,177	20,371	-	-	-	-	54,427
<b>Total Revenues</b>	<b>96,536</b>	<b>986,580</b>	<b>158,883</b>	<b>450,310</b>	<b>169,706</b>	<b>81,000</b>	<b>8,385</b>	<b>481,720</b>	<b>2,433,120</b>

## City and Borough of Wrangell, Alaska

## Nonmajor Governmental Funds

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued

Year Ended June 30, 2019	Special Revenue Funds					Capital Project Funds			Total Nonmajor Governmental Funds
	Transient Tax	Secure Rural Schools	Parks and Recreation	Nolan Center	Debt Service Fund	Residential Construc- tion	Industrial Construc- tion	Misc- ellane- ous	
<b>Expenditures</b>									
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	403,739	\$ 403,739
Parks and recreation	-	-	589,898	-	-	-	-	-	589,898
Community services	45,820	-	-	452,415	-	-	-	-	498,235
Education - contributions to school district	-	848,488	-	-	-	-	-	-	848,488
Debt service:									
Principal	-	-	-	-	240,000	-	-	-	240,000
Interest	-	-	-	-	28,050	-	-	-	28,050
Capital outlay	-	-	-	-	-	500	18,484	-	18,984
<b>Total Expenditures</b>	<b>45,820</b>	<b>848,488</b>	<b>589,898</b>	<b>452,415</b>	<b>268,050</b>	<b>500</b>	<b>18,484</b>	<b>403,739</b>	<b>2,627,394</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>50,716</b>	<b>138,092</b>	<b>(431,015)</b>	<b>(2,105)</b>	<b>(98,344)</b>	<b>80,500</b>	<b>(10,099)</b>	<b>77,981</b>	<b>(194,274)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	-	-	350,766	13,164	100,025	-	-	426,950	890,905
Transfers out	(13,164)	(49,926)	(38,950)	-	-	-	-	-	(102,040)
<b>Net Other Financing Sources (Uses)</b>	<b>(13,164)</b>	<b>(49,926)</b>	<b>311,816</b>	<b>13,164</b>	<b>100,025</b>	<b>-</b>	<b>-</b>	<b>426,950</b>	<b>788,865</b>
<b>Net Change in Fund Balances</b>	<b>37,552</b>	<b>88,166</b>	<b>(119,199)</b>	<b>11,059</b>	<b>1,681</b>	<b>80,500</b>	<b>(10,099)</b>	<b>504,931</b>	<b>594,591</b>
<b>Fund Balances (Deficits), beginning</b>	<b>356,489</b>	<b>3,270,698</b>	<b>1,077,193</b>	<b>192,308</b>	<b>-</b>	<b>(3,864)</b>	<b>355,462</b>	<b>375,296</b>	<b>5,623,582</b>
<b>Fund Balances, ending</b>	<b>\$ 394,041</b>	<b>\$ 3,358,864</b>	<b>\$ 957,994</b>	<b>\$ 203,367</b>	<b>\$ 1,681</b>	<b>\$ 76,636</b>	<b>\$ 345,363</b>	<b>\$ 880,227</b>	<b>\$ 6,218,173</b>



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## General Fund

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The General Fund is established to account for the revenues and expenditures necessary to carry out basic governmental activities of the Borough such as fire and police protection, public works, recreation, planning, administrative services, etc. Appropriations are made from the General Fund annually.

Revenue is recorded by source, i.e., taxes, State of Alaska, charges for services, etc. Expenditures are recorded first by function then by activity and object of expenditure.

## City and Borough of Wrangell, Alaska

General Fund  
Balance Sheet

<i>June 30,</i>	2019	2018
<b>Assets</b>		
Cash and investments	\$ 7,386,034	\$ 6,628,865
Receivables:		
Property taxes	92,375	77,778
Sales taxes	499,935	424,115
Accounts	33,407	295,208
Accrued interest	44,890	40,256
Grants and shared revenues	15,479	26,571
Total receivables	686,086	863,928
Less allowance for doubtful accounts	(70)	(4,305)
Net receivables	686,016	859,623
Due from other funds	-	3,864
Interfund loan receivable	86,553	102,146
<b>Total Assets</b>	<b>\$ 8,158,603</b>	<b>\$ 7,594,498</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 173,981	\$ 72,642
Unearned revenue	12,225	12,225
<b>Total Liabilities</b>	<b>186,206</b>	<b>84,867</b>
<b>Deferred Inflows of Resources</b>		
Delinquent property taxes	38,064	60,414
Taxes collected in advance	-	12,377
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>224,270</b>	<b>157,658</b>
<b>Fund Balance</b>		
Nonspendable - interfund loan receivable	86,553	102,146
Unassigned	7,847,780	7,334,694
<b>Total Fund Balance</b>	<b>7,934,333</b>	<b>7,436,840</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 8,158,603</b>	<b>\$ 7,594,498</b>

## City and Borough of Wrangell, Alaska

## General Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual

Years Ended June 30,	2019		Variance with Budget	2018
	Budget	Actual		Actual
<b>Revenues</b>				
Taxes:				
Real property taxes	\$ 1,772,102	\$ 1,773,430	\$ 1,328	\$ 1,753,974
Property tax penalties and interest	20,000	21,148	1,148	29,587
Payments in lieu of taxes	485,087	474,063	(11,024)	450,546
Marijuana taxes	1,000	5,271	4,271	-
Marijuana tax penalties and interest	-	102	102	-
Sales taxes	1,808,800	1,951,016	142,216	1,788,890
Sales tax penalties and interest	15,000	54,115	39,115	15,655
<b>Total taxes</b>	<b>4,101,989</b>	<b>4,279,145</b>	<b>177,156</b>	<b>4,038,652</b>
<b>Intergovernmental:</b>				
State of Alaska:				
Jail contract	356,400	371,975	15,575	356,408
Community assistance	364,208	420,903	56,695	435,897
Library grants	7,000	7,000	-	7,000
LEPC grant revenue	8,900	10,898	1,998	11,900
State PERS relief	102,000	134,818	32,818	66,472
Sate of Alaska reimbursement	-	-	-	1,384
Fisheries business tax	-	-	-	11,156
Liquor licenses	10,000	10,700	700	8,200
<b>Total State of Alaska</b>	<b>848,508</b>	<b>956,294</b>	<b>107,786</b>	<b>898,417</b>
<b>Federal government:</b>				
911 system replacement	-	-	-	8,250
Replacement grants	-	-	-	16,250
Library grants	6,900	9,655	2,755	7,000
<b>Total federal government</b>	<b>6,900</b>	<b>9,655</b>	<b>2,755</b>	<b>31,500</b>
<b>Total intergovernmental</b>	<b>855,408</b>	<b>965,949</b>	<b>110,541</b>	<b>929,917</b>
<b>Charges for services:</b>				
Cemetery services	2,000	3,170	1,170	5,235
Police services	100,000	105,025	5,025	114,213
911 surcharge	50,000	47,293	(2,707)	48,512
Airport security	-	-	-	29,658
<b>Total charges for services</b>	<b>152,000</b>	<b>155,488</b>	<b>3,488</b>	<b>197,618</b>

**City and Borough of Wrangell, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Revenues, continued</b>				
Sales and leases:				
Court rental	\$ 62,000	\$ 62,400	\$ 400	\$ 62,400
Tideland leases	50,000	37,429	(12,571)	56,076
Material sales	5,000	-	(5,000)	8,722
Cemetery plot sales	2,000	3,105	1,105	1,102
<b>Total sales and leases</b>	<b>119,000</b>	<b>102,934</b>	<b>(16,066)</b>	<b>128,300</b>
Fines and forfeitures	7,500	19,553	12,053	11,707
Investment income	35,000	415,510	380,510	7,802
Other revenues:				
Licenses and permits	8,500	2,920	(5,580)	1,871
Copies	-	1,947	1,947	96
Library grants	1,000	18,365	17,365	15,021
Public works labor	-	-	-	7,389
Miscellaneous	8,800	158,353	149,553	3,979
<b>Total other revenues</b>	<b>18,300</b>	<b>181,585</b>	<b>163,285</b>	<b>28,356</b>
<b>Total Revenues</b>	<b>5,289,197</b>	<b>6,120,164</b>	<b>830,967</b>	<b>5,342,352</b>
<b>Expenditures</b>				
General government:				
Finance:				
Personnel services:				
Salaries	239,320	264,263	(24,943)	263,257
Overtime salaries	6,250	6,011	239	7,195
Employee benefits	168,560	159,927	8,633	165,063
<b>Total personnel services</b>	<b>414,130</b>	<b>430,201</b>	<b>(16,071)</b>	<b>435,515</b>
Contractual services:				
Auditor	25,000	68,791	(43,791)	62,246
Assessor	78,000	72,395	5,605	92,759
Attorney	-	7,728	(7,728)	-
Telephone and internet	10,000	12,556	(2,556)	9,653
Travel and training	3,000	3,962	(962)	-
Utilities	13,500	13,702	(202)	14,051
Equipment rental & repair	1,000	4,275	(3,275)	6,284
Programming	157,000	30,399	126,601	25,784
Foreclosure costs	-	-	-	7,680
Bank & credit card	-	-	-	44,946
Allocated - public works building costs	-	-	-	1,827
Collection charges	-	-	-	221
<b>Total contractual services</b>	<b>287,500</b>	<b>213,808</b>	<b>73,692</b>	<b>265,451</b>

**City and Borough of Wrangell, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
General government, continued:				
Finance, continued:				
Commodities:				
Materials and supplies	\$ 21,750	\$ 13,128	\$ 8,622	\$ 28,823
Custodial supplies	-	2,661	(2,661)	2,627
Postage	15,000	11,484	3,516	4,256
Facility repairs and maintenance	11,000	2,997	8,003	2,125
Equipment repairs and maintenance	8,000	-	8,000	2,376
Capital expenditures	59,000	18,065	40,935	-
Publications and advertising	-	8,736	(8,736)	-
Total commodities	114,750	57,071	57,679	40,207
Total finance	816,380	701,080	115,300	741,173
Less charges to other funds	(168,200)	(168,200)	-	(168,200)
Net finance	648,180	532,880	115,300	572,973
Administration:				
Personnel services:				
Salaries	220,000	214,012	5,988	197,199
Employee benefits	72,332	83,729	(11,397)	79,733
Total personnel services	292,332	297,741	(5,409)	276,932
Contractual services:				
Attorney	75,000	72,137	2,863	75,420
Professional services	-	270	(270)	-
Telephone and internet	5,300	1,462	3,838	2,014
Administration travel and training	14,000	12,811	1,189	11,384
Publications and advertising	-	-	-	670
Lobbying	72,200	64,600	7,600	-
Wrangell medical center legacy	-	172,580	(172,580)	-
Capital expenditures	-	6,864	(6,864)	-
Tourism program	20,000	9,540	10,460	5,206
Total contractual services	186,500	340,264	(153,764)	94,694

**City and Borough of Wrangell, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
General government, continued:				
Administration, continued:				
Commodities:				
Materials and supplies	\$ 5,000	\$ 791	\$ 4,209	\$ 1,773
Memberships and dues	5,000	4,776	224	113
Total commodities	10,000	5,567	4,433	1,886
Promotions	10,000	10,363	(363)	-
General insurance	5,467	34,131	(28,664)	8,636
Total administration	504,299	688,066	(183,767)	382,148
Clerk and assembly:				
Personnel services:				
Salaries	75,654	81,582	(5,928)	75,603
Overtime salaries	248	328	(80)	248
Employee benefits	54,930	58,452	(3,522)	52,435
Total personnel services	130,832	140,362	(9,530)	128,286
Contractual services:				
Information technology	-	180	(180)	-
Clerk travel and training	15,413	16,040	(627)	14,000
Recorder fees	500	329	171	619
Total contractual services	15,913	16,549	(636)	14,619
Commodities:				
Materials and supplies	2,000	6,237	(4,237)	2,629
Publications	19,120	22,006	(2,886)	21,490
Records preservation	1,045	983	62	426
Membership and dues	-	100	(100)	-
Election supplies	2,000	2,768	(768)	1,856
Republishing WMC	2,000	2,563	(563)	2,742
Total commodities	26,165	34,657	(8,492)	29,143
Total clerk and assembly	172,910	191,568	(18,658)	172,048
Total general government	1,325,389	1,412,514	(87,125)	1,127,169

**City and Borough of Wrangell, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
Public safety:				
Fire department:				
Personnel services:				
Salaries	\$ 88,040	\$ 88,068	\$ (28)	\$ 97,170
Overtime salaries	10,000	9,329	671	9,584
Employee benefits	67,880	86,219	(18,339)	65,596
Contributions for fire calls	5,500	5,500	-	5,500
Total personnel services	171,420	189,116	(17,696)	177,850
Contractual services:				
Telephone and internet	6,200	7,657	(1,457)	6,239
Travel and training	10,000	11,937	(1,937)	2,494
Publications and advertising	-	-	-	78
Volunteer accident hospital	12,600	-	12,600	-
Fire prevention and education	2,000	1,166	834	602
Hydrant rental	-	-	-	39,750
Insurance	26,274	28,448	(2,174)	13,903
Capital expenditures	-	-	-	5,500
LEPC costs	11,800	-	11,800	-
Total contractual services	68,874	49,208	19,666	68,566
Commodities:				
Materials and supplies	11,000	12,649	(1,649)	4,202
Fire substation costs	43,000	10,515	32,485	12,317
Vehicle maintenance	69,116	42,921	26,195	38,997
Fire truck replacement fund	25,000	-	25,000	-
Turn out gear	83,500	54,623	28,877	944
Total commodities	231,616	120,708	110,908	56,460
Total fire department	471,910	359,032	112,878	302,876
Police department:				
Personnel services:				
Salaries	450,000	460,343	(10,343)	474,066
Overtime salaries	55,000	98,869	(43,869)	97,965
Employee benefits	338,240	309,935	28,305	281,986
Uniform allowances	5,700	2,875	2,825	4,555
Total personnel services	848,940	872,022	(23,082)	858,572



**City and Borough of Wrangell, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
Public safety, continued:				
Police department, continued:				
Contractual services:				
Telephone and internet	\$ 21,500	\$ 16,398	\$ 5,102	\$ 14,757
Utilities	-	-	-	32,220
Insurance	14,023	19,982	(5,959)	30,837
Travel and training	24,500	26,658	(2,158)	17,469
911 expenditures	-	-	-	24,500
Capital expenditures	40,000	39,531	469	2,525
Animal control	4,000	815	3,185	1,977
State portion of driver licenses	65,000	68,388	(3,388)	72,532
Vehicle impound	2,000	-	2,000	-
State portion of citations	500	1,020	(520)	530
<b>Total contractual services</b>	<b>171,523</b>	<b>172,792</b>	<b>(1,269)</b>	<b>197,347</b>
Commodities:				
Materials and supplies	12,000	20,615	(8,615)	8,893
Boat expenditures	3,750	1,091	2,659	1,309
Publications	1,000	1,094	(94)	154
Ammunition	7,500	5,877	1,623	7,162
Special investigations	3,250	3,516	(266)	1,675
Equipment repairs and maintenance	42,003	26,944	15,059	41,559
Health & safety permits	-	-	-	125
Membership and dues	-	263	(263)	-
<b>Total commodities</b>	<b>69,503</b>	<b>59,400</b>	<b>10,103</b>	<b>60,877</b>
<b>Total police department</b>	<b>1,089,966</b>	<b>1,104,214</b>	<b>(14,248)</b>	<b>1,116,796</b>
Police corrections department:				
Personnel services:				
Salaries	275,000	242,992	32,008	249,219
Overtime salaries	33,150	37,978	(4,828)	33,065
Employee benefits	185,230	187,014	(1,784)	176,670
<b>Total personnel services</b>	<b>493,380</b>	<b>467,984</b>	<b>25,396</b>	<b>458,954</b>
Contractual services:				
Telephone and internet	1,500	250	1,250	1,500
Travel and training	2,000	351	1,649	-
<b>Total contractual services</b>	<b>3,500</b>	<b>601</b>	<b>2,899</b>	<b>1,500</b>
Materials and supplies	3,500	1,799	1,701	141
Prisoner meals	20,000	8,438	11,562	7,478
Equipment repairs and maintenance	2,559	-	2,559	-
Reimbursement of prisoner costs	-	-	-	(30)
<b>Total commodities</b>	<b>26,059</b>	<b>10,237</b>	<b>15,822</b>	<b>7,589</b>
<b>Total police corrections department</b>	<b>522,939</b>	<b>478,822</b>	<b>44,117</b>	<b>468,043</b>

**City and Borough of Wrangell, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
Public safety continued:				
Public safety building, continued:				
Personnel services:				
Salaries	\$ -	\$ 5,192	\$ (5,192)	\$ 21,196
Employee benefits	-	6,697	(6,697)	25,378
Total personnel services	-	11,889	(11,889)	46,574
Telephone and internet	600	321	279	537
Insurance	10,896	13,442	(2,546)	8,293
Engineering	-	7,901	(7,901)	-
Allocated - public works labor	122,500	4,459	118,041	46,495
Utilities	120,000	119,711	289	88,207
Total contractual services	253,996	145,834	108,162	143,532
Commodities:				
Materials & supplies	-	5	(5)	213
Custodial supplies	3,000	2,255	745	2,451
Capital outlay	363,000	13,178	349,822	28,543
Facility repair and maintenance	157,500	62,815	94,685	21,382
Total commodities	523,500	78,253	445,247	52,589
Total public safety building	777,496	235,976	541,520	242,695
Total public safety	2,862,311	2,178,044	684,267	2,130,410
Public works:				
Garage:				
Personnel services:				
Salaries	147,035	130,902	16,133	120,493
Overtime salaries	3,500	13,340	(9,840)	2,265
Employee benefits	89,790	88,812	978	81,242
Total personnel services	240,325	233,054	7,271	204,000
Contractual services:				
Utilities	23,000	21,940	1,060	23,094
Insurance	-	-	-	1,792
Telephone and internet	1,500	-	1,500	-
Vehicle maintenance	-	-	-	1,565
Software programming and licensing	-	-	-	1,428
Allocated - public works labor	10,000	76	9,924	6,757
Travel and training	7,000	2,289	4,711	-
Total contractual services	41,500	24,305	17,195	34,636

**City and Borough of Wrangell, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
Public works continued:				
Garage, continued:				
Commodities:				
Materials and supplies	\$ 150,000	\$ 12,576	\$ 137,424	\$ 25,712
Fuel oil	18,000	2,799	15,201	6,442
Fuel and lubrication	65,000	64,188	812	60,052
Health and safety permits, inspections, and compliance	-	462	(462)	-
Facility repair and maintenance	10,000	5,445	4,555	3,048
Capital outlay	-	-	-	730
Expendable tools	13,500	2,269	11,231	1,067
Total commodities	256,500	87,739	168,761	97,051
Total garage	538,325	345,098	193,227	335,687
Less charges to other departments and funds	(422,260)	(131,830)	(290,430)	(241,450)
Net garage	116,065	213,268	(97,203)	94,237
General:				
Personnel services:				
Salaries	555,340	546,435	8,905	437,106
Overtime salaries	38,000	26,455	11,545	37,221
Uniform allowances	2,400	1,819	581	2,786
Employee benefits	368,930	373,269	(4,339)	257,727
Total personnel services	964,670	947,978	16,692	734,840
Contractual services:				
Telephone	15,780	10,170	5,610	9,197
Utilities	4,500	438	4,062	-
Publications and advertising	-	5,198	(5,198)	-
Vehicle maintenance	-	7,463	(7,463)	2,310
Professional services	25,000	19,375	5,625	-
Insurance	13,484	4,377	9,107	9,010
Travel and training	4,500	1,735	2,765	1,050
Total contractual services	63,264	48,756	14,508	21,567

**City and Borough of Wrangell, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
Public works continued:				
General, continued:				
Materials and supplies	\$ 21,300	\$ 28,516	\$ (7,216)	\$ 8,685
Engineering supplies	-	-	-	290
Capital outlay	4,500	-	4,500	57,782
Gear	-	278	(278)	-
Building repairs and maintenance	32,000	11,248	20,752	5,011
Total commodities	57,800	40,042	17,758	71,768
Total general	1,085,734	1,036,776	48,958	828,175
Less charges to other departments and funds	(780,000)	(288,348)	(491,652)	(384,262)
Net general	305,734	748,428	(442,694)	443,913
Streets:				
Personnel services - allocated salaries - public works	160,459	81,709	78,750	123,526
Contractual services:				
Street lighting	10,000	6,011	3,989	2,215
Rock quarry electricity	25,000	21,578	3,422	21,177
Capital outlay	-	-	-	71,501
Allocated - public works labor	150,000	93,707	56,293	150,827
Sanding and snow removal	-	4,863	(4,863)	1,617
Total contractual services	185,000	126,159	58,841	247,337
Commodities:				
Materials and supplies	5,000	76,703	(71,703)	36,948
Crushing and maintenance	-	13,705	(13,705)	32,582
Street repairs and maintenance	102,000	1,628	100,372	17,603
Total commodities	107,000	92,036	14,964	87,133
Total streets	452,459	299,904	152,555	457,996
Total public works	874,258	1,261,600	(387,342)	996,146
Library:				
Personnel services:				
Salaries	120,720	123,796	(3,076)	122,779
Employee benefits	82,240	88,522	(6,282)	81,866
Total personnel services	202,960	212,318	(9,358)	204,645

**City and Borough of Wrangell, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
Library, continued:				
Contractual services:				
Telephone and internet	\$ 4,400	\$ 3,091	\$ 1,309	\$ 2,702
Travel and training	2,000	2,055	(55)	1,496
Insurance	2,522	3,233	(711)	3,072
Allocated - public works labor	-	405	(405)	1,204
Utilities	8,000	8,843	(843)	9,326
Total contractual services	16,922	17,627	(705)	17,800
Commodities:				
Materials and supplies	5,000	5,714	(714)	6,897
Custodian supplies	1,000	654	346	905
Books, subscriptions and dues	20,000	20,831	(831)	19,114
Library grant expenditures	8,250	7,031	1,219	7,000
State library grant expenditures	12,000	3,500	8,500	(33)
Postage	2,000	932	1,068	-
Building repairs and maintenance	31,000	10,343	20,657	3,317
Equipment repairs and maintenance	-	5,316	(5,316)	3,998
Computer repairs and maintenance	10,000	9,713	287	9,070
Total commodities	89,250	64,034	25,216	50,268
Total library	309,132	293,979	15,153	272,713
Community services:				
Community development:				
Contractual services:				
Dues and subscriptions	-	-	-	6,420
Lobbyist	-	-	-	67,600
Allocated - public works labor	-	1,164	(1,164)	1,968
Total contractual services	-	1,164	(1,164)	75,988
Contributions:				
Senior citizens program	11,500	12,212	(712)	11,073
Community promotion	-	-	-	8,464
Chamber of Commerce	23,000	23,000	-	23,000
Local radio	8,500	8,500	-	8,500
Volunteer fire department	4,000	4,000	-	4,035
Total contributions	47,000	47,712	(712)	55,072
Total community development	47,000	48,876	(1,876)	131,060

**City and Borough of Wrangell, Alaska**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Expenditures, continued</b>				
Community services, continued:				
Planning and zoning:				
Personnel services - allocated clerical	\$ 23,000	\$ -	\$ 23,000	\$ 23,000
Contractual services - Travel and training	1,500	1,742	(242)	1,919
Commodities:				
Materials and supplies	500	402	98	396
Publications	1,500	843	657	72
Subdivisions and surveys	35,000	6,184	28,816	220
Mapping upgrade	3,000	5,995	(2,995)	3,150
Total commodities	40,000	13,424	26,576	3,838
Total planning and zoning	64,500	15,166	49,334	28,757
Cemetery:				
Personnel services - allocated salaries - public works	10,000	1,091	8,909	8,387
Commodities - materials and supplies	2,000	1,561	439	618
Total cemetery	12,000	2,652	9,348	9,005
Total community services	123,500	66,694	56,806	168,822
<b>Total Expenditures</b>	<b>5,494,590</b>	<b>5,212,831</b>	<b>281,759</b>	<b>4,695,260</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(205,393)</b>	<b>907,333</b>	<b>1,112,726</b>	<b>647,092</b>
<b>Other Financing Uses</b>				
Transfers in	300,000	299,926	(74)	303,413
Transfers out	(738,532)	(709,766)	28,766	(1,309,329)
<b>Net Other Financing Uses</b>	<b>(438,532)</b>	<b>(409,840)</b>	<b>28,692</b>	<b>(1,005,916)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (643,925)</b>	<b>497,493</b>	<b>\$ 1,141,418</b>	<b>(358,824)</b>
<b>Fund Balance, beginning</b>		<b>7,436,840</b>		<b>7,795,664</b>
<b>Fund Balance, ending</b>		<b>\$ 7,934,333</b>		<b>\$ 7,436,840</b>

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## Special Revenue Funds

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***Transient Tax***

This fund accounts for transient occupancy tax revenue, which is used to develop and implement a visitor industry program.

***Sales Tax***

This fund accounts for the portion of the sales tax revenue that is designated to finance various street, water and sewer, and community development activities.

***Parks and Recreation***

This fund accounts for the operations and maintenance of the swimming pool recreational activities and parks.

***Nolan Center***

This fund accounts for the operating activities of the museum, civic center, Nolan center and theater.

***Permanent Fund***

This fund accounts for monies set aside to help provide future economic stability to the citizens of Wrangell.

***Secure Rural Schools***

This fund is established to provide for the receipt and subsequent use of National Forest Receipt monies.



**City and Borough of Wrangell, Alaska**  
**Transient Tax Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**

<i>Years Ended June 30,</i>	2019		2018	
	Budget	Actual	Variance with Budget	Actual
<b>Revenues</b>				
Transient and excise taxes	\$ 53,500	\$ 95,657	\$ 42,157	\$ 99,971
Advertising and promotion	3,000	879	(2,121)	636
Donations	-	-	-	50,000
Investment income	250	-	(250)	392
<b>Total Revenues</b>	<b>56,750</b>	<b>96,536</b>	<b>39,786</b>	<b>150,999</b>
<b>Expenditures - community services:</b>				
Travel and training	10,000	9,598	402	7,929
Materials and supplies	-	748	(748)	1,616
Telephone and internet	1,000	1,134	(134)	817
Postage	1,700	7	1,693	-
Promotional	32,000	15,341	16,659	17,178
Web hosting	1,500	6	1,494	1,243
Dues	5,500	2,150	3,350	4,885
Publications	18,000	12,294	5,706	10,544
Other	-	4,542	(4,542)	-
CPV expenditures	-	-	-	178
<b>Total Expenditures</b>	<b>69,700</b>	<b>45,820</b>	<b>23,880</b>	<b>44,390</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(12,950)</b>	<b>50,716</b>	<b>63,666</b>	<b>106,609</b>
<b>Other Financing Uses - transfers out</b>	<b>(12,000)</b>	<b>(13,164)</b>	<b>(1,164)</b>	<b>(11,200)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (24,950)</b>	<b>37,552</b>	<b>\$ 62,502</b>	<b>95,409</b>
<b>Fund Balance, beginning</b>		<b>356,489</b>		<b>261,080</b>
<b>Fund Balance, ending</b>		<b>\$ 394,041</b>		<b>\$ 356,489</b>

**City and Borough of Wrangell, Alaska**  
**Sales Tax Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**

Years Ended June 30,	2019					2018
	Budget	Actual		Total	Variance with Budget	Actual
		Restricted				
		28%	4%			
<b>Revenues</b>						
Sales tax	\$ 848,000	\$ 804,686	\$ 114,766	\$ 919,452	\$ 71,452	\$ 838,225
Miscellaneous reimbursement	-	-	55,370	55,370	55,370	-
Investment income	10,000	-	-	-	(10,000)	722
<b>Total Revenues</b>	<b>858,000</b>	<b>804,686</b>	<b>170,136</b>	<b>974,822</b>	<b>116,822</b>	<b>838,947</b>
<b>Expenditures</b>						
Contributions to school district	583,800	583,619	-	583,619	181	667,800
Street design/construction	100,000	-	42,496	42,496	57,504	554,077
Other	5,000	-	-	-	5,000	-
<b>Total Expenditures</b>	<b>688,800</b>	<b>583,619</b>	<b>42,496</b>	<b>626,115</b>	<b>62,685</b>	<b>1,221,877</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>169,200</b>	<b>221,067</b>	<b>127,640</b>	<b>348,707</b>	<b>179,507</b>	<b>(382,930)</b>
<b>Other Financing Uses</b>						
Transfers out	(171,024)	-	(129,025)	(129,025)	41,999	(29,000)
<b>Net Change in Fund Balance</b>	<b>\$ (1,824)</b>	<b>221,067</b>	<b>(1,385)</b>	<b>219,682</b>	<b>\$ 221,506</b>	<b>(411,930)</b>
<b>Fund Balance, beginning</b>		<b>748,775</b>	<b>116,325</b>	<b>865,100</b>		<b>1,277,030</b>
<b>Fund Balance, ending</b>		<b>\$ 969,842</b>	<b>\$ 114,940</b>	<b>\$1,084,782</b>		<b>\$ 865,100</b>

**City and Borough of Wrangell, Alaska**  
**Parks and Recreation Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**

<i>Years Ended June 30,</i>	2019									2018	
	Budget	Actual								Variance with Budget	Actual
		Swimming Pool	Recreational Activity	Parks	Swim Club	Helping our Parks	Fee Assistance	Walker Foundation	Total		
<b>Revenues</b>											
User fees	\$ 79,500	\$ 54,383	\$ 29,539	\$ 3,894	\$ -	\$ -	\$ 60	\$ -	\$ 87,876	\$ 8,376	\$ 75,444
Investment income	15,000	30,547	-	-	-	-	-	-	30,547	15,547	38,750
Donations	-	-	-	-	-	3,355	-	-	3,355	3,355	4,380
Other	-	5,850	-	-	5,327	-	-	22,000	33,177	33,177	3,304
State PERS relief	6,840	3,928	-	-	-	-	-	-	3,928	(2,912)	4,487
<b>Total Revenues</b>	<b>101,340</b>	<b>94,708</b>	<b>29,539</b>	<b>3,894</b>	<b>5,327</b>	<b>3,355</b>	<b>60</b>	<b>22,000</b>	<b>158,883</b>	<b>57,543</b>	<b>126,365</b>
<b>Expenditures - parks and recreation:</b>											
Personnel services:											
Salaries	153,880	71,098	71,242	516	4,833	-	-	-	147,689	6,191	161,712
Casual labor	141,000	70,926	18,993	23,015	-	-	-	-	112,934	28,066	69,058
Allocated salaries - public works	4,000	630	-	707	-	-	-	-	1,337	2,663	10,398
Employee benefits	99,460	45,950	36,720	6,354	494	-	-	-	89,518	9,942	85,456
<b>Total personnel services</b>	<b>398,340</b>	<b>188,604</b>	<b>126,955</b>	<b>30,592</b>	<b>5,327</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>351,478</b>	<b>46,862</b>	<b>326,624</b>
Contractual services:											
Telephone and internet	7,250	7,075	2,193	-	-	-	-	-	9,268	(2,018)	7,914
Utilities	107,500	87,311	7,654	11,131	-	-	-	-	106,096	1,404	127,816
Travel and training	12,900	3,929	4,442	510	-	-	-	-	8,881	4,019	4,893
Insurance	7,365	4,000	3,698	1,158	-	-	-	-	8,856	(1,491)	19,617
<b>Total contractual services</b>	<b>135,015</b>	<b>102,315</b>	<b>17,987</b>	<b>12,799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,101</b>	<b>1,914</b>	<b>160,240</b>

**City and Borough of Wrangell, Alaska**  
**Parks and Recreation Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual, continued**

Years Ended June 30,	2019									Variance	2018
	Budget	Swimming Pool	Recreational Activity	Parks	Swim Club	Helping our Parks	Fee Assistance	Walker Foundation	Total	with Budget	Actual
<b>Expenditures - parks and recreation, continued:</b>											
Commodities:											
Materials and supplies	\$ 26,000	\$ 11,816	\$ 3,818	\$ 6,374	\$ -	\$ -	\$ -	\$ -	\$ 22,008	\$ 3,992	\$ 37,649
Vehicle maintenance	22,668	-	-	3,452	-	-	-	-	3,452	19,216	9,544
Chemicals	15,000	11,677	-	-	-	-	-	-	11,677	3,323	16,582
Health reports and permits	2,900	3,756	490	-	-	-	-	-	4,246	(1,346)	1,539
Publications	2,500	549	312	705	-	-	-	-	1,566	934	2,635
Capital outlay	93,950	-	-	-	-	-	-	-	-	93,950	1,045
Facility repair and maintenance	77,500	31,776	18,831	11,763	-	-	-	-	62,370	15,130	52,340
<b>Total commodities</b>	<b>240,518</b>	<b>59,574</b>	<b>23,451</b>	<b>22,294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,319</b>	<b>135,199</b>	<b>121,334</b>
<b>Total Expenditures</b>	<b>773,873</b>	<b>350,493</b>	<b>168,393</b>	<b>65,685</b>	<b>5,327</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>589,898</b>	<b>183,975</b>	<b>608,198</b>
<b>Excess of Revenues</b>											
<b>Under Expenditures</b>	<b>(672,533)</b>	<b>(255,785)</b>	<b>(138,854)</b>	<b>(61,791)</b>	<b>-</b>	<b>3,355</b>	<b>60</b>	<b>22,000</b>	<b>(431,015)</b>	<b>241,518</b>	<b>(481,833)</b>
<b>Other Financing Sources (Uses)</b>											
Transfers in	672,533	350,766	-	-	-	-	-	-	350,766	(321,767)	472,665
Transfers out	-	(38,950)	-	-	-	-	-	-	(38,950)	(38,950)	-
<b>Net Other Financing Sources (Uses)</b>	<b>672,533</b>	<b>311,816</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>311,816</b>	<b>(360,717)</b>	<b>472,665</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ 56,031</b>	<b>\$ (138,854)</b>	<b>\$ (61,791)</b>	<b>\$ -</b>	<b>\$ 3,355</b>	<b>\$ 60</b>	<b>\$ 22,000</b>	<b>(119,199)</b>	<b>\$ (119,199)</b>	<b>(9,168)</b>
<b>Fund Balance, beginning</b>									<b>1,077,193</b>		<b>1,086,361</b>
<b>Fund Balance, ending</b>									<b>\$ 957,994</b>		<b>\$ 1,077,193</b>

**City and Borough of Wrangell, Alaska**  
**Nolan Center Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**

Years Ended June 30,	2019								Variance	2018
	Actual								with	
	Budget	Museum	Civic Center	Theater	Nolan Center	Grants	Barnes	Total	Budget	Actual
<b>Revenues</b>										
Admissions	\$ 75,000	\$ 13,068	\$ -	\$ 46,898	\$ -	\$ -	\$ -	\$ 59,966	\$ (15,034)	\$ 64,475
Concessions	40,000	-	-	47,058	-	-	-	47,058	7,058	27,699
Museum gift store revenue	80,000	121,189	-	-	-	-	-	121,189	41,189	66,536
Donations and contributions	103,000	-	100,000	-	100,000	-	-	200,000	97,000	147,032
Rental revenue	20,000	-	19,996	275	100	-	-	20,371	371	21,226
Investment income	50	-	-	-	-	-	56	56	6	29
State PERS relief	3,550	-	-	-	1,670	-	-	1,670	(1,880)	2,321
Other grant revenue	-	-	-	-	-	-	-	-	-	9,212
<b>Total Revenues</b>	<b>321,600</b>	<b>134,257</b>	<b>119,996</b>	<b>94,231</b>	<b>101,770</b>	<b>-</b>	<b>56</b>	<b>450,310</b>	<b>128,710</b>	<b>338,530</b>
<b>Expenditures - community services:</b>										
Personnel services:										
Salaries	77,500	5,977	83,232	18,505	87	-	-	107,801	(30,301)	85,328
Casual labor	56,810	34,303	26,763	-	15,180	-	-	76,246	(19,436)	85,034
Employee benefits	50,950	1,499	46,440	1,851	-	-	-	49,790	1,160	30,780
<b>Total personnel services</b>	<b>185,260</b>	<b>41,779</b>	<b>156,435</b>	<b>20,356</b>	<b>15,267</b>	<b>-</b>	<b>-</b>	<b>233,837</b>	<b>(48,577)</b>	<b>201,142</b>
Contractual services:										
Travel and training	4,927	2,155	-	-	-	-	-	2,155	2,772	2,785
Building maintenance and utilities	134,400	67,114	66,426	8,480	(12,070)	-	-	129,950	4,450	211,425
Allocated salaries - public works	-	-	-	-	98	-	-	98	(98)	947
Credit card costs	3,000	2,221	-	-	-	-	-	2,221	779	2,377
<b>Total contractual services</b>	<b>142,327</b>	<b>71,490</b>	<b>66,426</b>	<b>8,480</b>	<b>(11,972)</b>	<b>-</b>	<b>-</b>	<b>134,424</b>	<b>7,903</b>	<b>217,534</b>

## City and Borough of Wrangell, Alaska

Nolan Center Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in  
 Fund Balance - Budget and Actual, continued

Years Ended June 30,	2019								Variance	2018
	Actual								with	
	Budget	Museum	Civic Center	Theater	Nolan Center	Grants	Barnes	Total	Budget	Actual
<b>Expenditures, continued</b>										
Commodities:										
Materials and supplies	\$ 10,900	\$ 227	\$ 189	\$ 573	\$ 1,133	\$ -	\$ -	\$ 2,122	\$ 8,778	\$ 85,224
Books, subscriptions and dues	1,500	33,624	1,205	-	-	-	-	34,829	(33,329)	43,278
Publications and advertising	20,800	-	6,796	1,410	-	-	-	8,206	12,594	8,567
Concessions	60,000	-	-	17,562	-	-	-	17,562	42,438	10,752
Film costs	30,000	-	-	20,953	-	-	-	20,953	9,047	21,395
Postage	300	-	-	-	282	-	-	282	18	70
Equipment repairs and maintenance	4,000	-	-	-	-	-	-	-	4,000	-
Insurance on loaned artifacts	8,309	200	-	-	-	-	-	200	8,109	512
Total commodities	135,809	34,051	8,190	40,498	1,415	-	-	84,154	51,655	169,798
<b>Total Expenditures</b>	<b>463,396</b>	<b>147,320</b>	<b>231,051</b>	<b>69,334</b>	<b>4,710</b>	<b>-</b>	<b>-</b>	<b>452,415</b>	<b>10,981</b>	<b>588,474</b>
<b>Excess of Revenues</b>										
<b>Over (Under) Expenditures</b>	<b>(141,796)</b>	<b>(13,063)</b>	<b>(111,055)</b>	<b>24,897</b>	<b>97,060</b>	<b>-</b>	<b>56</b>	<b>(2,105)</b>	<b>139,691</b>	<b>(249,944)</b>
<b>Other Financing Sources - transfers in</b>	<b>14,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,164</b>	<b>-</b>	<b>-</b>	<b>13,164</b>	<b>(1,236)</b>	<b>252,285</b>
<b>Net Change in Fund Balance</b>	<b>\$ (127,396)</b>	<b>\$ (13,063)</b>	<b>\$ (111,055)</b>	<b>\$ 24,897</b>	<b>\$ 110,224</b>	<b>\$ -</b>	<b>\$ 56</b>	<b>11,059</b>	<b>\$ 138,455</b>	<b>2,341</b>
<b>Fund Balance, beginning</b>								<b>192,308</b>		<b>189,967</b>
<b>Fund Balance, ending</b>								<b>\$ 203,367</b>		<b>\$ 192,308</b>

**City and Borough of Wrangell, Alaska**  
**Permanent Fund Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**

<i>Years Ended June 30,</i>	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Revenues</b>				
Investment income	\$ 250,000	\$ 378,437	\$ 128,437	\$ 578,163
Lease revenue	16,440	16,440	-	16,440
<b>Total Revenues</b>	<b>266,440</b>	<b>394,877</b>	<b>128,437</b>	<b>594,603</b>
<b>Expenditures - community services - insurance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,228</b>
<b>Excess of Revenues Over Expenditures</b>	<b>266,440</b>	<b>394,877</b>	<b>128,437</b>	<b>590,375</b>
<b>Other Financing Uses - transfers out</b>	<b>(250,000)</b>	<b>(250,000)</b>	<b>-</b>	<b>(250,000)</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ 16,440</u></b>	<b>144,877</b>	<b><u>\$ 128,437</u></b>	<b>340,375</b>
<b>Fund Balance, beginning</b>		<b><u>7,874,512</u></b>		<b><u>7,534,137</u></b>
<b>Fund Balance, ending</b>		<b><u>\$ 8,019,389</u></b>		<b><u>\$ 7,874,512</u></b>

**City and Borough of Wrangell, Alaska**  
**Secure Rural Schools Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget and Actual**

<i>Years Ended June 30,</i>	2019			2018
	Budget	Actual	Variance with Budget	Actual
<b>Revenues</b>				
Intergovernmental - national forest receipts	\$ 832,105	\$ 986,580	\$ 154,475	\$ 890,217
Investment income (loss)	15,000	-	(15,000)	3,521
<b>Total Revenues</b>	<b>847,105</b>	<b>986,580</b>	<b>139,475</b>	<b>893,738</b>
<b>Expenditures - education -</b> contributions to school district	<b>848,488</b>	<b>848,488</b>	<b>-</b>	<b>848,488</b>
<b>Excess of Revenues Over</b> <b>(Under) Expenditures</b>	<b>(1,383)</b>	<b>138,092</b>	<b>139,475</b>	<b>45,250</b>
<b>Other Financing Uses - transfers out</b>	<b>(49,926)</b>	<b>(49,926)</b>	<b>-</b>	<b>(53,413)</b>
<b>Net Change in Fund Balance</b>	<b><u>\$ (51,309)</u></b>	<b>88,166</b>	<b><u>\$ 139,475</u></b>	<b>(8,163)</b>
<b>Fund Balance, beginning</b>		<b><u>3,270,698</u></b>		<b><u>3,278,861</u></b>
<b>Fund Balance, ending</b>		<b><u>\$ 3,358,864</u></b>		<b><u>\$ 3,270,698</u></b>



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## Debt Service Fund

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The Debt Service Fund accounts for the accumulation of monies for payments of various general obligation bonds. Servicing of this debt requires various annual and semi-annual payments of principal and interest. Financing is provided by transfers, determined annually by budget, from other funds, and by the State of Alaska debt reimbursement program.

**City and Borough of Wrangell, Alaska**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

<i>Years Ended June 30,</i>	2019		Variance with Budget	2018
	Budget	Actual		Actual
<b>Revenues</b>				
Intergovernmental - State of Alaska	\$ 126,026	\$ 169,706	\$ 43,680	\$ 165,246
<b>Expenditures</b>				
Debt service:				
Principal	240,000	240,000	-	230,000
Interest	28,050	28,050	-	37,325
<b>Total Expenditures</b>	268,050	268,050	-	267,325
<b>Excess of Revenues Over (Under) Expenditures</b>	(142,024)	(98,344)	43,680	(102,079)
<b>Other Financing Sources</b>				
Transfers in	142,024	100,025	(41,999)	102,079
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	1,681	<u>\$ 1,681</u>	-
<b>Fund Balance, beginning</b>		<u>-</u>		<u>-</u>
<b>Fund Balance, ending</b>		<u>\$ 1,681</u>		<u>\$ -</u>

## Capital Project Funds

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### ***Residential Construction***

This fund accounts for residential water, sewer, and street projects, which are financed by revenues derived from sales of residential property.

### ***Industrial Construction***

This fund accounts for industrial water, sewer, and street projects, which are financed by revenues derived from sales of industrial property.

### ***Miscellaneous Capital Projects***

This fund was established to account for various capital projects and equipment purchases. It is funded primarily by grants and operating transfers from other funds.

**City and Borough of Wrangell, Alaska**  
**Capital Project Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**

<i>Year Ended June 30, 2019</i>	Residential Construc- tion	Industrial Construc- tion	Misc- ellaneous	Totals
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 481,720	\$ 481,720
Land sales and improvements	79,691	6,452	-	86,143
Investment income	1,309	1,933	-	3,242
<b>Total Revenues</b>	<b>81,000</b>	<b>8,385</b>	<b>481,720</b>	<b>571,105</b>
<b>Expenditures</b>				
Capital outlay:				
Miscellaneous capital projects	500	17,600	-	18,100
Compliance testing and other	-	884	-	884
General government - professional services	-	-	403,739	403,739
<b>Total Expenditures</b>	<b>500</b>	<b>18,484</b>	<b>403,739</b>	<b>422,723</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>80,500</b>	<b>(10,099)</b>	<b>77,981</b>	<b>148,382</b>
<b>Other Financing Sources</b>				
Transfers in	-	-	426,950	426,950
<b>Net Change in Fund Balances</b>	<b>80,500</b>	<b>(10,099)</b>	<b>504,931</b>	<b>575,332</b>
<b>Fund Balances (Deficits), beginning</b>	<b>(3,864)</b>	<b>355,462</b>	<b>375,296</b>	<b>726,894</b>
<b>Fund Balances, ending</b>	<b>\$ 76,636</b>	<b>\$ 345,363</b>	<b>\$ 880,227</b>	<b>\$1,302,226</b>

## Enterprise Funds

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***Electric Utility***

This fund accounts for the electric utility revenues and the associated costs of generation, distribution, and administration.

***Water Utility***

This fund accounts for the activities associated with operating the Borough water systems.

***Sewer Utility***

This fund accounts for the activities associated with operating the Borough's sewer system.

***Sanitation Utility***

This fund accounts for user fees for refuse collection and landfill operations for the residents of the Borough.

***Port***

This fund accounts for the activities of the municipal dock and boat harbors.

**City and Borough of Wrangell, Alaska**  
**Electric Utility Enterprise Fund**  
**Statement of Net Position**

<i>June 30,</i>	2019	2018
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 4,089,796	\$ 3,483,047
Receivables:		
Accounts	284,073	303,907
Less allowance for doubtful accounts	(16,381)	(1,256)
Net receivables	267,692	302,651
Inventories	170,344	172,477
<b>Total Current Assets</b>	<b>4,527,832</b>	<b>3,958,175</b>
<b>Property, Plant and Equipment</b>		
Land	10,900	10,900
Buildings	516,839	478,535
Improvements other than buildings	2,297,735	2,280,655
Equipment	4,255,068	4,169,370
Construction in progress	42,660	-
Total property, plant and equipment	7,123,202	6,939,460
Less accumulated depreciation	(5,749,031)	(5,466,808)
<b>Net Property, Plant and Equipment</b>	<b>1,374,171</b>	<b>1,472,652</b>
<b>Total Assets</b>	<b>5,902,003</b>	<b>5,430,827</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	150,679	122,677
Related to other postemployment benefits	60,994	19,766
<b>Total Deferred Outflows of Resources</b>	<b>211,673</b>	<b>142,443</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 6,113,676</b>	<b>\$ 5,573,270</b>

**City and Borough of Wrangell, Alaska**  
**Electric Utility Enterprise Fund**  
**Statement of Net Position, continued**

<i>June 30,</i>	2019	2018
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 575,681	\$ 209,913
Accrued leave	56,456	12,063
Customer utility deposits	70,918	96,685
<b>Total Current Liabilities</b>	<b>703,055</b>	<b>318,661</b>
<b>Long-term Liabilities</b>		
Net pension liability	916,429	880,789
Net other postemployment benefits liability	147,864	109,904
<b>Total Long-term Liabilities</b>	<b>1,064,293</b>	<b>990,693</b>
<b>Total Liabilities</b>	<b>1,767,348</b>	<b>1,309,354</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	18,051	86,539
Related to other postemployment benefits	53,975	54,122
<b>Total Deferred Inflows of Resources</b>	<b>72,026</b>	<b>140,661</b>
<b>Net Position</b>		
Net investment in capital assets	1,374,171	1,472,652
Unrestricted	2,900,131	2,650,603
<b>Total Net Position</b>	<b>4,274,302</b>	<b>4,123,255</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 6,113,676</b>	<b>\$ 5,573,270</b>



**City and Borough of Wrangell, Alaska**  
**Electric Utility Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**

<i>Years Ended June 30,</i>	2019	2018
<b>Operating Revenues</b>		
Residential	\$ 1,606,454	\$ 1,718,220
Commercial	2,164,808	2,353,733
Fuel surcharge	42,187	91,688
Labor charges	325	533
Other	13,776	18,460
<b>Total Operating Revenues</b>	<b>3,827,550</b>	<b>4,182,634</b>
<b>Operating Expenses</b>		
Generation	2,877,878	3,125,226
Distribution	572,291	454,932
General and administrative	239,259	165,182
Depreciation	282,223	276,361
<b>Total Operating Expenses</b>	<b>3,971,651</b>	<b>4,021,701</b>
<b>Income (Loss) from Operations</b>	<b>(144,101)</b>	<b>160,933</b>
<b>Nonoperating Revenues (Expenses)</b>		
Equipment and pole rental	85,829	(1,359)
Late fees	14,103	22,398
Investment income	-	3,597
Material sales	1,359	11,066
Interest expense	(24,885)	(1,946)
State PERS relief	46,728	65,934
SEAPA dividend	172,014	609,547
<b>Net Nonoperating Revenues (Expenses)</b>	<b>295,148</b>	<b>709,237</b>
<b>Change in Net Position</b>	<b>151,047</b>	<b>870,170</b>
<b>Net Position, beginning</b>	<b>4,123,255</b>	<b>3,253,085</b>
<b>Net Position, ending</b>	<b>\$ 4,274,302</b>	<b>\$ 4,123,255</b>

## City and Borough of Wrangell, Alaska

## Electric Utility Enterprise Fund

## Statement of Cash Flows

<i>Years Ended June 30,</i>	2019	2018
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 4,070,037	\$ 4,804,028
Payments for interfund services used	(185,300)	(169,625)
Payments to suppliers	(2,454,198)	(3,009,668)
Payments to employees	(640,048)	(656,485)
<b>Net cash flows from operating activities</b>	<b>790,491</b>	<b>968,250</b>
<b>Cash Flows for Capital and Related Financing Activities</b>		
Purchase of property, plant and equipment	(183,742)	(36,468)
<b>Cash Flows from Investing Activities</b>		
Investment income received	-	3,597
<b>Net Increase in Cash and Investments</b>	<b>606,749</b>	<b>935,379</b>
<b>Cash and Investments, beginning</b>	<b>3,483,047</b>	<b>2,547,668</b>
<b>Cash and Investments, ending</b>	<b>\$ 4,089,796</b>	<b>\$ 3,483,047</b>
<b>Reconciliation of Income (Loss) from Operations to Net Cash</b>		
<b>Flows from Operating Activities</b>		
Income (loss) from operations	\$ (144,101)	\$ 160,933
Adjustments to reconcile income (loss) from operations to net cash flows from operating activities:		
Depreciation	282,223	276,361
Noncash expense - PERS relief	46,728	65,934
Increase (decrease) in allowance for doubtful accounts	15,125	(18,744)
Miscellaneous nonoperating revenues	248,420	639,706
(Increase) decrease in assets:		
Accounts receivable	19,834	(9,386)
Inventories	2,133	(25,913)
(Increase) decrease in deferred outflows of resources:		
Related to pensions	(28,002)	81,967
Related to other postemployment benefits	(41,228)	28,993
Increase (decrease) in liabilities:		
Accounts payable	365,768	(14,670)
Accrued leave	44,393	(27,878)
Customer utility deposits	(25,767)	9,818
Net pension liability	35,640	(245,309)
Net other postemployment benefits liability	37,960	(79,348)
Increase (decrease) in deferred inflows of resources:		
Related to pensions	(68,488)	71,664
Related to other postemployment benefits	(147)	54,122
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 790,491</b>	<b>\$ 968,250</b>

## City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund  
Schedule of Operating Expenses

<i>Years Ended June 30,</i>	2019	2018
<b>Generation</b>		
Salaries	\$ 170,529	\$ 163,066
Overtime salaries	7,425	591
Employee benefits	5,005	94,566
Telephone	5,921	6,078
Utilities	2,280	2,280
Travel and training	5,254	1,420
Materials and supplies	4,354	6,719
Gas and oil	630,628	222,460
Diesel fuel	16,381	17,349
Tyee hydro power purchases	1,927,734	2,582,294
Repairs and maintenance	35,142	9,590
Allocated vehicle charges - garage	19,162	13,751
O.S.H.A. requirements	48,063	5,062
<b>Total Generation</b>	<b>2,877,878</b>	<b>3,125,226</b>
<b>Distribution</b>		
Salaries	293,758	272,670
Overtime salaries	20,021	15,811
Employee benefits	170,166	59,926
Allocated salaries - public works	441	2,676
Utilities	1,017	1,017
Travel and training	9,722	9,791
Materials and supplies	29,548	54,530
Meters	4,763	15,057
Repairs and maintenance	19,594	(9,319)
Transformers	285	-
Allocated vehicle charges - garage	22,976	32,773
<b>Total Distribution</b>	<b>572,291</b>	<b>454,932</b>
<b>General and Administrative</b>		
Allocated overhead - finance	82,556	70,000
Allocated salaries - public works	60,165	50,425
Professional services	13,940	13,400
Travel and training	-	936
Insurance	25,717	16,555
Credit card expense	41,756	13,866
Bad debt expense	15,125	-
<b>Total General and Administrative</b>	<b>239,259</b>	<b>165,182</b>
<b>Depreciation</b>	<b>282,223</b>	<b>276,361</b>
<b>Total Operating Expenses</b>	<b>\$ 3,971,651</b>	<b>\$ 4,021,701</b>

**City and Borough of Wrangell, Alaska**  
**Water Utility Enterprise Fund**  
**Statement of Net Position**

<i>June 30,</i>	2019	2018
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 784,140	\$ 274,055
Receivables:		
Accounts	40,716	39,829
Accrued interest	5	31
Total receivables	40,721	39,860
<b>Total Current Assets</b>	<b>824,861</b>	<b>313,915</b>
<b>Restricted Cash and Investments</b>		
Bond redemption reserve	-	25,286
ADEC loan	-	642,929
<b>Total Restricted Cash and Investments</b>	<b>-</b>	<b>668,215</b>
<b>Property, Plant and Equipment</b>		
Buildings	5,128,436	5,128,436
Improvements other than buildings	11,862,986	11,862,986
Equipment	145,024	137,233
Construction in progress	55,401	24,225
Total property, plant and equipment	17,191,847	17,152,880
Less accumulated depreciation	(12,362,971)	(11,727,868)
<b>Net Property, Plant and Equipment</b>	<b>4,828,876</b>	<b>5,425,012</b>
<b>Total Assets</b>	<b>5,653,737</b>	<b>6,407,142</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	24,049	19,053
Related to other postemployment benefits	11,047	3,691
<b>Total Deferred Outflows of Resources</b>	<b>35,096</b>	<b>22,744</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 5,688,833</b>	<b>\$ 6,429,886</b>

## City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund  
Statement of Net Position, continued

<i>June 30,</i>	2019	2018
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 4,384	\$ 1,731
Accrued leave	19,831	17,295
Customer utility deposits	8,295	10,820
Accrued interest payable	2,507	2,507
Current portion:		
Revenue bonds	-	5,684
ADEC loan	2,513	86,056
<b>Total Current Liabilities</b>	<b>37,530</b>	<b>124,093</b>
<b>Long-term Liabilities</b>		
Revenue bonds, net of current portion	-	171,846
ADEC loan, net of current portion	52,253	176,004
Net pension liability	149,620	143,261
Net other postemployment benefits liability	27,296	20,523
<b>Total Long-term Liabilities</b>	<b>229,169</b>	<b>511,634</b>
<b>Total Liabilities</b>	<b>266,699</b>	<b>635,727</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	3,660	15,879
Related to other postemployment benefits	10,081	10,107
<b>Total Deferred Inflows of Resources</b>	<b>13,741</b>	<b>25,986</b>
<b>Net Position</b>		
Net investment in capital assets	4,774,110	4,985,422
Unrestricted	634,283	782,751
<b>Total Net Position</b>	<b>5,408,393</b>	<b>5,768,173</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 5,688,833</b>	<b>\$ 6,429,886</b>

## City and Borough of Wrangell, Alaska

## Water Utility Enterprise Fund

## Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2019	2018
<b>Operating Revenues</b>		
Water sales	\$ 696,617	\$ 705,825
<b>Operating Expenses</b>		
Salaries	117,319	104,656
Overtime salaries	19,084	14,898
Employee benefits	52,496	37,176
Allocated salaries - public works	73,888	96,039
Allocated overhead - finance	26,944	23,000
Telephone	1,628	1,154
Travel and training	2,396	1,801
Materials and supplies	26,970	32,153
Chlorination - electricity	147,354	208,023
Repairs and maintenance	131,364	114,669
Professional services	3,750	3,650
Insurance	3,262	7,423
Credit card expense	7,333	1,981
Depreciation	635,103	651,933
<b>Total Operating Expenses</b>	<b>1,248,891</b>	<b>1,298,556</b>
<b>Loss from Operations</b>	<b>(552,274)</b>	<b>(592,731)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Fire hydrant rental	-	39,750
Investment income	211	1,851
Material sales	721	350
Interest expense	(14,627)	(14,057)
Noncapital grant revenue	31,176	39,428
ADEC loan subsidy	171,723	-
State PERS relief	3,290	3,752
<b>Net Nonoperating Revenues</b>	<b>192,494</b>	<b>71,074</b>
<b>Change in Net Position</b>	<b>(359,780)</b>	<b>(521,657)</b>
<b>Net Position, beginning</b>	<b>5,768,173</b>	<b>6,289,830</b>
<b>Net Position, ending</b>	<b>\$ 5,408,393</b>	<b>\$ 5,768,173</b>

## City and Borough of Wrangell, Alaska

## Water Utility Enterprise Fund

## Statement of Cash Flows

<i>Years Ended June 30,</i>	2019	2018
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 725,102	\$ 786,494
Payments for interfund services used	(100,832)	(119,039)
Payments to suppliers	(321,404)	(396,664)
Payments to employees	(194,538)	(165,826)
<b>Net cash flows from operating activities</b>	<b>108,328</b>	<b>104,965</b>
<b>Cash Flows for Capital and Related Financing Activities</b>		
Purchase of property, plant and equipment	(38,967)	(18,492)
Principal payments on revenue bonds	(5,807)	(5,416)
Principal payments on loan	(207,294)	(84,784)
Interest payments on bonds and loan	(14,627)	(14,057)
<b>Net cash flows for capital and related financing activities</b>	<b>(266,695)</b>	<b>(122,749)</b>
<b>Cash Flows from Investing Activities</b>		
Investment income received	237	1,851
<b>Net Decrease in Cash and Investments</b>	<b>(158,130)</b>	<b>(15,933)</b>
<b>Cash and Investments, beginning</b>	<b>942,270</b>	<b>958,203</b>
<b>Cash and Investments, ending</b>	<b>\$ 784,140</b>	<b>\$ 942,270</b>
<b>Reconciliation of Cash and Investments to Statement of Net Position</b>		
Cash and investments	\$ 784,140	\$ 274,055
Restricted cash and investments	-	668,215
<b>Total Cash and Investments</b>	<b>\$ 784,140</b>	<b>\$ 942,270</b>

## City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund  
Statement of Cash Flows, continued

<i>Years Ended June 30,</i>	2019	2018
<b>Reconciliation of Loss from Operations to Net Cash</b>		
<b>Flows from Operating Activities</b>		
Loss from operations	\$ (552,274)	\$ (592,731)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	635,103	651,933
Noncash expense - PERS relief	3,290	3,752
Miscellaneous nonoperating revenues	31,897	79,528
(Increase) decrease in assets:		
Accounts receivable	(887)	(274)
Noncapital grants receivable	-	540
(Increase) decrease in deferred outflows of resources:		
Related to pensions	(4,996)	15,306
Related to other postemployment benefits	(7,356)	5,414
Increase (decrease) in liabilities:		
Accounts payable	2,653	(25,810)
Accrued leave	2,536	3,567
Customer utility deposits	(2,525)	875
Net pension liability	6,359	(45,807)
Net other postemployment benefits liability	6,773	(14,817)
Increase (decrease) in deferred inflows of resources:		
Related to pensions	(12,219)	13,382
Related to other postemployment benefits	(26)	10,107
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 108,328</b>	<b>\$ 104,965</b>
<b>Supplemental disclosure of cash flow information -</b>		
Principal forgiveness on long-term debt	\$ 171,723	\$ -



## City and Borough of Wrangell, Alaska

## Sewer Utility Enterprise Fund

## Statement of Net Position

<i>June 30,</i>	2019	2018
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 806,340	\$ 623,012
Receivables:		
Accounts	35,041	37,888
Accrued interest	6	6
Total receivables	35,047	37,894
<b>Total Current Assets</b>	<b>841,387</b>	<b>660,906</b>
<b>Restricted Cash and Investments</b>		
Bond redemption reserve	74,874	74,665
<b>Property, Plant and Equipment</b>		
Buildings	2,233,579	2,233,579
Improvements other than buildings	10,122,946	10,122,946
Equipment	195,001	195,001
Total property, plant and equipment	12,551,526	12,551,526
Less accumulated depreciation	(9,611,208)	(9,336,851)
<b>Net Property, Plant and Equipment</b>	<b>2,940,318</b>	<b>3,214,675</b>
<b>Total Assets</b>	<b>3,856,579</b>	<b>3,950,246</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	34,158	25,692
Related to other postemployment benefits	18,932	6,466
<b>Total Deferred Outflows of Resources</b>	<b>53,090</b>	<b>32,158</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 3,909,669</b>	<b>\$ 3,982,404</b>

**City and Borough of Wrangell, Alaska**  
**Sewer Utility Enterprise Fund**  
**Statement of Net Position, continued**

<i>June 30,</i>	2019	2018
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 51,111	\$ 96,519
Accrued leave	21,591	15,231
Accrued interest payable	1,687	1,687
Current portion - USDA Rural Development loan	1,621	1,591
<b>Total Current Liabilities</b>	<b>76,010</b>	<b>115,028</b>
<b>Long-term Liabilities</b>		
USDA Rural Development loan, net of current portion	85,448	87,069
Net pension liability	219,453	208,677
Net other postemployment benefits liability	47,431	35,953
<b>Total Long-term Liabilities</b>	<b>352,332</b>	<b>331,699</b>
<b>Total Liabilities</b>	<b>428,342</b>	<b>446,727</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	6,552	27,260
Related to other postemployment benefits	17,660	17,705
<b>Total Deferred Inflows of Resources</b>	<b>24,212</b>	<b>44,965</b>
<b>Net Position</b>		
Net investment in capital assets	2,853,249	3,126,015
Unrestricted	603,866	364,697
<b>Total Net Position</b>	<b>3,457,115</b>	<b>3,490,712</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 3,909,669</b>	<b>\$ 3,982,404</b>

**City and Borough of Wrangell, Alaska**  
**Sewer Utility Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**

<i>Years Ended June 30,</i>	2019	2018
<b>Operating Revenues</b>		
Sewer charges	\$ 595,976	\$ 593,042
Labor charges	1,500	1,100
<b>Total Operating Revenues</b>	<b>597,476</b>	<b>594,142</b>
<b>Operating Expenses</b>		
Collection and treatment	317,557	303,678
General and administrative	39,920	31,648
Depreciation	274,357	353,067
<b>Total Operating Expenses</b>	<b>631,834</b>	<b>688,393</b>
<b>Loss from Operations</b>	<b>(34,358)</b>	<b>(94,251)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Material sales	42	60
Investment income	209	916
State PERS relief	2,165	6,573
Other revenue	-	561
Interest expense	(1,655)	(11,702)
<b>Net Nonoperating Revenues (Expenses)</b>	<b>761</b>	<b>(3,592)</b>
<b>Change in Net Position</b>	<b>(33,597)</b>	<b>(97,843)</b>
<b>Net Position, beginning</b>	<b>3,490,712</b>	<b>3,588,555</b>
<b>Net Position, ending</b>	<b>\$ 3,457,115</b>	<b>\$ 3,490,712</b>

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## City and Borough of Wrangell, Alaska

## Sewer Utility Enterprise Fund

## Statement of Cash Flows

<i>Years Ended June 30,</i>	2019	2018
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 600,365	\$ 596,105
Payments for interfund services used	(47,924)	(56,133)
Payments to suppliers	(183,767)	(77,357)
Payments to employees	(182,100)	(182,324)
Net cash flows from operating activities	186,574	280,291
<b>Cash Flows for Capital and Related Financing Activities</b>		
Purchase of property, plant and equipment	-	(40,194)
Principal payments on USDA Rural Development loan	(1,591)	(1,570)
Principal payments on revenue bonds	-	(182,960)
Interest payments on long-term debt	(1,655)	(11,702)
Net cash flows for capital and related financing activities	(3,246)	(236,426)
<b>Cash Flows from Investing Activities</b>		
Investment income received	209	1,166
Net Increase in Cash and Investments	183,537	45,031
Cash and Investments, beginning	697,677	652,646
Cash and Investments, ending	\$ 881,214	\$ 697,677
<b>Reconciliation of Cash and Investments to Statement of Net Position</b>		
Cash and investments	\$ 806,340	\$ 623,012
Restricted cash and investments	74,874	74,665
Total Cash and Investments	\$ 881,214	\$ 697,677

## City and Borough of Wrangell, Alaska

## Sewer Utility Enterprise Fund

## Statement of Cash Flows, continued

<i>Years Ended June 30,</i>	2019	2018
<b>Reconciliation of Loss from Operations to Net Cash</b>		
<b>Flows from Operating Activities</b>		
Loss from operations	\$ (34,358)	\$ (94,251)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	274,357	353,067
Noncash expense - PERS relief	2,165	6,573
Miscellaneous nonoperating revenues	42	621
Decrease in assets - accounts receivable	2,847	1,342
(Increase) decrease in deferred outflows of resources:		
Related to pensions	(8,466)	26,814
Related to other postemployment benefits	(12,466)	9,485
Increase (decrease) in liabilities:		
Accounts payable	(45,408)	44,997
Accrued leave	6,360	(3,301)
Net pension liability	10,776	(80,248)
Net other postemployment benefits liability	11,478	(25,957)
Increase (decrease) in deferred inflows of resources:		
Related to pensions	(20,708)	23,444
Related to other postemployment benefits	(45)	17,705
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 186,574</b>	<b>\$ 280,291</b>

## City and Borough of Wrangell, Alaska

## Sewer Utility Enterprise Fund

## Schedule of Operating Expenses

<i>Years Ended June 30,</i>	2019	2018
<b>Collection and Treatment</b>		
Salaries	\$ 119,863	\$ 110,094
Overtime salaries	9,850	8,014
Employee benefits	41,481	38,731
Allocated salaries - public works	19,187	24,295
Telephone	6,378	5,009
Utilities	53,868	57,578
Travel and training	2,538	1,022
Materials and supplies	8,384	14,781
Fuel oil	200	-
Facilities repairs and maintenance	7,680	12,706
Systems repairs and maintenance	23,798	13,271
Allocated vehicle charges - garage	4,659	10,838
Compliance testing	19,671	7,339
<b>Total Collection and Treatment</b>	<b>317,557</b>	<b>303,678</b>
<b>General and Administrative</b>		
Allocated overhead - finance	24,078	21,000
Professional services	5,800	5,800
Insurance	3,491	2,867
Repairs and maintenance	237	-
Credit card expense	6,314	1,981
<b>Total General and Administrative</b>	<b>39,920</b>	<b>31,648</b>
<b>Depreciation</b>	<b>274,357</b>	<b>353,067</b>
<b>Total Operating Expenses</b>	<b>\$ 631,834</b>	<b>\$ 688,393</b>

## City and Borough of Wrangell, Alaska

Sanitation Utility Enterprise Fund  
Statement of Net Position

<i>June 30,</i>	2019	2018
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 209,485	\$ 96,886
Accounts receivable	40,590	33,008
<b>Total Current Assets</b>	<b>250,075</b>	<b>129,894</b>
<b>Property, Plant and Equipment</b>		
Buildings	982,637	982,637
Equipment	552,402	552,402
Total property, plant and equipment	1,535,039	1,535,039
Less accumulated depreciation	(1,004,319)	(928,186)
<b>Net Property, Plant and Equipment</b>	<b>530,720</b>	<b>606,853</b>
<b>Total Assets</b>	<b>780,795</b>	<b>736,747</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	23,923	17,860
Related to other postemployment benefits	13,643	4,716
<b>Total Deferred Outflows of Resources</b>	<b>37,566</b>	<b>22,576</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 818,361</b>	<b>\$ 759,323</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 20,285	\$ 22,675
Accrued leave	7,285	6,284
<b>Total Current Liabilities</b>	<b>27,570</b>	<b>28,959</b>
<b>Long-term Liabilities</b>		
Net pension liability	155,093	147,376
Net other postemployment benefits liability	34,445	26,226
<b>Total Long-term Liabilities</b>	<b>189,538</b>	<b>173,602</b>
<b>Total Liabilities</b>	<b>217,108</b>	<b>202,561</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	4,992	19,821
Related to other postemployment benefits	12,883	12,915
<b>Total Deferred Inflows of Resources</b>	<b>17,875</b>	<b>32,736</b>
<b>Net Position</b>		
Net investment in capital assets	530,720	606,853
Unrestricted (deficit)	52,658	(82,827)
<b>Total Net Position</b>	<b>583,378</b>	<b>524,026</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 818,361</b>	<b>\$ 759,323</b>



**City and Borough of Wrangell, Alaska**  
**Sanitation Utility Enterprise Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**

<i>Years Ended June 30,</i>	2019	2018
<b>Operating Revenues</b>		
User fees	\$ 634,601	\$ 589,310
<b>Operating Expenses</b>		
Collection	105,975	116,011
Landfill	374,504	357,310
General and administrative	17,798	11,741
Depreciation	76,132	76,132
<b>Total Operating Expenses</b>	<b>574,409</b>	<b>561,194</b>
<b>Income from Operations</b>	<b>60,192</b>	<b>28,116</b>
<b>Nonoperating Revenues</b>		
State PERS relief	(840)	4,795
Loss on disposal of assets	-	(2,972)
Investment income	-	139
<b>Net Nonoperating Revenues</b>	<b>(840)</b>	<b>1,962</b>
<b>Change in Net Position</b>	<b>59,352</b>	<b>30,078</b>
<b>Net Position, beginning</b>	<b>524,026</b>	<b>493,948</b>
<b>Net Position, ending</b>	<b>\$ 583,378</b>	<b>\$ 524,026</b>

**City and Borough of Wrangell, Alaska**  
**Sanitation Utility Enterprise Fund**  
**Statement of Cash Flows**

<i>Years Ended June 30,</i>	2019	2018
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 627,019	\$ 592,290
Payments for interfund services used	(51,517)	(83,747)
Payments to suppliers	(282,280)	(262,616)
Payments to employees	(180,623)	(169,733)
<b>Net cash flows from operating activities</b>	<b>112,599</b>	<b>76,194</b>
<b>Cash Flows for Capital and Related Financing Activities</b>		
Purchase of property plant and equipment	-	(184,680)
<b>Cash Flows from Investing Activities</b>		
Investment income received	-	139
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>112,599</b>	<b>(108,347)</b>
<b>Cash and Investments, beginning</b>	<b>96,886</b>	<b>205,233</b>
<b>Cash and Investments, ending</b>	<b>\$ 209,485</b>	<b>\$ 96,886</b>
<b>Reconciliation of Income from Operations to Net Cash</b>		
<b>Flows from Operating Activities</b>		
Income from operations	\$ 60,192	\$ 28,116
Adjustments to reconcile income from operations to net cash flows from operating activities:		
Depreciation	76,132	76,132
Noncash expense - PERS relief	(840)	4,795
(Increase) decrease in assets - accounts receivable	(7,582)	2,980
(Increase) decrease in deferred outflows of resources:		
Related to pensions	(6,062)	19,560
Related to other postemployment benefits	(8,927)	6,919
Increase (decrease) in liabilities:		
Accounts payable	(2,390)	(16,119)
Accrued leave	1,001	1,270
Net pension liability	7,717	(58,538)
Net other postemployment benefits liability	8,219	(18,935)
Increase (decrease) in deferred inflows of resources:		
Related to pensions	(14,829)	17,101
Related to other postemployment benefits	(32)	12,913
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 112,599</b>	<b>\$ 76,194</b>

## City and Borough of Wrangell, Alaska

## Sanitation Utility Enterprise Fund

## Schedule of Operating Expenses

<i>Years Ended June 30,</i>	2019	2018
<b>Collection</b>		
Salaries	\$ 49,298	\$ 43,847
Overtime salaries	972	1,290
Employee benefits	19,534	13,857
Allocated salaries - public works	2,964	3,067
Materials and supplies	4,986	17,051
Allocated vehicle charges - garage	28,221	36,899
<b>Total Collection</b>	<b>105,975</b>	<b>116,011</b>
<b>Landfill</b>		
Salaries	51,474	50,994
Overtime salaries	3,721	2,019
Employee benefits	41,871	42,811
Allocated salaries - public works	7,912	18,237
Telephone	1,355	1,261
Utilities	8,665	8,437
Travel and training	865	-
Monitoring and testing	527	1,018
Disposal costs	226,520	204,405
Hazardous waste	11,746	381
Materials and supplies	3,025	5,431
Repairs and maintenance	11,209	2,672
Professional services	1,300	1,300
Allocated vehicle charges - garage	4,165	18,344
Equipment rental	149	-
<b>Total Landfill</b>	<b>374,504</b>	<b>357,310</b>
<b>General and Administrative</b>		
Allocated overhead - finance	8,255	7,200
Insurance	3,414	2,560
Credit card expense	6,129	1,981
<b>Total General and Administrative</b>	<b>17,798</b>	<b>11,741</b>
<b>Depreciation</b>	<b>76,132</b>	<b>76,132</b>
<b>Total Operating Expenses</b>	<b>\$ 574,409</b>	<b>\$ 561,194</b>

## City and Borough of Wrangell, Alaska

Port Enterprise Fund  
Statement of Net Position

June 30,	2019	2018
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash and investments	\$ 1,727,417	\$ 4,588,186
Receivables:		
Accounts	158,087	156,729
Grants	401,238	-
Accrued interest	100	162
Less allowance for doubtful accounts	(23,000)	(23,000)
Net receivables	536,425	133,891
<b>Total Current Assets</b>	<b>2,263,842</b>	<b>4,722,077</b>
<b>Restricted Cash and Investments - harbor improvements</b>	<b>1,419,714</b>	<b>1,841,946</b>
<b>Property, Plant and Equipment</b>		
Land	948,333	948,333
Harbor floats, docks and improvements	34,166,661	34,166,661
Travel lift	18,391,507	18,391,507
Gridiron	154,636	154,636
Buildings	222,466	222,466
Equipment	306,510	306,510
Paving	2,530,923	2,530,923
Construction in progress	8,635,746	845,190
Total property, plant and equipment	65,356,782	57,566,226
Less accumulated depreciation	(25,935,264)	(23,963,328)
<b>Net Property, Plant and Equipment</b>	<b>39,421,518</b>	<b>33,602,898</b>
<b>Total Assets</b>	<b>43,105,074</b>	<b>40,166,921</b>
<b>Deferred Outflows of Resources</b>		
Related to pensions	89,159	66,257
Related to other postemployment benefits	48,489	14,770
<b>Total Deferred Outflows of Resources</b>	<b>137,648</b>	<b>81,027</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 43,242,722</b>	<b>\$ 40,247,948</b>

## City and Borough of Wrangell, Alaska

## Port Enterprise Fund

## Statement of Net Position, continued

June 30,	2019	2018
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 476,464	\$ 18,389
Accrued leave	16,288	22,803
Unearned revenue	1,372,599	1,426,494
Interfund loans	15,593	16,848
<b>Total Current Liabilities</b>	<b>1,880,944</b>	<b>1,484,534</b>
<b>Long-term Liabilities</b>		
Interfund loans, net of current portion	70,960	85,298
Net pension liability	547,473	518,324
Net other postemployment benefits liability	113,172	82,125
<b>Total Long-term Liabilities</b>	<b>731,605</b>	<b>685,747</b>
<b>Total Liabilities</b>	<b>2,612,549</b>	<b>2,170,281</b>
<b>Deferred Inflows of Resources</b>		
Related to pensions	6,805	62,819
Related to other postemployment benefits	40,323	40,443
<b>Total Deferred Inflows of Resources</b>	<b>47,128</b>	<b>103,262</b>
<b>Net Position</b>		
Net investment in capital assets	39,421,518	33,602,898
Restricted	47,115	-
Unrestricted	1,114,412	4,371,507
<b>Total Net Position</b>	<b>40,583,045</b>	<b>37,974,405</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 43,242,722</b>	<b>\$ 40,247,948</b>

# City and Borough of Wrangell, Alaska

## Port Enterprise Fund

### Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2019	2018
<b>Operating Revenues</b>		
Municipal dock:		
Storage fees	\$ 81,644	\$ 101,297
Wharfage fees	36,409	31,438
Dockage fees	76,646	67,311
Port development fees	45,495	33,694
Transient fees	-	247
<b>Total municipal dock</b>	<b>240,194</b>	<b>233,987</b>
Small boat harbor:		
Stall rentals and transient fees	739,229	706,001
Penalties and late fees	18,162	17,720
Materials sales	2,531	6,375
Other revenues	19,690	19,342
<b>Total small boat harbor</b>	<b>779,612</b>	<b>749,438</b>
Travel lift:		
Lift fees	178,457	185,402
Storage fees	194,432	225,458
Electric revenues	15,130	15,514
<b>Total travel lift</b>	<b>388,019</b>	<b>426,374</b>
<b>Total Operating Revenues</b>	<b>1,407,825</b>	<b>1,409,799</b>
<b>Operating Expenses</b>		
Municipal dock	89,447	91,944
Small boat harbor	345,505	362,071
Travel lift	353,999	384,485
General and administrative	200,619	112,472
Depreciation	1,971,936	1,898,130
<b>Total Operating Expenses</b>	<b>2,961,506</b>	<b>2,849,102</b>
<b>Loss from Operations</b>	<b>(1,553,681)</b>	<b>(1,439,303)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	3,943	8,595
State PERS relief	(7,004)	15,014
State raw fish tax	307,405	314,455
State fisheries business tax	10,376	-
Loss on disposal of assets	-	(186,779)
<b>Net Nonoperating Revenues</b>	<b>314,720</b>	<b>151,285</b>
Loss before capital contributions	(1,238,961)	(1,288,018)
Capital contributions	3,847,601	180,934
<b>Change in Net Position</b>	<b>2,608,640</b>	<b>(1,107,084)</b>
<b>Net Position, beginning</b>	<b>37,974,405</b>	<b>39,081,489</b>
<b>Net Position, ending</b>	<b>\$ 40,583,045</b>	<b>\$ 37,974,405</b>

## City and Borough of Wrangell, Alaska

Port Enterprise Fund  
Statement of Cash Flows

<i>Years Ended June 30,</i>	2019	2018
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 1,352,572	\$ 1,359,529
Payments for interfund services used	(63,234)	(83,117)
Payments to suppliers	77,588	(392,776)
Payments to employees	(611,927)	(615,445)
<b>Net cash flows from operating activities</b>	<b>754,999</b>	<b>268,191</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
State fish taxes received	317,781	314,455
<b>Cash Flows for (from) Capital and Related Financing Activities</b>		
Purchase of property, plant and equipment	(7,790,556)	(409,307)
Principal payments on loan payable to other fund	(15,593)	(40,357)
Capital contributions received	3,446,363	279,053
<b>Net cash flows for capital and related financing activities</b>	<b>(4,359,786)</b>	<b>(170,611)</b>
<b>Cash Flows from Investing Activities</b>		
Investment income received	4,005	8,595
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>(3,283,001)</b>	<b>420,630</b>
<b>Cash and Investments, beginning</b>	<b>6,430,132</b>	<b>6,009,502</b>
<b>Cash and Investments, ending</b>	<b>\$ 3,147,131</b>	<b>\$ 6,430,132</b>
<b>Reconciliation of Cash and Investments to Statement of Net Position</b>		
Cash and investments	\$ 1,727,417	\$ 4,588,186
Restricted cash and investments	1,419,714	1,841,946
<b>Total Cash and Investments</b>	<b>\$ 3,147,131</b>	<b>\$ 6,430,132</b>
<b>Reconciliation of Loss from Operations to Net Cash Flows from Operating Activities</b>		
Loss from operations	\$ (1,553,681)	\$ (1,439,303)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	1,971,936	1,898,130
Noncash expense - PERS relief	(7,004)	15,014
Increase in assets - accounts receivable	(1,358)	(16,574)
(Increase) decrease in deferred outflows of resources:		
Related to pensions	(22,902)	61,249
Related to other postemployment benefits	(33,719)	21,665
Increase (decrease) in liabilities:		
Accounts payable	458,075	(91,096)
Accrued leave	(6,515)	1,405
Unearned revenue	(53,895)	(33,696)
Net pension liability	29,149	(183,305)
Net other postemployment benefits liability	31,047	(59,292)
Increase (decrease) in deferred inflows of resources:		
Related to pensions	(56,014)	53,551
Related to other postemployment benefits	(120)	40,443
<b>Net Cash Flows from Operating Activities</b>	<b>\$ 754,999</b>	<b>\$ 268,191</b>

## City and Borough of Wrangell, Alaska

Port Enterprise Fund  
Schedule of Operating Expenses

<i>Years Ended June 30,</i>	2019	2018
<b>Municipal Dock</b>		
Salaries	\$ 44,600	\$ 45,710
Employee benefits	20,594	27,235
Materials and supplies	2,270	3,730
Insurance	-	14,538
Utilities	5,858	7,161
Capital expenditures	11,184	(17,707)
Allocated vehicle charges - garage	23	1,188
Repairs and maintenance	4,918	10,089
<b>Total Municipal Dock</b>	<b>89,447</b>	<b>91,944</b>
<b>Small Boat Harbor</b>		
Salaries	143,259	143,354
Employee benefits	45,092	57,942
Allocated salaries - public works	-	4,125
Materials and supplies	17,787	12,359
Insurance	-	3,174
Utilities	68,202	102,079
Repairs and maintenance	68,739	28,842
Allocated vehicle charges - garage	1,452	10,196
Miscellaneous expense	974	-
<b>Total Small Boat Harbor</b>	<b>345,505</b>	<b>362,071</b>
<b>Travel Lift</b>		
Salaries	190,650	187,419
Overtime salaries	16,211	16,305
Employee benefits	85,443	88,210
Materials and supplies	4,869	8,366
Insurance	-	27,643
Utilities	17,932	24,447
Allocated vehicle charges - garage	9,055	12,584
Repairs and maintenance	29,839	19,511
<b>Total Travel Lift</b>	<b>353,999</b>	<b>384,485</b>
<b>General and Administrative</b>		
Salaries	6,003	-
Allocated overhead - finance	28,664	24,000
Travel and training	6,359	6,020
Professional services	9,285	9,508
Telephone	6,883	6,655
Materials and supplies	34,672	4,851
Allocated vehicle charges - garage	24,040	31,024
Insurance	53,888	2,252
Repairs and maintenance	9	1,033
Credit card expense	15,792	17,210
Publications	15,024	9,919
<b>Total General and Administrative</b>	<b>200,619</b>	<b>112,472</b>
<b>Depreciation</b>	<b>1,971,936</b>	<b>1,898,130</b>
<b>Total Operating Expenses</b>	<b>\$ 2,961,506</b>	<b>\$ 2,849,102</b>



## City and Borough of Wrangell, Alaska

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Provided to Subre- cipients	Total Federal Expenditures
<b>Department of the Transportation</b>				
Passed through State of Alaska Department of Transportation and Public Facilities -				
Highway Planning and Construction Cluster -				
WRG Evergreen Road Improvements and Pedestrian Access	20.205	68029	\$ -	\$ 6,611,342
<b>Department of Agriculture</b>				
Passed through State of Alaska Department of Commerce, Community, and Economic Development -				
Forest Service Schools and Roads Cluster -				
School and Roads - Grants to States -				
National Forest Receipts	10.665	N/A	-	898,414
<b>Department of the Interior</b>				
Payments in Lieu of Taxes	15.226		-	469,959
<b>Institute of Museum and Library Services</b>				
Passed through Wrangell Cooperative Association -				
Native American and Native Hawaiian				
Library Services - IMLS Library Grant	45.311	NG-01-13-0078-13	-	9,655
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 7,989,370

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City and Borough of Wrangell, Alaska under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City and Borough of Wrangell, Alaska, it is not intended to and does not present the financial position, changes in net position, or cash flows of City and Borough of Wrangell, Alaska.

**2. Summary of Significant Accounting Principles**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**3. Indirect Cost Rate**

The City and Borough of Wrangell, Alaska has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

**4. National Forest Receipts**

In accordance with the provisions of GASB Statement Number 33, National Forest Receipts are recorded directly to revenue and any unspent amounts are reported as restricted fund balance. The unspent balance reported in the Secure Rural Schools Special Revenue Fund includes interest earnings as well as unspent grant proceeds. At June 30, 2019, there were no unspent interest earnings and unspent grant funds were \$3,358,864.

## City and Borough of Wrangell, Alaska

Schedule of State Financial Assistance  
for the Year Ended June 30, 2019

State Agency/Program Title	Award Number	Total Award	Passed Through to Subre- cipients	State Expenditures
<b>Department of Commerce, Community and Economic Development</b>				
*Community Assistance Program	FY 19	\$ 420,903	\$ -	\$ 420,903
*Hospital Replacement Project	13-DC-494	1,800,000	-	462,375
Connection to Upper Reservoir	15-DC-162	615,000	-	31,176
Shared Fisheries Tax	FY 19	10,376	-	10,376
<b>Total Department of Commerce, Community and Economic Development</b>			-	924,830
<b>Department of Revenue</b>				
Community Passenger Vessel Excise Taxes	FY 19	48,970	-	48,970
Liquor License	FY 19	10,700	-	10,700
*Fisheries Resource Landing Taxes	FY 19	307,405	-	307,405
<b>Total Department of Revenue</b>			-	367,075
<b>Department of Transportation and Public Facilities</b>				
*Shoemaker Bay Harbor Replacement	18-HG-001	4,313,284	-	3,847,601
<b>Department of Education and Early Development</b>				
Public Library Assistance		7,000	-	7,000
*School Debt Reimbursement	FY 19	168,025	-	168,025
<b>Total Department of Education and Early Development</b>			-	175,025
<b>Department of Environmental Conservation</b>				
*ADEC Loan Subsidy - Water Plant Ozone Generator Replacement	917061	171,723	-	171,723
<b>Department of Military and Veterans Affairs</b>				
Local Emergency Preparedness Committee	FY 19	10,898	-	10,898
<b>Department of Administration</b>				
*PERS On-behalf	FY 19	209,381	-	209,381
<b>Total State Financial Assistance</b>			\$ -	\$ 5,706,533

\* Denotes a major program

See accompanying notes to the Schedule of State Financial Assistance.

Notes to the Schedule of State Financial Assistance  
For the Year Ended June 30, 2019

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**1. Basis of Presentation**

The accompanying Schedule of State Financial Assistance (the "Schedule") include the state grant activity of the City and Borough of Wrangell, Alaska under programs of the State of Alaska for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of City and Borough of Wrangell, Alaska, it is not intended to and does not present the financial position, changes in net position or cash flows of City and Borough of Wrangell, Alaska.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

**3. PERS On-behalf**

The City and Borough of Wrangell, Alaska has recorded \$209,381 in PERS On-behalf payments in the Schedule of State Financial Assistance. This represents the PERS relief payments appropriated and transferred into the plan during FY2019.

In the governmental fund financial statements, on-behalf revenue and expenditures have been recognized commensurate with the proportional share of on-behalf payments in the year appropriated and transferred to the plan. However, in the full accrual financial statements, GASB 68 provisions prescribe that on-behalf pension contributions in a special funding situation may only be recognized during the measurement period in which the plan recognizes the contributions, effectively creating a one-year timing difference between the cash contribution and revenue and expense/expenditures recognition by the City and Borough of Wrangell, Alaska.

As a result of these perspective and timing differences, amounts reported on the financial statements do not agree to the amount reported on the Schedule of State Financial Assistance. In FY2019, the City and Borough of Wrangell, Alaska reported \$121,984 in PERS on-behalf revenue and expenses in the Statement of Activities.

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## Single Audit Reports

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Tel: 907-278-8878  
Fax: 907-278-5779  
www.bdo.com

3601 C Street, Suite 600  
Anchorage, AK 99503

Item a.

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Honorable Mayor and Borough Assembly  
City and Borough of Wrangell, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City and Borough of Wrangell as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise City and Borough of Wrangell's basic financial statements and have issued our report thereon dated June 19, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City and Borough of Wrangell's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City and Borough of Wrangell's internal control. Accordingly, we do not express an opinion on the effectiveness of City and Borough of Wrangell's internal control.

Our consideration of internal control was for the limited purpose described in the preceding and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-002 to be a significant deficiency.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether City and Borough of Wrangell's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## City and Borough of Wrangell's Response to Finding

City and Borough of Wrangell's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City and Borough of Wrangell's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska  
June 19, 2020





Tel: 907-278-8878  
Fax: 907-278-5779  
www.bdo.com

3601 C Street, Suite 600  
Anchorage, AK 99503

Item a.

## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

Honorable Mayor and Borough Assembly  
City and Borough of Wrangell, Alaska

### **Report on Compliance for Each Major Federal Program**

We have audited City and Borough of Wrangell's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City and Borough of Wrangell's major federal programs for the year ended June 30, 2019. City and Borough of Wrangell's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

City and Borough of Wrangell's basic financial statements include the operations of the Wrangell Public Schools, a discretely presented component unit. Our audit, described below, did not include the operations of Wrangell Public Schools because they were subjected to separate audits. Wrangell Public Schools did not meet the threshold for an audit in accordance with the Uniform Guidance.

### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City and Borough of Wrangell's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City and Borough of Wrangell's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City and Borough of Wrangell's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, City and Borough of Wrangell complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control Over Compliance**

Management of City and Borough of Wrangell is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City and Borough of Wrangell's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City and Borough of Wrangell's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BDO USA, LLP*

Anchorage, Alaska  
June 19, 2020



Tel: 907-278-8878  
Fax: 907-278-5779  
www.bdo.com

3601 C Street, Suite 600  
Anchorage, AK 99503

Item a.

## **Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits***

Honorable Mayor and Borough Assembly  
City and Borough of Wrangell, Alaska

### **Report on Compliance for Each Major State Program**

We have audited City and Borough of Wrangell's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of City and Borough of Wrangell's major state programs for the year ended June 30, 2019. City and Borough of Wrangell's major state programs are identified in the accompanying schedule of state financial assistance.

City and Borough of Wrangell's basic financial statements include the operations of the Wrangell Public Schools, a discretely presented component unit, which received \$4,438,616 in state financial assistance. Our audit, described below, did not include the operations of Wrangell Public Schools because they were subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of City and Borough of Wrangell's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about City and Borough of Wrangell's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of City and Borough of Wrangell's compliance.

### ***Opinion on Each Major State Program***

In our opinion, City and Borough of Wrangell complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

### ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and which are described in the accompanying schedule of findings and questioned costs as item 2019-004. Our opinion on each major state program is not modified with respect to these matters.

City and Borough of Wrangell's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City and Borough of Wrangell's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

Management of City and Borough of Wrangell is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City and Borough of Wrangell's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City and Borough of Wrangell's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-004 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-003 to be a significant deficiency.

City and Borough of Wrangell's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. City and Borough of Wrangell's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska  
June 19, 2020

# City and Borough of Wrangell, Alaska

Item a.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2019

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of report the auditor issued on whether the financial  
Statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?   X   yes        no  
Significant deficiency(ies) identified?   X   yes        (none reported)

Noncompliance material to financial statements noted?        yes   X   no

#### Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?        yes   X   no  
Significant deficiency(ies) identified?        yes   X   (none reported)

Type of auditor's report issued on compliance for  
major federal programs: Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200.516(a)?        yes   X   no

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster	Agency
20.205	Highway Planning and Construction Cluster	Department of Transportation
10.665	Forest Service Schools and Roads Cluster	Department of Agriculture

Dollar threshold used to distinguish between a type A and  
type B programs: \$ 750,000

Auditee qualified as low-risk auditee?        yes   X   no

#### State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified?   X   yes        no  
Significant deficiency(ies) identified?   X   yes        (none reported)

Type of auditor's report issued on compliance for major  
state programs: Unmodified

Dollar threshold used to distinguish a state major program: \$ 150,000

Schedule of Findings and Questioned Costs, continued  
Year Ended June 30, 2019

Section II - Financial Statement Findings Required to be Reported in Accordance with  
Government Auditing Standards

<b>Finding 2019-001</b>	<b>General Ledger Reconciliation and External Financial Reporting - Internal Control Over Financial Reporting - Material Weakness</b>
<i>Criteria</i>	<i>Government Accounting Standards</i> states management is responsible for establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; using resources efficiently; economically, effectively, and equitably, and safeguarding resources; following laws and regulations; and ensuring that financial information is reliable and properly reported. Internal controls over financial reporting should allow management to prevent or detect and correct misstatements on a timely basis.
<i>Condition</i>	The Borough's internal control over financial reporting did not prevent, or detect and correct, errors in certain account balances. During our audit, we identified adjustments that were necessary in order to present the financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Specifically, adjustments were required to properly state opening net position, ending capital assets, depreciation expense, interfund balances, and transfers.
<i>Cause</i>	The Borough's general ledger reconciliation and preparation of the trial balance for external financial reporting purposes lacked an appropriate level of precision to ensure balances were materially correct.
<i>Effect or Potential Effect</i>	Individual accounts were misstated, requiring entries to be made to correct year-end balances for proper reporting in accordance with GAAP. Misstatements may exist and go undetected in the general ledger and financial statements.
<i>Recommendation</i>	The Borough should consider adding procedures to ensure activity is recorded in accordance with GAAP. Specifically, the Borough should add procedures to reconcile opening balances to prior year-end balances, and consider developing an end-of-the-year checklist to ensure closing adjustments are made in a timely manner.
<i>Views of Responsible Officials</i>	Management concurs with the finding. Refer to the corrective action plan.

Schedule of Findings and Questioned Costs, continued  
Year Ended June 30, 2019

**Finding 2019-002      Journal Entry Review and Approval, and Support - Internal Control Over Financial Reporting - Significant Deficiency**

*Criteria*                      *Government Accounting Standards* states management is responsible for establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; using resources efficiently; economically, effectively, and equitably, and safeguarding resources; following laws and regulations; and ensuring that financial information is reliable and properly reported. Internal controls over financial reporting should allow management to prevent or detect and correct misstatements on a timely basis.

*Condition*                      The Borough's internal controls over financial reporting do not ensure proper review and approval of manual journal entries. Additionally, the Borough's internal controls do not ensure that supporting documentation is retained to support manual journal entries posted to the general ledger.

*Cause*                              The Borough's internal controls related to journal entries lack appropriate segregation of duties. Specifically, the Borough's internal controls related to journal entries do not require separate review and approval of manual journal entries, nor do the internal controls require review of supporting documentation.

*Effect or Potential Effect*                      Journal entries were identified as having been posted to the general ledger without proper review and approval or supporting documentation. Misstatements may exist and go undetected in the general ledger and financial statements.

*Recommendation*                      The Borough should consider adopting a journal entry review checklist or similar procedure that stipulates an individual besides the preparer review and approve journal entries prior to posting. Additionally, the Borough should require that relevant supporting documentation be attached and retained with each journal entry prior to posting to the general ledger.

*Views of Responsible Officials*                      Management concurs with the finding. Refer to the corrective action plan.



Schedule of Findings and Questioned Costs, continued  
Year Ended June 30, 2019

Section III - State Award Findings and Questioned Costs	
<b>Finding 2019-003</b>	<b>Types of Services Allowed and Unallowed - Internal Control Over Compliance - Significant Deficiency</b>
State Agency	State of Alaska Department of Commerce, Community, and Economic Development
Grant Name	Community Assistance Program
Grant Number	Award Year: 2019
<i>Criteria</i>	Management is responsible to provide reasonable assurance that the costs paid for by state financial assistance are allowable and in accordance with the types of activities allowed per the compliance supplement.
<i>Condition</i>	We identified nonpayroll expenditure transactions without sufficient documentation of review and approval prior to posting to the general ledger.
<i>Questioned costs</i>	None
<i>Context</i>	During entity wide test of controls over nonpayroll expenditure transactions, 10 transactions out of 47 transactions were noted in which documentation could not be provided to support that the transaction was reviewed and approved prior to posting to the general ledger.
<i>Effect or Potential Effect</i>	Community Assistance Program funds could potentially be expended for services that are not for a public purpose.
<i>Cause</i>	The Borough's internal controls over nonpayroll expenditures lack appropriate safeguards ensuring all transactions are reviewed and approved by a knowledgeable individual prior to posting to the general ledger.
<i>Repeat Finding Recommendation</i>	No The Borough should consider adopting a transactional-level review process that ensures all transactions are reviewed and approved by a knowledge individual besides the individual who initiated the transaction. The Borough should consider adopting a policy that requires supporting evidence of such review be retained for future examination.
<i>Views of Responsible Officials</i>	Management concurs with the finding. Refer to the corrective action plan.

Schedule of Findings and Questioned Costs, continued  
Year Ended June 30, 2019

<b>Finding 2019-004</b>	<b>Material Weakness in Internal Control over Compliance, Material Noncompliance - Reporting</b>
<b>State Agency</b>	Department of Commerce, Community and Economic Development; Department of Transportation and Public Facilities; Department of Education and Early Development; Department of Revenue; Department of Environmental Conservation; Department of Military and Veterans Affairs; Department of Administration
<b>Grant Name</b>	Community Assistance Program, Hospital Replacement Project, Fisheries Resource Landing Taxes, Shoemaker Bay Harbor Replacement, School Debt Reimbursement, ADEC Loan Subsidy - Water Plant Ozone Generator Replacement, and PERS On-Behalf.
<b>Grant Number</b>	Award Year: 2019, 13-DC-494, Award Year: 2019, 18-HG-001, Award Year: 2019, 917061, and Award Year: 2019.
<b>Criteria</b>	2 AAC 45.010 (b) states an entity that expends a cumulative total of \$750,000 or more shall submit an audit report for the audit period by ...”the earlier of 30 days after the entity receives its audit report for the audit period; or nine months after the end of the audit period” or a later date agreed upon in writing in advance of the date in this section.
<b>Condition</b>	The Borough’s books and records were not properly prepared and in condition to allow a qualified audit firm to complete and submit the audit in a timely manner.
<b>Questioned costs</b>	None
<b>Context</b>	The Borough’s audit in accordance with 2 AAC 45 was not completed within the required time period.
<b>Effect or Potential Effect</b>	The Borough is not in compliance with 2 AAC 45.010 (b)(1).
<b>Cause</b>	The audit was not completed in time to file the reporting package.
<b>Repeat Finding Recommendation</b>	No We recommend management establish strong internal controls surrounding year-end general ledger and trial balance reconciliation to allow for timely submission of the annual audit and required single audit reports.
<b>Views of Responsible Officials</b>	Management concurs with the finding. Refer to the corrective action plan.

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## City and Borough of Wrangell Single Audit Responses (Unaudited)

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## CITY AND BOROUGH OF WRANGELL

INCORPORATED MAY 30, 2008

P.O. BOX 531 (907)-874-2381  
Wrangell, AK 99929 FAX (907)-874-3952

### City and Borough of Wrangell, Alaska

#### Summary Schedule of Prior Audit Findings Year Ended June 30, 2019

##### Financial Statement Findings

#### **Finding 2018-001      General Ledger Reconciliation and External Financial Reporting - Internal Control over Financial Reporting - Material Weakness**

*Finding*      There were material adjustments made to the general ledger and the financial statements during the course of the audit. Specifically, adjustments were required to properly state opening net position, ending capital assets, depreciation expense, loss on disposal of capital assets, customer accounts receivable, deferred inflows of resources and tax revenues, intergovernmental revenue and receivables, and PERS on-behalf revenue and expense.

*Status*      Finding not resolved in 2019, see 2019-001.

##### Federal Award Findings and Questioned Costs

#### **Finding 2018-002      Material Weakness in Internal Control over Compliance, Material Noncompliance - Reporting**

*Agency*      Department of Agriculture  
*Program*      10.665 Forest Service Schools and Roads Cluster  
*Award No.*      N/A

*Finding*      The form SF-SAC for the fiscal year ended June, 2018 was not filed on time.

*Status*      Finding resolved in 2019.



## CITY AND BOROUGH OF WRANGELL

INCORPORATED MAY 30, 2008

P.O. BOX 531 (907)-874-2381  
Wrangell, AK 99929 FAX (907)-874-3952

### City and Borough of Wrangell, Alaska

#### Corrective Action Plan Year Ended June 30, 2019

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Name of Contact Person: Joyce Mason  
Finance Director  
[jmason@wrangell.com](mailto:jmason@wrangell.com)  
907-874-2381

#### **Finding 2019-001 - General Ledger Reconciliation and External Financial Reporting - Internal Control over Financial Reporting - Material Weakness**

##### ***Corrective Action Plan***

During the transition of Finance Directors, the general ledger was not reconciled or reviewed as planned. The Finance Director will determine the cause of the beginning balances of fiscal year 2019 misstatement and correct with the yearend journal entries. Internal Control policies and procedures specific for the Borough have been adopted by the Finance Department in September 2019.

##### ***Planned Corrective Action***

Staff will continue to follow the internal control policies. At the completion of the fiscal year 2019 audit, balances will be verified with the accounting system. During the preaudit reconciliation for subsequent years all accounts will be reconciled.

##### ***Expected Completion Date***

Currently in process in fiscal year 2020.

#### **Finding 2019-002 - Journal Entry Review and Approval, and Support - Internal Control Over Financial Reporting - Significant Deficiency**

##### ***Corrective Action Plan***

The accounting system is able to allocate actual costs during the initial processing, therefore eliminating most journal entries that were booked in previous years. These processes have been set up during the fiscal year 2020.

##### ***Planned Corrective Action***

The accounting staff will enter the journal entries needed and the Finance Director will approve. Supporting documentation will be generated from the accounting software and filed with the journal entry.

##### ***Expected Completion Date:***

Currently in process in fiscal year 2020.



## CITY AND BOROUGH OF WRANGELL

INCORPORATED MAY 30, 2008

P.O. BOX 531 (907)-874-2381  
Wrangell, AK 99929 FAX (907)-874-3952

### City and Borough of Wrangell, Alaska

#### Corrective Action Plan, continued Year Ended June 30, 2019

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##### **Finding 2019-003 - Types of Services allowed and Unallowed - Internal Control Over Compliance - Significant Deficiency**

###### ***Corrective Action Plan***

All expenditures are approved with signatures on the invoices and account coding by the department managers who are responsible for the expenditure. The Finance Director approves the expenditures for payment before disbursements are made.

###### ***Planned Corrective Action***

All procurement policies are followed by the departments purchasing items or entering into contracts for services. The corresponding invoices and contracts are reviewed and approved by the department managers and the Finance Director.

###### ***Expected Completion Date:***

Currently in process in fiscal year 2020.

##### **Finding 2019-004 - Material Weakness in Internal Control over Compliance, Material Noncompliance - Reporting**

###### ***Corrective Action Plan***

Pre audit reconciliation will be completed in a timely manner to enable the CPA firm to complete the audit with the time limits.

###### ***Planned Corrective Action***

Management will work with the audit firm to complete the audit within the time frame.

###### ***Expected Completion Date:***

Currently in process in fiscal year 2020.

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 25, 2020
	<u>Agenda Section</u>	<b>13</b>

Approval to Negotiate the Sale of Borough Owned Property, Lot 6A, Block 61, Industrial Park Subdivision III, to Brett Woodbury and Mike Matney

### SUBMITTED BY:

Carol Rushmore, Economic Development  
Director

### FISCAL NOTE:

**Expenditure Required:** \$XXX Total

FY 20: \$	FY 21: \$	FY22: \$
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### **Amount Budgeted:**

	FY20 \$XXX
--	------------

### **Account Number(s):**

	XXXXX XXX XXXX
--	----------------

### **Account Name(s):**

	Enter Text Here
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### **Unencumbered Balance(s) (prior to expenditure):**

	\$XXX
--	-------

### Reviews/Approvals/Recommendations

<input type="checkbox"/> xx	Commission, Board or Committee
Name(s)	Planning and Zoning Commission
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. P&Z Recommendation; 2. Woodbury Offer to Purchase; 3. Planning and Zoning Commission Staff Report; 3. Aerial of property; 4. Recent photo of area; 5. Plat No. 2001-7; 6. Appraisal of Parcel July 2019

### **RECOMMENDATION MOTION:**

Move to approve the Negotiation of the Sale of Borough Owned Property, Lot 6A, Block 61, Industrial Park Subdivision III, with Brett Woodbury and Mike Matney.

### **SUMMARY STATEMENT:**



The subject parcel, 26,000 sq. ft is currently inaccessible and without utilities. To put the lot out for bid, would require the Borough to construct a road for access as well as utilities. The two landowners adjacent to the parcel are both interested in purchasing the lot to expand their existing operations and opportunities and thus would eliminate the cost of a road access and utilities to the Borough.

The Planning and Zoning Commission reviewed the original request to purchase by Mr. Woodbury. Prior to the Commission meeting, Mr. Matney spoke to staff and to Mr. Woodbury about his interest in the land directly behind his lot. Both individuals are agreeable to working together to purchase the lot. The lot will need to be subdivided and each new lot combined with the existing and adjacent developed lot. The Planning and Zoning Commission recommends to sell the lot to Mr. Woodbury and Mr. Matney.

Administration is requesting approval to move forward with the process, so the appropriate information can be brought before the Assembly to authorize the sale by resolution. As this is a negotiated sale, at the time the resolution is approved, the Assembly will need to waive the bidding requirements outlined in code.

An appraisal of the property was conducted in July of 2019, which makes it more than a year old. As a rule, property with a value of less than \$1 million should have an appraisal conducted within one year of the sale date. Wrangell has no formal code requirement or policy in this regard. Administration is inclined to use the existing appraisal. If the Assembly prefers. A new one can be done. The purchasers will be required to cover that cost.

# *City and Borough of Wrangell*

Date: August 17, 2020

To: Wrangell Borough Assembly  
Lisa Von Barga, Borough Manager

From: Carol Rushmore, Economic Development Director

Re: Request by Brett Woodbury and Mr. Matney to purchase City owned parcel, Lot 6A, Block 61, Industrial Park Subdivision III.

---

The Planning and Zoning Commission considered a request from Mr. Woodbury and Mr. Matney, both current landowners within the Industrial Park, to purchase a lot without current access or utilities that abuts their properties.

The original request was made by Mr. Woodbury, but after speaking with Mr. Matney who voiced an interest as well, the two individuals indicated to staff and to the Commission their willingness to work together to subdivide and purchase the property.

The Planning and Zoning Commission at their regular meeting of August 13, 2020 moved to recommend to the Assembly to sell Lot 6A, Block 61, Industrial Park Subdivision III to Mr. Woodbury and Mr. Matney.

**Background:** The applicant is seeking to purchase the above described City owned parcel in the Industrial Park adjacent to his existing lots.

The Planning and Zoning Commission will be making a recommendation to the Assembly.

**Recommendation:** Staff recommends to sell the lot to Mr. Woodbury unless there is interest in the lot by Mr. Matney, and would recommend subdividing and selling to both.

The applicant is requesting to purchase the above described City owned parcel. It is adjacent to one of two lots that he currently owns in the Industrial Park. The property would allow Mr. Woodbury to expand the operational site of his construction business. Half of the lot requested is also adjacent to property owned by Mr. Matney.

Mr. Woodbury had requested to purchase the lot a couple of years ago and at the time there was discussion regarding putting 5 Industrial Park lots out to bid to sell. There was also some discussion about trading a lot for Sixth Avenue road construction. The City analyzed the cost of road construction and utility installation to serve 4 lots and the cost to construct Sixth Avenue. The City has not yet issued a bid to sell the lots due to the cost of infrastructure development. At that time, there had been several businesses interested in purchasing lots on Fifth Avenue, but no inquiries other than Mr. Woodbury's has been received recently. There was also discussion about only selling the lots along Zimovia Highway as utility construction and road access would not be needed.

The lot that Mr. Woodbury is requesting has no road access or utilities but they could be extended through his existing lot if necessary. Sale could be dependent on combining the newly acquired lot with the currently owned lots such that it could not be sold separately at a later date without a new owner requiring utilities and access. Half of the requested lot abuts the back of Mr. Matney's property and at the time of the staff report, staff has not yet spoken to Mr. Matney regarding the request to purchase by Mr. Woodbury.

If the City were to sell this lot and the other 3 lots on Fifth Avenue by a bid process, a road plus utilities would need to also be constructed to provide access and services. Selling this lot to Mr. Woodbury (and possibly Mr. Matney) directly eliminates that cost as access would be provided through his currently owned lots.

BW Enterprises LLC  
PO Box 2121  
Wrangell, AK 99929  
907-305-0083  
brettwoodbury@gmail.com

Item a.

June 19, 2020

Economic Development Director  
Carol Rushmore  
P.O. Box 531  
Wrangell, AK 99929

Dear Mrs. Rushmore,

I am writing to express my interest in the immediate purchase of Lot Block 61 Lot 6A Plat 2001-7, Parcel 02-0280-206. My business, BW Enterprises LLC, is currently in need of more space at my shop in the Industrial Park. The adjoining Lot Block 61 Lot 6A Plat 2001-7, Parcel 02-0280-206 would provide the space needed to serve my crew and fleet of equipment. I have worked hard to acquire various types of equipment in order to serve a broader customer base and keep my crew employed more in the off-season months. This has resulted in the need for more space.

Purchasing Lot 6A will give me the space necessary to keep operating and expanding my business, serve more customers, keep my crew working, and put Lot 6A on the tax rolls. This will also result in a larger contribution to the Wrangell Economy.

This is a request for the City and Borough of Wrangell to allow me to purchase Lot 6 A. Please let me know if you are agreeable to this purchase as soon as possible.

Sincerely,



Brett Woodbury  
BW Enterprises, LLC

# *City and Borough of Wrangell*

## Agenda Item G3

Date: August 7, 2020

To: Planning and Zoning Commission

From: Carol Rushmore, Economic Development Director

Re: Request by Brett Woodbury to purchase City owned Lot 6A, Block 61, Industrial Park Subdivision III.

---

**Background:** The applicant is seeking to purchase the above described City owned parcel in the Industrial Park adjacent to his existing lots.

The Planning and Zoning Commission will be making a recommendation to the Assembly.

**Recommendation:** Staff recommends to sell the lot to Mr. Woodbury unless there is interest in the lot by Mr. Matney, and would recommend subdividing and selling to both.

The applicant is requesting to purchase the above described City owned parcel. It is adjacent to one of two lots that he currently owns in the Industrial Park. The property would allow Mr. Woodbury to expand the operational site of his construction business. Half of the lot requested is also adjacent to property owned by Mr. Matney.

Mr. Woodbury had requested to purchase the lot a couple of years ago and at the time there was discussion regarding putting 5 Industrial Park lots out to bid to sell. There was also some discussion about trading a lot for Sixth Avenue road construction. The City analyzed the cost of road construction and utility installation to serve 4 lots and the cost to construct Sixth Avenue. The City has not yet issued a bid to sell the lots due to the cost of infrastructure development. At that time, there had been several businesses interested in purchasing lots on Fifth Avenue, but no inquiries other than Mr. Woodbury's has been received recently. There was also discussion about only selling the lots along Zimovia Highway as utility construction and road access would not be needed.

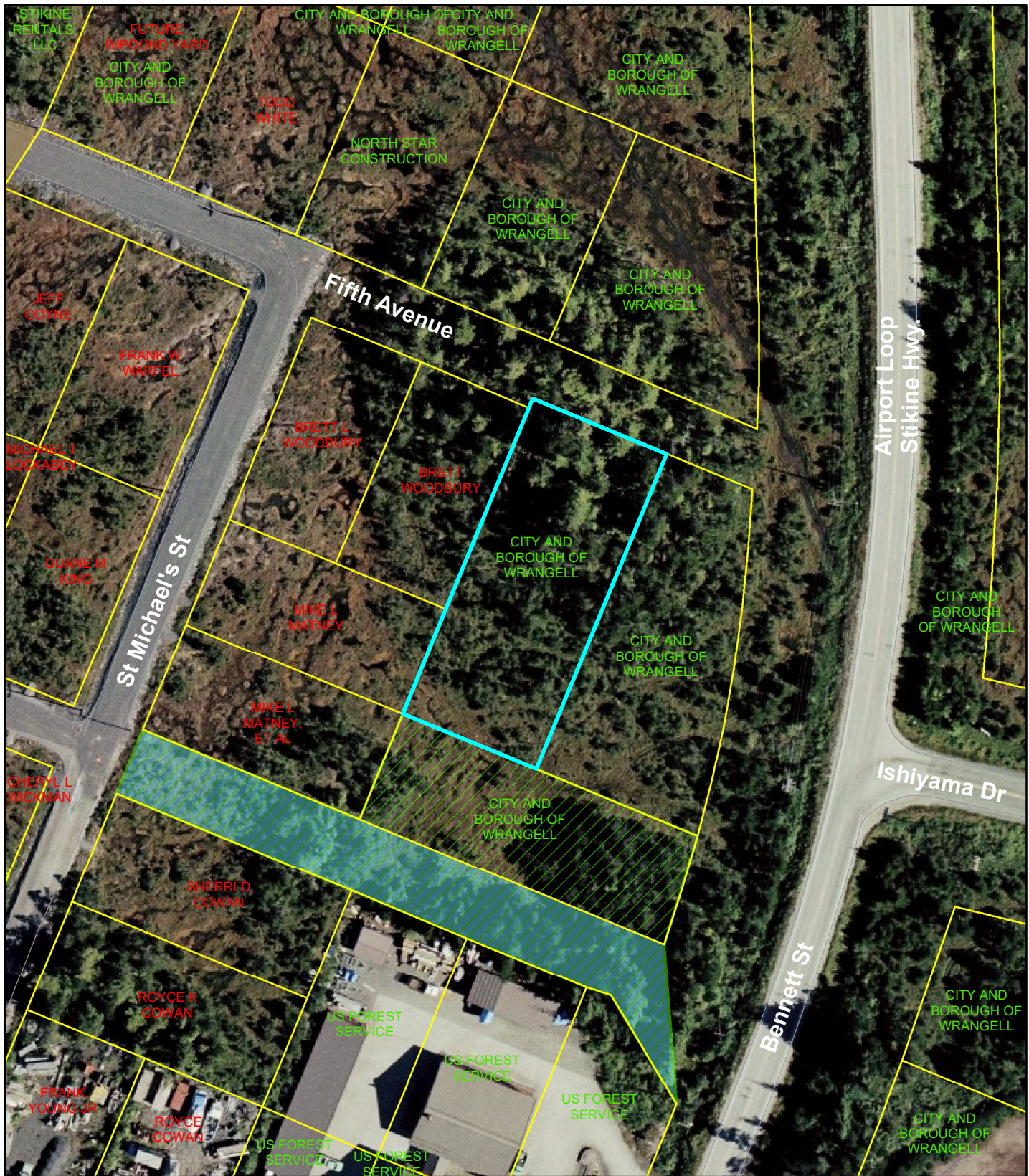
The lot that Mr. Woodbury is requesting has no road access or utilities but they could be extended through his existing lot if necessary. Sale could be dependent on combining the newly acquired lot with the currently owned lots such that it could not be sold separately at a later date without a new owner requiring utilities and access. Half of the requested lot abuts the back of Mr. Matney's property and at the time of the staff report, staff has not yet spoken to Mr. Matney regarding the request to purchase by Mr. Woodbury.

If the City were to sell this lot and the other 3 lots on Fifth Avenue by a bid process, a road plus utilities would need to also be constructed to provide access and services. Selling this lot to Mr. Woodbury (and possibly Mr. Matney) directly eliminates that cost as access would be provided through his currently owned lots.



# CITY AND BOROUGH OF WRANGELL, ALASKA

Item a.



1 inch = 100 feet  
210 : 8/14/2020

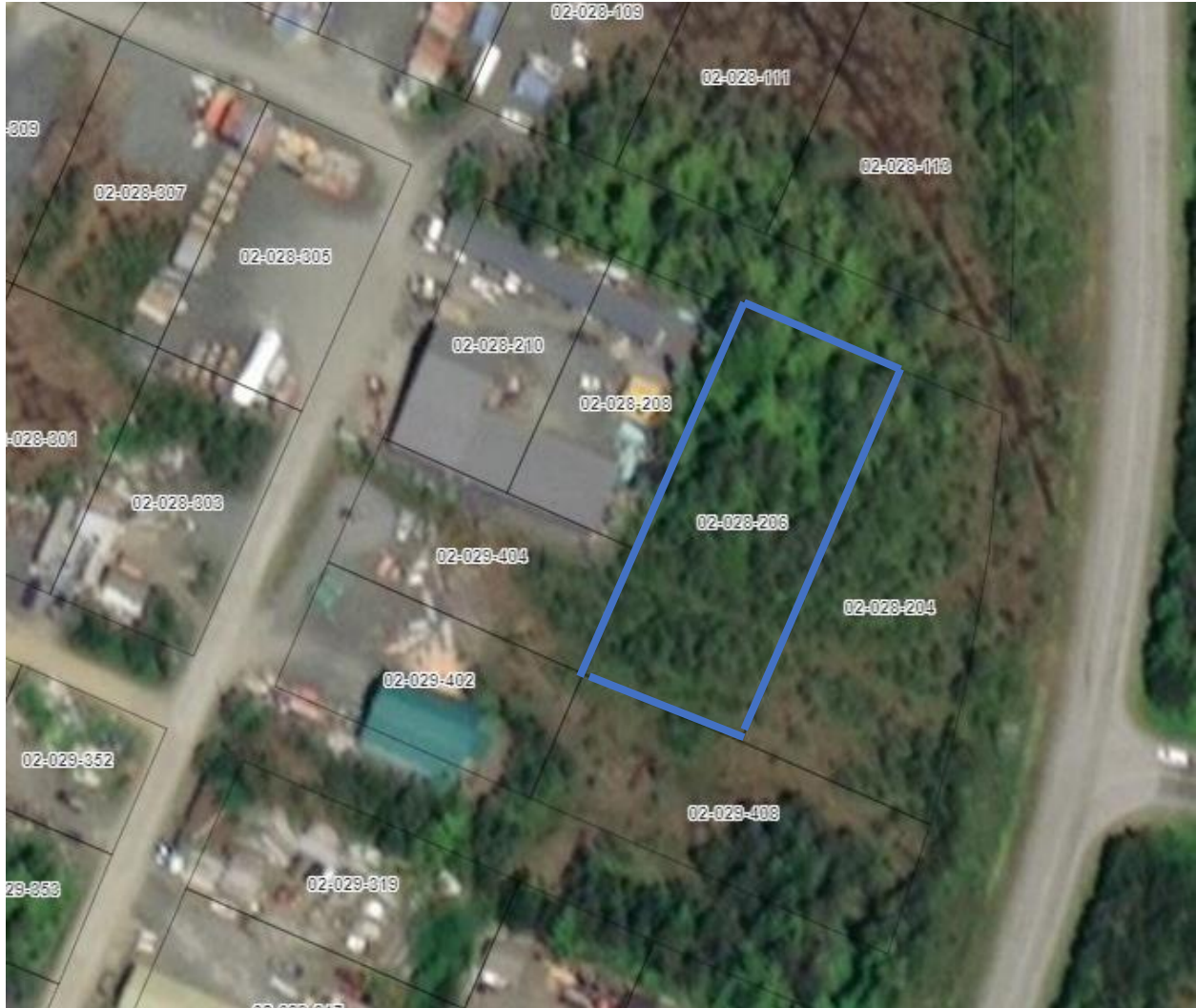
Public Map



**DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.  
PROPERTY LINES ARE APPROXIMATE. AERIAL 2002.**



Recent photo of developed area and lot requested



# CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE 4-26-01

John D. Hargrave  
MAYOR, CITY OF WRANGELL

## NOTARY'S ACKNOWLEDGMENT

U.S. OF AMERICA  
STATE OF ALASKA  
CITY OF WRANGELL

THIS IS TO CERTIFY THAT ON THIS 26 DAY OF April, 2001, BEFORE ME, THE UNDERSIGNED A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED John D. Hargrave, Mayor TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND John D. Hargrave ACKNOWLEDGED TO ME THAT John D. Hargrave SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

Christie Schuman  
NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA  
MY COMMISSION EXPIRES 1-20-02

## CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)

I THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND AN ACTING ASSESSOR FOR THE CITY OF WRANGELL, HEREBY CERTIFY THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY OF WRANGELL, IN THE NAME OF City of Wrangell

AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS ARE PAID-IN-FULL THAT CURRENT TAXES FOR THE YEAR 2001 WILL BE DUE ON OR BEFORE August 15, 2001 DATED THIS 16 DAY OF April, 2001

John D. Hargrave  
MAYOR, CITY OF WRANGELL

## CERTIFICATE OF APPROVAL BY THE PLANNING COMMISSION

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY OF WRANGELL PLANNING COMMISSION, AND THAT SAID PLAT HAS BEEN APPROVED BY THE COMMISSION BY PLAT RESOLUTION NO. 20, DATED 4-12-2001 AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, WRANGELL, ALASKA.

DATE 4-12-2001  
William J. Hargrave  
CHAIRMAN, PLANNING COMMISSION  
SECRETARY Rick Crayne

## CERTIFICATE OF APPROVAL BY THE COUNCIL

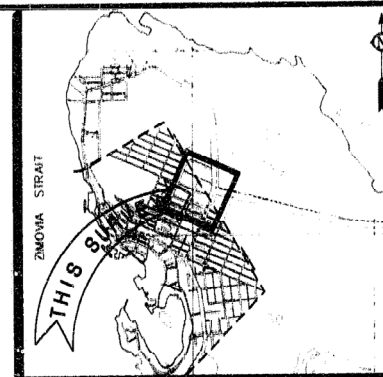
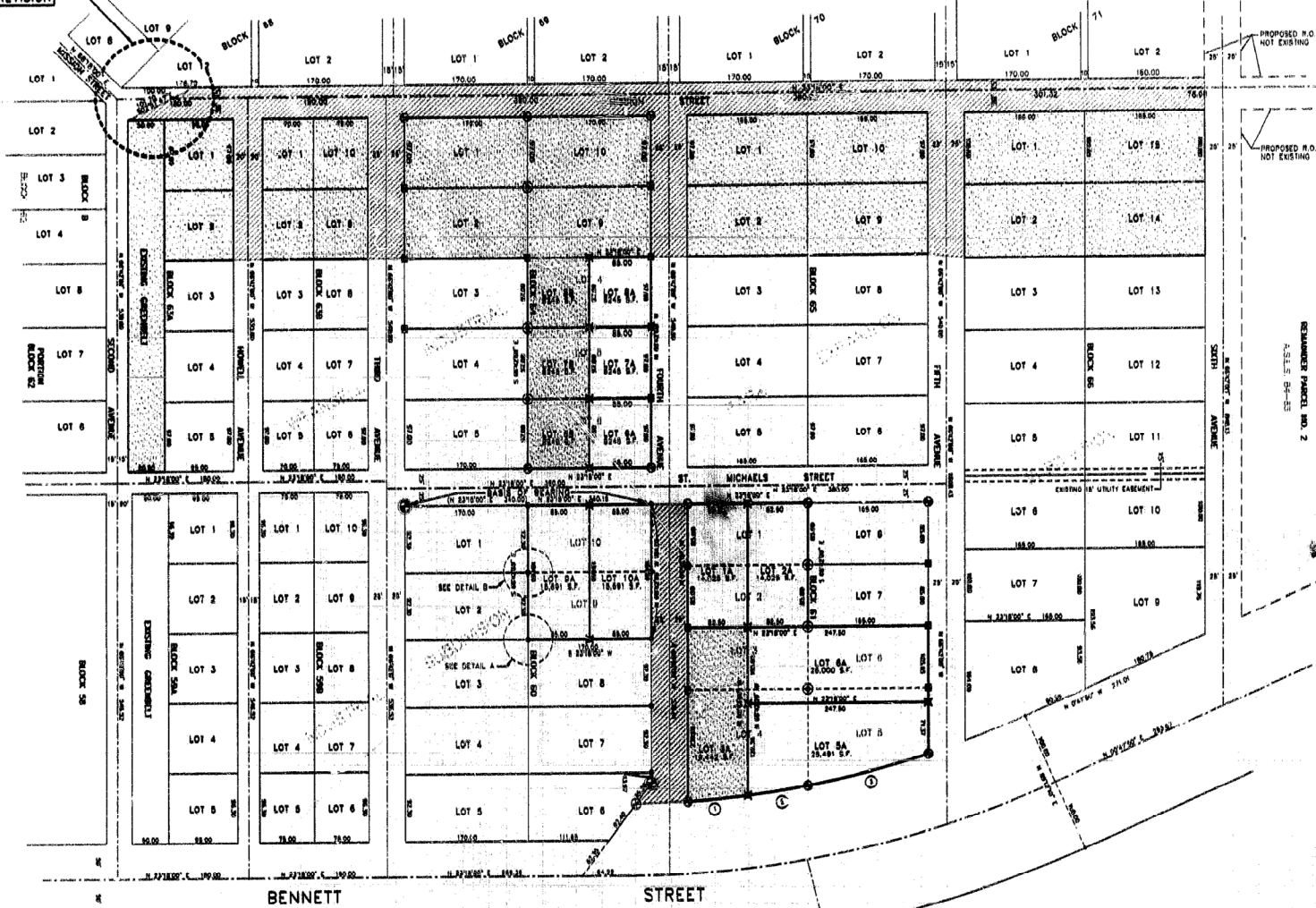
I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY OF WRANGELL COUNCIL AS RECORDED IN MINUTE BOOK 20, DATED 4-12-2001 AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX-OFFICIO RECORDER, WRANGELL, ALASKA.

DATE 4-12-2001  
John D. Hargrave  
MAYOR, CITY OF WRANGELL  
ATTEST: Christie Schuman  
CITY CLERK

## CURVE DATA

①	Δ = 0°35'48"	②	Δ = 0°35'28"	③	Δ = 0°19'40"
	R = 1332.40'		R = 1332.40'		R = 1332.40'
	L = 62.87'		L = 63.51'		L = 170.41'
	C = 82.87'		C = 83.50'		C = 170.29'
	CHD BRG = S18°00'54"W		CHD BRG = S14°26'04"W		CHD BRG = S08°58'47"W

## AMENDED PLAT REVISION



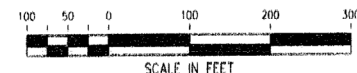
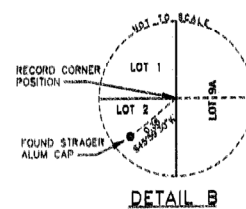
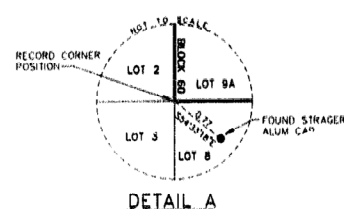
VICINITY MAP  
NOT TO SCALE

## LEGEND

- BRAUN PRIMARY ALUMINUM CAP RECOVERED
- STRAGER PRIMARY ALUMINUM CAP RECOVERED
- BRAUN 4"x4" WOOD POST RECOVERED
- BRAUN REBAR AND ALUMINUM CAP RECOVERED
- STRAGER REBAR AND ALUMINUM CAP RECOVERED
- REBAR AND ALUMINUM CAP SET - SCHEFF L58700
- MURPH PRIMARY ALUMINUM CAP RECOVERED
- CENTERLINE
- UTILITY EASEMENTS WITHIN THE MITIGATED SET-ASIDE AREAS
- MITIGATED SET-ASIDE PROPERTIES (NO DEVELOPMENT ALLOWED)
- (N 82°18'00" E 340.00) DATA OF RECORD
- (N 82°18'00" E 340.16) DATA MEASURED OR COMPUTED

## PLAT NOTES

- SET ASIDE PROPERTIES, AS SHOWN IN VARIOUS HACHURES, IS THE MITIGATION REQUIRED BY THE CORPS OF ENGINEERS WETLAND FILL PERMIT TO MINIMIZE POTENTIAL ECOLOGICAL IMPACTS THAT MIGHT RESULT FROM THE FILL. THE CITY OF WRANGELL HAS A CORPS OF ENGINEER'S FILL PERMIT, PERMITTING DEVELOPMENT OF THE INDUSTRIAL PARK AS SHOWN, AND CAN SELL LOTS WITHIN THIS DEVELOPMENT.
- TOTAL PROJECT AREA = 33.82 ACRES  
TOTAL MITIGATED SET-ASIDE AREA = 7.13 ACRES  
TOTAL MITIGATED SET-ASIDE AREA WITH UTILITY EASEMENTS = 9.94 ACRES
- REFERENCE PLAT #92-9, WRANGELL INDUSTRIAL EXPANSION SUBDIVISION, RECORDED WITHIN WRANGELL RECORDING DISTRICT.  
REFERENCE PLAT #85-8, AMENDED INDUSTRIAL SUBDIVISION PLAT, RECORDED WITHIN WRANGELL RECORDING DISTRICT.
- THE PURPOSE OF THIS AMENDED PLAT IS TO ELIMINATE THE UTILITY EASEMENT AS SHOWN ON MISSION STREET BETWEEN BLOCK 63A AND 65, BECAUSE THAT AREA HAS ALREADY BEEN FILLED AND/OR IMPROVED.

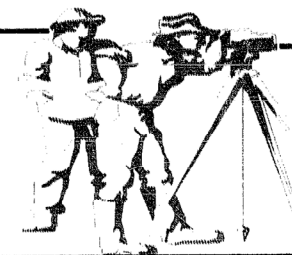


DESIGNED: GGS  
DRAWN: JLS  
CHECKED: GGS  
DATE OF SURVEY: OCTOBER 2000  
DATE OF PLAT: MARCH 2001  
SCALE: 1"=100'  
SURVEYOR: GREGORY G. SCHEFF  
PROJECT NO. 3-24-01

## SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN OCTOBER 2000, A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

DATE 3-24-01  
GREGORY G. SCHEFF LS 6700



**GREG SCHEFF & ASSOCIATES**  
LAND SURVEYORS

BOX 1331 WRANGELL, ALASKA 99929

PHONE (907) 874-2177  
FAX (907) 874-2187

## AMENDED PROJECT: INDUSTRIAL PARK SUBDIVISION III

THE REPLAT OF BLOCKS 60, AMENDED INDUSTRIAL SUBDIVISION AND BLOCKS 61 AND 64, WRANGELL INDUSTRIAL PARK EXPANSION SUBDIVISION AND MITIGATION SET-ASIDE PROPERTY FOR THE DEVELOPMENT OF THE INDUSTRIAL SUBDIVISION WITHIN BLOCKS 63A, 63B, 64, 65, 66 AND INCLUDING THE RIGHT-OF-WAYS OF HOWELL, THIRD, FOURTH, FIFTH AVENUES AND MISSION ST.

CLIENT: CITY OF WRANGELL  
BOX 531  
WRANGELL, ALASKA 99929



A RESTRICTED USE APPRAISAL OF  
LOT 6A BLOCK 61 AMENDED INDUSTRIAL PARK SUBDIVISION III  
WRANGELL, ALASKA

FOR  
KIM LANE  
BOROUGH CLERK  
CITY AND BOROUGH OF WRANGELL  
P. O. BOX 531  
WRANGELL, ALASKA 99929

VALUATION DATE  
April 30, 2019

FILE 19-3400

BY  
MICHAEL C. RENFRO,  
PARTNER

APPRAISAL COMPANY OF ALASKA, LLC  
341 W. TUDOR ROAD SUITE 202  
ANCHORAGE, ALASKA 99503

April 30, 2019

Kim Lane, Borough Clerk  
City and Borough of Wrangell  
P. O. Box 531  
Wrangell, AK 99929

Re: Lot 6A Block 61 Amended Industrial Park Subdivision III  
Wrangell, Alaska

Dear Ms. Lane:

As requested, I have prepared a Restricted Use Appraisal Report on the fair market value of the above referenced lot as if vacant. The appraisal date is April 30, 2019. The purpose of the report is to determine the fair market value to establish a minimum bid value for sale purposes. A description and valuation follows.

As a result of the investigation and analysis, subject to the assumptions and limiting conditions, it is my opinion the market value of the property as of April 30, 2019 is:

**\$28,600**

This Restricted Use Report is intended to meet the current Uniform Standards of Professional Appraisal Practice as formulated by the Appraisal Foundation, and conform to the Appraisal Standards for Federally Related Transactions adopted by the Office of the Comptroller of the Currency (OCC).

A description of the site and the analysis which lead to the fair market value conclusion follows. A complete description of the comparable data is included in a separate report which is retained in the appraiser's work file.

If you have any questions regarding this Restricted Use Appraisal Report please do not hesitate to call me.

Sincerely,

*APPRAISAL COMPANY OF ALASKA*



Michael C. Renfro



## RESTRICTED USE APPRAISAL

This is a Restricted Use Appraisal Report. As such, it presents only a Restricted Use discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's work file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

**CLIENT:** Kim Lane, Borough Clerk  
City and Borough of Wrangell  
P.O. Box 531  
Wrangell, Alaska 99929

**APPRAISER:** Michael C. Renfro, Partner  
Appraisal Company of Alaska  
341 W Tudor Rd. Suite 202  
Anchorage, Alaska 99503

**SUBJECT:** Fee Simple Estate  
Land Only – 26,000 sq. ft.  
Wrangell, Alaska 99929

**OWNER:** City and Borough of Wrangell

**PURPOSE OF THE APPRAISAL:** The purpose of this appraisal is to estimate the fair market value of the subject property. **Market value** is defined by the federal financial institutions regulatory agencies as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in the definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:



- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**INTENDED USE OF REPORT:**

This appraisal is intended to assist the client in determining the subject's market value for setting a minimum bid price for sale.

**INTEREST VALUED:** Fee Simple estate which is defined as "Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation."

**EFFECTIVE DATE OF VALUE:** April 30, 2019

**DATE OF REPORT:** April 30, 2019

**SALES HISTORY:** No sales of the subject property have occurred within the past three years.

**APPRAISAL DEVELOPMENT AND REPORTING PROCESS:** In preparing this appraisal, the appraiser:

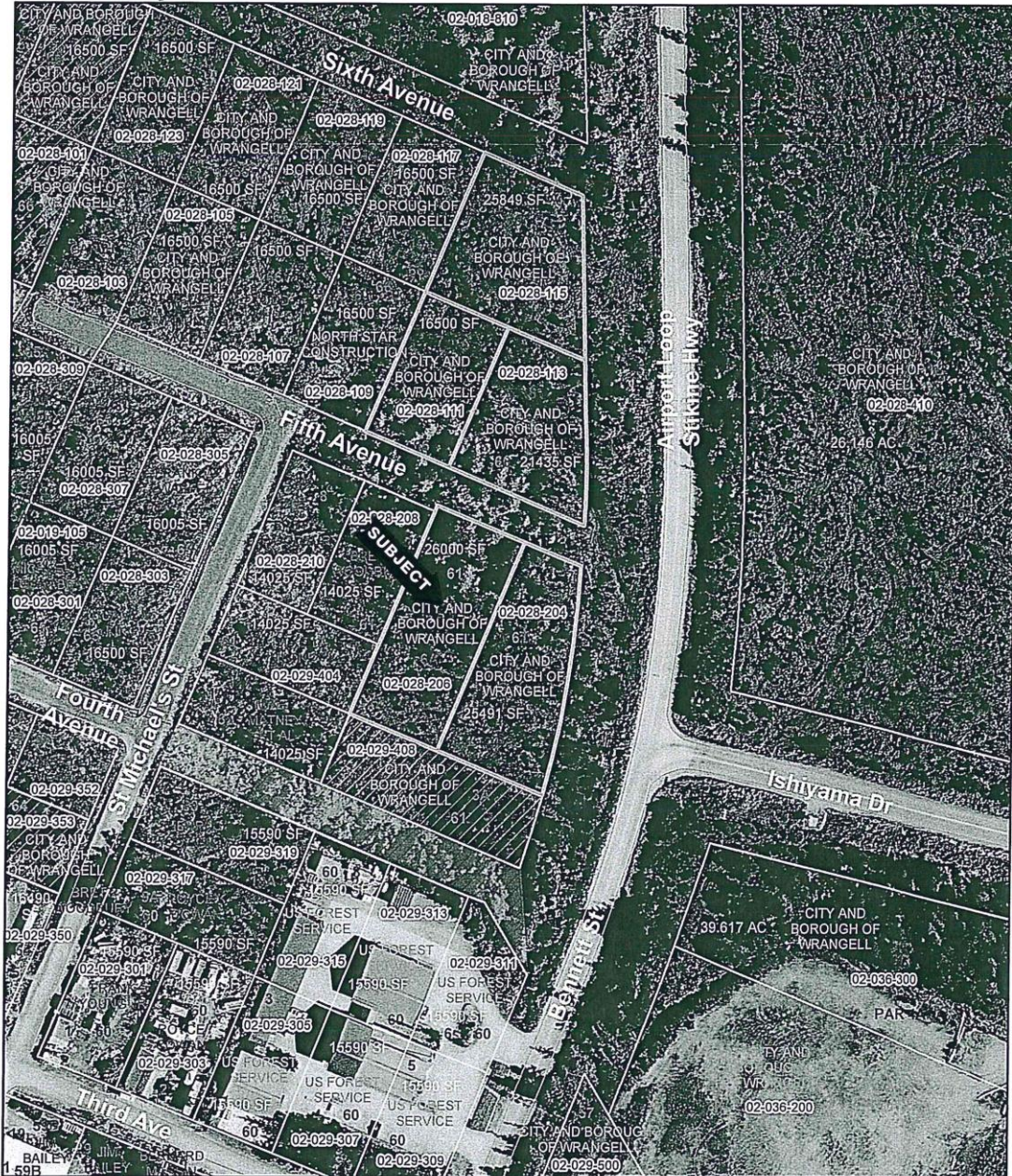
- Inspected the subject property prior to March 4, 2019
- Reviewed available records.
- Applied the market approach to arrive at an indication of value.

The appraiser believes the primary approach to value is the sales comparison approach. The appraisal process therefore involved no departures from Standards Rule 1-4(b) i,ii,iv,v and vi.



# SUBJECT PLAT

## CITY AND BOROUGH OF WRANGELL, ALASKA



1 inch = 150 feet  
Date: 3/1/2019

Public Map



**DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.  
PROPERTY LINES ARE APPROXIMATE.**

19-3400

Appraisal Company of Alaska



This Restricted Use Appraisal Report is a brief recapitulation of the available data, analyses and conclusions.

**SUMMARY OF PROPERTY APPRAISED:** The property that is the subject of this report is situated on the South side of Fifth Avenue between St. Michael's Street and Bennett Avenue.

Legal Description: Lot 6A Block 61 Amended Industrial Park Subdivision III Wrangell, Alaska, according to Plat Number 2001-7

Address: NHN Fifth Avenue, Wrangell, Alaska.

Land: The reader is referred to the Plat Map on the previous page. The subject lot is irregular in shape with an area of 26,000 sq. ft. The topography is undeveloped tundra land.

Utilities: Electricity is available to the site.

Improvements: No improvements are included in this report. This site is vacant.

Environmental Condition: No warranties as to environmental issues have been addressed by the appraiser. A visual inspection showed no evidence of contamination. If this is a concern of the seller or purchaser, it should be inspected by a qualified inspector.

Zoning: The subject is zoned industrial

HIGHEST AND BEST USE: In common appraisal practice, the concept of highest and best use represents the premise upon which the value estimated is based.

As if vacant the subject's highest and best use would be for development consistent with the current zoning requirements. This is an industrial development.



Land Value: There have been limited sales of similar undeveloped lots. The sales provided are considered to be representative of the market for undeveloped land.

### COMPARABLE LAND SALES

NO.	Legal	Date	Sale Price	Area/SF	Price/SF	Remarks
1	Lot 8A Blk 63B Amended Wrangell Ind Park SD III Replat	3/13	12,500	9075	\$1.38	Undeveloped vacant lot
2	Lot 8AA Blk 64 Amended Wrangell Ind Park SD III Replat	3/13	\$13,900	10,045	\$1.38	Undeveloped vacant lot
3	Lot 3A Blk 65 Amended Wrangell Ind Park SD III Replat	4/14	\$22,300	17,805	\$1.25	Undeveloped vacant lot
4	Lot 7 Blk 61 Wrangell Ind Park Expansion SD	5/13	\$22,300	14,025	\$1.59	Undeveloped Industrial lot no access, no utilities traded to adjacent lot owner



### Analysis of Comparable Land Sales:

Time: With a limited amount of sales it is difficult to obtain paired sales for analysis to arrive at the adjustments needed to bring the available sales into conformity with the subject. However, in general, values are increasing in Wrangell. The CPI indicates an increase around 2% per year, other lease transactions are close to 1% per year. Due to the limited data a time adjustment of 1% per year is utilized.

### Terms:

None of the sales used in the analysis is believed to require consideration for special financing or other sale conditions.

### Size

Smaller parcels tend to sell for more per unit of comparison than larger parcels, all other factors being equal. In relation to the subject comparable No. 1, 2 and 3 are smaller and require a downward adjustment.

### Location and Access:

Location and access is somewhat subjective on the part of the appraiser in relation to the comparable data utilized. However, analysis of other sales contained in our separate report on the A Restricted Use of Wrangell sales and lease transactions indicates that location and access can account for up to 20% difference between superior and inferior locations. The subject's location and access is felt to be slightly inferior to the comparables with limited road frontage and interior location.

### Utilities:

Comparables 1, 2 and 3 all have utilities and are adjusted downward.

### Topography/View

All of the comparables and the subject have similar topography.





Adjustment Grid: The following grid shows the estimated adjustment for each sale, bringing it into conformity with the subject:

Sale No.	#1	#2	#3	#4
Price/SF	\$1.38	\$1.38	\$1.25	\$1.59
Time	+6%	+6%	+5%	+6%
Net After Time	\$1.42	\$1.46	\$1.31	\$1.69
Terms	0	0	0	0
Size	-10%	-10%	0%	-5%
Location/Access	-5%	-5%	-5%	0%
Utilities	-10	-10	-10%	0%
Topography	0%	0%	0	0
Net Adjustment	-25%	-25%	+15%	-5%
Indicated Value/Acre	\$1.10	\$1.10	\$1.11	\$1.61

Conclusion:

After adjustments for property differences, the available transactions indicate a range of value for the subject site from \$1.10 to \$1.61 per square foot.

After analysis of the property differences, including the subject's size and location, the market value of the subject's 26,000 square feet is concluded to be \$1.10 per square foot or \$28,600 rounded to. **\$28,600.**



**ASSUMPTIONS AND LIMITING CONDITIONS:**

1. As agreed upon with the client prior to the preparation of this appraisal, this is a Limited Appraisal because it invokes the Departure Provision of the Uniform Standards of Professional Appraisal Practice. As such, information pertinent to the valuation has not been considered and/or the full valuation process has not been applied. Depending on the type and degree of limitations, the reliability of the value conclusion provided herein may be reduced.
2. This is a Restricted Use appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a A Restricted Use Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
4. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
5. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
6. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
7. All engineering is assumed to be correct. Any maps, sketches, plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.



9. It is assumed that there is full compliance with all applicable federal, state, and local regulations and laws unless otherwise stated in this report.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there are no encroachments or trespass unless otherwise stated in this report.
11. The valuation assumes the appraised property (site and improvements) is free and clear of hazardous contaminants, unless specifically noted. If the appraised property is suspected of contamination, then the client is urged to retain an engineers report. The appraiser(s) reserve the right to review value conclusions if documentation, including cost-to-cure estimates, is provided.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
13. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

### **CERTIFICATION**

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
7. I made a personal inspection of the property that is the subject of this report.
8. No one provided significant professional assistance to the person signing this report.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



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Michael C. Renfro



## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 25, 2020
	<u>Agenda Section</u>	<b>13</b>

Approval of Rescission of CARES Act Funding to Wrangell Public Schools in the Amount of \$250,000

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required:** \$XXX Total

FY 20: \$	FY 21: \$	FY22: \$
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**Amount Budgeted:**

	FY20 \$XXX
--	------------

**Account Number(s):**

	XXXXXX XXX XXXX
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**Account Name(s):**

	Enter Text Here
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**Unencumbered Balance(s) (prior to expenditure):**

	\$XXX
--	-------

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. None

**RECOMMENDATION MOTION:**

Move to Approve Rescission of CARES Act Funding to Wrangell Public Schools in the Amount of \$250,000.

**SUMMARY STATEMENT:**

Serious concerns about COVID-19 mitigation expenditures by Wrangell Public Schools have raised with the Assembly and Borough Administration. The Assembly recently authorized up to \$250,000

in CARES Act funding for Wrangell Public Schools for COVID-19 mitigation. No fund have been transferred to the school district at this time. As the responsible party that will be subject to an audit (or audits) for CARES Act grant funding, it is necessary the CBW is able to justify all expenditures from this funding source.

This is an opportunity for the Assembly to discuss the concerns that have been raised, and to determine the status of the existing authorization, up to, and including, a full rescission of funds.

Clerk Lane has confirmed the Assembly is able to bring this item back for reconsideration because it has not been acted upon (meaning the funding has not yet been issued to Wrangell Public Schools). As with any standard motion, a second is required and the Assembly is free to debate and amend the motion. Approval requires an affirmative vote of the majority of the entire membership – meaning a minimum of four affirmative votes is required.

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 25, 2020
	<u>Agenda NO.</u>	13

**PROPOSED RESOLUTION No. 08-20-1537** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING THE SUPPLEMENTAL BUDGET FOR GENERAL, NOLAN CENTER, PARK & RECREATION, SALES TAX AND TRANSIENT TAX FUNDS OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, FOR THE FISCAL YEAR 2019-2020

<p><b><u>SUBMITTED BY:</u></b></p> <p>Joyce Mason, Finance Director Lisa Von Bargaen, Borough Manager</p>	<p><b><u>FISCAL NOTE:</u></b></p> <p><b>Expenditure Required:</b> \$XXX Total</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;">FY 19: \$</td> <td style="width: 33%; border-bottom: 1px solid black;">FY 20: \$</td> <td style="width: 33%; border-bottom: 1px solid black;">FY21: \$</td> </tr> <tr> <td style="height: 15px;"></td> <td></td> <td></td> </tr> </table> <p><b>Amount Budgeted:</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;"></td> <td style="width: 40%; border-bottom: 1px solid black;">FY19 \$XXX</td> </tr> </table> <p><b>Account Number(s):</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;"></td> <td style="width: 40%; border-bottom: 1px solid black;">XXXXXX XXX XXXX</td> </tr> </table> <p><b>Account Name(s):</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;"></td> <td style="width: 40%; border-bottom: 1px solid black;">Enter Text Here</td> </tr> </table> <p><b>Unencumbered Balance(s) (prior to expenditure):</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;"></td> <td style="width: 40%; border-bottom: 1px solid black;">\$XXX</td> </tr> </table>	FY 19: \$	FY 20: \$	FY21: \$					FY19 \$XXX		XXXXXX XXX XXXX		Enter Text Here		\$XXX
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<p><b><u>Reviews/Approvals/Recommendations</u></b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> <td style="border-bottom: 1px solid black;">Commission, Board or Committee</td> </tr> <tr> <td style="text-align: center;">Name(s)</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: center;">Name(s)</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="border-bottom: 1px solid black;">Attorney</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="border-bottom: 1px solid black;">Insurance</td> </tr> </table>	<input type="checkbox"/>	Commission, Board or Committee	Name(s)		Name(s)		<input type="checkbox"/>	Attorney	<input type="checkbox"/>	Insurance	
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**ATTACHMENTS:** 1. Resolution No. 08-20-1537

### **RECOMMENDATION MOTION:**

Move to postpone Resolution No. 08-20-1537.

### **SUMMARY STATEMENT:**

Following the posting of the agenda with this Resolution the Manager and Finance Director concluded additional detailed information needs to be provided to the Assembly prior to consideration. This resolution will be brought back at the next meeting for Assembly consideration.

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 25, 2020
	<u>Agenda Section</u>	<b>13</b>

Approval of Amendment to Professional Services Agreement with R&M Engineering Ketchikan in the Amount of \$41,021

**SUBMITTED BY:**

Carol Rushmore, Economic Development  
Director, and Lisa Von Barga, Borough  
Manager

**FISCAL NOTE:**

**Expenditure Required:** \$41,021 Total

FY 20: \$	FY 21: \$41,021	FY22: \$
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**Amount Budgeted:**

FY21 \$15,000

**Account Number(s):**

See description below

**Account Name(s):**

See description below

**Unencumbered Balance(s) (prior to  
expenditure):**

See description below

**Reviews/Approvals/Recommendations**

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

**ATTACHMENTS:** 1. MSC Survey Cost Estimate; 2. Map of MSC yard area with ROW/easement location; 3. Case Avenue Design Cost Estimate (3 parts); 4. Third Street/Gladsjo ROW Line Staking Cost Estimate; 5. Aerial of Third Street/Mt. Dewey Lane corner; 6. Ocean View Drive As-built Cost Estimate; 7. Aerial of Sunset Blvd and Ocean View Drive

**RECOMMENDATION MOTION:**

Move to Approve Amendment to Professional Services Agreement with R&M Engineering Ketchikan in the amount of \$41,021.



## SUMMARY STATEMENT:

On June 23<sup>rd</sup> the Assembly approved a Professional Services Agreement in the amount of \$154,775 with R&M Engineering. That PSA includes the surveys of Phase I of the Institute Property, the former Byford Property and property and the corner of Pine and Etolin. Four additional survey cost estimates are presented here to amend the existing contract with R&M Engineering – Ketchikan. The contract amendment is being requested by staff in order to achieve economies of scale cost savings for all surveying projects that need to be completed in order to move forward with certain developments or to resolve on-going ROW issues.

Several years ago right-of way changes to the Marine Service Center (MSC) yard area were approved by the Planning and Zoning Commission, the Port Commission and the Assembly to resolve access issues and a potential new development location. When the plat was created in 2001, right-of-way access was provided to the land prior to an actual conceptual design for the MSC being prepared. Once the yard began to take form, the platted right-of-way was not located where the actual driving lane is located. This has created an issue for building placement and construction opportunity. The proposed survey will vacate the Silvernail Work Road through the MSC yard and replace it with an easement where access is actually located. Likewise, the plat was developed prior to the cold storage and belt freezer construction. A subsequent survey by Wrangell Seafoods created a subdivision for the belt freezer, but it is now necessary for lease clarity and potential future land sale to include a subdivision for the cold storage. In the 2021 budget, there is \$15,000 budgeted for the MSC survey in the Industrial Construction Fund, but the cost estimate came in just under \$8,000.

Case Avenue As-built survey is necessary for the electrical department to upgrade the electrical lines and poles. This project is on their Capital Improvement List. The cost estimates were provided in phases for cost purposes. Case Avenue is old, narrow, and has a myriad of easements for right-of-way widening and for utility services. A complete as-built of right-of-way, sewer, water and electrical is being requested not only for the electrical repairs, but for future sewer and water maintenance needs as well.

The Third Street staking on the corner of Third Street and Mt. Dewy Lane is to clarify the right-of-way adjacent to the Gladsjo property in order to resolve a right-of-way dispute.

Ocean View Drive and Sunset Blvd has long been an issue with landowners as the platted right-of way is not necessarily where the road is actually located. Several landowners have come to the City for projects, requests to vacate or to have verification of the right-of-way location. The City needs to determine the actual location of the right-of-way in relation to the paved streets and replat if necessary, in order to move forward with utility and road maintenance and allow landowners continued access and property development.

The individual survey costs are outlined below, along with the funding sources. If the Assembly approves this amendment, it will be necessary to approve the resolution that comes next on the agenda to authorize funding.

Marine Service Center \$10,052.60  
 Industrial Construction Fund 52000.000.7515  
 FY21 Budget - \$15,000 included – no new funding necessary

Case Avenue	\$22,890.20	Ash to Peninsula	\$9,488.20
Electric Fund Reserves		Front to Church	\$5,393.80
See Resolution		Church to Ash	\$8,008.20

The unencumbered balance in the Electric Fund Reserves is \$2,492,593 prior to this expenditure.  
 Money will be moved into the Professional Service account.

Third Street/Gladjo \$1,914.40  
 General Fund Reserves  
 See Resolution

The unencumbered balance of the General Fund Reserves is \$7,861,559 prior to this expenditure.  
 Money will be moved into the Residential Construction Fund for this project.

Oceanview/Sunset \$6,163.80  
 General Fund Reserves  
 See Resolution

The unencumbered balance of the General Fund Reserves is \$7,861,559 prior to this expenditure.  
 Money will be moved into the Residential Construction Fund for this project.

Project: MSC Replat & ROW Vacation  
 R&M Engineering Project # 202725.04 Cost Estimate

**Task Order:** \_\_\_\_\_

[illegible][illegible]

<b>Total Hours Per Personnel</b>	0	0	0	0	0	8	0	0	36	18	0	0
<b>Total Cost Per Personnel</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,040.00	\$0.00	\$0.00	\$4,680.00	\$2,160.00	\$0.00	\$0.00

<b>Total Labor Hours</b>	<b>62</b>
<b>Total Labor Cost</b>	<b>\$7,880.00</b>

Non Labor Hour Expenses	Rate	Quantity or People	Days	Nights	Amount
Cert to Plat	\$265.00	1			\$265.00
Local Transportation	\$275.00	1	2		\$550.00
Mileage and Gas	\$0.00				\$0.00
Survey Equipment	\$300.00	2			\$600.00
Per Diem	\$64.40	1	4		\$257.60
Lodging	\$250.00	1	2		\$500.00
Work Skiff	\$0.00				\$0.00
					\$0.00
Total Non Labor Hour Expenses			\$2,172.60		

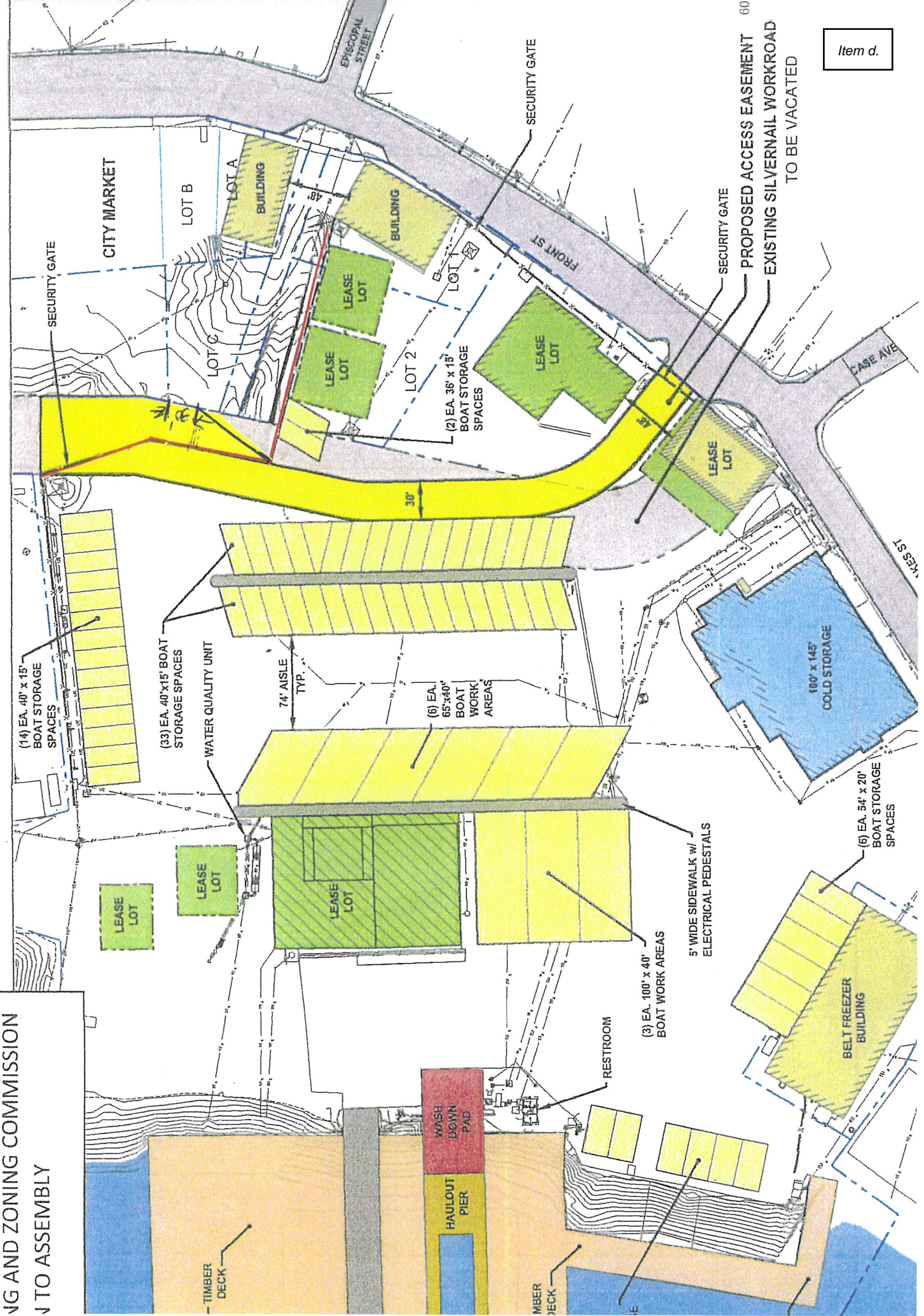
*Chris Pibarn* 7/28/2020

Signature Date

<b>Total Estimate</b>	<b>\$10,052.60</b>
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PLANNING AND ZONING COMMISSION  
JULY 10 TO ASSEMBLY



60  
PROPOSED ACCESS EASEMENT  
EXISTING SILVERNAIL WORKROAD  
TO BE VACATED

Item d.

Project: Case Ave Design Survey (Church St. - Ash St.)  
 R&M Engineering Project # Price Estimate

Task Order: \_\_\_\_\_

	Principal	Civil Engineer Level 3	Civil Engineer Level 2	Civil Engineer Level 1	Engineering Technician	Registered Land Surveyor- Review	3 MAN SURVEY	2 MAN SURVEY	Field Survey Solo	Survey Technician			Total Hours Per Task	Total Cost Per Task
Hourly Rate	\$170.00	\$140.00	\$130.00	\$120.00	\$110.00	\$130.00	\$280.00	\$200.00	\$130.00	\$120.00				
Task Order Item														
Project Management						2							2	\$260.00
ROW / Road Design Survey														
Survey Research										8			8	\$960.00
Survey Fieldwork									20				20	\$2,600.00
Drafting						2				32			34	\$4,100.00
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Total Hours Per Personnel	0	0	0	0	0	4	0	0	20	40	0	0
Total Cost Per Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$520.00	\$0.00	\$0.00	\$2,600.00	\$4,800.00	\$0.00	\$0.00

Total Labor Hours	64
Total Labor Cost	\$7,920.00

Non Labor Hour Expenses	Rate	Quantity or People	Days	Nights	Amount
Cert to Plat	\$265.00				\$0.00
Local Transportation	\$275.00	1	1		\$275.00
Mileage and Gas	\$0.00				\$0.00
Survey Equipment	\$300.00	2			\$600.00
Per Diem	\$64.40	1	3		\$193.20
Lodging	\$250.00	1	2		\$500.00
	\$0.00				\$0.00
					\$0.00
Total Non Labor Hour Expenses			1,568.20		

*Chris Piborn*  
 Signature \_\_\_\_\_ Date 7/28/2020

Total Estimate	\$9,488.20
----------------	------------



Project: Case Ave Design Survey (Front St. - Church St.)  
 R&M Engineering Project # \_\_\_\_\_ Price Estimate \_\_\_\_\_

**Task Order:** \_\_\_\_\_

[illegible][illegible]

<b>Total Hours Per Personnel</b>	0	0	0	0	0	4	0	0	8	24	0	0
<b>Total Cost Per Personnel</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$520.00	\$0.00	\$0.00	\$1,040.00	\$2,880.00	\$0.00	\$0.00

Total Labor Hours	36
Total Labor Cost	\$4,440.00

Non Labor Hour Expenses	Rate	Quantity or People	Days	Nights	Amount
Cert to Plat	\$265.00				\$0.00
Local Transportation	\$275.00	1	1		\$275.00
Mileage and Gas	\$0.00				\$0.00
Survey Equipment	\$300.00	1			\$300.00
Per Diem	\$64.40	1	2		\$128.80
Lodging	\$250.00	1	1		\$250.00
	\$0.00				\$0.00
					\$0.00
Total Non Labor Hour Expenses			\$953.80		

Chris Pibarn

7/28/2020

Signature Date

<b>Total Estimate</b>	<b>\$5,393.80</b>
-----------------------	-------------------

Project: Case Ave Design Survey (Church St. - Ash St.)  
 R&M Engineering Project # Price Estimate

Task Order: \_\_\_\_\_

	Principal	Civil Engineer Level 3	Civil Engineer Level 2	Civil Engineer Level 1	Engineering Technician	Registered Land Surveyor- Review	3 MAN SURVEY	2 MAN SURVEY	Field Survey Solo	Survey Technician			Total Hours Per Task	Total Cost Per Task
Hourly Rate	\$170.00	\$140.00	\$130.00	\$120.00	\$110.00	\$130.00	\$280.00	\$200.00	\$130.00	\$120.00				
Task Order Item														
Project Management						2							2	\$260.00
ROW / Road Design Survey														
Survey Research										8			8	\$960.00
Survey Fieldwork									16				16	\$2,080.00
Drafting						2				24			26	\$3,140.00
													0	\$0.00
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Total Hours Per Personnel	0	0	0	0	0	4	0	0	16	32	0	0
Total Cost Per Personnel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$520.00	\$0.00	\$0.00	\$2,080.00	\$3,840.00	\$0.00	\$0.00

Total Labor Hours	52
Total Labor Cost	\$6,440.00

Non Labor Hour Expenses	Rate	Quantity or People	Days	Nights	Amount
Cert to Plat	\$265.00				\$0.00
Local Transportation	\$275.00	1	1		\$275.00
Mileage and Gas	\$0.00				\$0.00
Survey Equipment	\$300.00	2			\$600.00
Per Diem	\$64.40	1	3		\$193.20
Lodging	\$250.00	1	2		\$500.00
	\$0.00				\$0.00
					\$0.00
Total Non Labor Hour Expenses			1,568.20		

*Chris Piborn*  
 Signature \_\_\_\_\_ Date 7/28/2020

Total Estimate	\$8,008.20
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1 inch = 50 feet  
237 : 8/21/2020

Public Map



**DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.  
PROPERTY LINES ARE APPROXIMATE. AERIAL 2002.**





1 inch = 75 feet  
239 : 8/21/2020

Public Map



**DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.  
PROPERTY LINES ARE APPROXIMATE. AERIAL 2002.**



## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 25, 2020
	<u>Agenda Section</u>	<b>13</b>

**RESOLUTION No. 08-20-1538** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2021 BUDGET IN MULTIPLE FUNDS PROVIDING FOR THE AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT FOR THE LAND DEVELOPMENT SURVEY SERVICES PROJECT

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required:** \$30,698.40 Total

FY 20: \$	FY 21: \$30,698.40	FY22: \$
-----------	-----------------------	----------

**Amount Budgeted:**

FY20 \$0

**Account Number(s):**

See attached resolution

**Account Name(s):**

See attached resolution

**Unencumbered Balance(s) (prior to expenditure):**

See agenda statement

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Resolution 08-20-1538

**RECOMMENDATION MOTION:**

Move to Approve Resolution 08-20-1538.

**SUMMARY STATEMENT:**

Administration is recommending the addition of four new survey tasks to the Professional Services Agreement with R7M Engineering – Ketchikan. Funding is already included in the FY21 Budget for the work in the Marine Service Center. However, funding from reserves is necessary for the Case

Avenue Survey and the other two residential road right-of-way surveys. Administration is proposing to take \$22,890.20 from Electric Fund Reserves and Transfer it into Professional Services within the Electric Distribution budget to cover the Case Avenue work.

Administration is recommending transferring \$8,078.20 from General Fund Reserves into the Residential Construction Fund to cover the cost of the Third Street/Gladjo survey and the Oceanview/Sunset Survey.

Approval of this resolution is necessary to authorize the funding for the amendment to the Professional Services Agreement with R&M Engineering that is on the agenda just prior to this item.

Resolution 08-20-1538 amends the FY21 Budget to accommodate for these expenditures.

Below is the same information provided in the agenda statement for the contract amendment.

Marine Service Center                      \$10,052.60  
 Industrial Construction Fund 52000.000.7515  
 FY21 Budget - \$15,000 included – no new funding necessary

Case Avenue	\$22,890.20	Ash to Peninsula	\$9,488.20
Electric Fund Reserves		Front to Church	\$5,393.80
See Resolution		Church to Ash	\$8,008.20

The unencumbered balance in the Electric Fund Reserves is \$2,492,593 prior to this expenditure. Money will be moved into the Professional Service account.

Third Street/Gladjo                      \$1,914.40  
 General Fund Reserves  
 See Resolution

The unencumbered balance of the General Fund Reserves is \$7,861,559 prior to this expenditure. Money will be moved into the Residential Construction Fund for this project.

Oceanview/Sunset                      \$6,163.80  
 General Fund Reserves  
 See Resolution

The unencumbered balance of the General Fund Reserves is \$7,861,559 prior to this expenditure. Money will be moved into the Residential Construction Fund for this project.

## CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 08-20-1538

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2021 BUDGET IN MULTIPLE FUNDS PROVIDING FOR THE AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT FOR THE LAND DEVELOPMENT SURVEY SERVICES PROJECT AND AUTHORIZING THE EXPENDITURE

WHEREAS, several additional survey efforts are necessary to be accomplished, including work in the Marine Service Center, along the entirety of Case Avenue and in two different residential areas with right-of-way issues; and

WHEREAS, additional funding is needed in the Electric Fund and the Residential Construction to accomplish these tasks .

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, that:

Section 1: The FY 2021 Budget in the Electric Fund is amended to reflect an increase in transfer funds from Electric Reserves into the Electric Distribution Professional Services account (70000-203-7519) in the amount of \$22,890.20 and authorizing its expenditure.

Section 2: The FY 2021 Budget in the Residential Construction Fund is amended to reflect an increase in the authorized expenditures in the Engineering & Surveying Account (50000-000-7510) in the amount of \$8,078.20 coming as a transfer from General Fund Reserves.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 25<sup>th</sup> Day of August 2020.

CITY & BOROUGH OF WRANGELL, ALASKA

\_\_\_\_\_  
Stephen Prysunka, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, Borough Clerk

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 25, 2020
	<u>Agenda Section</u>	<b>13</b>

**RESOLUTION No. 08-20-1539** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA DECLARING AN ECONOMIC DISASTER IN THE CITY AND BOROUGH OF WRANGELL, ALASKA DUE TO COVID-19 AND POOR REGIONAL RETURNS OF ALL SALMON SPECIES

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required: \$ Total**

FY 20: \$	FY 21: \$	FY22: \$
-----------	-----------	----------

**Amount Budgeted:**

	FY21 \$
--	---------

**Account Number(s):**

**Account Name(s):**

**Unencumbered Balance(s) (prior to expenditure):**

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Resolution 08-20-1539; 2. June 2020 Wrangell Business Climate and COVID-19 Impacts Survey; 3. 2020 Southeast Jobs COVID Impacts Report; 4. May 2020 Wrangell Alaska Economic Conditions Report; 5. Cordova Disaster Declaration Resolution

**RECOMMENDATION MOTION:**

Move to Approve Resolution 08-20-1539.

**SUMMARY STATEMENT:**

The impacts of COVID-19 and the poor fishing season are putting Wrangell in an extremely difficult economic situation – one that necessitates a declaration of disaster. Resolution 08-20-

1539 documents the impacts as we understand them through today. The resolution declares an economic disaster for the community and calls on the State of Alaska and the US Secretary of Commerce to declare two economic disasters:

- A) 2020 Statewide Tourism Disaster resulting from the COVID-19 Pandemic;
- B) 2020 Southeast Alaska Salmon Fisheries Disaster resulting from poor returns and harvests of all salmon species.

There are several documents (economic reports) attached to the agenda statement providing economic information supporting the need for the declaration. Also attached is a copy of the Resolution Cordova passed on August 5<sup>th</sup> declaring a fisheries disaster for 2018-2020 and calling on the state and federal government to do the same.



## CITY AND BOROUGH OF WRANGELL

RESOLUTION NO. 08-20-1539

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA DECLARING AN ECONOMIC DISASTER IN THE CITY AND BOROUGH OF WRANGELL, ALASKA DUE TO COVID-19 AND POOR REGIONAL RETURNS OF ALL SALMON SPECIES

WHEREAS, Wrangell has two seafood processing plants which operate seasonally each year; and

WHEREAS, in January 2020 the City and Borough of Wrangell was notified by Trident Seafoods they would not be opening the Wrangell plant based on poor salmon return projections; and

WHEREAS, in response to federal and state disaster declarations, the City and Borough of Wrangell passed Ordinance No. 976 on March 17, 2020 declaring a COVID-19 Emergency in Wrangell; and

WHEREAS, on March 21, 2020 the President of the United States issued Disaster Declaration No. 16386, Disaster No. AK-00046, freeing up economic assistance through the Small Business Administration for businesses impacted by COVID-19; and

WHEREAS, numerous federal and state economic programs have been established for business assistance due to impacts from COVID-19; and

WHEREAS, the City and Borough of Wrangell has seven different grant programs for businesses and agencies to help mitigate the economic impacts of COVID-19; and

WHEREAS, the June 2020 Wrangell Business Climate and COVID-19 Impacts Survey revealed Wrangell business revenue was down 53% in 2020 through June, compared to the same period in 2019; and

WHEREAS, the June 2020 Wrangell Business Climate and COVID-19 Impacts Survey also revealed more than one-third (36%) of respondents said that they are at risk of closing permanently; and

WHEREAS, the June 2020 Wrangell Business Climate and COVID-19 Impacts Survey further revealed responding Wrangell employers have already laid off 28% of their total workforce due to the COVID-19 virus, and cancelled hiring an additional 124 workers. More than two-fifths of businesses (41%) expect to cut more staff; and

WHEREAS, the 2020 Southeast Jobs COVID Impacts Report, issued August 21, 2020 confirms Wrangell has a 10.8% unemployment rate as compared to 7.7% in 2019; and

WHEREAS, the 2020 Southeast Jobs COVID Impacts Report also outlines the regional change in Southeast Jobs from April to July 2020 compared to 2019 including a 50% drop in Transportation jobs; a 38% decline in Leisure and Hospitality jobs; and loss of 27% in Seafood Processing jobs; and an 11% reduction in Retail jobs; and

WHEREAS, Southeast Alaska, including Wrangell is enduring the complete cancellation of the summer cruise season, the impact of which to Wrangell is a loss of 21,000 visitors (based on 2019 numbers in the May 2020 Wrangell, Alaska Economic Conditions Report); and

WHEREAS, annual summer visitor spending in Wrangell exceeds \$5.16 million (based on 2018 numbers in the May 2020 Wrangell Alaska Economic Conditions Report) , including visitors arriving by cruise ship, ferry, yacht and air, all of which have seen catastrophic declines due to COVID-19; and

WHEREAS, though the fishing season has not yet concluded, reports from the Commercial Fishing Fleet indicate an abysmal year for salmon returns in the region, along with a significant drop in the prices paid to fishermen by processors; and

WHEREAS, the COVID-19 Pandemic and related economic impacts are expected to continue for the foreseeable future; and

WHEREAS, poor regional salmon returns suggest the fishing season could be worse than 2016 when a Presidential Disaster Declaration for the Pink Salmon fishery was issued.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THAT:

SECTION 1. An Economic Disaster is hereby declared in the City and Borough of Wrangell due to COVID-19 and Poor Regional Returns of All Salmon Species.

SECTION 2. The Assembly of the City and Borough of Wrangell, Alaska urges the State of Alaska and United States Secretary of Commerce to issue two Economic Disaster Declarations:

- A) 2020 Statewide Tourism Disaster resulting from the COVID-19 Pandemic;
- B) 2020 Southeast Alaska Salmon Fisheries Disaster resulting from poor returns and harvests of all salmon species.

SECTION 3. This resolution and Economic Disaster Declaration take effect immediately upon passage and approval.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF  
WRANGELL, ALASKA THIS 25<sup>th</sup> DAY OF AUGUST, 2020.

CITY & BOROUGH OF WRANGELL

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Stephen Prysunka, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, MMC, Borough Clerk



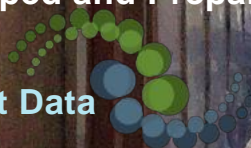
# Wrangell Business Climate and COVID-19 Impacts Survey



June 2020

Developed and Prepared by

Rain  
Coast Data





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Item f.

Introduction .....	<b>Page 1</b>
Business Climate Survey Results .....	<b>Page 2</b>
Wrangell Economic Outlook .....	<b>Page 5</b>
Wrangell Jobs Outlook .....	<b>Page 7</b>
Wrangell Businesses COVID-19 Impacts .....	<b>Page 9</b>

- *Estimate the percent revenue decline to your business due to COVID-19 in 2020 so far* **Page 10**
- *Did you receive any COVID-19 funding to support your business?* **Page 11**
- *How has your business been impacted by COVID-19?* **Page 12**
- *What are your top business challenges moving forward?* **Page 13**
- *What help do you need most moving forward?* **Page 14**

Participant Overview .....	<b>Page 15</b>
Open Ended Responses .....	<b>Page 16</b>

- *If you did not receive COVID-19 business funding support, why not?* **Page 16**
- *If you did receive COVID-19 business funding support, what was that process like?* **Page 17**
- *Please elaborate on how COVID-19 has impacted your organization.* **Page 18**
- *How has your business been impacted by COVID-19? Responses to “other please specify”* **Page 20**
- *What help do you need most moving forward? Responses to “other please specify”* **Page 20**
- *What are your top business challenges moving forward? Responses to “other please specify”.* **Page 20**
- *Did you receive any COVID-19 funding to support your business? Responses to “other please specify”* **Page 21**
- *Do you foresee any long-term positive business changes that could come out of this period of disruption?* **Page 22**

# Wrangell Business Survey Results Item f.

## 2020

Each year Southeast Conference conducts a regional business climate and investment survey in order to track Southeast Alaska business confidence on an annual basis. The results are analyzed by community and economic sector, allowing the data to be used by policy leaders, program developers, and project proponents to form projections regarding the economic direction of Southeast Alaska.

This year several comprehensive questions regarding COVID-19 business impacts were added to the survey, along with questions to clarify how the private sector can best be supported moving forward through this period of pandemic. Open-ended questions allowed for increased input by the business community. The survey analysis provides data so that policy leaders can gauge how ongoing needs vary between sectors, industries, and communities. Several communities wanted to have a standalone version of the report for their own community, including Wrangell.

This Wrangell breakout was developed in a partnership between Southeast Conference and the City and Borough of Wrangell. Rain Coast Data developed the survey instrument and survey report on behalf of this partnership.

The survey invited Wrangell Alaska owners and top managers to respond to 28 questions. The web-based survey was administered electronically from June 4th through June 18th. A total of 40 Wrangell business leaders participated in the survey, representing 160 current Wrangell workers. The survey results include the following findings:

- 62% of responding Wrangell businesses have received COVID-19 business support funding.
- Responding Wrangell employers have already laid off 28% of their total workforce due to the COVID-19 virus, and cancelled hiring an additional 124 workers. More than two-fifths of businesses (41%) expect to cut more staff.
- Wrangell business revenue was down 53% in 2020 so far, compared to the same period in 2019.
- More than one-third (36%) of respondents say that they are at risk of closing permanently, while 31% say that they are not at risk of closure. The remainder are uncertain.
- Most (94%) of respondents call the current economy poor or very poor, and 79% feel that the upcoming year will be worse. Wrangell has the most negative outlook of any community in the region.

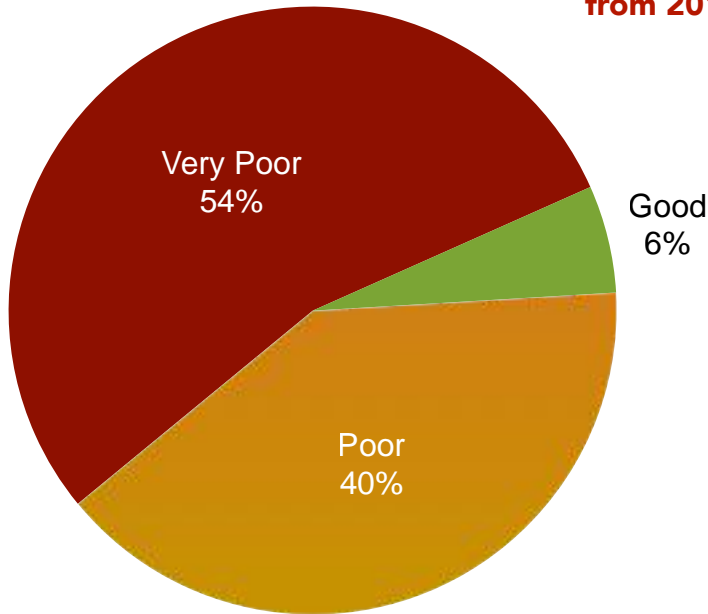
The following pages summarize Wrangell survey findings. To read the entire regional study, or to see breakouts from other communities, go to [www.seconference.org/southeast-alaska-business-climate-and-covid-19-impacts-survey-2020](http://www.seconference.org/southeast-alaska-business-climate-and-covid-19-impacts-survey-2020).

# Wrangell Business Climate Survey Results 2020

Item f.

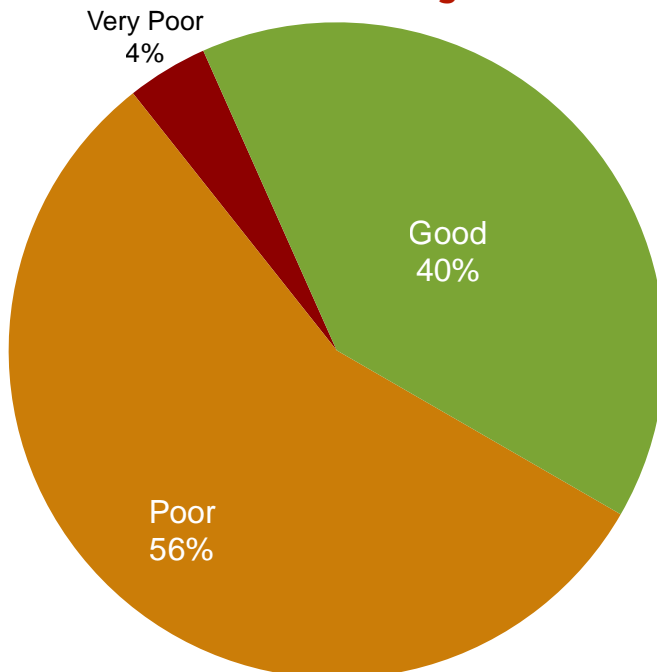
June **2020** Wrangell Alaska: **How do you view the overall business climate right now?**

**6% Positive / 94% Negative +58% negative from 2019**



April **2018** Wrangell Alaska: **How do you view the overall business climate right now?**

**40% Positive / 60% Negative**



## Wrangell Alaska Annual Business Climate Survey

In June of 2020, 40 Wrangell business owners and top managers responded to Southeast Conference's Business Climate and Private Investment Survey.

### How do you view the overall business climate right now?

Unsurprisingly, confidence in the Wrangell business climate has decreased in the wake of COVID-19. Nearly all (94%) respondents are concerned about state of the economy, calling the business climate "poor" (40%) or "very poor" (54%), a 34 percent increase in those who view the economy negatively from two years ago. Six percent of business leaders called the Wrangell business climate "good" in 2020 — a decline of 34% over 2018. (Note, not enough Wrangell businesses participated in the 2019 survey, so a 2018 comparison was used instead).

The Southeast Alaska communities that have been most negatively impacted by the COVID-19 pandemic so far are Skagway and Haines.

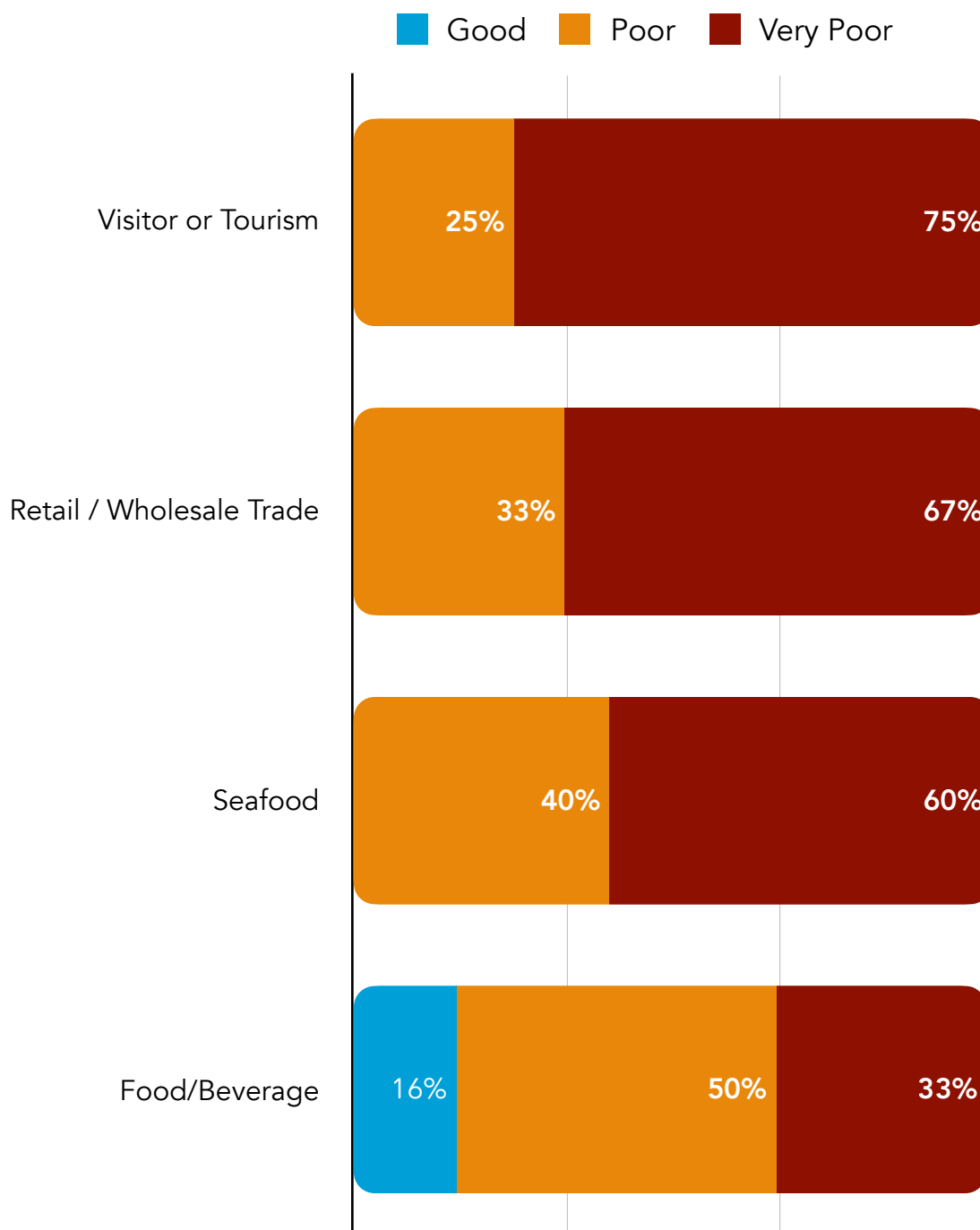
# Wrangell **Business** Climate Survey

## Results 2020: by Industry

Item f.

The following graphic breaks out how the current Wrangell Alaska business climate is viewed by each various sector. Only four sectors had enough respondents to develop a breakout. Usually such a breakout reveals significant differences between sectors. However, the 2020 breakout shows that no industry has escaped a significant negative impact due to COVID-19.

June **2020** Wrangell: **How do you view the overall business climate right now?**



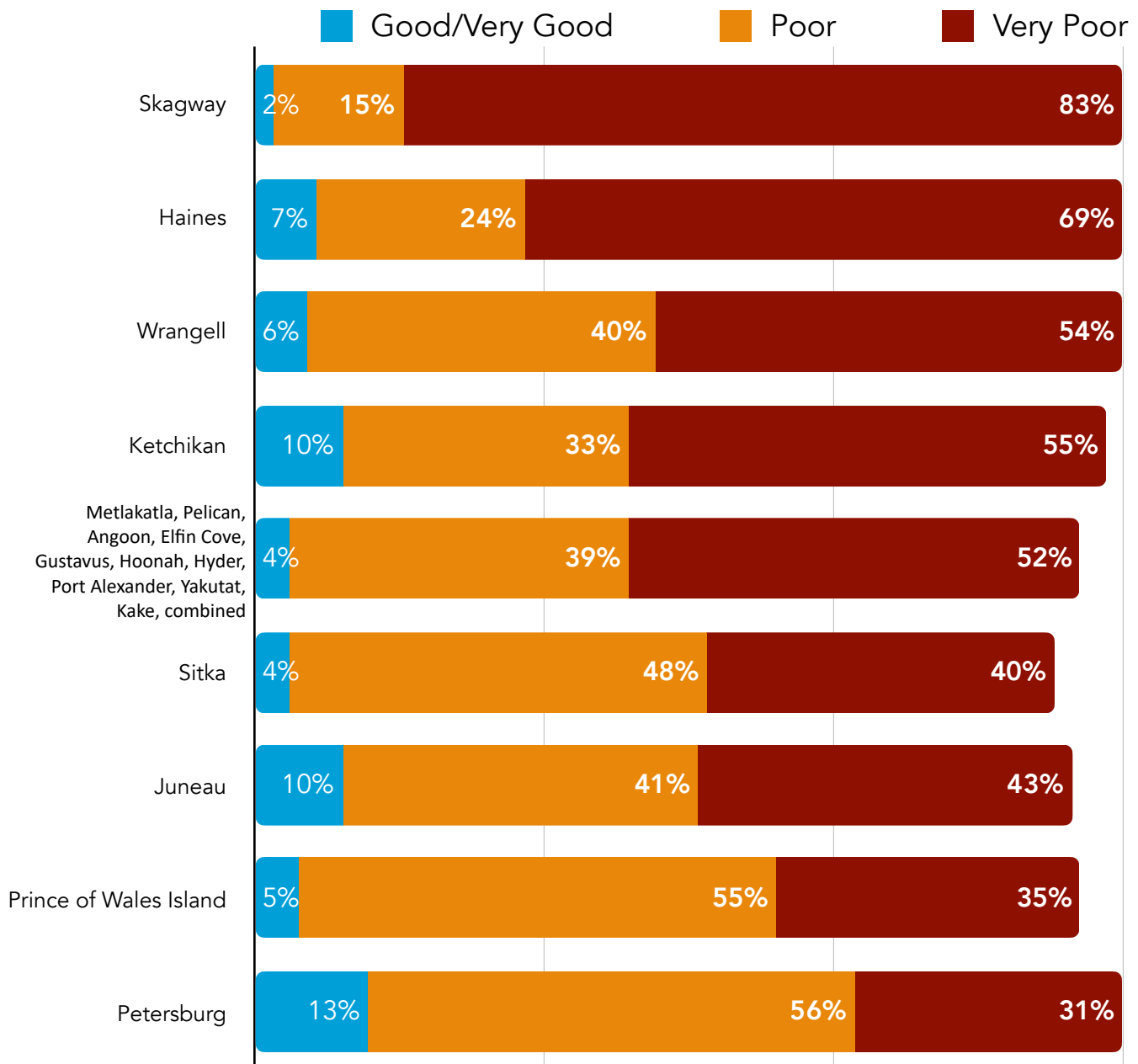


# Southeast Business Climate Survey Results 2020: by Community

Item f.

The graphic below shows how the current regional business climate is being experienced by business leaders in each community. While all communities are clearly suffering, Skagway has been the hardest hit, with 83% of Skagway businesses saying that the business climate is “very poor” followed by Haines at 69%.

June **2020** Southeast Alaska: **How do you view the overall business climate right now?**



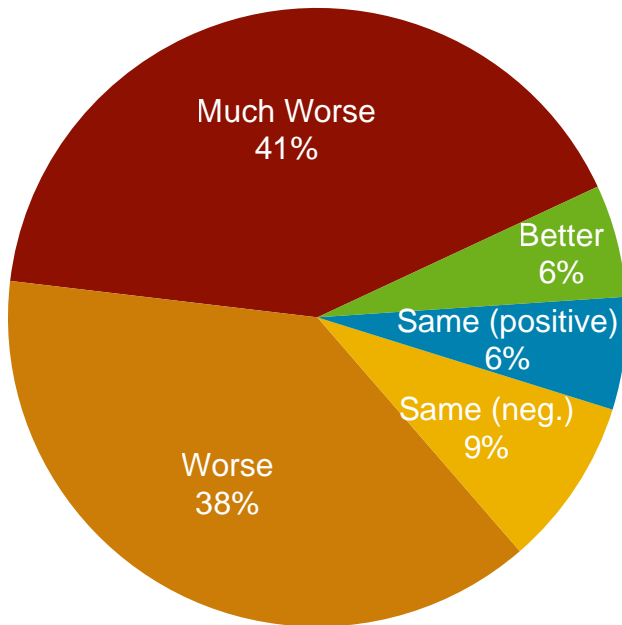
The “don’t know” category has been excluded from this chart.

# Wrangell Economic Outlook

Item f.

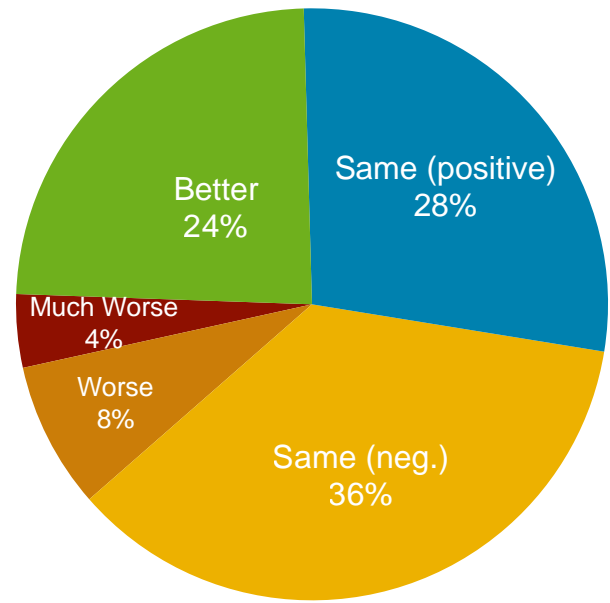
**2020:** What is the economic outlook for your business or industry?

**12% Positive / 88% Negative**



**2018:** What is the economic outlook for your business or industry?

**52% Positive / 48% Negative**



## Wrangell Economic Outlook

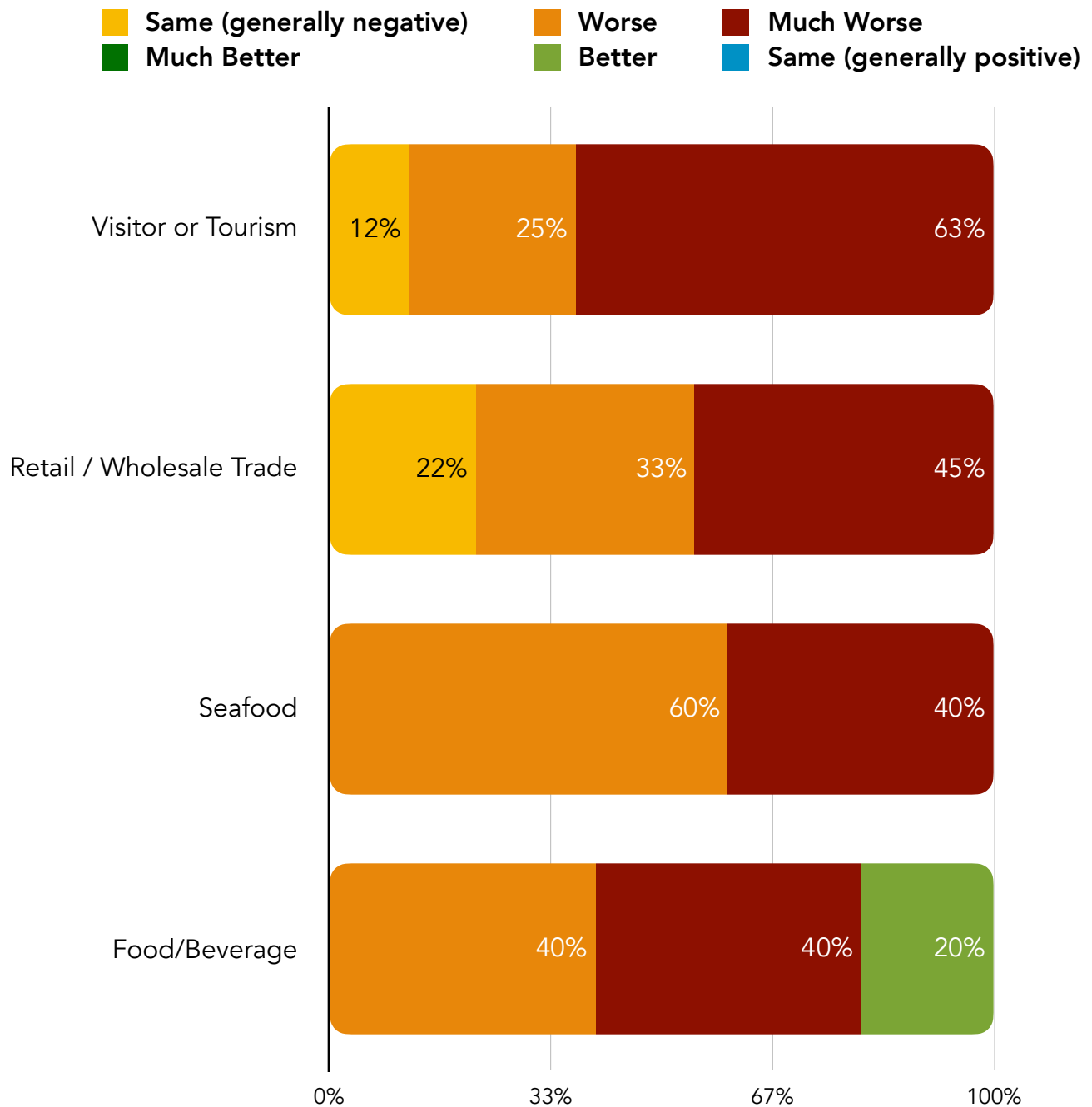
Most (88%) of Wrangell businesses say the economic outlook for their business or industry over the next 12 months is negative. In 2018, 48% of Wrangell businesses had a negative outlook. Nearly four-fifths (79%) of Wrangell survey respondents expect their prospects to be worse (38%) or much worse (41%) over the next year, while only 6% expect the outlook for their business or industry to improve in the coming year.

When compared by communities across the region, Wrangell has the most negative outlook of all communities. Sitka has the least negative outlook. No community expressed a positive outlook.

# Wrangell Economic Outlook: by Industry

Item f.

The below graphics show economic outlook breakdowns for the next year by industry. Four Wrangell sectors had a large enough response rate to breakout findings.

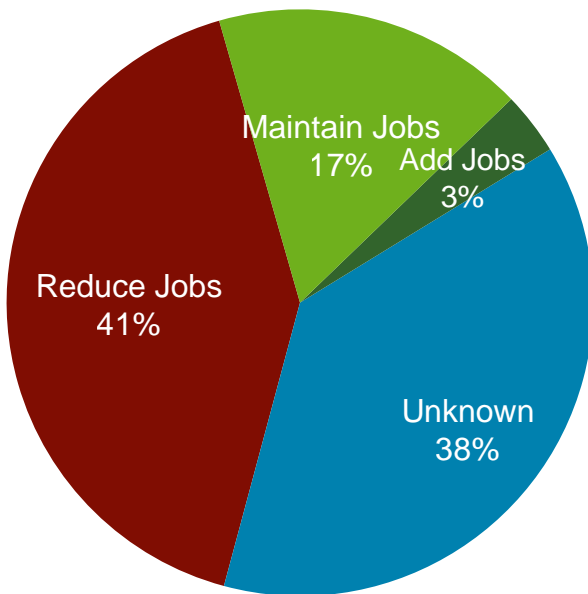


# Decreasing Jobs in 2020 and 2021

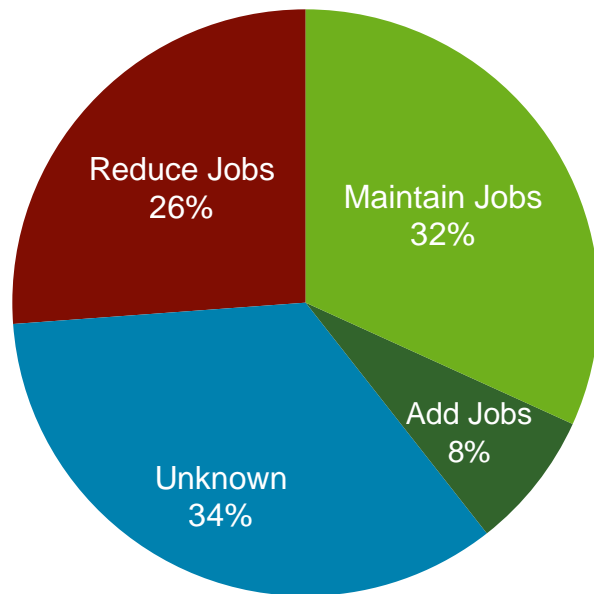
Item f.

**Over the next 12 months, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure?**  
(For those business with staff)

Wrangell **2020: Jobs Outlook**



Southeast **2020: Jobs Outlook**



## Employment changes in the next year

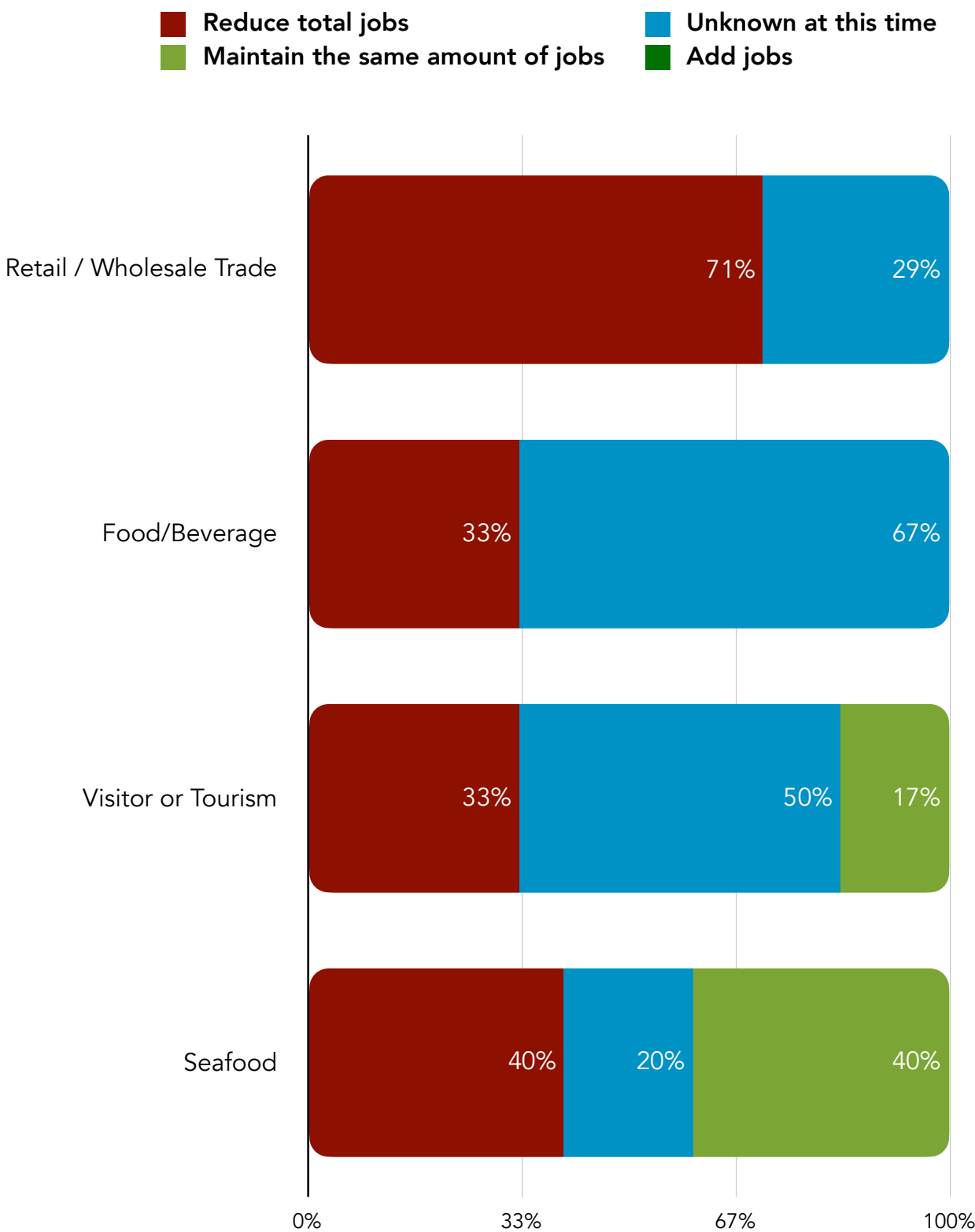
Approximately two-fifths (41%) of Wrangell business leaders surveyed expect to reduce the number of jobs associated with their businesses over the next 12 months, while 17% expect to maintain total jobs, and 3% expect to add more employees.

Employment reductions are expected to be most significant in the retail wholesale trade sector with 71% expecting to make additional jobs cuts in the next year.

Across all Southeast communities, business leaders in Wrangell, Ketchikan and Skagway expect the greatest job reductions for their businesses moving forward.

# By Industry: Jobs in Next 12 Months

Over the next year, do you expect your organization to add jobs, maintain jobs, reduce jobs, or are you unsure?



# Wrangell Businesses COVID-19 Impacts

Item f.

Wrangell business leaders were asked how COVID-19 is impacting their businesses. Responding employers have already laid off 34% of their total workforce due to the COVID-19 virus, and cancelled hiring an additional 141 workers. Local business revenue was down 53% in 2020 so far, compared to the same period in 2019. More than one-third (36%) of businesses say that they are at risk of closing permanently, while 31% of respondents say that they are not at risk.

**Total Businesses Responding = 40**

**Representing 160 current Wrangell workers**

**Responding businesses have typical peak employment of 505**

**With a year-round resident workforce of 47%**

**62% of responding businesses received PPP funding**

**Respondents have laid off 28% existing staff so far due to COVID-19**

**and did not bring on an additional 124 planned hires**

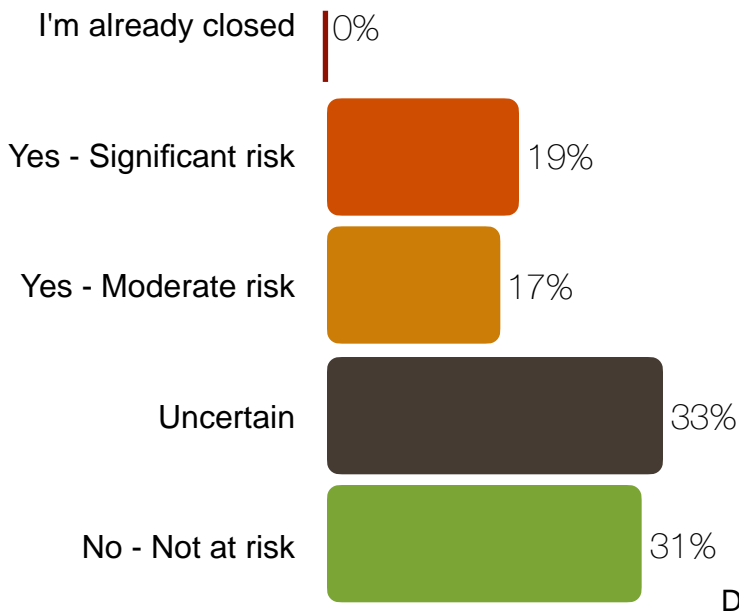
**41% expect to make more employment cuts in the future due to COVID-19**

**Is your business at risk of closing permanently because of impact caused by COVID-19?**

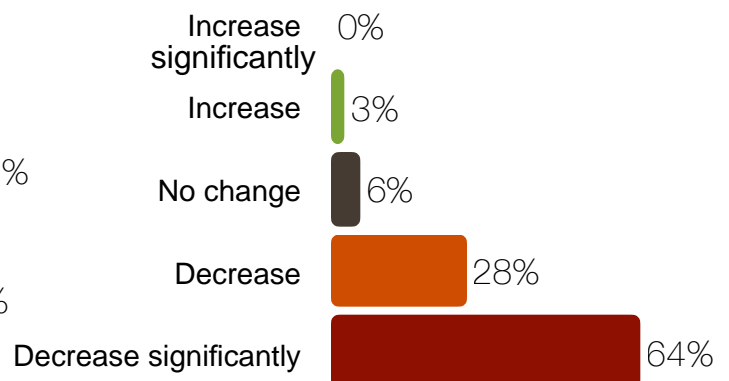
**Avg. current workers per org. = 4 (12 at peak)**

**Avg. workers laid off so far per business = -2**

**Avg. planned hires cancelled = -4**



**How much do you project your revenues will change in the remainder of 2020 compared to the same period in 2019?**



**If you answered "yes" above, how many weeks of the current situation do you think you will be able to survive?**

**Avg. = 23**

**Please estimate the percent revenue decline to your business due to COVID-19 in 2020 so far (compared to same period in 2019)?**

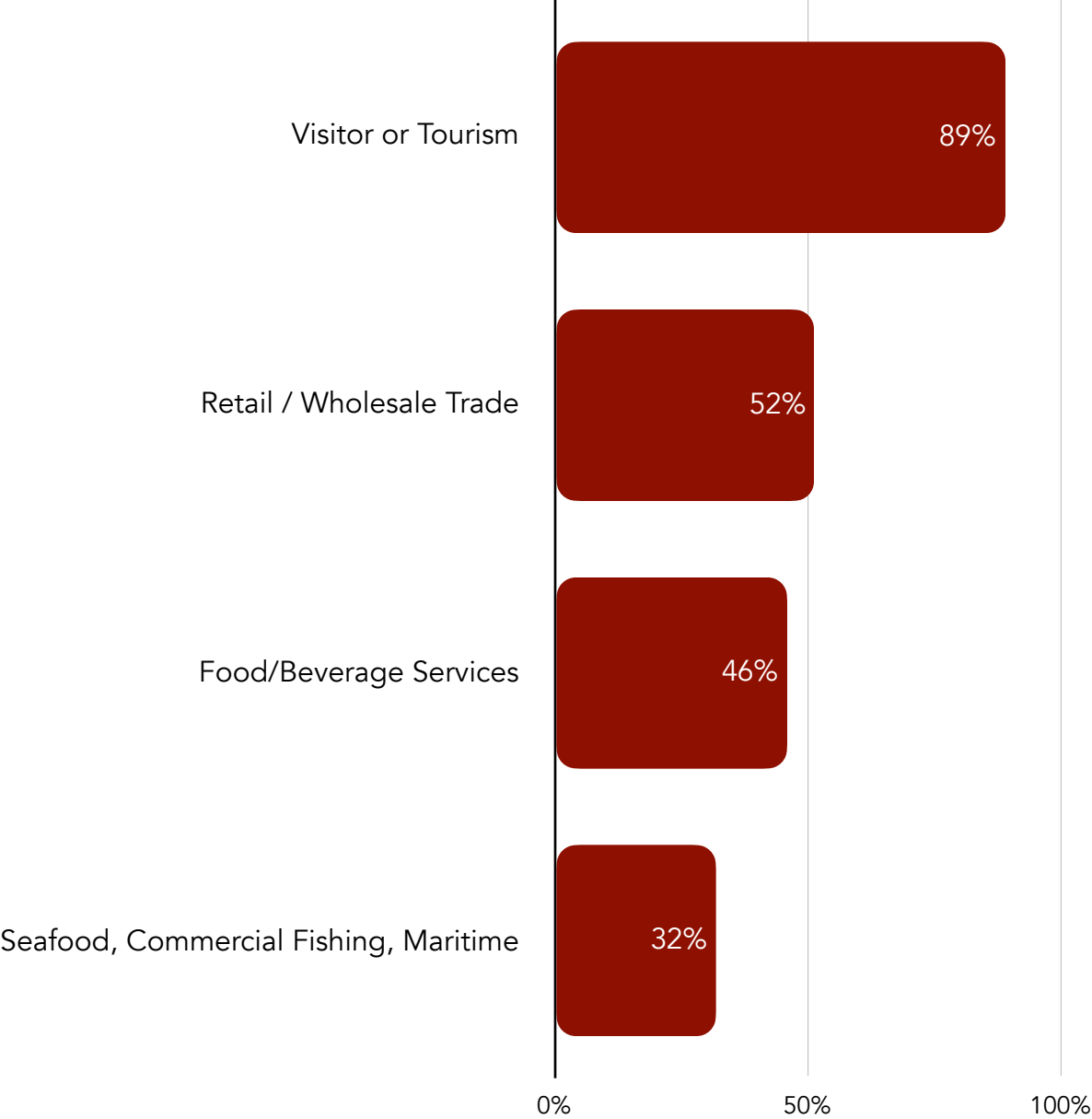
**= -53%**

# Please estimate the percent revenue decline to your business due to COVID-19 in 2020 so far (compared to same period in 2019)? By Industry

Item f.

On average, reporting Wrangell businesses have lost **53%** of their revenue due to COVID-19 in 2020 compared to the same period last year. However, there has been variation between industry in community impacts. Businesses in the tourism sector are down by 89%.

## ■ Average percent revenue decline to your business due to COVID-19 in 2020

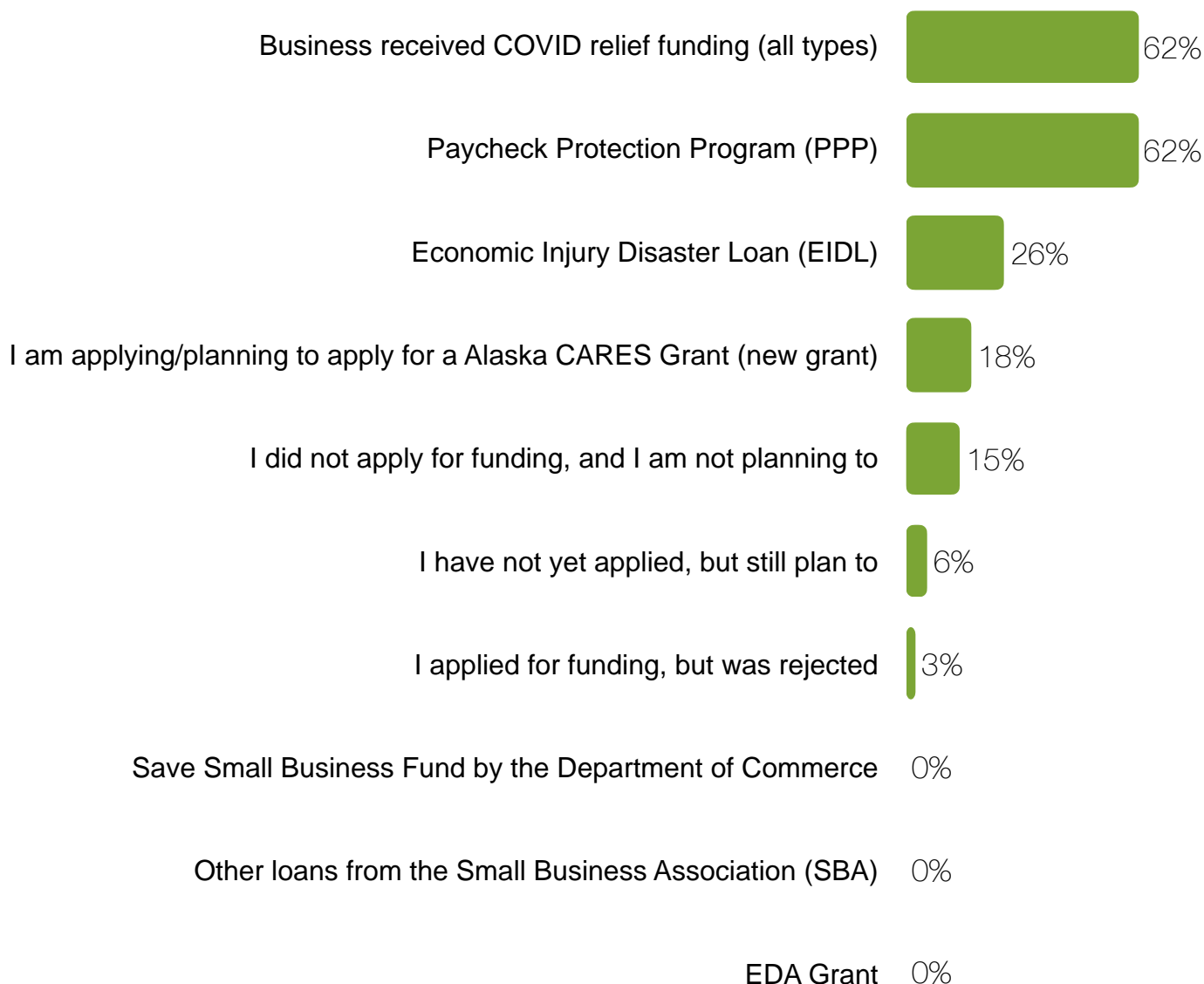


# Did you receive any COVID-19 funding to support your business? (check all that apply)

Item f.

Nearly two-thirds (62%) of all reporting business leaders had received COVID relief funding for their organizations, including 62% who received the funds from the Payment Protection Program.

A total of \$1.3 million in funding was reported received. The average assistance amount was \$62,860.



**Total Funding Reported to be Received by Wrangell Businesses = \$1.3 million**

**Average amount received by businesses receiving funds = \$62,860**

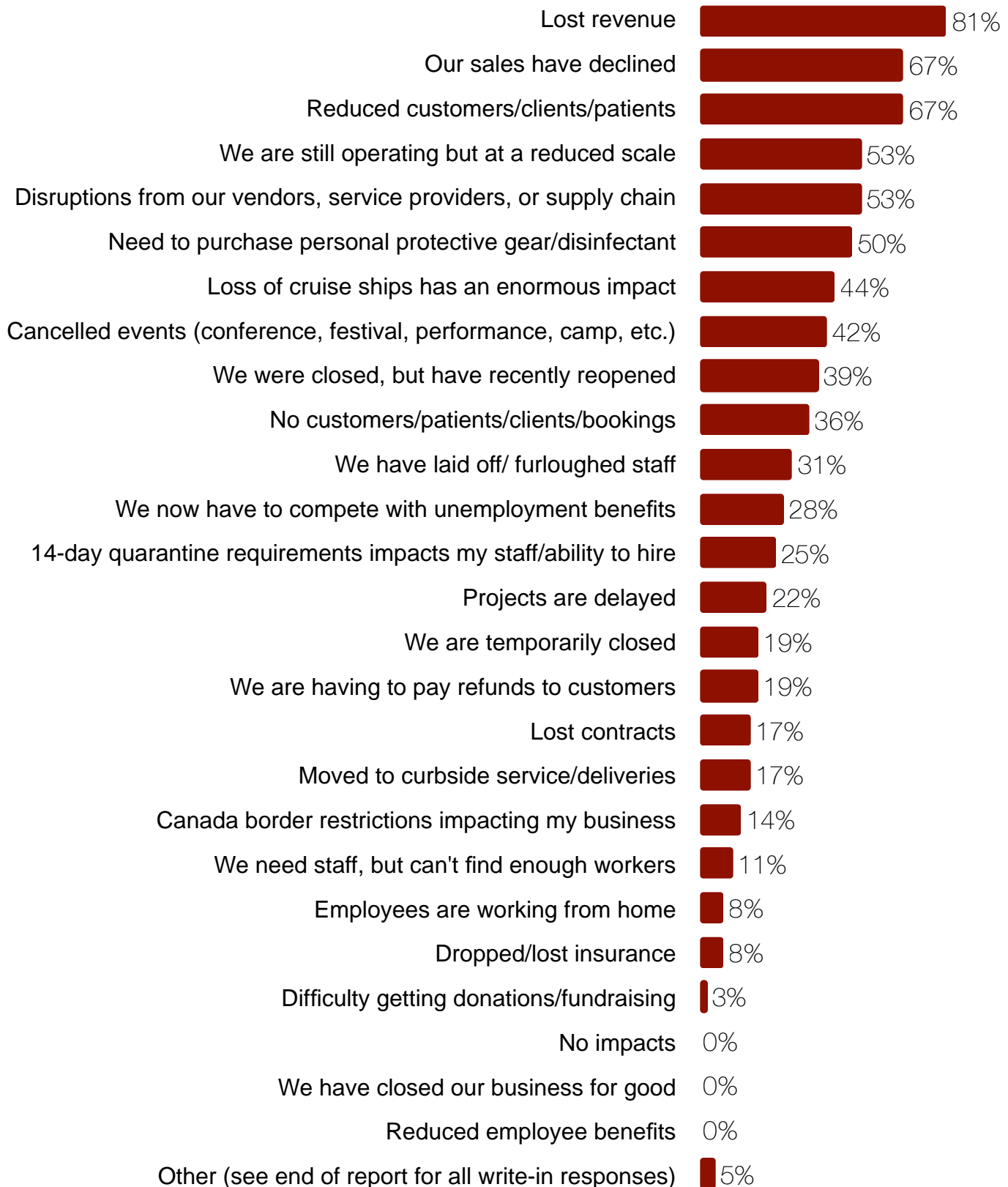
**Businesses receiving funding = 62%**



# How has your business been impacted by COVID-<sup>Item f.</sup>

(check all that apply)

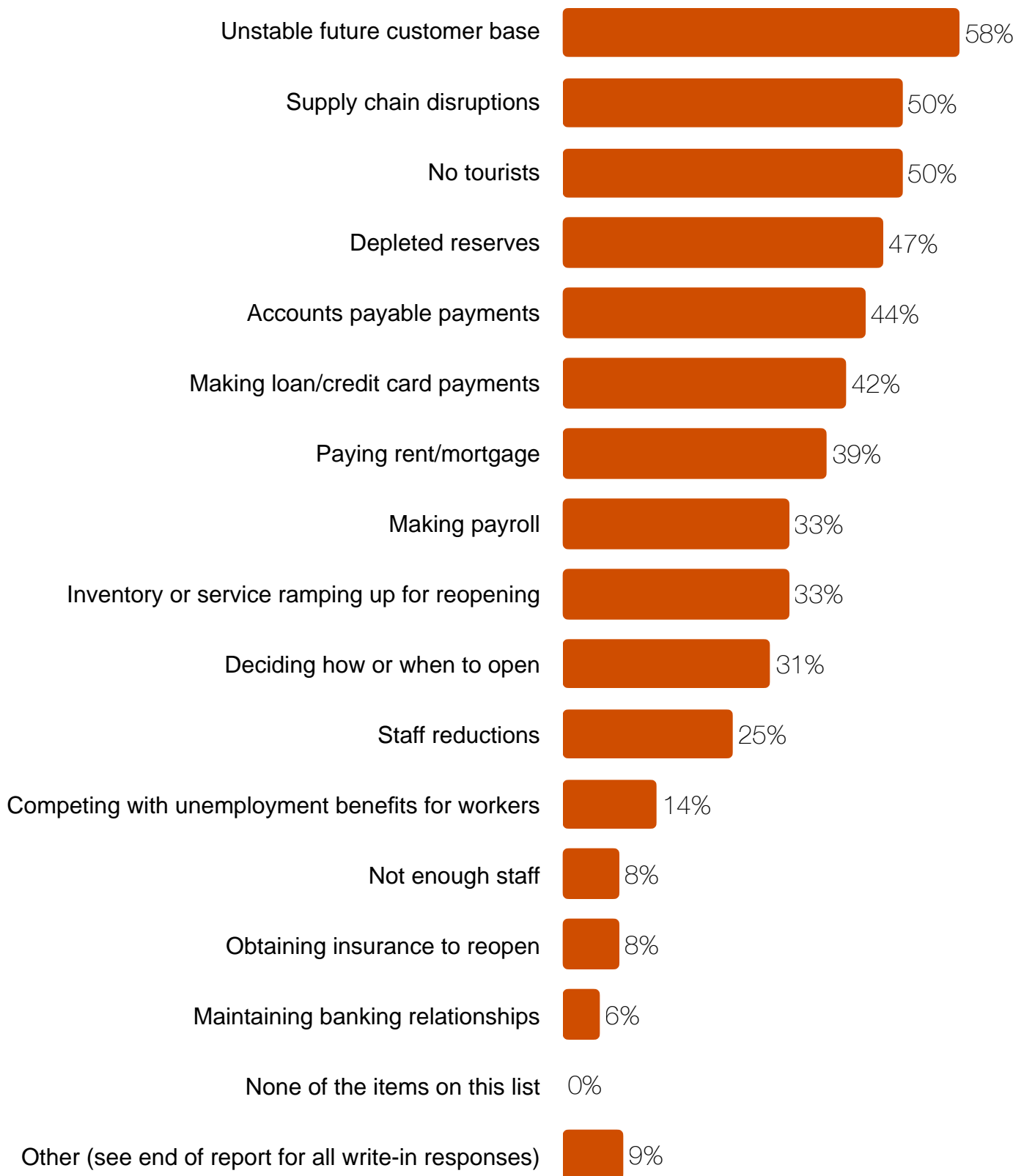
Business leaders were asked how their organizations have been impacted by the pandemic.



# What are your top business challenges moving forward Item f.

(check all that apply)

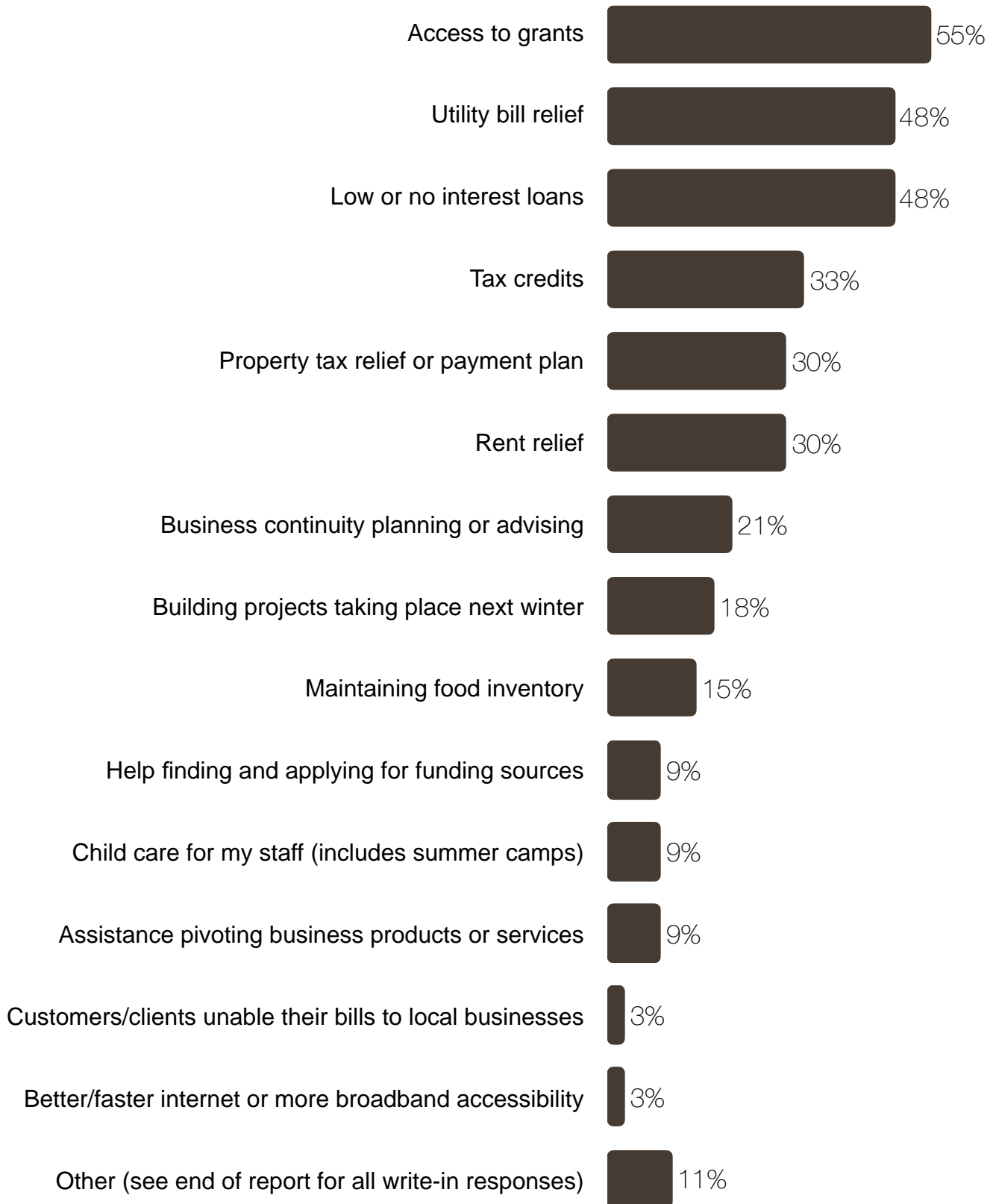
Owners and managers were asked what their top business challenges are moving forward.



# What help do you need most moving forward Item f.

(check all that apply)

Business leaders were asked what help they most want and need moving forward.



# Participant Overview

A total of 40 businesses from Wrangell responded to the survey in 2020.

Which best describes the primary industry focus of your company?

Answer Options	Response
Retail / Wholesale Trade	10
Visitor or Tourism	9
Food/Beverage Services	7
Seafood, Commercial Fishing, Maritime	5
Professional & Business Services / Consultant	2
Construction / Architecture / Engineering	2
Real Estate	1
Child Care, Education, Social Services	1
Alaska Native entity	1
Other Non-profit	1
Other	1
<b>TOTAL</b>	<b>40</b>

# Open Ended Responses

In this section, the responses to open-ended questions by business leaders are presented.

## **If you did not receive COVID-19 business funding support, why not? And do you plan to re-apply in the future?**

- 17 years ago I obtained a few felony convictions. I am 17 years clean, sober & a contributing member to my community. But the SBA does not allow felons of my nature (drug related) to obtain loans. Thus, I never applied.
- Applied for EIDL funding. I have not received any payments to-date.
- I was approved for EIDL but did not continue the process. The initial application was straight forward as I have a comprehensive bookkeeping system. I am not interested in a loan that I may never be able to repay.
- Because our fishery is seasonal, we will not have an accurate accounting until fall.
- Had irregular payroll and didn't qualify LLC. Our other business showed a loss so no assistance, even though I still have bills to pay, rent, insurance and operational costs
- Haven't really looked into it.
- I was told I would not qualify because I have no employees. No unless the regulations change.
- No
- We did not qualify for the AK CARES Grant because we had received funds from SBA EIDL and PPP. If the eligibility changes in the future, we will re-apply.
- We have not heard if we will receive funding or not.
- We were unable to remain open in 2019 due to zoning problem brought on a neighbor
- Yes

## **If you did receive COVID-19 business funding support, what was that process like for you? (Application process, receipt of funds, limitations? etc.)**

- Application process was confusing for PPP and had to be modified. The amount was not enough to help.
- Applied for the AK Cares Grant it was pretty simple.
- Confusing, constant changes.
- Confusing, so many changes, uncertainties regarding what would be best. Lack of access to qualified businesses advisors.
- Everything went well. I consulted Ian Grant at the SBCD, and he helped me every step of the way.
- Fairly simple.
- Fairly simple and First Bank was extremely helpful.
- Forgiveness was complex.
- It was fairly simple so far. Unsure how the forgiveness part will go as of now?
- No overly burdensome, but confusing, because the information regarding EIDL and PPP and AK CARES was changing every week.
- Overall it was good with very few hiccups.
- Pretty straight forward. First Bank provided wonderful assistance.
- process was easy, but it took a long time to come through. Had to sell personal assets hoping that things would improve, and funding would come through.
- Process was simple thanks to our bankers.
- Super easy process our bank help with!
- The PPP was fairly easy as I have a comprehensive bookkeeping system but for a business that only did its books once a year at tax time it might be more of a challenge.
- We received PPP support through our local bank. The experience was well done.

## Please elaborate on how COVID-19 has impacted your organization.

- All my tourist clients are cancelling.
- Allowed us to gradually open and add a few employees.
- Devastating and confusing.
- Everyone is spending less wondering about their futures. This trickle-down effect touches every business.
- I am struggling with the weight of being a complete failure. I lost everything. The mental strength it will take to pull my business off of the ground is just about as tough as it will be to find the financial resources to do the same.
- I have been home since March. Normally I put money aside to order merchandise, jewelry but I've spent it on living. I am looking for grants to help so I can open when I feel it's safe to do so for me
- It has drastically reduced our revenues.
- It has significantly impacted our sales and the loss of revenue will not be able to recover this year.
- It is costing us more money to do business and we are being paid less for our product. Dishing time has also been decreased.
- My business is nearly all based on commission from travel product (cruise, tour etc.) sales. 97% of suppliers only pay commission AFTER the travel. Since 99% of my bookings since March have cancelled, I have realized zero income for all my work for cancelled and postponed 2020 cruises and tours while still having to service the client until the trip is either fully refunded or taken in 2021 or 2022. that is a huge obligation for no income.
- No cruise ship.
- No tourism or fundraising events led to a \$25,000 budget deficit. Board Members are working full time for free instead of hiring staff.
- No tourists means no Inn guests. We have changed to a long-term rental strategy.
- Prices for seafood have decreased significantly, while costs have gone up to comply with health mandates.
- The impact has delayed projects, with the exception of the project we had already initiated. Our future and development in Wrangell currently, while not completely deterred, has to be evaluated based upon how the rest of this year presents and based on indicators for our next FY.
- Vendors not selling, buyers not spending, no tourism!
- We are not only expecting no revenue but have had to refund all of the revenue we received as deposits. Additionally, we have had to pay rent, insurance, permit fees, inspection fees.... despite not having any revenue and the terrible outlook.
- We are so isolated on these island communities, we virtually no visitors arriving and not many options to reinvent ourselves without customers. We are busy working canceling trips, applying for loans busy unable to apply for unemployment but no revenue and unable to pay ourselves

- We have gone from \$700,000 annual sales to none.
- We have had difficulty with the availability of supplies, food prices has at times tripled and some have to been available. Finding staff has been nearly impossible. Sales are down for the year. We have lost all of our rental income for our short stay rentals. Cost to collect money have increased a full 2 percent because people are afraid of using cash. Customers are nervous and now delivery is a service that we felt we had to offer to stay open. Even though we are short-handed. The overall unknown as to whether or not we will be shut down due to an outbreak has been a very heavy burden. The cancellation of our towns largest tourist event will cause us a significant amount of our yearly revenue.
- We have seen a severe decline in our customer base and supply chain.
- We were set up for take out anyway, it was just the lack of customers in the beginning.
- We were unable to work on gear or have deckhands come from other communities. Completely unsure of our buyers and had buyers tell us they were unable to buy our product.



## How has your business been impacted by COVID-19? Responses to “other please specify”

- Crew members getting to us.
- Reduced market value of product due to COVID restrictions.
- Reduced sales prices/revenues due to market disruptions; increased costs to operate safely and comply with health mandates.

## What help do you need most moving forward? Responses to “other please specify”

- Access to loans that accommodate a credit score of 558. Nobody will lend, all credit cards have taken down balances and left my overall debt ratio high which is pushing the score down even more. I was not able to apply for the stimulus loans since I was self-employed- and didn't have anyone on “payroll” it's just me, a one-man band.
- Business opened up so that our product can sell.
- New revenue sources.
- Rebuilding market during and after COVID.

## What are your top business challenges moving forward? Responses to “other please specify”

- Booked my 100-ish clients on cruises/tours for 2020 and have had to cancel, refund, rebook all of them while there is little to no income. Plus, on several of the 2021 replacement bookings the income is far smaller than was to have been in 2020. So, three times the work (initial work, put all on hold work, now start to re-do it again) ALL for no realized income this year, and reduced income associated with these bookings for next with 3 times the work into it.
- No funds left in the savings to purchase new inventory for the summer season, still stuck with spring inventory I couldn't sale and winter inventory that I couldn't close out. My business depends on fresh inventory to keep customer base. I'm totally screwed and unable to get any help.
- Price of fish, demand of fish product.
- Reduced gross revenues and increased costs to operate.

## **Did you receive any COVID-19 funding to support your business? Responses to “other please specify”**

- Applied for EIDL and received confirmation but received no money.
- Applied for EIDL. No funding to date.
- As a felon, I am not qualified for SBA loans. I’m scared that I’ll take a loan and COVID will strike again, just putting me further in debts I’ll never be able to pay off.
- Hoping to receive COVID relief from state for fisheries relief
- I was provisionally approved for EIDL however with no income there is no money to pay it back, so I did not go forward with it.
- Plan to apply for assistance from local CARES funds

## Do you foresee any long-term positive business changes that could come out of this period of disruption?

- Absolutely NOT.
- As far as long term positives go, I hope we will be looked at in our community in a positive way based on how we handled this pandemic. I will be restructuring my business loans in order to have a more resilient and less costly monthly financial burden.
- Maybe try to diversify to include another product such as clams, oysters or kelp. Look for our own niche markets possibly or not fish as much to conserve resources.
- More use of technology.
- no
- No
- no
- No
- No
- no
- None
- None
- None
- None.
- Nope
- Nope!!! Well maybe the possibility of working from home for a lot of people.
- Not really at this time.
- Not too much positive coming out of this for me. Except I did have a couple of days of down time which I used to research new technology (to me) to make my business more efficient. But I already work from home and make use of technology to help organize. For me, this impact of the devastation of my business, which relies on clients coming to cruise Alaska, is currently and for the next year means a three times the work for the same or less pay and that pay is not to be realized this year....and not until the trip actually happens in 2021 or 2022. So basically, I worked for 2020 for free and 2021 commission payments are at least a year away. Will be very hard to stay open, but I have an obligation to my clients. I am already dipping into what is supposed to be my retirement, which was supposed to be in 2022. Who knows when retirement will be now? I must say however that I have amazing clients and they do make it easier to work hard for them so they get the best value out of this circumstance and eventually in 2021 and 2022, get the fantastic vacation they will most certainly deserve by then!!
- Potential for cheap money for projects with interest rates low if we see a bounce back in 2021.
- Yes
- Yes, I think we will get better at technology. And reconnect with what is really important. But as a boat tour operator I need actual visitors and they have to be willing and able to come

here to contribute to operate. One thing that might be helpful is I think for my industry it will shake the tree a bit and possibly eliminate all but the most dedicated of operations

- Yes, for the businesses who can survive and pivot, the seafood industry will likely continue to thrive in retail, and with more people staying home, more people may be willing to try cooking seafood at home, which may expand our customer base in the long term. As well, direct sales to consumer businesses are thriving and that will likely continue, as well as the sentiment to "buy local" or "buy US produced seafood".
- Yes, I will attempt to adapt to this huge disruption somehow, possibly getting another business on top of the 2 I already have. (neither received funding)

# Wrangell Alaska Economic Conditions Report



For the City and  
Borough of Wrangell  
May 2020



A Publication by  
**Rain Coast Data**



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## A History of the Wrangell Economy

The City and Borough of Wrangell—located on Wrangell Island near the Stikine River—represents approximately 3 percent of total population, jobs, and earnings for Southeast Alaska. The community of Wrangell has restructured its economy and identity many times over the years. Centered around the fur trade in the early 1800's, Wrangell went on to become a military fort, a mining center, and a base for canneries and fishing. In the early 1900's plentiful spruce and hemlock in the area gave rise to a timber economy, and by the early 1990's timber industry jobs accounted for twenty percent of Wrangell's workforce, and nearly a third of all direct local wages.

When the Alaska Pulp Company sawmill closed in 1994, the local economy was devastated. During the same period, salmon prices tumbled reducing the value of the area's commercial fisheries, and community's largest seafood processor filed bankruptcy. Although the community would go on to briefly attract major interest from the large-scale cruise industry, after three years the ships moved on. Between 1994 and 2006, the population of the community fell by 18% (losing more than 500 residents).

Reeling from these losses, the community leaders reviewed their remaining assets, and refocused on developing and supporting their maritime resources. Immediately the community set about enhancing its locally based seafood and marine services sector: converting the old mill site downtown into a marine services center and boat yard; building a third boat harbor; upgrading the local seafood processing infrastructure; and investing in its boatbuilding and repair facilities. The community also turned its attention to the visitor and cultural maritime economy, upgrading its cruise ship dock, constructing a convention and visitors center, restoring the Chief Shakes Tribal House, and completing a major downtown revitalization facelift.

In 2018, Wrangell Alaska had 1,151 year-round equivalent jobs and nearly \$50 million in workforce earnings. The top economic drivers of the community are seafood, tourism, health care, and industrial maritime. With some of the lowest electrical rates in Alaska, the highest school district test scores, a reemerging visitors industry, the lowest unemployment rate in decades, and a high level of entrepreneurship (more than a quarter of all workers are self-employed), Wrangell was moving in a positive economic direction.

In 2020, the COVID-19 virus devastated the global economy, and Wrangell has been feeling the impacts acutely. An estimated 26,000 visitors had been projected to spend \$6.2 million in Wrangell's economy in 2020. Now it unclear if any tourists will visit this summer. Seafood processing, which was already significantly curtailed in the expectation of a poorer than average salmon season, could see additional reductions. Access to state and federal dollars will provide Wrangell with some short-term gains, but the ability to pay for longer-term infrastructure improvement projects could be in jeopardy. This document, Wrangell Alaska Economic Conditions Report, provides a baseline summary of the economy of Wrangell prior to the 2020 pandemic event, to provide an economic planning tool for stabilizing and re-growing the economy moving forward.

# CHANGES IN WRANGELL: 2010 to 2019

This table tracks key economic indicators in Wrangell 2010, 2015, and 2019, along with associated changes. In many cases 2018 is the latest available data, and is used in place of 2019 numbers.

Demographics	2010	2015	2019	% Change 2015-2019
<b>Wrangell Population</b>	<b>2,369</b>	<b>2,444</b>	<b>2,400</b>	<b>-2%</b>
65+-year olds	374	469	528	<b>13%</b>
Median Age Wrangell (AK is 35.5)	46.4	47.8	47.5	<b>-1%</b>
K-12 Students	312	274	308	<b>12%</b>
18 and under	542	518	540	<b>4%</b>
General Economic Conditions	2010	2015	2018	Change
Total Annualized Jobs	1,168	1,215	1,151	<b>-5%</b>
Total Job Earnings	\$45,285,755	\$46,507,622	\$49,575,379	<b>7%</b>
Annual Average Wage	\$38,772	\$38,278	\$43,072	<b>13%</b>
Annual Unemployment Rate	8.8%	7.8%	2019 is 7.7%	<b>-1%</b>
Maritime Economy	Top Sector: 28% of employment earnings			
Seafood Jobs	271	281	220	<b>-22%</b>
Seafood Earnings	\$14,961,150	\$13,371,074	\$11,868,545	<b>-11%</b>
Other Maritime (Boatbuilding, etc.)	24	47	47	<b>0%</b>
Other Maritime Earnings	\$1,335,825	\$1,620,018	\$2,102,650	<b>30%</b>
Port of Wrangell: Total Seafood Pounds	2,116,100	3,751,754	3,292,910	<b>-12%</b>
Port of Wrangell: Total Seafood Value	\$2,857,169	\$4,809,060	\$4,883,033	<b>2%</b>
Government	Public Sector: 31% of all employment earnings			
Total Government Employment	318	309	292	<b>-6%</b>
Federal Employment	58	51	43	<b>-16%</b>
State Employment	23	23	20	<b>-13%</b>
City and Tribal Employment	236	235	229	<b>-3%</b>
Total Government Payroll	\$14,148,023	\$14,291,774	\$15,403,583	<b>8%</b>
Health Care Sector	Key Industry: 14% of all employment earnings (data confidential)			
Visitor Industry	Key Industry: 9% of all jobs			
Visitor Industry Employment	na	95	106	<b>12%</b>
Total Visitor Industry Wages/Earnings	na	\$2,093,291	\$2,889,447	<b>38%</b>
Wrangell Passenger Arrivals	2010	2015	2019	Change
<b>Total Arrivals</b>	<b>22,741</b>	<b>29,979</b>	<b>40,702</b>	<b>36%</b>
Air Passengers	10,587	12,512	14,637	<b>17%</b>
Cruise Ship Passengers	3,869	10,011	21,540	<b>115%</b>
Alaska Marine Highway System	7,325	6,130	2,907	<b>-53%</b>
Yacht Passengers	960	1,326	(2018) 1,618	<b>22%</b>
Other Selected Statistics	2010	2015	2019/2018	Change
Sales Tax Receipts	\$2,196,229	\$2,682,623	\$2,650,000	<b>-1%</b>
Housing Starts	3	13	7	<b>-46%</b>
Total MWh Sold in Wrangell	27,221	34,166	37,729	<b>10%</b>
Total Assessed Property Value	\$121,950,067	\$143,146,844	\$149,469,100	<b>4%</b>
Total City and Borough Revenue	\$6,760,814	\$7,068,905	\$6,486,045	<b>-8%</b>

**Sources:** Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age; Alaska Department of Education and Early Development; Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; 2017 US Census Nonemployer (self-employment) Statistics; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Cruise Line Agencies of Alaska; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System data. Note: Because no self-employment data for Wrangell was available pre-2013, 2013 numbers were used in place of 2010 numbers. Self-employment represents approximately one-fourth of Wrangell's annualized employment.

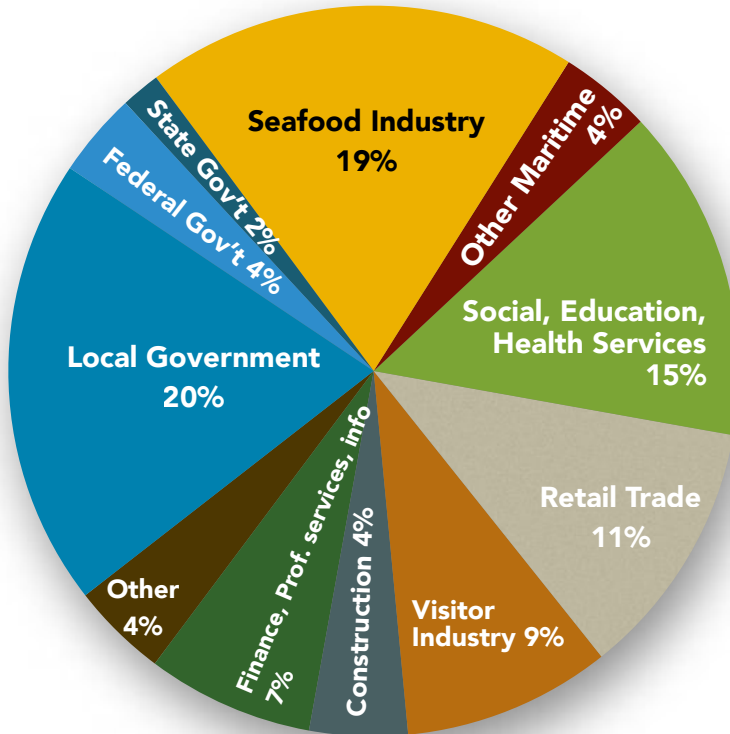


# The Whole Wrangell Alaska Economy 2018

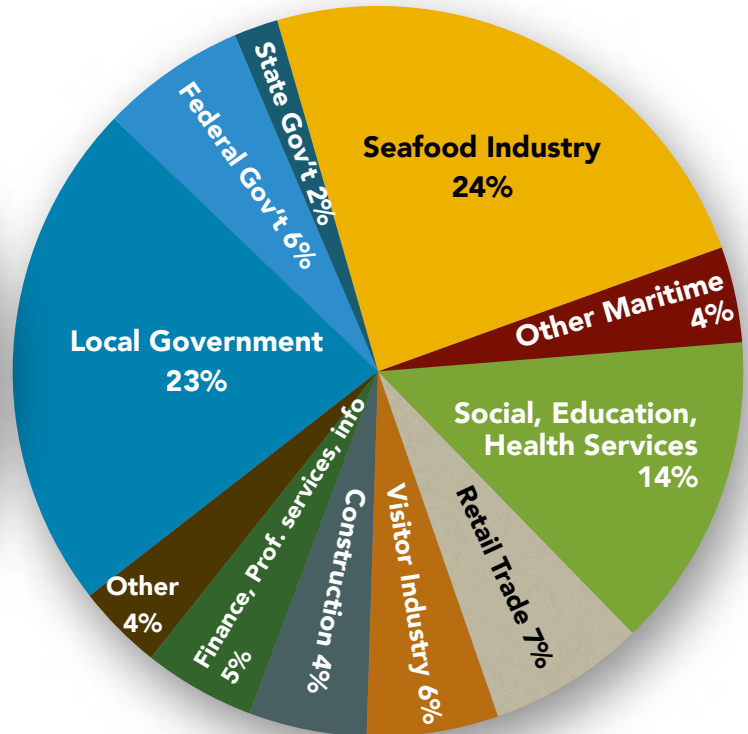
Item f.

In 2018, Wrangell Alaska had 1,151 year-round equivalent jobs and nearly \$50 million in workforce earnings. Half of all jobs and three-fifths of all wages are in government or maritime, including seafood.

## Annualized Jobs 1,151 Jobs



## Employment Earnings \$49.6 Million Workforce Earnings



## 2018 Wrangell Alaska Employment Earnings

	EMPLOYMENT RELATED EARNINGS			EMPLOYMENT NUMBERS		
	Wages (2018)	Self-Employment Earnings (2017)	Total Earnings	Annual Average Employment (2018)	Self-Employed (2017)	Total Employment
Local Government	\$11,244,452	-	\$11,244,452	229	-	229
Federal Government	\$3,185,263	-	\$3,185,263	43	-	43
State Government	\$973,868	-	\$973,868	20	-	20
Seafood Industry	\$2,919,545	\$8,949,000	\$11,868,545	75	145	220
Other Maritime	\$1,323,650	\$779,000	\$2,102,650	36	11	47
Social, Health and Education Services	\$6,627,539	\$305,000	\$6,932,539	156	14	170
Retail Trade	\$3,274,045	\$173,000	\$3,447,045	120	12	132
Visitor Industry	\$2,137,447	\$752,000	\$2,889,447	81	25	106
Construction Industry	\$1,216,642	\$1,369,000	\$2,585,642	32	18	50
Financial Activities	\$662,551	\$441,000	\$1,103,551	19	18	37
Professional and Business Services	\$230,002	\$424,000	\$654,002	9	25	34
Information	\$692,980	\$5,000	\$697,980	12	2	14
Other Services	\$986,395	\$904,000	\$1,890,395	20	29	49
<b>Total</b>	<b>\$35,474,379</b>	<b>\$14,101,000</b>	<b>\$49,575,379</b>	<b>852</b>	<b>299</b>	<b>1,151</b>

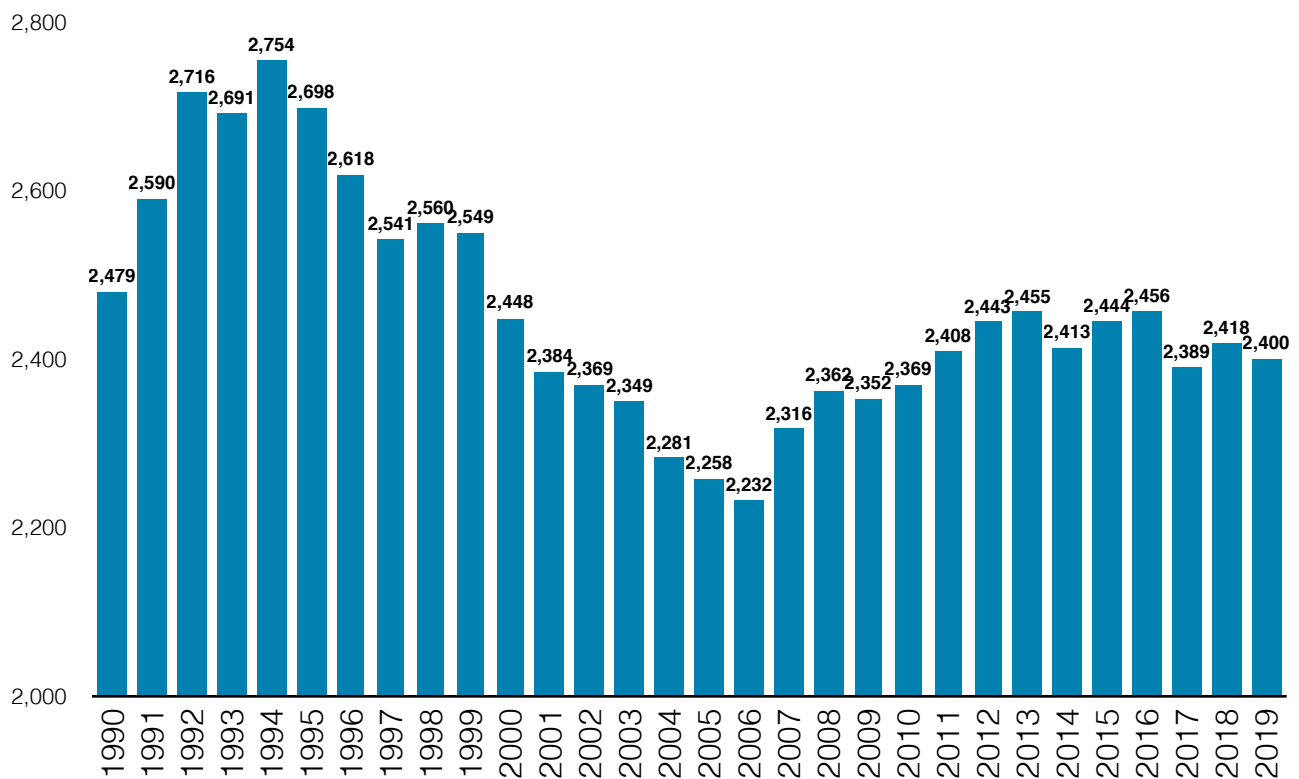
**Sources:** Alaska Department of Labor 2018 Employment & Wage data; 2017 (latest available) US Census Nonemployer (self-employment) Statistics. Note: public health care jobs are included in local government. Health care is 14% of all workforce earnings in the community, and 10% of all jobs.

# Demographics

## Population<sup>1</sup>

Wrangell's population peaked in 1994. After decreasing for twelve years due to the loss of the timber industry, Wrangell's population hit bottom in 2006 with 2,232 residents. Between 2006 and 2013, the population increased each year but one, for an overall gain of ten percent—rising to 2,456 in 2013. This rise made Wrangell one of the fastest growing communities in the region during this period. Since then, the population has decreased by 2% to 2,400 people in 2019.

**Wrangell Alaska Population 1990-2019**

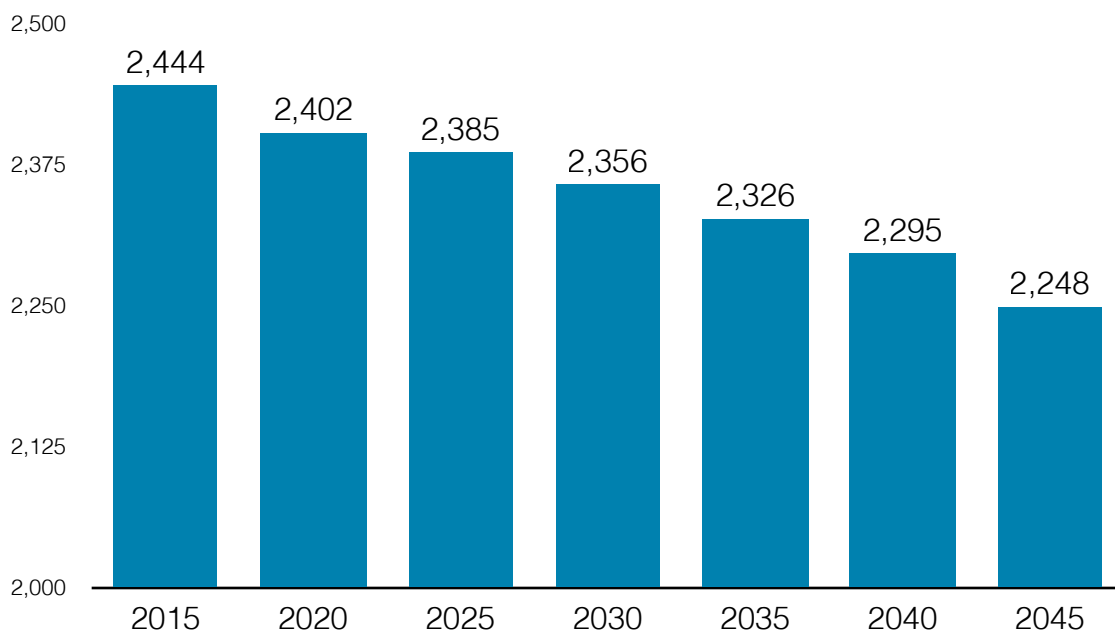


<sup>1</sup> State of Alaska, Department of Labor and Workforce Development, Research and Analysis. 1990-2020.

## Population Projections<sup>2</sup>

Wrangell population is expected to grow incrementally in 2020 with two additional residents projected. However, sustained decline is projected following 2020. The Alaska Department of Labor and Workforce Development released population projections for Alaska in March of 2020. According to these pre-COVID-19 estimates, between 2020 and 2045, the community is expected to lose 6% of its population, with a loss of 8% in the three decades between 2015 and 2045. These numbers must be understood as projections should indicators continue along their current paths. Much can and will change between now and 2045.

### Wrangell Alaska Population Projections 2020 to 2045



<sup>2</sup> Alaska Department of Labor and Workforce Development. The population projections are based on the current population and historical birth, death, and migration trends, and were developed before an analysis of COVID-19's impact on population levels could be developed. <https://live.laborstats.alaska.gov/pop/projections.cfm>

### Age<sup>3</sup>

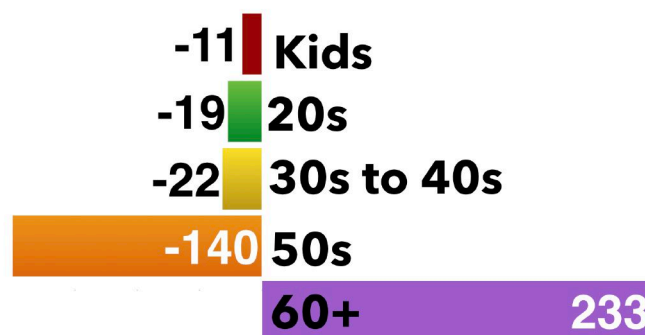
Despite a similar overall population levels over the past decade, some specific sub-demographic groups have changed much more quickly than total population. Between 2010 and 2019, those under the age of ten increased by 15% (+41), while those aged ten to nineteen fell by 17% (-52), and those in their 20s fell by 8%, for a loss of 19 people in this age category. Those in their 30s grew by 29%, which was balanced by a loss of 26% of those in their 40s.

On the other end of the age spectrum, those aged 60 and older grew by 39%, for an increase of 233 older residents, who are aging in place in Wrangell. This 60+ age group was 24% of the total Wrangell population in 2010 and grew to 33% of the population in 2019. The median age in 2019 was 47.5, far above the state median age of 35.5 years old.

### Wrangell Population by Age Group, 2010 to 2019

Age Group	2010	2019	Change 2010-2019
Under 10	265	306	15%
10 to 19	307	255	-17%
Twenties	231	212	-8%
Thirties	202	261	29%
Forties	313	232	-26%
Fifties	478	338	-29%
Sixties	322	470	46%
70s+	251	326	30%
Median Age	46.4	47.5	2%
Total Population	2,369	2,400	1%

### 9 Years of Wrangell Population Change +31 people +1%

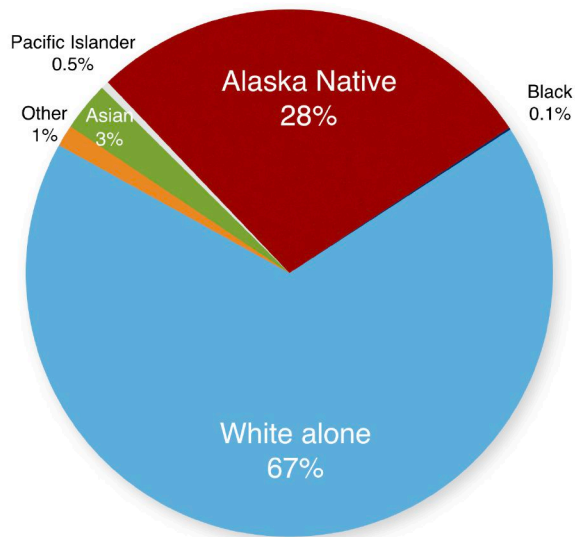


<sup>3</sup> State of Alaska, Department of Labor and Workforce Development, Research and Analysis. Age and Sex, Cities of 1,000 or More People, 2010 to 2019.

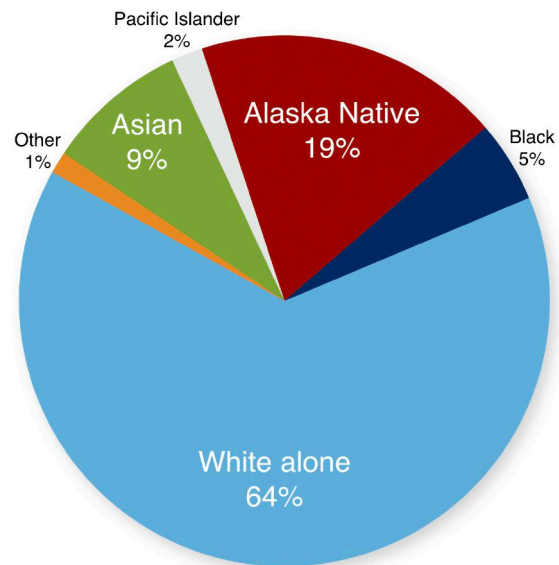
## Race<sup>4</sup>

Wrangell has a very significant Alaska Native population. More than a quarter of all residents are Alaska Native, a proportion that has been growing. The community has a larger Alaska Native population than the state as a whole, as well as a larger white population, with little other ethnic diversity. Across the community, 67%, of all residents are Caucasian, 28% are Alaska Native, 3% are Asian, and just 0.1% are black.

### WRANGELL ETHNICITY



### ALASKA ETHNICITY



## Poverty<sup>5</sup>

Eight percent of the total Wrangell population lives below the poverty level (192 individuals). While in many communities children, the elderly, or minority groups are more likely to have higher poverty levels than the community as a whole, in Wrangell the only group to experience poverty more acutely are young adults. Those aged 18 to 34 were more than twice as likely to experience poverty as the rest of the population, with 19% living below poverty levels in 2018.

<sup>4</sup> 2018: American Community Survey 5-Year Estimates

<sup>5</sup> 2018: American Community Survey 5-Year Estimates

## Unemployment<sup>6</sup>

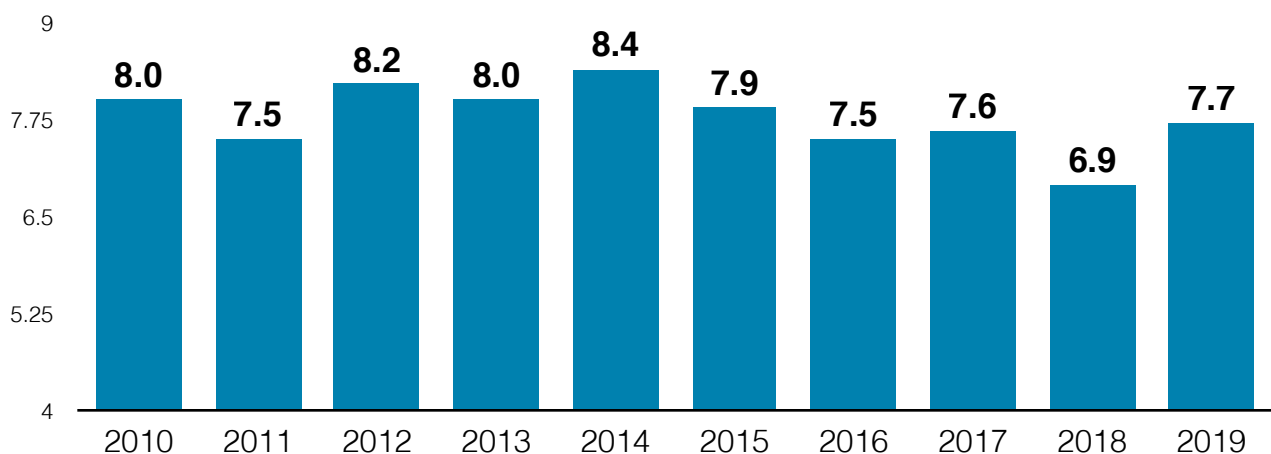
Unemployment over the past 10 years in Wrangell has ranged from an annual high of 8.4% in 2014, to a low of 6.9% in 2018. Because much of the employment in the community is seasonal, there is significant variation between unemployment rates during a given year.

January and February typically are the months with the highest unemployment levels.

January 2010 was the highest standalone month in the past 10 years, with an unemployment rate of 13.2%. July and August have the lowest levels. August 2018 had just a 5% unemployment rate, the lowest of the past decade.

### Unemployment in Wrangell, 2010 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2020	8.0	7.9	7.2										
2019	9.8	10.2	9.2	7.6	6.7	7.4	6.2	6.1	6.0	7.1	8.0	8.4	7.7
2018	9.4	9.3	8.4	6.2	5.9	6.6	5.2	5.0	5.2	6.3	7.4	8.0	6.9
2017	9.9	9.7	9.0	7.4	6.8	7.0	5.7	6.1	6.6	6.8	8.2	8.5	7.6
2016	10.5	10.3	9.2	6.9	6.3	7.0	5.7	5.7	6.5	6.8	8.1	8.1	7.5
2015	10.6	10.5	9.0	7.5	7.2	7.5	6.1	5.5	6.3	7.1	8.7	9.5	7.9
2014	12.0	12.5	9.7	8.0	7.0	7.5	6.0	5.9	6.8	7.8	9.1	9.8	8.4
2013	11.3	11.3	9.8	6.9	6.3	6.7	6.0	5.5	5.9	8.1	9.4	10.4	8.0
2012	11.6	11.4	10.9	8.4	7.4	7.4	6.1	5.8	6.5	7.4	7.5	9.0	8.2
2011	10.0	9.4	8.5	7.3	6.6	7.2	5.4	5.1	5.8	7.6	8.3	10.4	7.5
2010	13.2	12.7	10.5	7.5	7.4	7.1	5.4	5.3	5.8	6.8	7.1	8.0	8.0



<sup>6</sup> Alaska Department of Labor. Annual Unemployment Rates for City and Borough of Wrangell and Alaska 2010 to 2019. <https://live.laborstats.alaska.gov/labforce/labdata.cfm?s=30&a=0>

## Educational Attainment<sup>7</sup>

For those aged 25 and older in Wrangell, 12% have less than a high school degree, 38% have only a high school degree only, 21% have an associate's or bachelor's degree, and 7% have a graduate or professional degree. Those with only a high school degree earned a median of \$30,395 last year, while those with graduate or professional degrees earned a median of \$68,611.

### Top Educational Attainment and Wages for Wrangell Residents Aged 25 and Older

Population 25 years and over	Percent	Median Earnings
Less than high school	11.7%	\$31,023
High school graduate only (includes equivalency)	37.6%	\$30,395
Some college, no degree	23.1%	\$36,842
Associate's degree	6.9%	na
Bachelor's degree	14.0%	\$44,342
Graduate or professional degree	6.7%	\$68,611

## Residency<sup>8</sup>

Wrangell generally has a high level of residential workforce compared to other Southeast Alaska communities. Of the total workforce, 390 employees are from outside Wrangell or Alaska, and 749 are local Wrangell residents. (This is not a measurement of annualized jobs, but workers). Locals make up 66% of all workers in Wrangell, and earn 78% of all community workforce wages.

An exception to this is the seafood processing sector. Only 21.5% of Wrangell's seafood processing workers are local residents, who earn 39% of total seafood processing workforce wages. These figures do not include self-employment numbers.

### Wrangell Non Residents versus Resident Workers, 2018

Sector	Total Wrangell Workers	Wages (millions)	Seafood Processing Workers	Seafood Processing Wages
Locals	749	\$25.7	37	\$0.95 mill
Nonlocal Alaskans	90	\$2.4	Combined below	Combined below
Non Alaska Residents	300	\$4.9	Combined below	Combined below
<b>Total non Wrangell</b>	<b>390</b>	<b>\$7.3</b>	<b>137</b>	<b>\$1.43 mill</b>
Percent local workers	65.8%	77.9%	21.3%	39.9%

<sup>7</sup> 2018: American Community Survey 5-Year Estimates

<sup>8</sup> Nonresidents Working in Alaska: 2018. Alaska Department of Labor and Workforce Development. February 2018.

## Government

Government in Wrangell makes up 31% of all workforce earnings, and 25% of all jobs. In 2018, government accounted for 292 average annual jobs, and \$15.4 million in earnings. Local government (including tribal government)—with 229 employees last year and \$11.2 million in wages last year—make up the bulk of all government jobs in the community. However, 40% of this total is estimated to be hospital related, and will not be part of the budget moving forward. City and Borough of Wrangell (CBW) employment in 2018 included employees of the Wrangell School District, Wrangell Municipal Light and Power, Wrangell Medical Center, the Public Library, the Nolan Center, and garbage services.

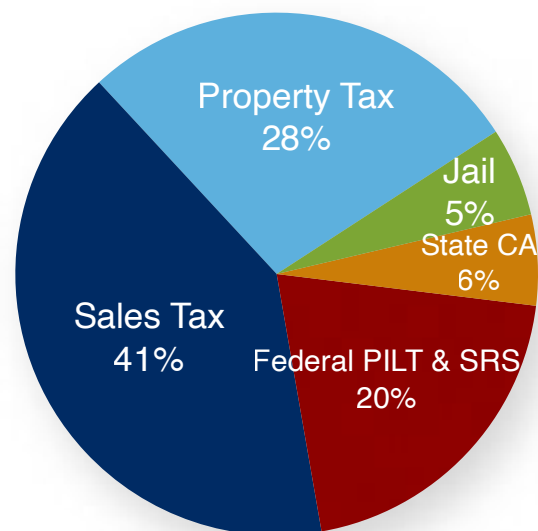
Government employment is down substantially over the past five years. Total government jobs fell by 10% between 2013 and 2018. Federal employment dropped by 14% (7 jobs), state jobs were reduced by 20% (5 jobs) and local government employment fell by 8% (21 jobs). Total workforce earnings remained relatively stable in nominal dollars, but adjusted for inflation represents a loss of 6%. While some of these losses were due to the hospital moving approximately 55 jobs from CBW jobs to SEARHC, this move did not occur until November 2018, and would not impact jobs numbers for the full year significantly.

### Government employment and earnings in Wrangell, 2010 to 2018

Government Sector	2010	2013	2015	2018	Change 2013-2018
<b>Total Government Employment</b>	<b>318</b>	<b>325</b>	<b>309</b>	<b>292</b>	<b>-10%</b>
Federal Employment	58	50	51	43	-14%
State Employment	23	25	23	20	-20%
City and Tribal Employment	236	250	235	229	-8%
Total Government Payroll	\$14,148,023	\$15,246,007	\$14,291,774	\$15,403,583	1%

### Major Wrangell Revenue Sources FY2019 Total = \$6,486,334<sup>9</sup>

Sales tax represents the largest source of annual revenue for the municipality of Wrangell, at 41% in FY2019. Property tax provided 28% of revenue in that year, followed by federal payment in lieu of taxes (PILT) and Secure Rural Schools (SRS) dollars (20%). State Community Assistance (CA) was 6%. In real dollars, revenue has decreased by 13% between FY2015 and FY2019, primarily representing a loss of state income.



<sup>9</sup> Approved budget of the City and Borough of Wrangell



## Seafood Sector<sup>10</sup>

Seafood is one of the most important sources of jobs and workforce earnings for Wrangell. In 2018 seafood provided 19% of all community annualized jobs (220), and 24% of total workforce earnings (\$11.9 million). The Wrangell fishing sector is important to community due to the number of fishermen the rich fisheries support, but also due to its seafood processing facilities.

Jobs and wages decreased significantly between 2015 and 2018 due to a significant decline in processing in the community. While the seafood harvest by Wrangell fishermen has been relatively stable in recent years, total seafood processing jobs have been down significantly. Between 2015 and 2018, total pounds harvested in Wrangell dropped by 12%, while total processing jobs decreased by 39%, and by 53% from 2014.

### Wrangell Seafood Sector, 2010-2018

Seafood Sector	2010	2015	2018	Change 2015-2018
Seafood Jobs (annualized)	271	281	220	-22%
Total Seafood Workforce Earnings	\$14,961,150	\$13,371,074	\$11,868,545	-11%
Seafood Processing Workers (peak)	377	284	174	-39%
Total Seafood Processing Wages	\$2,743,874	\$4,006,185	\$2,383,743	-41%
Total Seafood Pounds Landed	2,116,100	3,751,754	3,292,910	-12%
Total Seafood Value (nominal \$)	\$2,857,169	\$4,809,060	\$4,883,033	2%

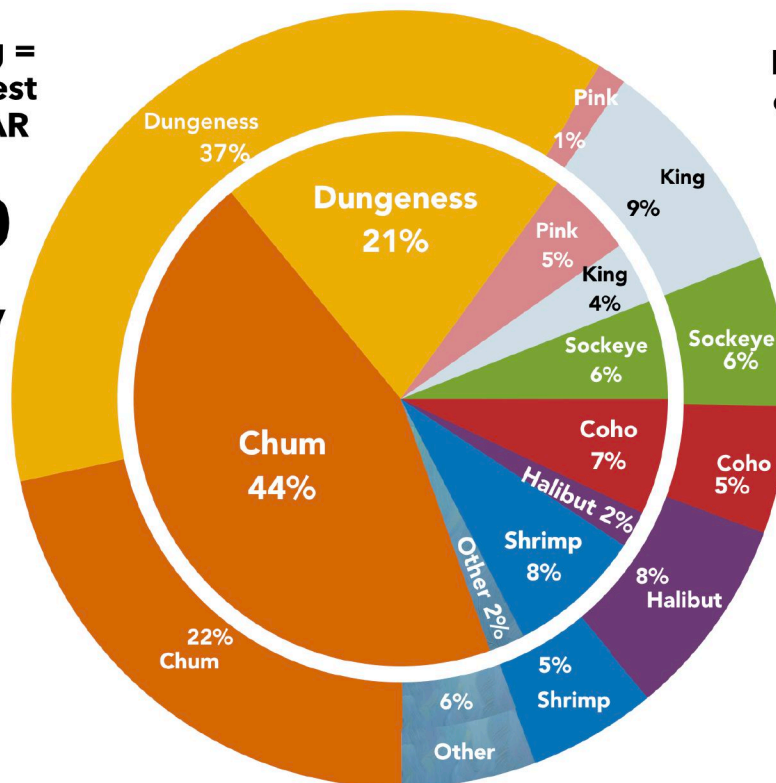
<sup>10</sup> Alaska Department of Labor 2018 Employment & Wage data; 2018 (latest available) US Census Nonemployer.

## Total Volume and Value of Wrangell Seafood<sup>11</sup>

By pounds, two-thirds of the Wrangell fishery is salmon. On average salmon made up 66% of total pounds caught over the past 10 years, primarily Chum salmon. By value, salmon make up approximately two-fifths (43%) of total fishery value over the last decade. More than one-third, 37% of the total Wrangell harvest value is Dungeness crab. Halibut and King salmon make up 6% of pounds landed, and 17% of the total harvest value, on average. Pink salmon, which has a very cyclical return, are much less prevalent in Wrangell than the region as a whole.

### SEAFOOD LANDED IN WRANGELL BY SPECIES, 10 YEAR AVERAGE

**Outer ring =  
% of harvest  
by DOLLAR  
value:  
\$5.0  
million  
annually**



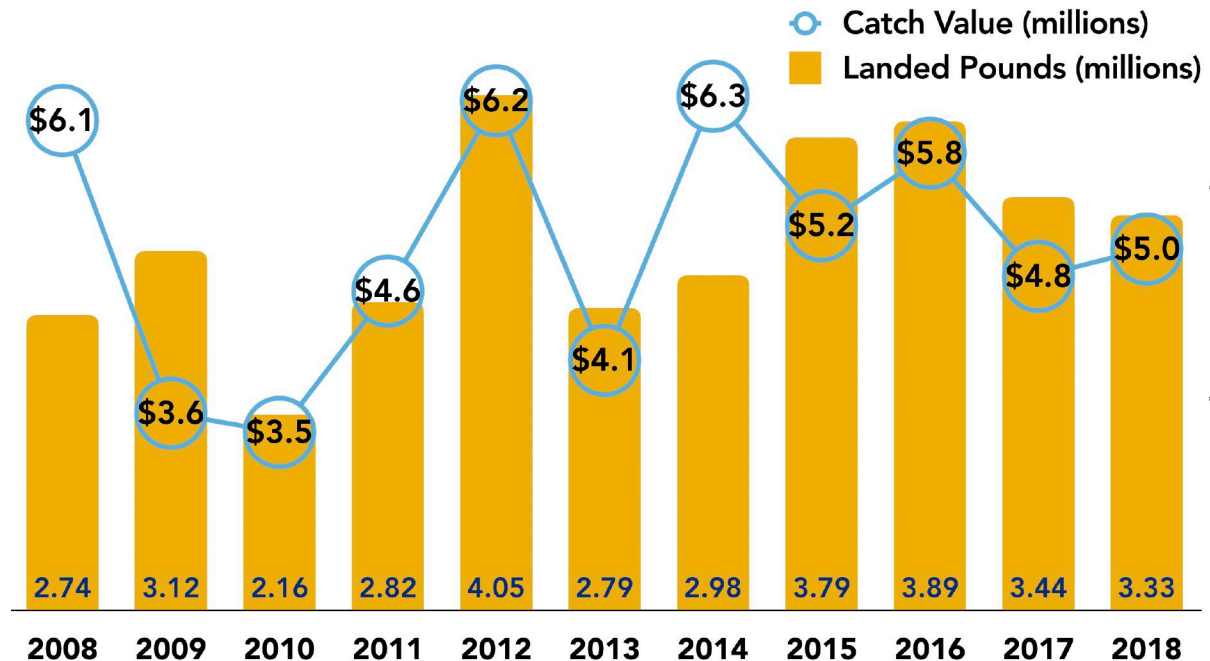
**Inner pie = %  
of harvest by  
POUNDS  
landed:  
3.2  
million  
pounds  
annually**

Between 2008 and 2018, the average value of the Wrangell fishery was \$5 million (adjusted for inflation) and the average volume landed was 3.2 million pounds.

<sup>11</sup> Alaska Department of Fish and Game Division of Commercial Fisheries 2008 - 2018 Commercial Fisheries Value by Species, Wrangell

Because the volume of seafood can fluctuate so much annually, it is important to track using average values over time, rather than comparing years directly. In the last decade, the value of the Wrangell seafood catch has fluctuated between \$6.3 million in total value in 2014 to \$3.5 million in 2010, while total pounds landed was over four million pounds in 2012, and down to 2.2 million pounds in 2010.

### VALUE & POUNDS OF SEAFOOD LANDED WRANGELL ALASKA 2008 TO 2018 (INFLATION ADJUSTED)



In contrast to earlier in the decade the Wrangell seafood catch has been relatively stable, both in terms of value and pounds landed, over the past four years.

### Seafood Processing<sup>12</sup>

Seafood processing creates additional value in this industry. In 2012 a total of 11.4 million pounds of seafood were processed in Wrangell, with a wholesale value of \$32.6 million. However, in the years 2013-2019, the Wrangell specific data is confidential.

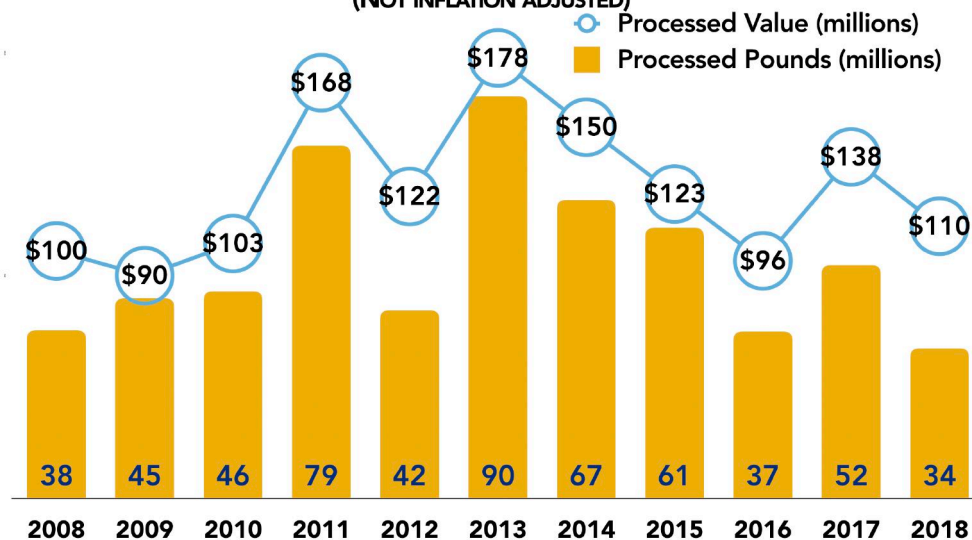
<sup>12</sup> Alaska Department of Fish and Game Division of Commercial Fisheries 2008 - 2018 Petersburg/Wrangell Production Shorebased Processors and Direct Marketers custom processing with Shorebased Processors

## Value and Pounds of Seafood Processed, Wrangell

Operation Year	Port Name	Net Weight (Sum)	Wholesale Value (Sum)
2008	Wrangell	4,339,840	\$11,441,454
2009	Wrangell	6,168,541	\$9,891,141
2010	Wrangell	13,227,717	\$26,774,348
2011	Wrangell	20,409,870	\$42,382,058
2012	Wrangell	11,401,552	\$32,564,612
2013 to 2019	Wrangell	confidential	confidential

In 2012 Wrangell processing accounted for 26% of both pounds processed and value in the Wrangell-Petersburg area. In 2018 there were 17 seafood processors in the Petersburg-Wrangell area. These processed 34 million pounds of seafood with a wholesale value of \$110 million, significantly below 2017 levels in which 52 million pounds of seafood were processed in the area.

### VALUE & POUNDS OF SEAFOOD PROCESSED WRANGELL-PETERSBURG ALASKA 2008 TO 2018 (NOT INFLATION ADJUSTED)

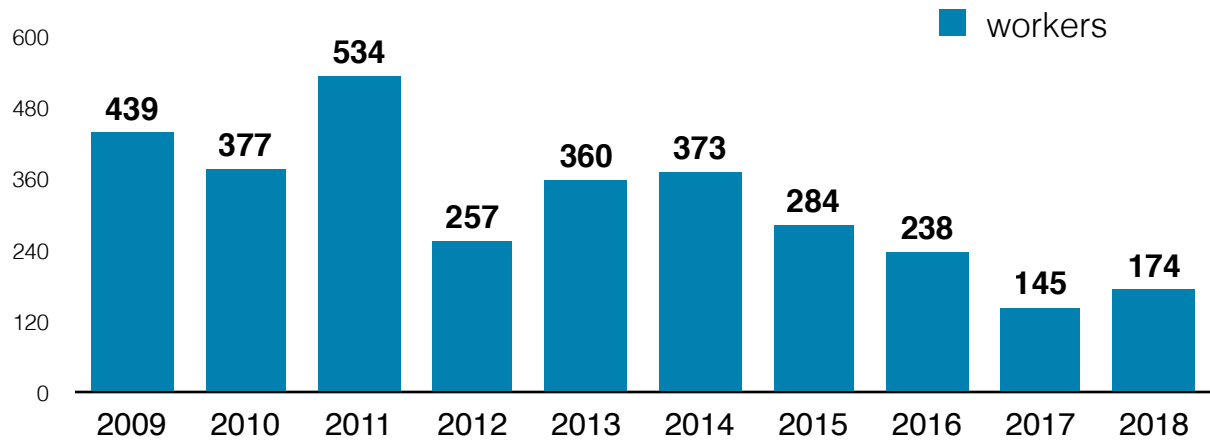


Total count of workers in the Wrangell seafood industry is much higher than the annualized job count. Seafood processing employment peaks in late July when the processors are at maximum effort. In 2018 in Wrangell, peak seafood processing jobs peaked in July with 161 workers (down approximately 50 workers from the peak two years earlier).

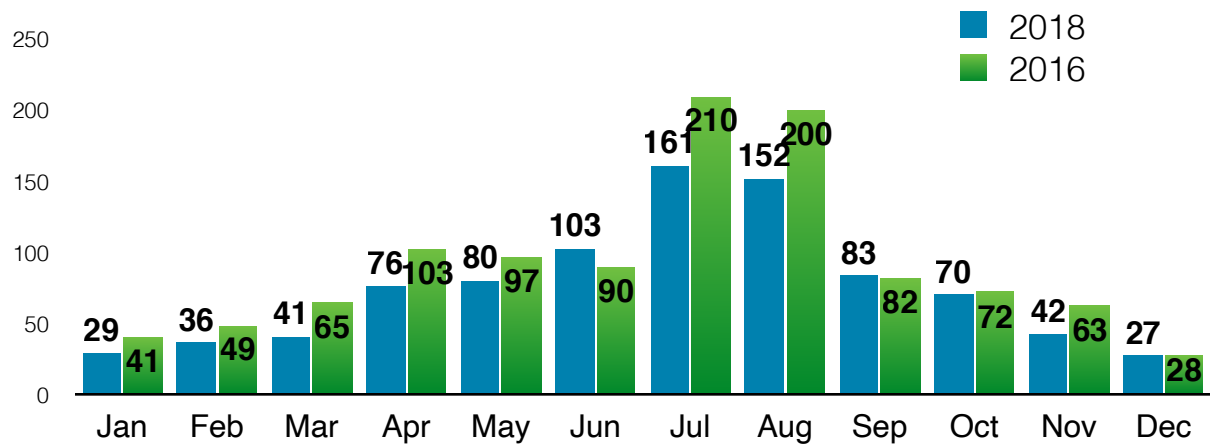
Wrangell seafood processing jobs have been declining. In 2011 there were 534 peak jobs, and by 2018 that number has fallen by 67% to 174 total seafood processing worker in the community.<sup>13</sup> That figure is expected to decrease through 2020. Trident Seafoods, one of the two main seafood processors in Wrangell, has decided not to operate during the 2020 salmon season, due to a prediction of a low salmon abundance.

<sup>13</sup> Alaska Department of Labor. Seafood Processing Workforce and Wages by Borough, 2009 - 2018.

### Wrangell Seafood Processing Workers 2009 to 2018



### Wrangell Seafood Processing Workers 2016 & 2018 by Month



### Seafood Processing Workforce and Wages 2009-2018

Year	Total Workers	Wages	% non-resident workers
2009	439	\$2,760,843	71.3%
2010	377	\$2,743,874	71.1%
2011	534	\$3,991,965	80.9%
2012	257	\$2,610,723	68.5%
2013	360	\$4,472,669	75.8%
2014	373	\$4,015,454	79.4%
2015	284	\$4,006,185	75.7%
2016	238	\$2,643,179	63.0%
2017	145	\$1,980,904	68.3%
2018	174	\$2,383,743	76.4%
Change 2015-2018	-38.7%	-40.5%	0.7%

## Other Maritime

In Wrangell there were 267 private “blue jobs”—as maritime jobs are sometimes called—with \$14 million in associated workforce earnings in 2018. It is the community’s largest sector outside of Wrangell’s government sector, and it draws from nearly every element of the local workforce. Nearly all of Wrangell’s maritime sector is driven by seafood. Seafood processing, mariculture and commercial fishing account for most of the maritime jobs in the community, but the shipyard also creates an increasingly significant level of jobs and wages. While jobs associated with the shipyard—47 annualized jobs—did not increase between 2015 and 2018, total workforce earnings associated with the shipyard increased by 30% to \$2.1 million

### Wrangell Shipyard Employment and Workforce Earnings, 2010 to 2018

Seafood Sector	2010	2015	2018	Change 2015-2018
Other Maritime (Boatbuilding, etc.)	24	47	47	0%
Other Maritime earnings	\$1,335,825	\$1,620,018	\$2,102,650	30%

### The Wrangell Shipyard

After the demise of the regional timber industry, Wrangell began to focus on providing maritime industrial services to southern Southeast Alaska. Wrangell is centrally-located in Southeast Alaska, allowing fishermen to access emergency repairs while remaining close to fishing grounds. Southeast Alaska vessel owners are taking advantage of the ability to have their repairs completed close to home.

The City of Wrangell took advantage of the 5-acre former mill site, literally building its marine center—complete with tunnel freezer, cold storage, vessel haul-out, and boat storage—on top of the sawdust ruins left behind. In 2006, a 150-ton travel lift was installed. In 2014, a 300-ton boatlift was installed to haul out boats up to 180-feet long. As Wrangell’s marine services expand and the yard’s capabilities improve, the reputation and use of Wrangell’s maritime facilities has also grown. Wrangell is home to excellent craftsmen who provide services for yachters and the commercial fleet. There are people employed through shipyard activities as wooden shipwrights, fiberglass workers, machinists, steel welders, commercial painters, sandblasters, and in metal fabrication, along with those with expertise in hydraulics, electronics, and refrigeration.

## Health Care

Health care in the community has recently transitioned from a primarily public sector enterprise to a privately run industry. Southeast Alaska Regional Health Consortium (SEARHC) took over the city-owned Wrangell Medical Center in November 2018. SEARHC is constructing a new facility that is planned to be opened in 2021. For various reasons, health care jobs in 2018 in Wrangell are confidential. However in 2016, there were 112 annualized health care jobs in the community.<sup>14</sup> This includes an estimated 55 health care workers that were employed by the CBW.

Assuming Wrangell health care workers earned the average regional wage for that industry, the health care sector in Wrangell is responsible for 14% of all workforce earnings in the community, and 10% of all jobs. Since most of the health care jobs in the community were part of the municipal workforce in the pie chart on page 3, the 2019 and 2020 pie chart for the community is going to look quite different moving forward.

### Alaska Health Care Workers, City and Borough of Wrangell, 2016

Occupational Title	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Average
Healthcare Support Workers	26	25	24	23	25
Medical Transcriptionists	18	18	21	20	19
Nursing Assistants	18	17	15	16	17
Registered Nurses	18	14	18	15	16
Medical Assistants	7	7	7	7	7
Dental Assistants	3	3	3	3	3
Radiologic Technologists	3	3	3	3	3
Healthcare Practitioners	2	2	4	3	3
Nurse Practitioners	2	2	2	2	2
Healthcare Social Workers	2	2	2	1	2
Dental Hygienists	1	1	1	1	1
Dentists, General	1	1	1	1	1
Health Educators	1	1	1	1	1
Medical Services Managers	1	1	1	1	1
Health Information Technicians	1	1	1	1	1
Pharmacists	1	1	1	1	1
Home Health Aides	0	0	1	1	1
Pharmacy Aides	0	1	0	1	1
Self-employed	9	9	9	9	9
<b>Total</b>	<b>114</b>	<b>109</b>	<b>115</b>	<b>110</b>	<b>112</b>

<sup>14</sup> Alaska Department of Labor. <https://live.laborstats.alaska.gov/odb/odb.cfm?a=000275>

## Visitor Overview

This is a summary of the Wrangell Visitor Industry by the Numbers 2019 report. The full document can be read on the CBW website. In the summer of 2018, an estimated 20,019 tourists visited Wrangell. This represented a 6% increase over 2017. These tourists spent an estimated \$5.1 million in Wrangell that summer. In 2020, an estimated 26,000 visitors had been projected to spend \$6.2 million in Wrangell.

### Wrangell's Visitor Industry by the Numbers 2010 - 2018

	Year 2010	Year 2014	Year 2017	Year 2018	% Change
<b>Total Air, Cruise, Ferry, Yacht Passenger Arrivals</b>	<b>2010</b>	<b>2014</b>	<b>2017</b>	<b>2018</b>	<b>Change 2017-2018</b>
Air Passengers	10,587	11,896	13,088	13,809	6%
Summer Only Air Passengers (May-August)	4,833	5,380	6,163	6,309	2%
Mid Sized Cruise Ship Passenger Arrivals	3,869	5,171	11,442	12,000	5%
Small Ship Passenger Arrivals (capacity, not actuals)	2,910	2,925	2,198	2,991	36%
Alaska Marine Highway System	7,325	6,803	4,841	3,749	-23%
Summer Only Passengers	3,954	3,674	2,359	2,056	-13%
Total Yacht Visitors	960	1,052	1,334	1,618	21%
<b>Total Passenger Arrivals in Wrangell (via Air, Cruise, Ferry &amp; Yacht)</b>	<b>25,651</b>	<b>27,847</b>	<b>32,903</b>	<b>34,167</b>	<b>4%</b>
<b>Summer Tourists to Wrangell</b>	<b>2010</b>	<b>2014</b>	<b>2017</b>	<b>2018</b>	<b>Change 2017-2018</b>
<b>Total Summer Tourists</b>	<b>11,507</b>	<b>13,256</b>	<b>18,944</b>	<b>20,019</b>	<b>6%</b>
Cruise (21,540 passengers expected 2019)	6,779	8,096	13,640	14,991	10%
Yacht Visitors	960	1,052	1,334	1,618	21%
Air (estimate)	1,768	2,008	2,606	2,449	-6%
Ferry (estimate)	2,000	2,100	1,364	961	-30%
<b>Total Summer Tourist Spending (estimate)</b>	<b>\$3,146,849</b>	<b>\$3,286,171</b>	<b>\$4,597,453</b>	<b>\$5,116,591</b>	<b>11%</b>
<b>Summer Yacht Traffic</b>	<b>2010</b>	<b>2014</b>	<b>2017</b>	<b>2018</b>	<b>Change 2017-2018</b>
Total Yacht Arrivals	310	377	489	605	24%
Average Days Yachts Visited	2	2	2	2	0%
Total Yacht Visitors	840	1,052	1,334	1,618	21%
Total Yachter Spending (estimate)	\$273,840	\$342,952	\$434,884	\$566,300	30%
<b>Hotel Room Nights</b>	<b>2010</b>	<b>2014</b>	<b>2017</b>	<b>2018</b>	<b>Change 2017-2018</b>
Total Hotel Room Sales All Year	7,748	6,787	7,833	7,665	-2%
May-Sept Only Room Rental Nights	4,877	4,574	3,995	4,737	19%



<i>Wrangell's Visitor Industry by the Numbers Continued</i>	Year 2010	Year 2014	Year 2017	Year 2018	% Change
<b>Jobs and Earnings</b>	<b>2010</b>	<b>2014</b>	<b>2017</b>	<b>2018</b>	<b>Change 2017-18</b>
Average Visitor Industry Wage	<i>n/a</i>	\$22,227	\$24,066	\$27,259	<b>13%</b>
Total Visitor Industry Employment	<i>n/a</i>	101	100	106	<b>6%</b>
Total Visitor Industry Workforce Earnings	<i>n/a</i>	\$2,244,990	\$2,406,618	\$2,889,447	<b>20%</b>
Peak Visitor Industry Employment	<i>n/a</i>	137 (July)	124 (July)	135 (July)	<b>9%</b>
Total Visitor Industry Businesses	<i>n/a</i>	37	37	39	<b>5%</b>

## Employment

Tourism is an economic driver in the community. In 2018, visitor industry employment made up 9% of all private sector employment in Wrangell, accounting for 106 annual average jobs with associated workforce earnings of \$2.9 million. The visitor industry accounted for 6% of total Wrangell workforce earnings in 2018. This sector is smaller in Wrangell than the region as a whole; the visitor industry represents 18% of all jobs and 11% of all employment earnings for Southeast Alaska, versus 9% and 6% respectively for Wrangell. The Wrangell visitor sector is also growing much more slowly than it is in the region, seeing no employment growth between 2014 and 2017. Between 2017 and 2018, visitor industry wages grew by 20%, from \$2.4 million to \$2.9 million and the community increased tourism jobs by 6%.

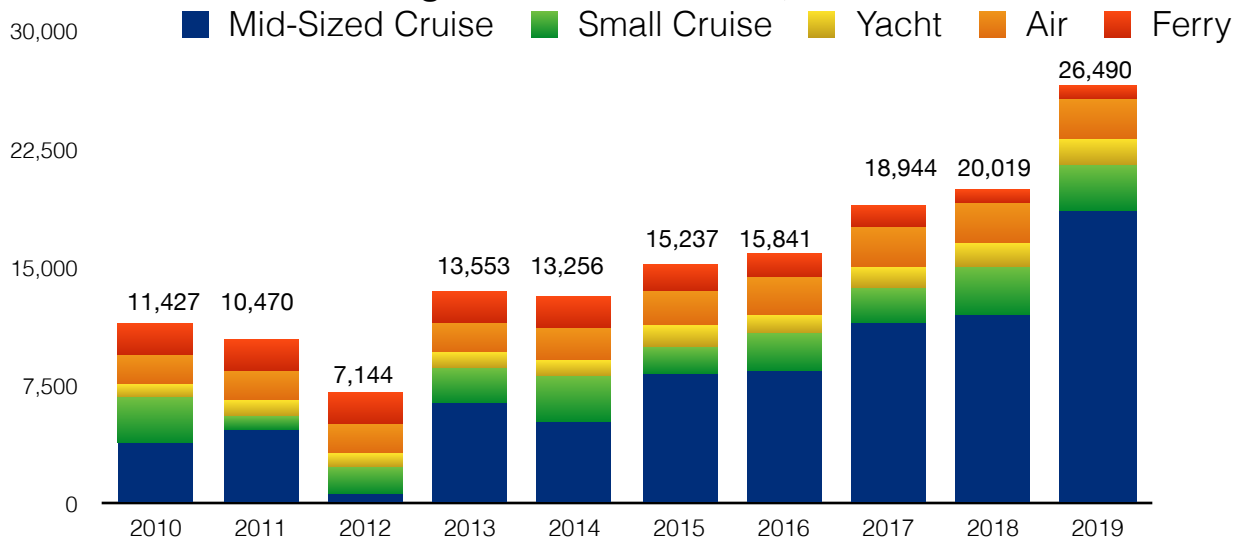
## Change in the Visitor Industry

After reaching a low point in 2012 of 7,144 tourists, the total number of visitors coming to Wrangell in the summer significantly increased over the past six years, mirroring regional trends. A total of 26,490 tourists came to Wrangell in 2019. Visitor industry jobs and wages in Wrangell had remained relatively stagnant through 2017, despite an increasing number of visitors. The primary reason for this disparity appears to be Wrangell's previous reliance on the ferry system for bringing independent (non-cruise) visitors to the community. Ferry tourism decreased by 54% in Wrangell between 2014 and 2018 due to deep budget cuts to the Alaska Marine Highway System, reduced and unattractive schedules for tourists, and a lack of reliability due to last-minute cancellations of bookings by the ferry system. While cruise visitation nearly doubled during the same period, cruise passengers spend fewer dollars per visitor in the community than ferry tourists did, as they stay for a much shorter time and do not require overnight accommodations.<sup>15</sup> Another reason for lack of tourism industry growth is a cap on the number of people allowed to visit Anan each year.<sup>16</sup> The Anan Wildlife Observatory is managed by the Wrangell District of the Tongass National Forest and is only accessible by boat or plane. With constraints on this prime visitor attraction it is difficult to grow the visitor sector as a whole.

<sup>15</sup> Total arriving ferry passengers have decreased by 70% since 1999.

<sup>16</sup> While Anan capacity is not always met, daily caps in addition to seasonal caps mean that last minute cancellations for inclement weather or other factors cannot be "made up" at later dates.

### Total Wrangell Summer Tourists, 2010 to 2019



### Summer Visitation and Spending Analysis

In 2018, more than 20,000 summer tourists visited Wrangell and spent an estimated \$5.1 million in the local economy. This includes expenditures on accommodations, food, excursions, and shopping. Across all visitor arrival modes, visitor spending was calculated at \$256 per person per visit in 2018.

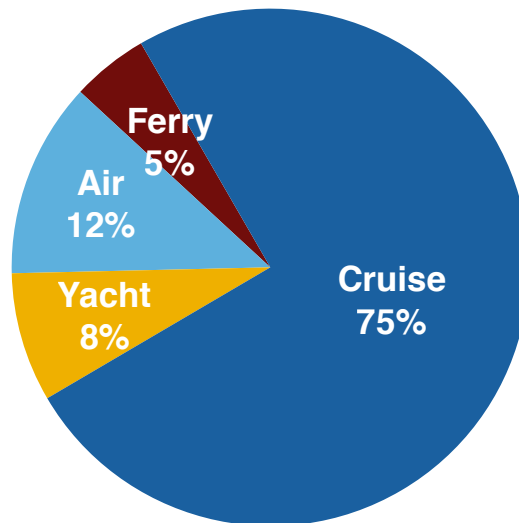
Cruise visitors represented three-quarters (75%) of all tourists in 2018, but represented less than half (49%) of all estimated summer visitor spending in 2019. Independent tourists (those staying overnight in Wrangell) are estimated to have spent \$2.6 million during the summer of 2018.

Ferry tourists represent an ever decreasing number of visitors to Wrangell. 2017 was the first year that tourists arriving by air outnumbered tourists arriving by ferry, and 2018 was the first year that tourists arriving by yacht outnumbered tourists arriving by ferry. In 2018, just 5% of tourists came by ferry, versus 28% in 2012.

### Summer Tourists by Mode of Arrival and Expenditures in Wrangell

	2018	Estimated Summer Visitor Spending 2018	Total Estimated Spending Per Passenger
<b>Total Tourists</b>	<b>20,019</b>	<b>\$5,116,591</b>	<b>\$256</b>
Cruise Passengers	14,991	\$2,525,984	\$169
Yachters	1,618	\$566,300	\$350
Visitors by Air	2,449	\$1,591,850	\$650
Ferry	961	\$432,450	\$450

### Summer Tourists Arriving in Wrangell by Mode, 2018



Three-quarters of all tourists arrived by cruise ship in 2018, while 12% arrived by air, 8% arrived by yacht, and just 5% arrived by ferry.

Total visitor arrivals in Wrangell were up by 6% between 2017 and 2018. Yacht passenger numbers increased the most, growing by 21%. Summer visitors arriving by cruise ship increased by 10%, while 6% fewer tourists arrived via plane to the community. However, one segment was down significantly —the total number of tourists traveling by ferry decreased by 30%.

## Summer Tourists to Wrangell 2010-2018

	2010	2014	2017	2018	% Change 2010-2018	% Change 2017-2018
<b>Total Visitors</b>	<b>11,907</b>	<b>13,256</b>	<b>18,944</b>	<b>20,019</b>	<b>68%</b>	<b>6%</b>
Cruise	6,779	8,096	13,640	14,991	<b>121%</b>	<b>10%</b>
Yachters	960	1,052	1,334	1,618	<b>69%</b>	<b>21%</b>
Air	1,768	2,008	2,606	2,449	<b>39%</b>	<b>-6%</b>
Ferry	2,000	2,100	1,364	961	<b>-52%</b>	<b>-30%</b>

Between 2010 and 2018, the total number of tourists arriving via ferry decreased by 52%, while those arriving by cruise ship increased by 121%. In 2019, cruise passengers increased by an additional 32% over 2018 levels.

### Summer Tourist Expenditures by Category

Of the \$5.1 million in summer spending by visitors, \$2.7 million (53% of all spending) was spent on excursions. Excursions include jet boat tours, kayaking or canoe rentals and tours, whale watching, bus tours, sports fishing, photography tours, walking tours, flight seeing, museum visits and Shakes Island visitation.

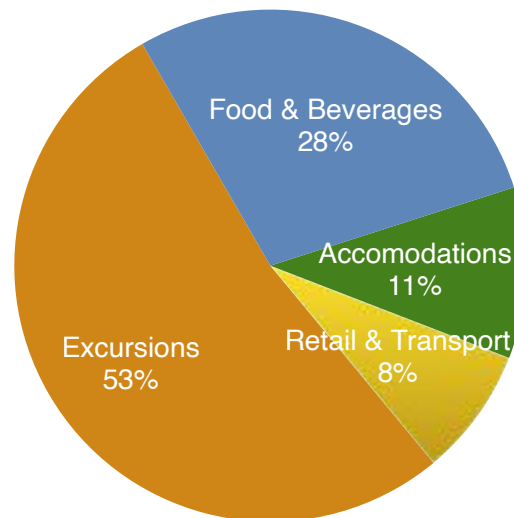
Visitors spent close to an estimated \$1.5 million on food and beverages, including restaurants, bars, cafes, and grocery store spending. They spent more than a half million dollars on accommodations, including nights at hotels, inns, bed and breakfasts, cabins, and RV and tent campgrounds. Just under a half million dollars was spent by visitors on retail and localized transportation. Local transportation includes use of taxis and car rental, and does not include transportation to and from Wrangell, or excursions.

## Total Summer Tourist Spending

Summer Spending by Visitors by Category	2017	2018
<b>Total estimated summer tourist spending</b>	<b>\$4,597,453</b>	<b>\$5,116,591</b>
Excursions	\$2,113,395	\$2,694,747
Food, Alcohol, Coffee	\$1,463,496	\$1,452,121
Retail Spending and Transportation	\$549,016	\$416,155
Hotel	\$471,546	\$553,568

Rain Coast Data developed an estimate of summer visitor spending by category using local sales tax records for retail spending, bars, and restaurants; transient tax database actuals for hotel rooms; Anan ticket fee actuals; Nolan Center receipts; estimates for other trips using operator survey data; and other executive interviews, research, and data analyses.

## Wrangell Summer Tourist Expenditures by Category

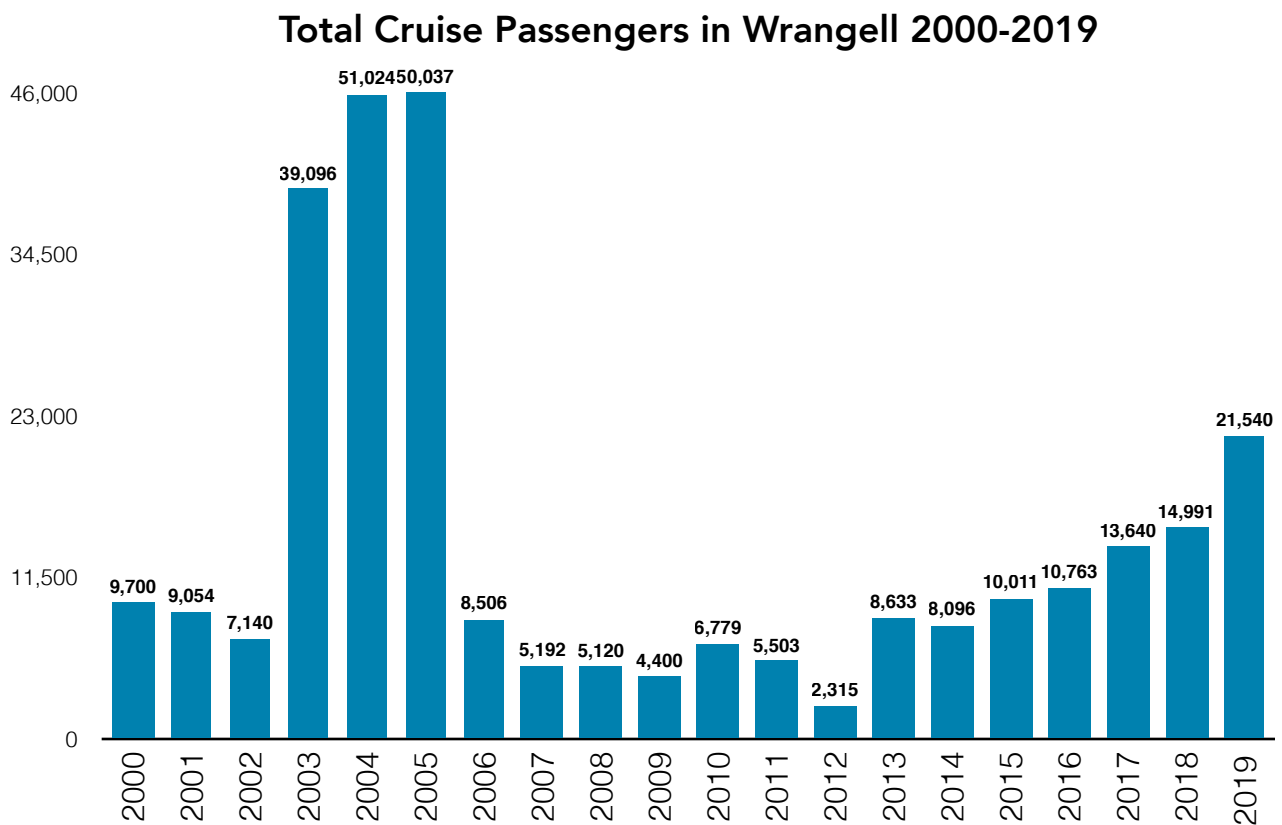


## Cruise Passengers<sup>17</sup>

The number of cruise passengers arriving in Wrangell saw more than a nine-fold increase—from a low point in 2012 of 2,315 cruise passengers to 21,540 passengers in 2019—visiting Wrangell on small to mid-sized cruise ships.<sup>18</sup> Nine small cruise ships made port calls. Eight medium-sized cruise ships visited Wrangell in 2019. Four of these ships have the capacity for 200-700 passengers and made multiple visits to the community, including the Regatta, Seabourn Sojourn, Silver Muse, and Star Legend. The Maasdam was the largest cruise ship to visit Wrangell in 2019, with a total passenger capacity of 1,266. It made three visits.

For the purposes of this analysis, small cruise ships include those with 30 to 199 passengers per vessel; mid-sized cruise ships includes those with 200 to 1,299 passengers per vessel. Wrangell currently has no large cruise ship visitations, those with at least 1,300 passengers per vessel.

In 2019 more than 21,000 passengers visited Wrangell. This represents a 44% increase in total arriving passengers from 2018.



<sup>17</sup> Midsized cruise passenger actuals were provided by McDowell Group & Cruise Line Agencies of Alaska. 2019 are estimates based on capacity. All other cruise passenger data are estimated totals based on small cruise ship schedules and research regarding total capacity.

<sup>18</sup> This figure combines actual numbers from midsized cruise ship arrivals and capacity numbers from smaller cruise ships.

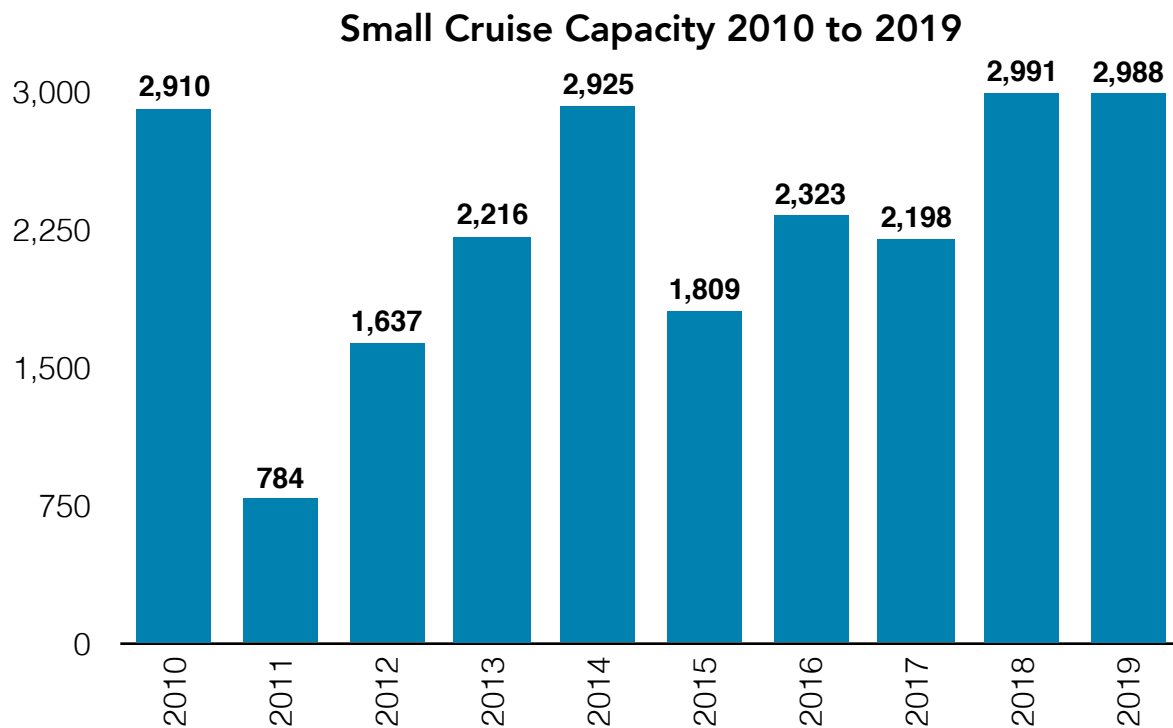
## Small Cruise Ships

Small ships are an important part of the Wrangell visitor economy.

In 2019 total small cruise ship visitation to the community was roughly similar to 2018 levels, for a total of 2,988 passengers. (Note that small cruise ship data only measures capacity, and not final actuals, which is not available). In 2020 an increase of 35% had been expected.

Wrangell's small cruise ship sector experienced a disruption in 2010 when Cruise West ceased operations at the end of the summer season. Cruise West accounted for the vast majority of small ship passenger volume in Alaska. While the number of small cruise ship passengers went on to increase between 2011 and 2014, the number of passengers dropped again in 2015 when the 88-guest SS Legacy stopped making visits to the Wrangell port.

In the last several years Wrangell has rebuilt the small cruise visitor market. Wrangell competes with other Southeast Alaska communities to attract operators.



## Yacht Visitors

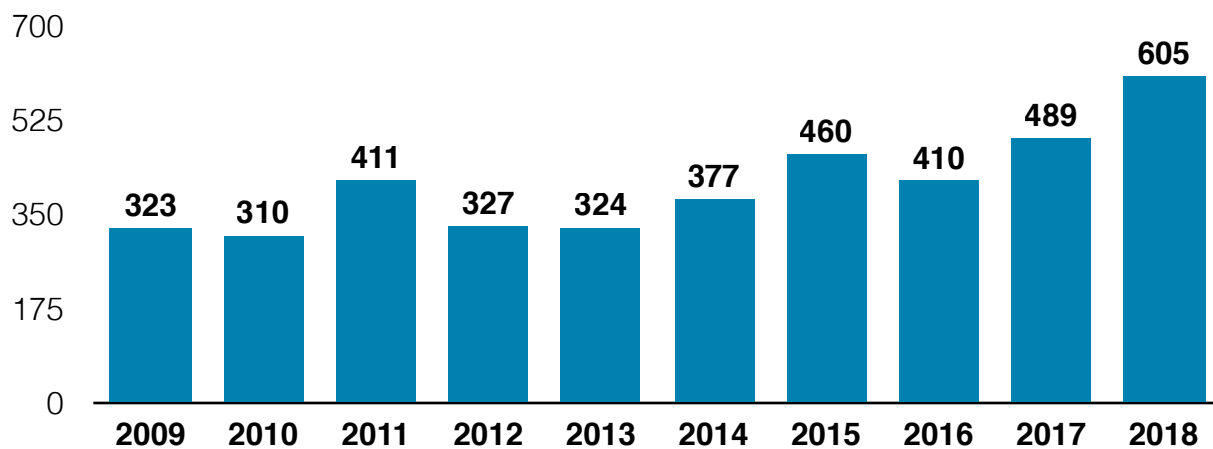
City and Borough of Wrangell staff record the size of yachts and length of stay, along with total passengers, for each yacht visit to the city. In 2018, a total of 1,618 people came to Wrangell aboard yachts and stayed an average of two days each. The “average yacht” is 44.6 feet. Total yacht visits were up by 24% in 2018 over 2017. The average number of people per yacht is approximately three, and remained the same as the year before. Total visitors arriving by yacht increased by 21% between 2017 and 2018.

### Wrangell Yacht Traffic

Year	Total yacht visits	Average yacht length	Average People per Vessel	Average Days Stayed	Total Days Stayed	Total Visitors
2009	323	45.5		2	557	
2010	310	46.4		2	665	
2011	411	46.0		2	700	
2012	327	46.2		2	639	
2013	324	50.2		2	700	
2014	377	49.0	2.8	2	858	1,052
2015	460	48.5	2.9	2	1,052	1,326
2016	410	47.5	3.1	2	868	1,178
2017	489	45.3	2.7	2	1,015	1,334
2018	605	44.6	2.7	2	1,189	1,618
<b>Change 2017-2018</b>	<b>24%</b>	<b>-2%</b>	<b>0%</b>	<b>0%</b>	<b>17%</b>	<b>21%</b>

Note: Totals exclude Meyers Chuck yacht visits.

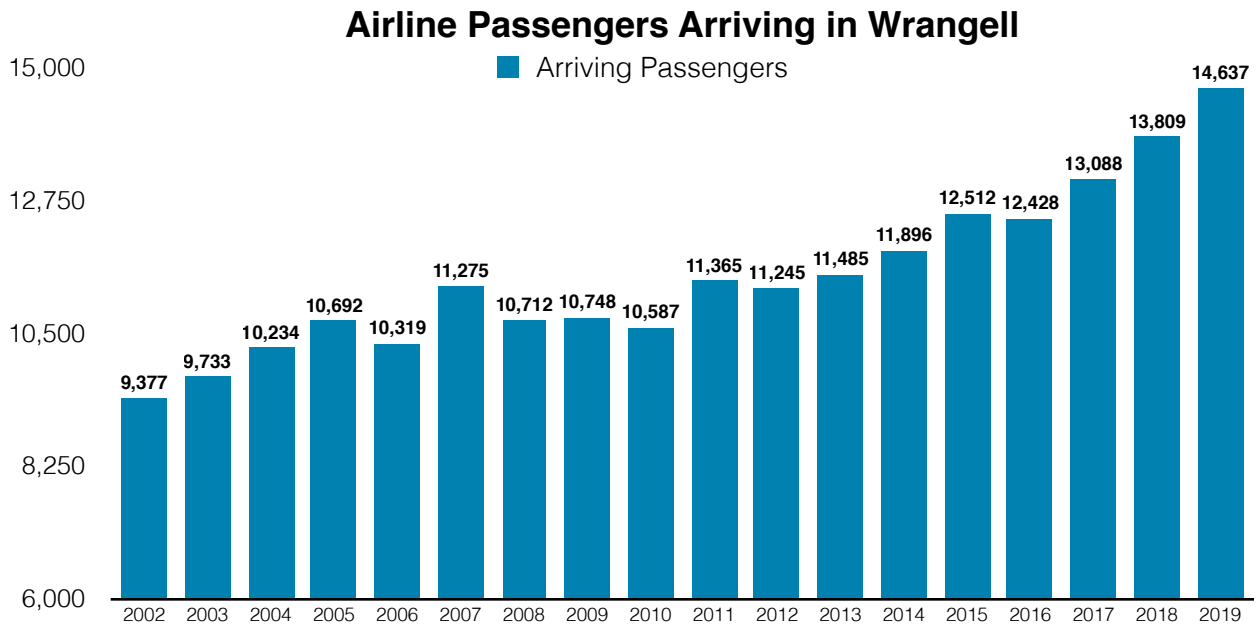
### Wrangell Yacht Visits: 2009 to 2018





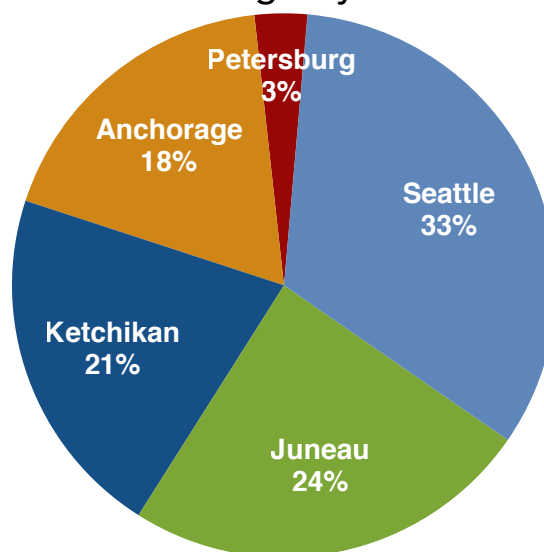
## Air Passengers<sup>19</sup>

In 2019, there were 14,637 air passengers arriving in Wrangell. This represents a 6% increase in total passengers from 2018, and a 38% increase since 2010.



Looking at a full year of passenger data, the greatest percentage of passengers arrived in Wrangell via Seattle (33%), while nearly a quarter (24%) arrived via Juneau, and 21% of arrivals came by way of Ketchikan. Approximately 2,500 passengers—18%—arrived via Anchorage. Three percent of Wrangell passengers came on flights via Petersburg. (Data includes all scheduled flights only).

## Passengers Disembarkments by Connecting City 2018

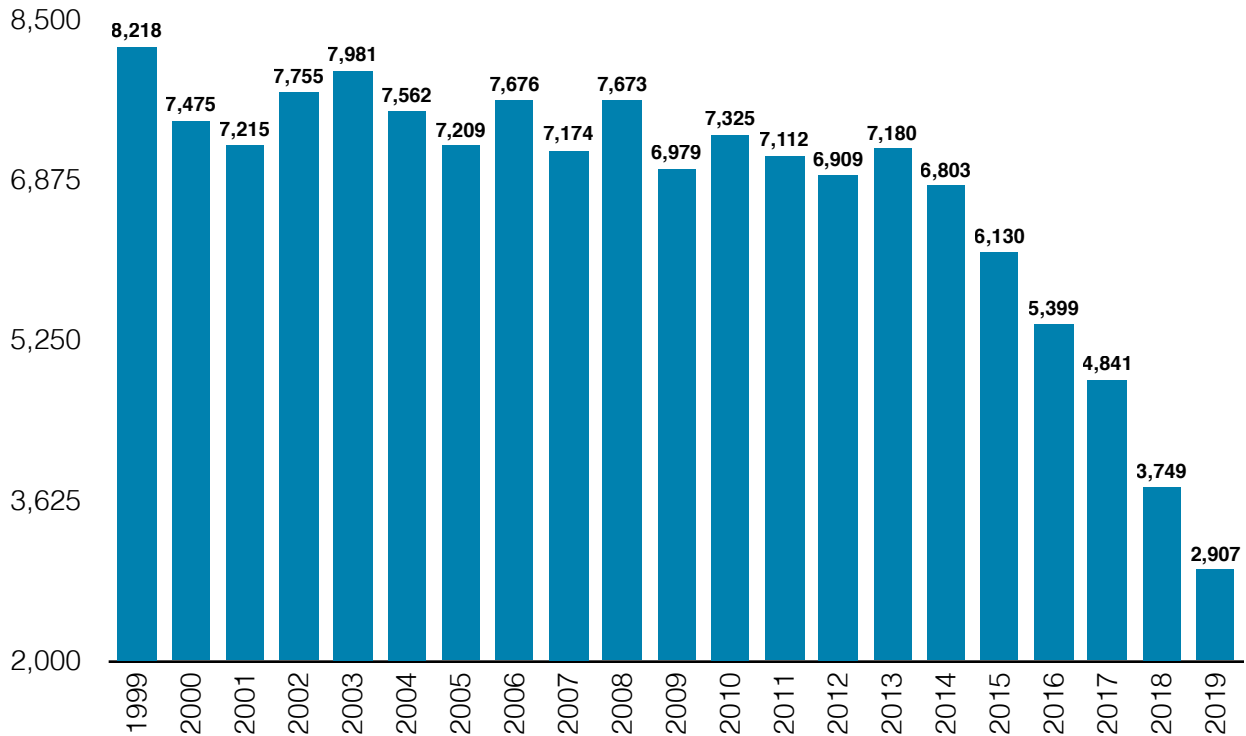


<sup>19</sup> Bureau of Transportation Statistics T-100 Market data.

## Ferry Passengers<sup>20</sup>

In 2018, a total of 3,749 Alaska Marine Highway (AMHS) ferry passengers arrived in Wrangell; of these, 55%, or 2,056, arrived during the summer (May through September). Total ferry passenger numbers decreased by 23% between 2017 and 2018. Since 2013, the number of passengers disembarking in Wrangell has decreased every year, with significant annual decreases since 2015. Total arriving passengers are 65% lower than they were 20 years ago.

### Ferry Passengers Arriving in Wrangell 1999 to 2019



In recent years the Alaska Marine Highway System has been hit hard by state budget cuts, significantly reducing state funding levels. Service and port calls have been cut significantly, and Wrangell has been disproportionately impacted. The unreliability of the ferry scheduling and the increase in costs to travel have impacted ferry users, but even more significantly impacted those who have built their businesses around serving ferry passengers. A reputation for the unreliability of the ferry system means that potential customers are less likely to want to use the ferry for travel, further impacting total ridership numbers.

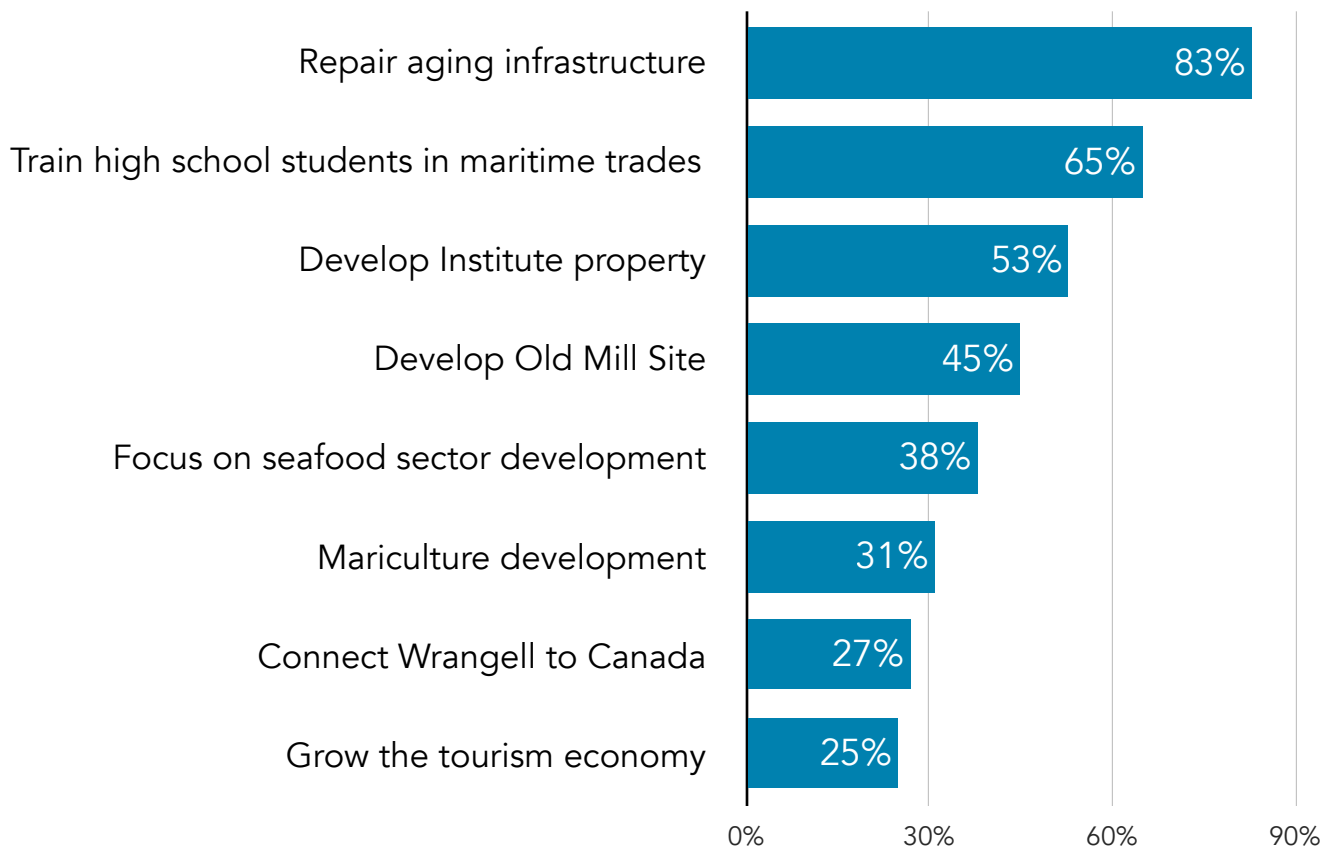
<sup>20</sup> Alaska Marine Highway System Annual Traffic Volume Reports for 2010 and 2014. Direct data request for 2016, 2017, 2018, and 2019 data.

## 2019 Wrangell Economic Survey

The Wrangell Cooperative Association (WCA) conducted a community survey in 2019, including questions regarding the local economic development preferences. Rain Coast Data designed the survey on behalf of the WCA. The web-based survey was administered electronically from June 21st through July 19th, 2019. A total of 482 people in Wrangell took the survey.

Respondents were asked which of eight economic development initiatives are the most valuable to the community at this time. The top three economic development related needs in the community include 1) repairing aging infrastructure, 2) training high school students in the maritime trades, and 3) developing the former Wrangell Institute property for housing and mixed-use neighborhoods. While nearly two-thirds of Wrangell residents (61%) say growing the tourism economy has a high or medium level of demand, it ranked at the bottom of the eight community economic development initiatives presented in the survey, with only a quarter of residents saying that tourism growth is highly needed.

### How Important are the Following Economic Development Initiatives in Wrangell?



## Housing

Housing in Wrangell has many unique characteristics that make it stand apart from other communities in the Southeast Alaska region, as well as the state as a whole, including the following:

**Larger Homes**—The average home size in Wrangell is 1,875 square feet, which makes it the largest, on average in Southeast Alaska. The SE average is 1,576 square feet. As a reference, Wrangell homes are more than twice the average size of homes in Hoonah. In addition, Wrangell homes are not “overcrowded.” The overcrowding rate is 0.2%. Wrangell is one of the least overcrowded cities in Alaska.

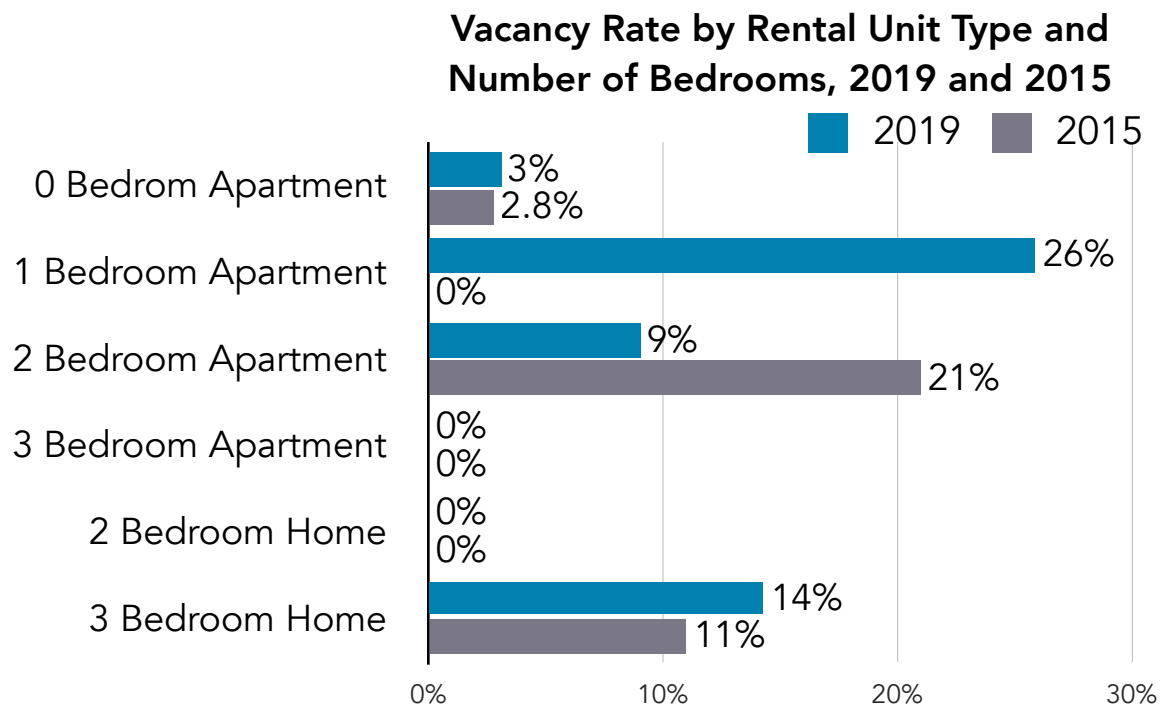
**Low-Quality Housing**—Based on available data, Wrangell homes appear to be lower in quality than other comparable communities. Wrangell has more older homes than the region as a whole. On average, 12% of homes were built pre-1940’s, compared to 8% across the region. Moreover, Wrangell has the lowest percentage of homes in the region (5%) with continuous ventilation systems.

**Inefficient Home Energy**—There appears to be a marked lack of energy efficiency in Wrangell homes. Wrangell has the highest energy use and costs in the region: \$6,590 annually. This is 2.4 times more than the cost in Anchorage, and 3.1 times more than the national average. The average annual energy cost for homes in Southeast Alaska is \$5,440. This is even more remarkable due to the relatively low cost of electricity in Wrangell, which is among the lowest in the region. Even taking the larger than normal house size into account, Wrangell’s energy per square foot is the second highest in the region. For occupied housing annual energy costs constitute 13% of census median area income—versus 8% for the region.

**Low Percentage of Rentals**—Another element that sets Wrangell apart from other housing markets is a lower than average amount of housing units available for rent. Typically rental units comprise just over one-third of the housing market—approximately 35%. In Wrangell, just 28% of the units are renter-occupied, while 72% are owner-occupied. Wrangell would need to have an additional 90 housing units available for rent to create a more typical balance between housing categories.

**Fewer Multi-units and 2- to 3-Bedroom Homes**—The mix of housing types is also unique in Wrangell. Just 20% of Wrangell’s homes are in multi-unit buildings, compared to 34% in Southeast Alaska as a whole. Wrangell also has more mobile homes than other areas (14% of all occupied housing units in Wrangell compare to 5% statewide, and 8% across the region.) Also in comparison to other places, Wrangell has a higher percentage of one-bedroom homes, and a smaller percentage of 2-3 bedroom homes. Nearly a quarter (22%) of Wrangell’s housing units are one-bedroom, compared to 16% across the region, while 54% of Wrangell homes are 2-3 bedroom, compared to 62% across the region.

**Low Rental Vacancy Rates**—While vacancy rates in Wrangell are not as low as they were in 2015, in 2019 Wrangell had the lowest rental vacancy rates in the state in several categories. According to the Alaska Housing Market Indicators 2019 Residential Rental Market Survey, the vacancy rates for three-bedroom apartments and two-bedroom single families homes was zero. It is also important to note that the rental surveys are conducted in spring, prior to Wrangell's busy summer season that attracts those in the seafood industry, shipyard workers, and those serving the tourism sector.



**High Housing Affordability**—Statewide, Wrangell is considered to have the most “affordable housing” of any community. This is measured by the “Rental Affordability Indexes” computed by the Alaska Department of Labor. The affordability index looks at how many average wage earners are required to afford the average contract rent—the amount paid to the landlord each month—assuming 24 percent of gross income is available for rent. In Wrangell, less than a single wage earner is needed to make rent (0.92), the lowest in the state. An alternate way to measure housing affordability is to look at the percentage of total household income that goes towards housing. In Wrangell, one-fourth of households spend more than 30% of total income on housing costs, which include rent, utilities, and energy costs—which means one-quarter of Wrangell households are “cost burdened” by housing. In comparison one-third of the region and state is cost burdened, while in the US the share is 37%. Finally, the regional Business Climate Survey conducted by Southeast Conference reported that business leaders in Wrangell were the least likely across the region to call housing prices an economic barrier in their community.

**Low Rental Prices**—According to the Alaska Housing Market Indicators 2019 Residential Rental Market Survey, despite such low vacancy rates, the lowest median adjusted rents in Alaska in 2019 were in the Wrangell Borough. This was also true for two-bedroom and three-bedroom rentals. Overall, rent in Wrangell is two-thirds the average for Southeast Alaska as a whole. Rental homes in Wrangell are half the cost of Juneau and apartments are 43% less.

**Low Housing Prices**—Home sales prices are also comparatively lower in Wrangell. According to the US Census, the median value of a home is just 60% that of the median value for all homes in the region. Moreover, an analysis of the Juneau and Wrangell Assessor's Databases shows the average single family home in Wrangell is assessed at \$151,818, less than half of the average Juneau value of \$361,001. A unique disadvantage to further developing housing in Wrangell is that residents are accustomed to lower price points for housing than other communities in the state and region, and the willingness to pay market rate for new and improved housing is under-developed.

Based on the state of housing in Wrangell, the following recommendations have been made:

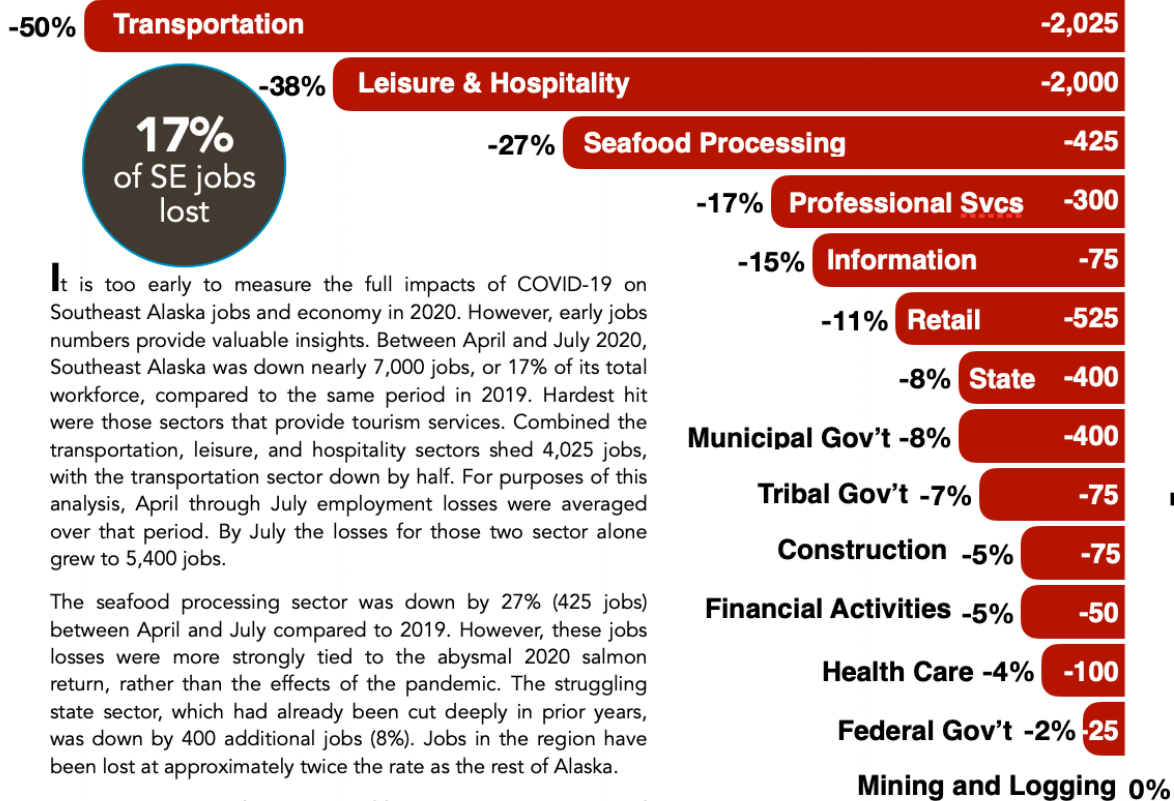
- **More rentals**—especially for rentals with one or two bedrooms;
- **Higher quality housing** with better **energy efficiency**;
- More **two- to three-bedroom single family homes**;
- More **short-term or summer housing options** for those involved in the maritime and tourism sectors; and
- Development of an **assisted living senior housing facility**.

## Land Ownership

The City and Borough of Wrangell encompasses 2,582 square miles of land and 883 square miles of water. Like most places in Southeast Alaska, Wrangell's land ownership is dominated by the federal government, which manages 97 percent of the land base. The State manages 2.5 percent of the total land base, while the City and Borough of Wrangell manages less than one tenth of one percent of the entire land base at 0.08%. Other private land holdings account for 0.17%. The lack of municipally or privately owned land and land available for development impedes the ability of Wrangell to nurture the private sector.

# 2020 Southeast Jobs COVID Impacts

Change in Southeast Jobs: **April to July 2020 Compared to 2019 = -6,850**



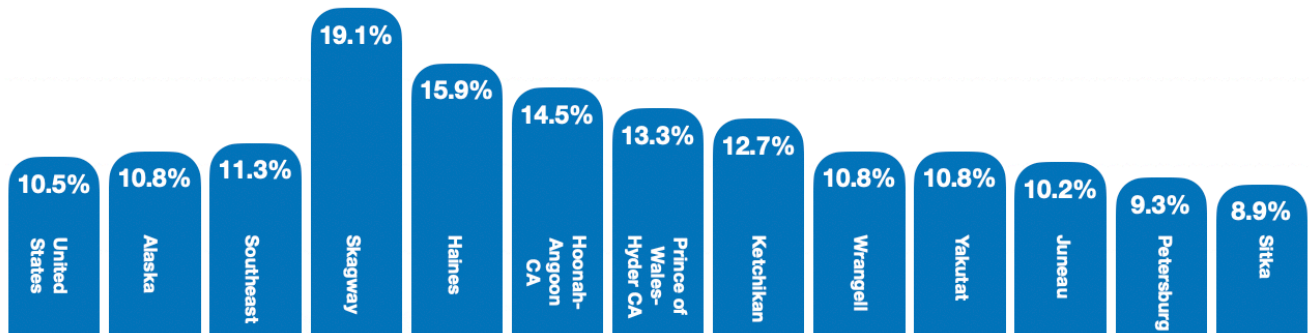
It is too early to measure the full impacts of COVID-19 on Southeast Alaska jobs and economy in 2020. However, early jobs numbers provide valuable insights. Between April and July 2020, Southeast Alaska was down nearly 7,000 jobs, or 17% of its total workforce, compared to the same period in 2019. Hardest hit were those sectors that provide tourism services. Combined the transportation, leisure, and hospitality sectors shed 4,025 jobs, with the transportation sector down by half. For purposes of this analysis, April through July employment losses were averaged over that period. By July the losses for those two sector alone grew to 5,400 jobs.

The seafood processing sector was down by 27% (425 jobs) between April and July compared to 2019. However, these jobs losses were more strongly tied to the abysmal 2020 salmon return, rather than the effects of the pandemic. The struggling state sector, which had already been cut deeply in prior years, was down by 400 additional jobs (8%). Jobs in the region have been lost at approximately twice the rate as the rest of Alaska.

On a positive note, the mining and logging sectors experienced no changes in workforce levels during this period. Note that self-employment data for this period is not available, and has not been included in this analysis. Approximately one-fifth of Southeast jobs fall into this category.

## Southeast Alaska July Unemployment 2020

Between July of 2019 and July of 2020 the Southeast Alaska unemployment rate jumped from 4.7% to 11.3%, more than doubling. The Skagway Borough currently has the second highest unemployment rate in Alaska as a whole, with an unemployment rate of 19.1%. Sitka has the lowest regional unemployment rate. Southeast Alaska's unemployment rate was higher than that of the state or nation for July.





## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 25, 2020
	<u>Agenda Section</u>	<b>13</b>

Approval of CARES Act Expenditure in the Amount of \$15,000 for Southeast Senior Services for Senior Center Van Match Funding for COVID-19 Mitigation Services for Wrangell Seniors

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required:** \$15,000 Total

FY 20: \$	FY 21: \$15,000	FY22: \$
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**Amount Budgeted:**

FY21 \$0

**Account Number(s):**

11219-029-7901-00-32021

**Account Name(s):**

CARES Act Grant Fund

**Unencumbered Balance(s) (prior to expenditure):**

\$230,794 "Unallocated" CARES Money

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Copy of Van Purchase Invoice

**RECOMMENDATION MOTION:**

Move to Approve CARES Act Expenditure in the Amount of \$15,000 for Southeast Senior Services for Senior Center Van Match Funding for COVID-19 Mitigation Services for Wrangell Seniors.

**SUMMARY STATEMENT:**

The Wrangell Senior Center is operated by Southeast Senior Services, which is a division of Catholic Social Services. The Senior Center Van, used for the delivery of Meals on Wheels, transportation of seniors to critical appointments (medical), and transportation of seniors for critical errands (like prescription pick-up) became even more of a lifeline for the Wrangell senior community following the onset of the COVID-19 Pandemic. The discontinuation of congregate meals at the center means all meals are now being delivered. And, seniors, all of whom are at risk for far greater health impacts due to COVID-19 have had to self-quarantine for months. The senior van has been and continues to be used for critical errands for seniors including mail pick-up and delivery, grocery pick-up and delivery, prescription pick-up and delivery, Meals on Wheels and (most important) daily human contact and wellness checks by someone from outside their homes. The Senior Center has provided an additional 1,483 home delivered meals as a result of COVID-19. The Senior Center is working to provide a full accounting of the additional service provided related to grocery, prescription, and mail pick-ups and delivery.

The senior center van became unusable, and a new one had to be ordered in June. Thankfully ADOT funded 80% of the cost of the replacement vehicle. Southeast Senior Services has asked for any additional assistance with match funding, up to 20%. Given the van is playing a critical support role for the delivery of essential senior services during the Pandemic, Administration believes this is an appropriate use of CARES Act funding. Without the van, none of these services would be available. The invoice for the van is attached.

Following the Assembly's approval of CARES Act funding to Wrangell Public Schools the "unallocated" funds remaining were approximately \$254,000. On this agenda are three items requesting CARES Act Funds (two additional following this item). If all items are approved the remaining balance of "unallocated" money is as follows:

\$254,000	Balance following WPS Authorization
<u>-\$ 16,506</u>	Contract to Ketchikan Mechanical for Touchless Fixtures
\$237,494	
<u>-\$ 15,000</u>	Southeast Senior Services Van Match Funding
\$222,494	
<u>-\$ 6,700</u>	KSTK Funding
\$215,794	Total Remaining "Unallocated" CARES Act Funding

**SCHETKY NORTHWEST SALES, INC.**

8430 NE Killingsworth St., Portland, OR 97220  
1 (800) 255-8341 Telephone (503) 287-4141 FAX (503) 287-2931

Item g.

**SOLD TO**

CATHOLIC COMMUNITY SERVICE, INC.  
1803 GLACIER HIGHWAY  
JUNEAU, AK 99801

Page 1

<b>PURCHASE ORDER NO.</b>	<b>TERMS</b>	<b>DATE WRITTEN</b>	<b>QUOTE WRITER</b>	<b>INVOICE NUMBER</b>
SNW QUOTE	NET 30 DAYS	FEBRUARY 7 <sup>TH</sup> , 2020		13571CB
<b>SHIP VIA</b>	<b>F.O.B. POINT</b>	<b>SUPERVISOR</b>	<b>DISTRIBUTION</b>	<b>INVOICE DATE</b>
DRIVE OUT	SEATTLE, WA		44135-419	JUNE 18, 2020
<b>MAKE</b>	<b>MODEL</b>	<b>CHASSIS SERIAL</b>	<b>BODY SERIAL</b>	<b>ODOMETER</b>
FORD	AEROLITE 210	1FDEE3FS9KDC71454	EFRSS211ML03B4620	
ONE (1) NEW ELDORADO AEROLITE 210, EIGHT (8) AMBULATORY PASSENGERS WITH TWO (2) WHEELCHAIR STATIONS, COMMERCIAL VEHICLE MOUNTED ON A NEW AND UNUSED FORD E350 GASOLINE POWERED CHASSIS PER STATE OF WASHINGTON WSDES #04115 CONTRACT, PRICE INCLUDES FORD GPC AND MOBILITY DISCOUNT, AND AML BARGE BOOKING				\$77,650.00
END USER: WRANGELL SENIOR CENTER 105 CHURCH STREET JUNEAU, AK 99801				
			<b>TOTAL</b>	\$77,650.00

PURCHASER AGREES THAT THE ONLY WARRANTY GIVEN PURCHASER IS THE MANUFACTURERS WARRANTY, IF ANY. SELLER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IF THE PERSONAL PROPERTY SOLD HEREUNDER IS ACCOMPANIED BY A MANUAL OF INSTRUCTIONS FOR ITS PROPER USE AND MAINTENANCE, SELLER SHALL NOT BE LIABLE IN TORT, CONTRACT OR OTHERWISE, FOR ANY DAMAGES, WHETHER FOR INJURY TO PERSONS OR PROPERTY OR OTHERWISE, ARISING FROM THE OWNERSHIP, USE OR OPERATION OF SUCH PERSONAL PROPERTY, WHEN SUCH PROPERTY IS OPERATED, MODIFIED OR MAINTAINED IN ANY FASHION OTHER THAN AS SPECIFIED IN SUCH A MANUAL OF INSTRUCTIONS, PURCHASER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS SELLER FROM ANY CLAIM OF LIABILITY OF ANY NATURE WHATSOEVER ARISING FROM THE USE, OPERATION OR OWNERSHIP OF THE PERSONAL PROPERTY OTHER THAN AS SPECIFIED IN THE MANUAL OF INSTRUCTIONS. SELLER SHALL IN NO EVENT BE LIABLE FOR CONSEQUENTIAL, COMMERCIAL OR ECONOMIC LOSSES.

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 25, 2020
	<u>Agenda Section</u>	<b>13</b>

Approval of CARES Act Expenditure in the Amount of \$6,700 for KSTK Radio for COVID-19 Related Broadcasting and Public Service Notices

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required:** \$6,700 Total

FY 20: \$	FY 21: \$6,700	FY22: \$
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**Amount Budgeted:**

	FY21 \$0
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**Account Number(s):**

	11219-029-7901-00-32021
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**Account Name(s):**

	CARES Act Grant Fund
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**Unencumbered Balance(s) (prior to expenditure):**

	\$222,494 "Unallocated" CARES Money
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Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. KSTK Request

**RECOMMENDATION MOTION:**

Move to Approve CARES Act Expenditure in the Amount of \$6,700 for KSTK Radio for COVID-19 Related Broadcasting and Public Service Notices.

**SUMMARY STATEMENT:**

KSTK Radio has provided critical support to the Borough and the Emergency Operation Center (EOC) for broadcasting information and public service notices regarding COVID-19. During the early

days of the Pandemic, KSTK was conducting and broadcasting daily updates from the Borough Mayor and Manager. Those continue today, but on a weekly basis.

Those services come at a cost to Wrangell's local public radio station. Cindy, the Station Manager, has put together a description of the cost of these services, and an estimate of the costs through the end of the calendar year.

The services and assistance provided by KSTK during the Pandemic have been of significant importance as a communication tool with the community. Administration recommends this CARES Act funding expenditure.

Following the Assembly's approval of CARES Act funding to Wrangell Public Schools the "unallocated" funds remaining were approximately \$254,000. On this agenda are three items requesting CARES Act Funds (one prior to and one after this item). If all items are approved the remaining balance of "unallocated" money is as follows:

\$254,000	Balance following WPS Authorization
<u>-\$ 16,506</u>	Contract to Ketchikan Mechanical for Touchless Fixtures
\$237,494	
<u>-\$ 15,000</u>	Southeast Senior Services Van Match Funding
\$222,494	
<u>-\$ 6,700</u>	KSTK Funding
\$215,794	Total Remaining "Unallocated" CARES Act Funding

5/28/2020

Dear Manager Von Bargen and Wrangell Borough Assembly,

I writing on behalf of KSTK to request CARES funding for Wrangell's local broadcast service. KSTK provides Wrangell with daily news, facts and information on the COVID-19 pandemic from local, statewide, national and global perspectives. The KSTK staff have been working extra hours to make sure all of the Wrangell Assembly COVID Work Sessions, Special Meetings and COVID Updates with City Officials broadcast over the radio providing the public with immediate and accurate information. Additionally, KSTK posts the audio from these updates and meetings on the web and social media to reach the largest number of residents possible. During COVID, KSTK's mission of providing facts and accurate information is more important to Wrangell than it has ever been.

The pandemic has negatively impacted KSTK's revenue stream. We've cancelled special fundraising events and modified our Spring Membership Drive due to social distancing standards. Business underwriting revenue and local donations are down because businesses and individuals are unsure of their financial stability due to economic uncertainty.

All Alaska Public Broadcasters, including KSTK, lost 100% of state funding in fy20. Governor Dunleavy also vetoed broadcast funding for fy21. KSTK is currently operating on savings reserves in order to continue providing service to Wrangell. Any financial assistance the City of Wrangell is able to provide KSTK through CARES funding, or any other funding mechanism, will help keep essential local broadcast and web service available for residents in Wrangell.

KSTK extra COVID work snapshot:

- March 13, 2020 - Began daily updates on the web providing information from <https://coronavirus-response-alaska-dhss.hub.arcgis.com/> and reports from Alaska Public Media on the number of COVID cases and where they were occurring in Alaska.
- March 30, 2020 - Began daily radio and web audio updates on Wrangell's response to the pandemic with Mayor Prysunka and Manager Von Bargen at 4:48 pm Monday through Friday.
- April 13, 2020 - Began airing Bi-Weekly Assembly COVID Work Sessions on the radio and posting the audio on the web in addition to the 4:48 pm updates with the Mayor and Borough Manager.
- May 6, 2020 to present - Changed to a twice per week schedule of a 4:48 pm COVID update on Wednesday and a 5:30 Wrangell Assembly Work Session.
- Additionally, KSTK has aired and posted numerous Special Meetings and Work Sessions relating to Wrangell's COVID response.

To date this represents a minimum of roughly 56 reporter hours, 25 manager assist hours and 25 host hours or just under \$3,000 in labor. KSTK will continue to provide this service as long as necessary, possibly another 2 to 3 months or longer. KSTK has spent approximately \$700 to retain broadcast capacity remotely while working off site. CARES funding of \$3,700 would replace labor and equipment cost to date. \$6,700 would cover cost up to date and a few months into the future.

Your consideration of this request is appreciated. If you have any questions, please contact me at [cindy@kstk.org](mailto:cindy@kstk.org) or cell 470-4454.

Sincerely,

Cindy Sweat – KSTK General Manger

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 25, 2020
	<u>Agenda NO.</u>	<b>13</b>

Approval of Contract with Ketchikan Mechanical for the Touchless Plumbing Fixtures Project in the Amount of \$256,505.65

### SUBMITTED BY:

Amber Al-Haddad, Capital Facilities Director

### FISCAL NOTE:

**Expenditure Required:** \$256,505.65 Total

FY 20: \$    FY 21: \$256,505.65    FY22: \$

### **Amount Budgeted:**

Estimated and Set-aside at \$250,000

### **Account Number(s):**

XXXXXX XXX XXXX

### **Account Name(s):**

11219-029-7901-00-32021

### **Unencumbered Balance(s) (prior to expenditure):**

CARES Act Funding

### Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1) Preliminary Bid Opening Checklist and Tabulation Summary for Touchless Plumbing Fixtures Project; 2. Bathroom Fixture Product Schedule

### **RECOMMENDATION MOTION:**

Move to approve contract with Ketchikan Mechanical for the Touchless Plumbing Fixtures Project in the amount of \$265,505.65.

### **SUMMARY STATEMENT:**

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), created the Coronavirus Relief Fund, which provided direct federal assistance to state governments, of which Alaska received \$1.5 billion for distribution to Alaska municipalities. Wrangell's portion of this allocation was

\$3,851,103 in total community assistance and COVID relief. Funds are available for amounts spent in response to the COVID-19 crisis between March 1, 2020 and December 31, 2020 that were not already budgeted.

As a Community Facilities Safety Upgrade, the Borough scheduled to replace existing hand washing faucets with touchless faucets and retrofit toilets and urinals with touchless flushing units in the most highly trafficked Borough-owned facilities to limit the possibility of spread of the COVID virus. With this approach, the modifications will serve to limit the need for building occupants to physically touch restroom fixtures, to mitigate against surface transmission of various pathogens.

With touchless (aka “hands-free”) faucets, not only do they dramatically reduce the potential for contamination and improve overall health and hygiene, the fixtures shut-off without the detection of a user. This prevents any faucet from being left on accidentally or from being used in excess.

Hands-free flushing toilets and urinals are very common in public restrooms and are not without certain faults. Premature flushing, or ghost flushing, has been a common problem with earlier toilet fixtures. Their motion sensors make use of an infrared light that is set to trigger when you are within a certain distance. Sometimes these infrared beams are programmed for closer proximity, which means if you lean too far over while seated it could detect this and trigger a flush thinking you’ve gotten up off the seat. Correction is made by adjusting and recalibrating the sensor.

These technologies are not new and do come with an added requirement for maintenance. Although there is an increase in maintenance for these fixtures, related to maintaining their battery operation and sensor adjustment, because of their effectiveness, these devices have seen wide-spread deployment for the health and wellbeing of our population.

Community Facilities scheduled to receive these bathroom fixture modifications are:

- Library
- Community Center
- Swimming Pool
- Nolan Center Public Bathrooms
- Public Safety Building Public Bathrooms
- Harbor Building Public Bathrooms
- High School
- Middle School
- Elementary / Primary School



An Invitation to Bid was issued, seeking competitive participation for this project. On August 20, 2020, a public bid opening was held. The lowest, and only, bid was received from Ketchikan Mechanical, in the total amount of \$265,505.65. Staff have reviewed the bid results and finds Ketchikan Mechanical to be responsive as identified in the contract documents. Staff recommends the Borough proceed with an Intent to Award to Ketchikan Mechanical for this project.

\$250,000 was included in the CARES Act estimated expenditures for this project. This project only nominally impacts the approximate \$250,000 of “unallocated” CARES money remaining after the Assembly approved funding for Wrangell Public Schools. Award of this contract requires the use of \$15,505.65 of the remaining unallocated funds.

(Note: A separate Invitation to Bid was issued, seeking competitive bids for the supply and installation of Touchless Bathroom Accessories, i.e. soap/hand sanitizer / paper towel dispensers; however, no bids were received. The Borough will consider next steps to pursue implementing this portion of the touchless bathroom systems to further improve the health and wellbeing of Wrangell’s residents and visitors).

## Bid Opening Checklist and Tabulation Summary

**Bid Opening Date:** August 20, 2020 @ 4:00 p.m. - Assembly Chambers & Zoom

[illegible]

for Jane

Clinton Dr. Thaddeus.

Primary

PART 2 - PRODUCTS

2.1 Bathroom Fixture Product Schedule:

Fixture	Manufacture	Model #	Number of Faucet Holes	Faucet Center Distance	Description	Quantity	Spares	Finish
Innsbrook Selectronic Faucet	American Standard	6055.205 / with DC Battery	3	4"	Sensor Faucet	70	4	Chrome
Innsbrook Selectronic Faucet	American Standard	6055.205 / with DC Battery	1	1-1/4" Dia.	Sensor Faucet	19	2	Chrome
Mixing Valve for Innsbrook Faucets	American Standard	605XTMV1070			Sensor Faucet	89	4	
Selectronics Remote Control	American Standard	605XRCT			Remote Control	4		
Serin Deck-Mount Proximity Faucet	American Standard	206B.105			Sensor Faucet	31	2	Chrome
Serin 8" Deck Plate	American Standard	206P.800			Deck Plate	5		Chrome
Thermostatic Mixing Valve for Serin Faucets	American Standard	605XTMV1070			Sensor Faucet	26	2	
Power Kit for Serin Faucets	American Standard	PK00.CRP			Sensor Faucet	31	2	
Ecos Sensor Flushometer for Toilet	Sloan	3375402			ECOS RESS - C- 1.6/1.1.-LH (Retro-Kit)	68	4	
Ecos Sensor Flushometer for Urinal	Sloan	3375424			ECOS RESS - U-0.5 - OR (Retro-Kit)	29	4	
Flushmate 3	Sloan Valve Co	K100101			Sensor Flush Retro-Fit Kit	12	1	
Regular Flush Toilet	Techo	Toilet - 001			TECHO-Toilet-001 Sensor Kit	2	1	

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 25, 2020
	<u>Agenda NO.</u>	13

Approval to Dispose of City Surplus Property

**SUBMITTED BY:**

Kim Lane, Borough Clerk

**FISCAL NOTE:**

**Expenditure Required:** \$XXX Total

FY 19: \$	FY 20: \$	FY21: \$
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**Amount Budgeted:**

FY19 \$XXX	
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**Account Number(s):**

XXXXXX XXX XXXX	
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**Account Name(s):**

Enter Text Here	
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**Unencumbered Balance(s) (prior to expenditure):**

\$XXX	
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**Reviews/Approvals/Recommendations**

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

**ATTACHMENTS:** 1) List of Surplus Items; 2) Waivers

**RECOMMENDATION MOTION:**

Move to approve the disposition of surplus property in conformance with Wrangell Municipal Code Section 5.10.060 and to authorize the Borough Manager to dispose of any Surplus items that were not bid on for the Surplus Sale, in a manner that is in the best interest of the Borough,

**SUMMARY STATEMENT:**

Section 5.10.060 of the Wrangell Municipal Code (WMC) outlines the requirements for the sale of surplus, obsolete, or unneeded personal property. Subsection A requires the Assembly to approve the disposition of surplus items either by motion or by resolution.

The Borough has some surplus property that is no longer used or needed. Administration is recommending these items be appropriately disposed of.

Although these items are no longer needed by the Borough, they may be useful to others. If approved by the Assembly, staff will advertise these items for sale by sealed bid. It is recommended that if these items do not sell during the bid period, that they go out for sale over the counter (with a minimum price) on a first come first serve basis. If the items on the over-the-counter list do not sell in at least 30 days, the Borough Manager is seeking authorization to sell or dispose the items listed in a manner that is in the best interest of the Borough.

In conformance with WMC the list of items and details of the sale will be advertised in the newspaper. Additionally, this information will be posted on the Borough website and Facebook page.

Two items, a 2001 Ford Crown Victoria Car, and a 2008 Ford Crown Victoria Car are in fair or poor condition. The staff has worked with the Attorney to develop waivers of liability for these items. Copies of those waivers are attached for your information.

## **WAIVER AND RELEASE OF LIABILITY**

2008 Ford Crown Victoria (VIN 2FAFP71VX8X141278)

I, \_\_\_\_\_, understand and acknowledge that I am purchasing a 2008 Ford Crown Victoria from the City and Borough of Wrangell, with no warranty, no guarantee, and in **AS IS CONDITION**. I understand and acknowledge that the 2008 Ford Crown Victoria does not have the necessary safeguards to meet today's safety standards. I understand and acknowledge that the Borough has not inspected the 2008 Ford Crown Victoria in any way and that no employee, officer, or representative of the Borough has made any representations or statements about the condition or quality of the 2008 Ford Crown Victoria. I voluntarily and knowingly release the Borough from any and all liability and damages of any kind and any nature in the event of any accident or injury, including death, and including as to property damage, resulting from or caused in any way by the 2008 Ford Crown Victoria. I further agree to defend and indemnify the Borough in any action of any kind and any nature brought by any third person against the Borough alleging any injury or damages, including death, allegedly caused in whole or in part by any failure or other defect related to the acquisition of the 2008 Ford Crown Victoria.

Dated: \_\_\_\_\_

\_\_\_\_\_

Printed Name and Signature

## **WAIVER AND RELEASE OF LIABILITY**

2001 Ford Crown Victoria (VIN 2FAFP71W71X141190)

I, \_\_\_\_\_, understand and acknowledge that I am purchasing a 2001 Ford Crown Victoria from the City and Borough of Wrangell, with no warranty, no guarantee, and in **AS IS CONDITION**. I understand and acknowledge that the 2001 Ford Crown Victoria does not have the necessary safeguards to meet today's safety standards. I understand and acknowledge that the Borough has not inspected the 2001 Ford Crown Victoria in any way and that no employee, officer, or representative of the Borough has made any representations or statements about the condition or quality of the 2001 Ford Crown Victoria. I voluntarily and knowingly release the Borough from any and all liability and damages of any kind and any nature in the event of any accident or injury, including death, and including as to property damage, resulting from or caused in any way by the 2001 Ford Crown Victoria. I further agree to defend and indemnify the Borough in any action of any kind and any nature brought by any third person against the Borough alleging any injury or damages, including death, allegedly caused in whole or in part by any failure or other defect related to the acquisition of the 2001 Ford Crown Victoria.

Dated: \_\_\_\_\_

\_\_\_\_\_

Printed Name and Signature

City & Borough of Wrangell  
City Surplus List  
Friday, September 18, 2020 @ 2:00 p.m.

Item #	Department	Item	Description	Cond.	Location for Public Inspection	Starting Bid
1	PW	2008 Crown Victoria		fair	Public Works	\$1,500
2	PW	2001 Crown Victoria		poor	Public Works	\$900