



City and Borough of Wrangell  
07/23/2019 Borough Assembly Meeting  
AGENDA

Tuesday, July 23, 2019  
7:00 PM

Location: Borough Assembly Chambers  
City Hall

**WORK SESSION - 6:00 p.m.**

Water/Wastewater Treatment Plant Staffing Discussion

**1. CALL TO ORDER**

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Jim DeBord
- b. CEREMONIAL MATTERS - None.
  - i. Introduction of Police Officer, Connor Phillips

**2. ROLL CALL**

**3. PERSONS TO BE HEARD**

**4. AMENDMENTS TO THE AGENDA**

**5. CONFLICT OF INTEREST**

**6. CONSENT AGENDA**

- [a.](#) Consent Agenda MOTION
- [b.](#) Assembly Minutes (Regular) 6-25-19
- [c.](#) Approval of Final Plat of Fennimore/Roland Replat
- [d.](#) CORRESPONDENCE School Board Minutes (Regular 5-20-19)
- [e.](#) CORRESPONDENCE - Municipal Sales Tax in Alaska (update)

**7. BOROUGH MANAGER'S REPORT**

- [a.](#) Borough Manager's Report (KYP's)
- [b.](#) Capital Facilities Department Report
- [c.](#) Public Works Report

**8. BOROUGH CLERK'S FILE**

- a. Borough Clerk's File

**9. MAYOR AND ASSEMBLY BUSINESS**

**10. MAYOR AND ASSEMBLY APPOINTMENTS**

**11. PUBLIC HEARING**

- [a.](#) **PROPOSED ORDINANCE NO. 965 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CHAPTER 15.12, ELECTRICITY, BY ADDING SECTION 15.12.193 RATE STABILIZATION**

**12. UNFINISHED BUSINESS** - None.

**13. NEW BUSINESS**

- a. Approval of Limited Access Agreement with Dan & Twyla Nore for a Portion of Lot 6A, Dan Nore Subdivision
- b. Approval to Disperse Funds to the Wrangell Mariners Memorial
- c. Approval to Request Reimbursement from SEAPA for Additional Diesel Run Expenses
- d. **ORDINANCE NO. 966** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 3.05.020, ORDER OF BUSINESS, OF THE WRANGELL MUNICIPAL CODE
- e. **ORDINANCE NO 967** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTIONS OF CHAPTER 1.20 OF THE WRANGELL MUNICIPAL CODE, IN THEIR ENTIRETY, AND ESTABLISHING A NEW PROCESS FOR INTRODUCING AND ADOPTING ORDINANCES, AND AMENDING SECTION 1.12.070, RESOLUTIONS, OF THE WRANGELL MUNICIPAL CODE
- f. **PROPOSED ORDINANCE No. 968** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTION 15.18.070, COLLECTION OR DISPOSAL FEES, IN ITS ENTIRETY AND ESTABLISHING A NEW PROCESS FOR FEES IN CHAPTER 15.18 GARBAGE OF THE WRANGELL MUNICIPAL CODE
- g. **RESOLUTION NO. 07-19-1474** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE NEGOTIATED SALE OF BOROUGH OWNED LOT 8, BLOCK 53 WRANGELL TOWNSITE FOR PUBLIC INTEREST

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

**15. EXECUTIVE SESSION** - None.

**16. ADJOURNMENT**

**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 Regular Assembly Meeting

Held on June 25, 2019

Mayor Stephen Prysunka called the Regular Assembly meeting to order at 7:00 p.m., June 25, 2019, in the Borough Assembly Chambers. The pledge was led by Assembly Member Julie Decker and the roll was called.

PRESENT: PRYSUNKA, GILBERT POWELL, DECKER, DEBORD

ABSENT: DELONG & MORRISON

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

### CEREMONIAL MATTERS

Mayor Prysunka presented Arlen Douglas McCloskey with a Proclamation for his many years of service to the City & Borough of Wrangell.

### PERSONS TO BE HEARD

Jennifer Lee Dozier gave an invocation.

Jennifer Lee Dozier suggested that the medical center look into obtaining licensing for counseling for veterans; possibly some kind of separate operandi that we ,as a community, would hold since we do not have a medical board any longer; need to provide for a safe community for returning veterans.

Mayor Prysunka clarified we do have a community board which is the former AICS Board and the Wrangell Medical Center Board; Wrangell Tribe is doing a community wide survey right now; encouraged Ms. Dozier to contact the Tribe so that her voice could be heard.

AMENDMENTS TO THE AGENDA – None.

CONFLICT OF INTEREST – None.

### CONSENT AGENDA

- a. Assembly Minutes - June 11, 2019 (Regular)
- c. Special Events Permit Application - Wrangell Elks Lodge 1595
- d. CORRESPONDENCE: School Board Minutes

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

### BOROUGH MANAGER'S REPORT

Manager Von Barga's reported on the following items:

- Local update from Lobbyist report
- Army Corps of Engineers meeting with staff and residents; Industrial Park- holding permit until everyone who owns Industrial Park properties has obtained the proper Corps



Permits; once a piece of property has been filled has been filled, it is no longer considered wetlands;

- One of the complaints that was pending with the WMC has been closed; complainant has 30 days to file (if they wish), to file with Superior Court.
- FY 2018 Audit will not be available by BDO until the second meeting in July.
- Vice-Mayor Gilbert, Mayor Prysunka and Manager met with Chere Klein with the Federal Delegation Office last week on several items of interest.
- Attended the SEAPA Board meeting last week; the Board approved reimbursement to Wrangell and Petersburg for the Diesel Run (doesn't include oil or fully loaded wage rate); can file a claim with SEAPA for those additional funds if the Assembly chooses to do so; could be several thousand dollars in wages and over 100,000 in oil.

Prysunka stated that when he brought this up to the SEAPA Board, he did not propose that the oil be reimbursed however, it was his intention that the reimbursement for the labor be a fully loaded rate.

Von Bargaen stated that she would add an item to the next agenda on this topic.

- Both reservoirs are spilling; coming into 9 to 10 days of essentially no or little rain and high temperatures; asking residents to be mindful when using water; no issues with the Water Treatment Plant keeping up with filter maintenance.
- Customs and Border control is losing their space at the airport; asked Borough to provide space; Chief McCloskey stated that there was office space at the Public Safety Building; will talk with the State on if they could use their own building.
- Possibility to change Regular Assembly meetings from 7:00 p.m. to 6:00 p.m.
- Leaving on Thursday and will return on Tuesday.

In response to Decker, Von Bargaen stated that she will be getting the Public Water Conservation meeting rescheduled.

In response to Prysunka, Von Bargaen stated that the siphoning has been moved to the center of the reservoir; would like regular updates on the Bypass project.

Prysunka questioned why it takes 175 gallons of water to produce 306 gallons of water; would be worth calling other communities to see if they have run into this issue and if we can do something differently.

**Rolland Howell, Public Works Director** stated that there isn't another sand filter plant in the world (that he knows of), that produces water above ground; we are doing everything that we can do to be as efficient as possible.

Von Bargaen provided an update on the status of the new water treatment plant.

SEAPA announced that lake levels are much lower than other years; no sales South to Ketchikan; power might be shifting North and South to maximize efficiency; power will be going south but an equal amount of power will be coming north as well; Wholesale Power Rate was approved at 6.8 cents per kw; no rebate this year.

BOROUGH CLERK'S FILE

Clerk Lane's report was provided.

MAYOR AND ASSEMBLY BUSINESS

Decker stated that this Sunday will be Wrangell's first triathlon, put on by Nick Howell; will be attending a conference that focuses on new energy; will be looking for what might be useful to Wrangell, and will report back.

Gilbert stated that the Inner Island Ferry Authority is in the process of hiring a new General Manager; have retained their quarter of a million dollar funding in the State Budget; Wrangell Cooperative Association survey is open to all residents; would like for the Assembly to obtain that report because it contains vital information for our community; report is called the Community Prioritization Survey; would like to invite the WCA to have a Work Session with the Assembly to have a partnership with them.

Prysunka stated that he went to the WCA Healthcare public meeting; Von Bargaen went to the afternoon meeting on Economic Development; City had representation at all of the roundtable sessions; important that we work together; tribe has incredible resources to help the Community.

**Cyni Crary, Nolan Center Director** provided the new Tri-fold for the Nolan Center; spoke about the new Muybridge exhibit; reported on the Friends of the Museum; lots of creative energy and positive things happening; have seen a lot of visitors coming through the museum; brought the book "Tin Can Country" that shows the research of Pat Roppel; Karen Hofstad, who helped put the book together, will be coming over from Petersburg on July 3<sup>rd</sup> to do a book signing; would like to have new traveling exhibits come to the Nolan Center quarterly.

MAYOR AND ASSEMBLY APPOINTMENTS

Prysunka stated that those Police Chief Hiring committee, were no longer on the hiring committee; would like to appoint two Assembly Members to the committee; after some discussion, Gilbert and Prysunka were appointed to the Police Chief Hiring committee.

PUBLIC HEARING

**11a PROPOSED ORDINANCE No. 964 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA SUBMITTING TO QUALIFIED VOTERS A PROPOSITION TO REPEAL SECTION 3-9 OF THE HOME RULE CHARTER FOR THE CITY AND BOROUGH OF WRANGELL**

Mayor Prysunka declared the Public Hearing open on this item.

*There were no persons to be heard on this item*

Mayor Prysunka declared the Public Hearing closed on this item.

***M/S: Powell/Decker to approve Ordinance No. 964. Motion approved unanimously by polled vote.***

UNFINISHED BUSINESS – None.

NEW BUSINESS – None.

**13a PROPOSED ORDINANCE NO. 965 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CHAPTER 15.12, ELECTRICITY, BY ADDING SECTION 15.12.193 RATE STABILIZATION**

***M/S: Decker/Gilbert to approve first reading of Ordinance No. 965 and move to a Second Reading with a Public Hearing to be held on July 23, 2019.***

In response to Gilbert on if the rate payers would be paying a percentage into the rate stabilization fund. Von Bargaen stated that yes that was correct.

Gilbert stated that it was her understanding that \$250,000 would be preloaded into the fund from the Electric Department fund; Von Bargaen stated that yes that was correct.

Gilbert stated that because diesel fuel prices increase or fall substantially, she would like to see section E changed to allow the Assembly to reset the rate more than once, if necessary; at the Resolution is written, it states that the rate annually, on or before July 31.

After some discussion and clarification, Von Bargaen stated that she would check with the Borough Attorney to see if we change the language in Section E., to state that the Assembly may change the per KW charge during the year, if necessary.

Prysunka stated that his understanding was that the fund will be something that builds up over a few years; until the rate is built up, the relief might not be fully offset.

Von Bargaen stated that Section D states that the Assembly shall pass a Resolution; that amount will be based on the available amount in the fund and how much the diesel run will cost, etc.

Prysunka stated that until the fund is fully flush, there might be fractional relief to the rate payer.

Decker questioned if we set aside a certain amount; we would decide the amount that we would charge the rate payers.

Von Bargaen stated that the Electric Fund would absorb the diesel run cost is until the offset Resolution has been passed.

Gilbert confirmed that there are no planned electric rate increases.

Prysunka stated that this would be a huge benefit to the consumer; trying to create a fund so that when there is a diesel run, the consumers burden will be lessened and hopefully removed; looking to be proactive; diesel runs typically happens when the processing plants are off-line.

Gilbert stated that we should always warn the public when a diesel run is planned; the diesel surcharge calculation was flawed because it doesn't take into account the amount of oil that is used.

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

**13b RESOLUTION No. 06-19-1471** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE EXTENSION OF TIDELANDS LEASE, LOT 2, BLOCK 84B, TIDELANDS RESUBDIVISION OF THE WRANGELL TIDELANDS ADDITION

***M/S: Gilbert/Powell to approve Resolution No. 06-19-1471 that renews the existing Tidelands Lease of City owned land for Richard Kaer, DBA Breakwater Seafoods. Motion approved unanimously by polled vote.***

**13c PROPOSED NO 06-19-1472** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE AMENDMENT OF THE JOB DESCRIPTION FOR THE HARBOR MAINTENANCE/SECURITY POSITION

***M/S: Powell/Gilbert to approve Resolution No. 06-19-1472 providing for the amendment of the job description for the Harbor Maintenance/Security position. Motion approved unanimously by polled vote.***

**13d** Approval of a Sole Source Contract, in conformance with WMC 5.10.050(F), with Meridian Systems for the Nolan Center's Direct Digital (Temperature) Control Upgrades, in the Amount of \$32,523

***M/S: Gilbert/Decker to approve a Sole Source Contract, in conformance with WMC 5.10.050(F), with Meridian Systems for the Nolan Center's Direct Digital (Temperature) Control Upgrades, in the Amount of \$32,523. Motion approved unanimously by polled vote.***

**13e RESOLUTION NO. 06-19-1473** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY2020 BUDGET IN THE WATER FUND BY TRANSFERRING \$97,243 FROM THE WATER FUND RESERVES TO THE WATER FUND CIP EXPENDITURES FOR THE BENNETT STREET WATER MAIN IMPROVEMENTS PROJECT AND AUTHORIZING ITS EXPENDITURES

***M/S: Decker/Powell to approve Resolution No. 06-19-1473 amending the FY2020 budget in the Water Fund by transferring \$97,243 from the Water Fund Reserves to the Water Fund CIP Expenditures for the Bennett Street Water Main Improvements project and authorizing its expenditure.***

***M/S: Gilbert/Powell to amend the motion to add "and 10% project contingency fee in the amount of \$9,724 for total project funding in the amount of \$106,967". Amendment approved by polled vote.***

***Main Motion, as amended, was approved by polled vote.***

After realizing that the amendment that was suggested by Staff for this Agenda Item was incorrect, the following action was taken:

***M/S: Decker/Powell to reconsider item 13e. Motion approved unanimously by polled vote.***

***M/S: Decker/Powell to approve Resolution No. 06-19-1473 amending the FY2020 budget in the Water Fund by transferring \$106,967 from the Water Fund Reserves to the Water Fund***

***CIP Expenditures for the Bennett Street Water Main Improvements project and authorizing its expenditure. Motion approved unanimously by polled vote***

**13f** Approval of a Sole Source Contract, in conformance with WMC 5.10.050(G), with SECON for the Bennett Street Water Main Improvements in the amount of \$97,243

***M/S: Decker/Powell to approve a Sole Source Contract, in conformance with WMC 5.10.050(G), with SECON, for the Bennett Street Water Main Improvements in the amount of \$97,243 and add a 10% project contingency fee in the amount of \$9,724 for total project funding in the amount of \$106,967. Motion approved unanimously by polled vote.***

**13g** Approval of Property, Liability and Workers Compensation Insurance Policies Renewal with Alaska Public Entity Insurance (APEI) in the Amount of \$300,517.86

***M/S: Gilbert/Decker to approve the Property, Liability and Workers Compensation Insurance Policies Renewal with Alaska Public Entity Insurance (APEI) in the Amount of \$300,517.86.***

In response to Gilbert on the term and rate; Von Bargaen stated that it was her understanding that the rate was good for three years; would check on that though and report back.

Prysunka asked for a report of Workers Compensation incidents. Von Bargaen stated that she doesn't believe that there has been a recent incident and that's why there has been no recent report.

Prysunka further stated that he did not want to be over or under insuring vehicles. Von Bargaen stated that she would double check that.

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

**13h** Approval to Dispose of City Surplus Property.

***M/S: Powell/Gilbert to approve the disposition of surplus property in conformance with Wrangell Municipal Code Section 5.10.060. Motion approved unanimously by polled vote.***

Prysunka stated that the Attorney's file was available for review by the Assembly in the Clerk's office.

EXECUTIVE SESSION – None.

Regular Assembly meeting adjourned at 8:29 p.m.

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Stephen Prysunka, Mayor

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

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	July 23, 2019
	<u>Agenda Section</u>	<b>6</b>

Approval of Final Plat of Fennimore/Roland Replat

**SUBMITTED BY:**

Carol Rushmore,  
Economic Development Director

**FISCAL NOTE:**

**Expenditure Required:** \$N/A

FY 19: \$	FY 20: \$N/A	FY21: \$
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**Amount Budgeted:**

	FY20 \$N/A
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**Account Number(s):**

	N/A
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**Account Name(s):**

	N/A
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**Unencumbered Balance(s) (prior to expenditure):**

	\$N/A
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**Reviews/Approvals/Recommendations**

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

**ATTACHMENTS:** 1. Fennimore-Roland Replat

**Approve under Consent Agenda.**

**SUMMARY STATEMENT:**

The Planning and Zoning Commission approved the final plat at their regular June 13, 2019 meeting.

This plat received preliminary approval in 2017 but was delayed for its final approval due to bank signature issues and requirements. The Fennimore's filled into the Roland property. The Roland's agreed to sell that portion of their land. The 3' access easement to Mt. Dewey was approved for vacation in 2017 by the Commission and the Assembly as part of the plat review process because alternative access has been provided. The access through these lots is steep and partially through rock bulkheads and steep rock faces.





# CITY AND BOROUGH OF WRANGELL, ALASKA

Item c.





# PROCEEDINGS

## MINUTES WRANGELL SCHOOL BOARD REGULAR MEETING May 20, 2019 6:30 PM Evergreen Elementary School Gym

School Board President Aleisha Mollen called the regular meeting of the Wrangell Public School Board to order at 6:30 P.M. on May 20, 2019.	CALL TO ORDER
A quorum was determined with the following school board members present: Aaron Angerman, Annya Ritchie, Jessica Rooney, David Wilson, and Aleisha Mollen. Also present was Superintendent Debbe Lancaster and Recording Secretary Kimberly Powell.	DETERMINE QUORUM
The Pledge of Allegiance was recited, led by Middle School Student Cassady Cowan.	PLEDGE OF ALLEGIANCE
The District Mission, Vision and Values were recited by Middle School Students Cassady Cowan and Lillian Younce.	DISTRICT MISSION, VISION AND VALUES
The Student Representative was not present at the meeting however; a written report was included in the packet.	STUDENT REPRESENTATIVE REPORT
5 <sup>th</sup> Grade Students: Boomchain Loucks, Phebe Garcia, Shalyn Nelson, Timothy Pearson and Shelton Eklund presented on their persuasive speeches and invited the School Board Members to a presentation at the Nolan Center on May 21, 2019 at 7:00 PM.	5 <sup>TH</sup> GRADE STUDENT PRESENTATION
The agenda was approved as presented, by unanimous consent.	APPROVAL OF AGENDA
Jing O'Brien, High School Student spoke in favor of having a guidance counselor at the high school.	GUESTS TO BE HEARD
There was no correspondence to review.	REVIEWED CORRESPONDENCE
Information & Reports were accepted by unanimous consent.	ACCEPTED INFORMATION & REPORTS
Motion to approve the items on the consent agenda as presented by Aaron Angerman; seconded by Jessica Rooney. Poll vote: Aaron Angerman: Yes; Annya Ritchie: Yes; Jessica Rooney: Yes; David Wilson: Yes; Aleisha Mollen: Yes. Motion approved unanimously.	APPROVED THE ITEMS ON THE CONSENT AGENDA
<ul style="list-style-type: none"> <li>• Approved the minutes of the April 15, 2019 Regular Board Meeting</li> <li>• Approved the minutes of the April 30, 2019 Special School Board Meeting</li> <li>• Approved the minutes of the May 10, 2019 Special School Board Meeting</li> <li>• Approved the disposal of surplus equipment as presented</li> <li>• Offered Jennifer Davies a contract addendum for one hour @ \$31.75 to conduct Parent Teacher Conferences outside of the contract day</li> <li>• Offered Alyssa Allen an extracurricular contract for the position of Head Volleyball Coach for the 2019-2020 school year</li> <li>• Approved the hire of Brian Cooper as custodian, pending receipt of a satisfactory criminal background check</li> <li>• Reviewed the resignation of Jason Clark, Custodian</li> </ul>	
Board President Aleisha Mollen appointed David Macri, Winston Davies, Loretta Rice, Deborah Lancaster and Jessica Rooney to the Committee to Interview the Student Representative to the Board candidates	APPOINTED AD HOC COMMITTEE TO INTERVIEW STUDENT REPRESENTATIVE TO THE BOARD CANDIDATES
Motion to approve the Migrant Education Literacy Grant application as presented by Jessica Rooney; seconded by Aaron Angerman. Poll vote: Annya Ritchie: Yes; Jessica Rooney: Yes; David Wilson: Yes; Aaron Angerman: Yes; Aleisha Mollen: Yes. Motion approved unanimously.	APPROVED THE MIGRANT EDUCATION LITERACY GRANT APPLICATION
Motion to approve the NRA School Shield Grant application as presented by Aaron Angerman; seconded by David Wilson. Poll vote: Jessica Rooney: Yes; David Wilson: Yes; Aaron Angerman: Yes; Annya Ritchie: No; Aleisha Mollen: Yes. Motion approved.	APPROVED THE NRA SCHOOL SHIELD GRANT APPLICATION

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Motion to approve the SRSA Grant application as presented by Aaron Angerman; seconded by Jessica Rooney. Poll vote: David Wilson: Yes; Aaron Angerman: Yes; Annya Ritchie: Yes; Jessica Rooney: Yes; Aleisha Mollen: Yes. Motion approved unanimously.

**APPROVED THE SRSA  
GRANT APPLICATION**

Motion to accept the second reading of Board Policy 3515, School Safety and Security as revised for inclusion in the policy manual by Jessica Rooney; seconded by Aaron Angerman. Poll vote: Aaron Angerman: Yes; Annya Ritchie: Yes; Jessica Rooney: Yes; David Wilson: Yes; Aleisha Mollen: Yes. Motion approved unanimously.

**ACCEPTED THESECOND  
READING OF BOARD  
POLICY 3515, SCHOOL  
SAFETY AND SECURITY**

Motion to accept the second reading of Board Policy 5131.7, Weapons in School as presented for inclusion in the policy manual by Aaron Angerman; seconded by Jessica Rooney. Poll vote: Annya Ritchie: Yes; Jessica Rooney: Yes; Aaron Angerman: Yes; David Wilson: Yes; Aleisha Mollen: Yes. Motion approved unanimously.

**ACCEPTED THE SECOND  
READING OF BOARD  
POLICY 5131.7,  
WEAPONS IN SCHOOL**

Motion to accept the second reading of Board Policy 5131, Student Possession & Use of Portable Electronic Devices, Including Cellular Phones for inclusion in the policy manual by Jessica Rooney; seconded by Aaron Angerman. Poll vote: Jessica Rooney: Yes; David Wilson: Yes; Aaron Angerman: Yes; Annya Ritchie: Yes; Aleisha Mollen: Yes. Motion approved unanimously.

**ACCEPTED THE SECOND  
READING OF BOARD  
POLICY 5131, STUDENT  
POSSESSION & USE OF  
PORTABLE  
ELECTRONICS**

Motion to accept the second reading of Board Policy 5145.3, Nondiscrimination as presented by Aaron Angerman, seconded by Jessica Rooney. Poll vote: David Wilson: Yes; Aaron Angerman: Yes; Annya Ritchie: Yes; Jessica Rooney: Yes; Aleisha Mollen: Yes. Motion approved unanimously.

**ACCEPTED THE SECOND  
READING OF BOARD  
POLICY 5145.3,  
NONDISCRIMINATION**

Motion to accept the second reading of Board Policy 7124, Student Representative to the Board as presented by Jessica Rooney; seconded by Aaron Angerman. Poll vote: Aaron Angerman: Yes; Annya Ritchie: Yes; Jessica Rooney: Yes; David Wilson: Yes; Aleisha Mollen: Yes. Motion approved unanimously.

**ACCEPTED THE SECOND  
READING OF BOARD  
POLICY 7124, STUDENT  
REPRESENTATIVE TO  
THE BOARD**

Motion to accept the first reading of Board Policy 5112.7, Jurisdiction of School Authorities to address perceived threats from off campus by Aaron Angerman; seconded by Jessica Rooney. Poll vote: Annya Ritchie: Yes; Jessica Rooney: Yes; Aaron Angerman: Yes; David Wilson: Yes; Aleisha Mollen: Yes. Motion approved unanimously.

**ACCEPTED THE FIRST  
READING OF BOARD  
POLICY 5112.7,  
JURISDICTION OF  
SCHOOL AUTHORITIES**

Motion to accept the first reading of Board Policy 5121, Grades/Evaluation of Student Achievement as presented by Jessica Rooney; seconded by Aaron Angerman. Poll vote: Jessica Rooney: Yes; David Wilson: Yes; Aaron Angerman: Yes; Annya Ritchie: Yes; Aleisha Mollen: Yes. Motion approved unanimously.

**ACCEPTED THE FIRST  
READING OF BOARD  
POLICY 5121,  
GRADES/EVALUATION  
OF STUDENT  
ACHIEVEMENT**

Motion to accept the first reading of Board Policy 5144.1, Suspension and Expulsion as presented by Aaron Angerman, seconded by Annya Ritchie. Poll vote: David Wilson: Yes; Aaron Angerman: Yes; Annya Ritchie: Yes; Jessica Rooney: Yes; Aleisha Mollen: Yes. Motion approved unanimously.

**ACCEPTED THE FIRST  
READING OF BOARD  
POLICY 5144.1,  
GRADES/EVALUATION  
OF STUDENT  
ACHIEVEMENT**

Motion to accept the first reading of Board Policy 6161.4, Student Technology Usage Policy to address technology usage in today's world by Jessica Rooney; seconded by Aaron Angerman. Poll vote: Aaron Angerman: Yes; Annya Ritchie: Yes; Jessica Rooney: Yes; David Wilson: Yes; Aleisha Mollen: Yes. Motion approved unanimously.

**ACCEPTED THE FIRST  
READING OF BOARD  
POLICY 6161.4, STUDENT  
TECHNOLOGY USAGE**

Motion to accept the first reading of Board Policy 7010, Public Statements to follow AASB's sample policy language by Aaron Angerman; seconded by Jessica Rooney. Poll vote: Annya Ritchie: No; Jessica Rooney: Yes; Aaron Angerman: Yes; David Wilson: No; Aleisha Mollen: Yes. Motion approved.

**ACCEPTED THE FIRST  
READING OF BOARD  
POLICY 7010, PUBLIC  
STATEMENTS**

Motion to accept the first reading of Board Policy 7125, Duties of Individual Board Members as presented by Jessica Rooney; seconded by Aaron Angerman. Poll vote: Jessica Rooney: Yes; David Wilson: Yes; Aaron Angerman: Yes; Annya Ritchie: Yes; Aleisha Mollen: Yes. Motion approved unanimously.

**ACCEPTED THE FIRST  
READING OF BOARD  
POLICY 7125, DUTIES OF  
INDIVIDUAL BOARD  
MEMBERS**

Reviewed the upcoming dates and meeting announcements.

**REVIEWED DATES & MTG  
ANNOUNCEMENTS**

Aaron Angerman reminded the School Board Members that the Kindergarten Celebration is at 1:15 PM on May 21, 2019 in the Elementary Multi-Purpose Room. He also reported that he enjoyed the high school graduation ceremony.

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Annya Ritchie also reported that she enjoyed high school graduation. She has reviewed the Student Exit Interviews and would like to see the Elementary School pick-up/drop-off procedures looked at. Ms. Ritchie also suggested that 5<sup>th</sup> graders could be rewarded by using them as part of a Safety Patrol. She was concerned about recess being used as punishment at the Elementary School and would like the administration to look the Sex Ed and Peer Helpers curriculum at the High School.

BOARD MEMBER COMMUNITY  
ACTIVITY REPORTS

David Wilson said that it was a disservice to the community to publish the AdvancEd report on the day of the board meeting. It wasn't an emergency and should have been added to the June agenda. Mr. Wilson also reported that he is heavily involved in Wrangell Little League.

Aleisha Mollen reported that she got information on SB126 that she distributed to the Board Members this morning regarding school district consolidation. The bill would take us from 54 districts in the state to 18.

Meeting Adjourned at 8:33 P.M.

ADJOURNED AT 8:33 P.M.

  
\_\_\_\_\_  
SCHOOL BOARD SECRETARY

## LEVESQUE LAW GROUP, LLC

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Joseph N. Levesque  
Shane E. Levesque, Of Counsel

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### LAW UPDATE

**FOR:** All Municipal Clients

**FROM:** Joseph N. Levesque, Attorney at Law

**DATE:** July 17, 2019

**RE:** *South Dakota v. Wayfair, Inc.* Update 2: Municipal Sales Tax in Alaska

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On Thursday, June 6, 2019 the Alaska Municipal League (AML) hosted an Online Sales Tax Implementation Workshop in Anchorage. Levesque Law Group Law Clerk Aaron Dobruck attended on behalf of the firm. The workshop focused on the first steps necessary to develop an entity that could collect online sales tax for Alaska municipalities. The purpose of the entity is to ease the collection of online sales tax for AML members, now that online retailers can be taxed in light of the U.S. Supreme Court's *South Dakota v. Wayfair*<sup>1</sup> decision, and to avoid placing undue burdens on interstate commerce by providing a simple, centralized means of compliance for affected retailers.<sup>2 3</sup> Sales tax is already working as a revenue source for some Alaskan municipalities. Others may want to consider adding one.

The *Wayfair* decision cleared the way for Alaska municipalities to collect sales tax from online retailers by overturning the Court's previous decision in *Quill Corp. v. North Dakota*,<sup>4</sup> which had extended a ban on collecting sales tax from out-of-state retailers to online merchants. When *Quill* was decided, in 1992, there was very little online commerce and it made sense to extend

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<sup>1</sup> *S. Dakota v. Wayfair, Inc.*, 138 S. Ct. 2080, 201 L. Ed. 2d 403 (2018).

<sup>2</sup> It is still an open question whether individual or centralized collection of municipal sales taxes, within a state that does not collect sales tax, will ultimately be considered enforceable under *Wayfair* as the decision addressed a statewide sales tax. However, we do know that a number of Alaska municipalities are receiving remittance for their online sales tax without participating in a state-wide entity. AML's current effort is intended to streamline the collections process and build in defenses if the constitutionality of municipal collection without a statewide sales tax, or without statewide collection is ever challenged.

<sup>3</sup> States, including municipalities exercising state powers, including taxation, must not unduly burden interstate commerce under the Commerce Clause, Article 1, Section 8, Clause 3 of the U.S. Constitution. For more on the Commerce Clause, particularly the Dormant Commerce Clause which was affected by *Wayfair*, please see [https://www.law.cornell.edu/wex/commerce\\_clause](https://www.law.cornell.edu/wex/commerce_clause)

<sup>4</sup> *Quill Corp v. N. Dakota* 504 U. S. 298 (1992).

the sales tax exemption for out-of-state mail-order retailers<sup>5</sup> to online sellers. This was based on the understanding that the authority to tax came from a retailer's physical presence, as discussed in *National Bellas Hess, Inc. v. Department of Revenue of Ill.*

However, after the internet gained prominence and online shopping became a cultural norm, the *Quill* decision no longer made sense. So, the Court reversed its decision and moved to another test that better aligns with the realities of today's commercial world. Now, under the *Wayfair* decision, a broad-based sales tax can be collected against online retailers so long as the tax ordinance explicitly mentions that online sales are taxed like in-person sales. There are some other conditions too, such as a necessity to avoid placing undue burdens on interstate commerce by creating unreasonable regulatory burdens or discriminating against out of state merchants. These are discussed in more detail in Tip sheet, attached.

AML has begun a process intended to avoid these pitfalls, while also creating administrative ease for participating municipalities. As it stands right now, this effort will likely include:

- A Local Inter-Governmental Agreement on Online Sales Tax Implementation.
- A unified set of definitions relevant to sales tax.
- The preservation of individual ordinances based on community priorities.
- A voluntary, centralized entity, created with an independent board, to administer collection and remittance of each participating community's tax while providing a single point of contact for each seller.
- A system within this entity to manage the accounting and facilitate auditing while providing compliance with state privacy laws.
- A software system to track amounts owed to individual communities, remittance by the appropriate retailers, and tax exemptions (such as caps and non-profit certificates) applicable to each jurisdiction.

Even without a central entity, some municipalities have been successfully collecting their sales tax from online retailers. As AML moves forward, the goal of its entity will be to accommodate the wide diversity of sales tax laws among Alaskan communities while providing administrative ease to the merchants. There are two reasons why administrative ease is important. First, it is required under the Commerce Clause of the United States Constitution, which prohibits placing undue burdens on interstate commerce.<sup>6</sup> Second, it will likely lead to higher compliance without having to take enforcement action.

AML anticipates the process of naming and forming the entity will begin at its next meeting. In the meantime, it is already searching for an appropriate software developer to create the necessary systems. We encourage all of our municipal clients to consider whether to participate in this endeavor. For those that believe they would benefit, it is likely wise to get involved early so that the finished products can reflect your community's needs.

<sup>5</sup> *National Bellas Hess, Inc. v. Department of Revenue of Ill.*, 386 U. S. 753 (1967).

<sup>6</sup> Sales through the internet from a merchant or through a platform based in another state are naturally interstate commerce and therefore subject to federal jurisdiction.

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For any city or borough that will attempt enforcing its tax against online sellers, we stand at ready. For any municipality that would like to consider adding a sales tax, we are happy to help.

Following my signature are:

- (1) Our second *Wayfair* tip sheet reflecting the law as we currently understand it.
- (2) A sketch from AML of the possible governance structure for the entity.
- (3) Our previous update which included our first *Wayfair* tip sheet.

Sincerely,



Joseph N. Levesque

**LLG SECOND TIP SHEET**  
**For Alaskan Municipalities re Online Sales Tax**

In *South Dakota v. Wayfair*, the Supreme Court of the United States eliminated the physical presence rule for collection of sales tax and reaffirmed *Holmes Co. v. McNamara* which says “the Court will sustain a tax so long as it (1) applies to an activity with a substantial nexus with the taxing State, (2) is fairly apportioned, (3) does not discriminate against interstate commerce, and (4) is fairly related to the services the State provides. The Court also affirmed certain classifications in South Dakota’s state-wide sales tax law that delineated precisely when a nexus was established with that state. These thresholds included a minimum of \$100,000 in annual sales in the state or 200 transactions. Many Alaskan communities would have a hard time reaching these thresholds on an individual basis. By creating a centralized entity to process local sales tax, AML’s hopes to create a way for participating Alaskan municipalities to meet those standards in the aggregate even though there is no Alaska state sales tax.

In the meantime, municipalities across the state have had some luck collecting their sales tax against online retailers and service providers simply by sending compliance letters with a full explanation of the applicable tax. LLG is available to draft such letters as needed.

**As we understand it:**

- Alaskan cities and boroughs without local option sales taxes who wish to tax internet sales should enact sales taxes soon, which apply equally to online and physically present sellers.
- Sales tax may only be collected going forward, as retroactive taxation is illegal under the U.S. Constitution.
- Any new sales tax cannot be created exclusively for online sales because that would unfairly burden interstate commerce. (e.g. a hotel sales tax can be applied to an online host service, but a tax cannot be created that only applies to online sales.)
- Sales tax statutes should include language applying it equally to online and in-person sellers.
- It is an open question whether *Wayfair* is meant to apply only to states, but we believe there is a good argument to be made that it applies to any sales tax. AML’s effort is operating under the same assumption.
- Laws that exempt sellers under a certain dollar value or a set volume of packages from the sales tax will likely be upheld, depending on how they are written, as the Court praised South Dakota’s law for protecting small sellers without producing unfair results.
- Online sellers that commonly sell into Alaskan municipalities include: Netflix, Amazon, Airbnb, Home Depot, Lowes, Ebay, Etsy, and others. Many municipalities have recently received notice from citizens that tax is being collected on purchases they make. Tracking these merchants and reaching out to them can be an effective way to be sure the right tax is collected, particularly in areas where shared zip codes could create confusion for the seller.
- Having a compliance letter that lists jurisdictional boundaries and includes your local sales tax ordinance as an attachment, can be an effective tool in getting compliance from online sellers. Certain companies will have a specific address where this letter must be sent. Others may simply need the letter sent to their corporate headquarters.



## FROM AML

### Municipal Online Sales Tax Authority

**Mission:** To oversee streamlined statewide administration of municipal online sales tax collection and remittance.

**Governance:** Local governments with sales tax jurisdiction will have voting rights to nominate and elect an eight-member board of directors. The Authority will reside adjacent to the Alaska Municipal League, as an independent arm staffed by AML (similar to the AML Investment Pool).

**Organization of Board:** Based on 3-year average.

1. Seat held by member with tax revenue under \$50,000 (of 29)
2. Seat held by member with tax revenue from \$50,000 to \$250,000 (of 34)
3. Seat held by member with tax revenue from \$250,000 to \$1,000,000 (of 13)
4. Seat held by member with tax revenue from \$1 million to \$5 million (of 12)
5. Seat held by member with tax revenue from \$5 million to \$10 million (of 8)
6. Seat held by member with tax revenue from \$10 million to \$20 million (of 5)
7. Seat held by member with tax revenue above \$20 million (of 2)
8. Seat held by borough with city tax collection responsibilities (of 2)

### Responsibilities:

- Cultivate and sustain membership – local ordinance adopting definitions and participation
- Contract with and manage contract for software development
- Contract with and manage contract for collection and remittance, including provision of tax return for online retailers
- Contract with and ensure correct auditing of collection and remittance
- Participate in national conversations about best practice
- Support member implementation and concerns
- Assemble and maintain a sales tax boundary map
- Serve as a clearinghouse for updates and verifying accuracy of online sales tax collection and remittance

### Fees:

- Annual fees and/or % of revenue (prorated) collected are necessary for implementation within AML
  - Goal of one division director and one support staff
- % from revenue collection should be expected as part of contract for software development and collection/remittance

## Seat held by member with tax revenue under \$50,000 (of 29)

- City of Brevig Mission
- City of Nunam Iqua
- City of Larsen Bay
- City of Koyuk
- City of Chefornak
- City of Pelican
- City of Kivalina
- City of Eek
- City of Wales
- City of Ambler
- City of False Pass
- City of Deering
- City of Teller
- City of Shungnak
- City of Kiana
- City of Old Harbor
- City of Toksook Bay
- City of Tanana
- City of Napaskiak
- City of Port Alexander
- City of Kwethluk
- City of Mekoryuk
- City of Tenakee Springs
- City of Diomed
- City of White Mountain
- City of Kobuk
- City of Ouzinkie
- City of Nightmute
- City of Nondalton

## Seat held by member with tax revenue from \$50,000 to \$250,000 (of 34)

- City of Galena
- City of Point Hope
- City of Nenana
- City of Kake
- City of Selawik
- City of Saint Mary's
- City of Quinhagak
- City of Alakanuk
- City of Fort Yukon
- City of Mountain Village
- City of Manokotak
- City of Seldovia
- City of Scammon Bay
- City of Saint Michael
- City of Togiak
- City of Noorvik
- City of Chevak
- City of Kotlik
- City of Pilot Station
- City of Saxman
- City of Aleknagik
- City of Gambell
- City of Buckland
- City of Marshall
- City of Savoonga
- City of Elim
- City of Napakiak
- City of Shishmaref
- City of Russian Mission
- City of Stebbins
- City of Shaktoolik
- City of Nunapitchuk
- City of Angoon
- City of Aniak

## Seat held by member with tax revenue from \$250,000 to \$1,000,000 (of 13)

- City of King Cove
- City of Sand Point
- City of Klawock
- City of Whittier
- City of Adak
- City of Hydaburg

- City of Thorne Bay
- City of Unalakleet
- City of Gustavus
- City of Saint Paul

- City of Houston
- City of Hooper Bay
- City of Emmonak

Seat held by member with tax revenue from \$1 million to \$5 million (of 12)

- City of Kotzebue
- City of North Pole
- City of Akutan
- Haines Borough
- City of Cordova
- City and Borough of Wrangell
- Petersburg Borough
- City of Dillingham
- City of Craig
- City of Hoonah
- City and Borough of Yakutat

Seat held by member with tax revenue from \$5 million to \$10 million (of 8)

- Ketchikan Gateway Borough
- Municipality of Skagway
- City of Homer
- City of Soldotna
- City of Palmer
- City of Kenai
- City of Bethel
- City of Nome
- City of Seward

Seat held by member with tax revenue from \$10 million to \$20 million (of 5)

- City of Wasilla
- City of Ketchikan
- City of Kodiak
- City and Borough of Sitka
- City of Unalaska

Seat held by member with tax revenue above \$20 million (of 2)

- City and Borough of Juneau
- Kenai Peninsula Borough

Seat held by borough with city tax collection responsibilities (of 2)

- Kenai Peninsula Borough
- Ketchikan Gateway Borough

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**FROM LLG**  
**First Wayfair Update and Tip Sheet**

**LEVESQUE LAW GROUP, LLC**

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**LAW UPDATE**

**FOR:** All Municipal Clients

**FROM:** Joseph N. Levesque, Attorney at Law

**DATE:** August 22, 2018

**RE:** *South Dakota v. Wayfair, Inc.* SCOTUS  
(Sales Tax Applicable to Online Sales of Goods and Services)

On August 22, 2018 Attorney Joe Levesque and Law Clerk Aaron Dobruck attended a presentation *South Dakota v. Wayfair, Inc.* the recent United States Supreme Court decision changing the rules on when a state may apply sales tax to internet sales. We'd like to take a moment to update you on what has changed, what opportunities may exist now or in the near future, and what uncertainties could affect those opportunities.

Prior to the *Wayfair* decision *Quill Corp. v. North Dakota* and *National Bellas Hess, Inc. v. Department of Revenue of Ill.* were binding law. Together they represented a legal doctrine that a state could only require the collection of sales tax by sellers of goods and services that had a physical presence within the state. This has also been referred to as the "Brick and Mortar Rule." It meant that online merchants with no physical presence in a state could deliver unlimited quantities or values of goods and services into a state and never be required to collect sales tax. Many sales tax statutes require the end purchaser to pay tax directly, if it is uncollected by the seller, but this is nearly impossible to enforce and compliance is universally poor.

Understandably, the Brick and Mortar Rule created problems for the many states that depend on a general sales tax as part of their revenue. In an attempt to recoup lost revenue some states and communities have tried to enter agreements with internet-based companies to voluntarily pay the state and local sales taxes. The success of these efforts has been mixed as success depended exclusively on each individual company's willingness to cooperate.

Being a small state with no income tax, South Dakota was more dependent than most on its general sales tax and so it wrote a law specifically designed to challenge the Physical Presence Rule from *Quill* and *Hess*. This law was intentionally designed to shield small internet sellers, by exempting anyone who engaged in fewer than 200 transactions and delivered less than \$100,000 worth of goods and services annually. It also was designed only to apply existing state sales tax

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## LEVESQUE LAW GROUP, LLC

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internet sellers who were exempted under the old Brick and Mortar Rule. In this way the law didn't burden interstate commerce (or favor local commerce) by placing any unique tax on online sales.

The court in *Wayfair* limited its decision to overturning *Quill* and *Hess* before remanding to determine whether any other commerce clause violations exist, so it is still an open question whether South Dakota's law will be upheld, but the removal of the Brick and Mortar Rule as a barrier to collecting sales tax clearly opens the door for states to attempt to enforce their sales tax collection requirements against online sellers as they would against sellers with a physical presence. We believe this also gives Alaskan municipalities an opportunity to make the same attempts, with the understanding that *Wayfair* could possibly be found not applicable to municipalities, at some later time.

For any City or Borough that will attempt to start enforcing its tax against online sellers, we would be happy to help. What follows is a tip-sheet reflecting the law as we currently understand it. We hope

**TIP SHEET for Alaskan Cities and Boroughs  
U.S. Supreme Court's Summer 2018 *Wayfair* Decision**

In *Wayfair* the court reaffirmed *Holmes Co. v. McNamara* which says "the Court will sustain a tax so long as it (1) applies to an activity with a substantial nexus with the taxing State, (2) is fairly apportioned, (3) does not discriminate against interstate commerce, and (4) is fairly related to the services the State provides.

With the physical presence rule eliminated, there is an opportunity for states with sales tax, and likely communities as well, to begin capturing revenue from online sources within their existing sales tax structures.

**As we understand it:**

- Sales Tax may only be collected going forward, as retroactive taxation is illegal under the U.S. Constitution.
- Any new sales tax can not be created exclusively for online sales because that would unfairly burden interstate commerce. (e.g. a hotel sales tax can be applied to an online host service, but
- It is an open question whether *Wayfair* is meant to apply only to states, but we believe there is a good argument to be made that it applies to any sales tax
- Alaskan Cities and Boroughs which have local option sales taxes may want to send letters to the online companies known to deliver goods and services into their jurisdiction stating what the relevant sales tax is and that it is now being enforced against online sellers in light of the *Wayfair* decision.
- Alaskan Cities and Boroughs without local option sales taxes who wish to tax internet sales should enact sales taxes soon, which apply equally to online and physically present sellers.

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LEVESQUE LAW GROUP, LLC

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- Laws that exempt sellers under a certain dollar value or a set volume of packages from the sales tax will likely be upheld, depending on how they are written, as the Court praised South Dakota's law for protecting small sellers without producing unfair results.

Some Alaskan communities have had some measure of success with Airbnb and Netflix. Notably Kotzebue notified Netflix of its tax and now receives the monthly payment of tax based on the number of users in its zip code. Anchorage has successfully negotiated a custom agreement with Airbnb to pay hotel tax at a certain rate, but some markedly smaller communities have had little success getting even a response from that company.

Sincerely,

Joseph N. Levesque

July 8<sup>th</sup> KYP:

South Island Fire Update: I met with Clint, the new District Ranger, on Friday in person, and spoke to him over the phone today. The fire has gone back and forth from barely smoldering to flaring up a handful of times throughout the weekend. The USFS has been conducting aerial reconnaissance regularly. The last report late this morning from a private pilot was that the fire had diminished again to smoldering. They believe it to be about 3-5 acres in size. From this point forward the USFS is going to copy us on daily press releases on the fire. Kim will be posting those on the Borough website and Facebook page. The USFS will be flying the area again on Wednesday. We will know more then.

MTAB Meeting: The Alaska Marine Highway Marine Transportation Advisory Board (MTAB) will be meeting in Anchorage on Friday, July 12th. Prior to the meeting a copy of the fall/winter/spring schedule is supposed to be released. The AMHS Reform Committee will also be on the agenda. If you have the opportunity to sign in and listen, I encourage you to do so. This will be the first opportunity to see what service levels look like with the proposed \$44 million cut. Although, interestingly, some of things on the agenda don't seem like topics for an agency in "austerity measures."

Nolan Center Sprinkler Discharge: During movement of a partition wall in the classroom early this afternoon one of the sprinkler heads was hit and damaged. This caused water to shoot straight out of the sprinkler and onto the floor. Water was shut off immediately. Thankfully there was no damage to the exhibit in the classroom. However, there was a significant amount of water discharged. The staff is working diligently with a Shop Vac to clean up what they can. Bumble Bee Carpet has been hired to come clean as soon as possible with their much more powerful water vacuum. The sprinkler head has been fixed. A solution to fix the partition wall to keep this type of thing from happening again will be underway soon.

**From:** [Lisa Von Barga](#)  
**Cc:** [clerk@wrangell.com](#); [harborgreg@aptalaska.net](#); "Kathleen Thomas"; [aal-haddad@wrangell.com](#); [ecodev@wrangell.com](#); "Bruce Smith"; "Timbuness"; [lbjess@wrangell.com](#); "Public Works Super "; [rrhoades@wrangell.com](#); [wrangelllibrary@gci.net](#); "Cyni Cray"  
**Bcc:** "Patty Gilbert"; "Patty Gilbert"; "David Powell"; "David Powell"; [juliedecker@gci.net](#); "Julie Decker"; "Jim DeBord"; [amorrison@wrangell.com](#); "Mya DeLong"; "Steve Prysunka"  
**Subject:** KYP: Many Things  
**Date:** Monday, July 22, 2019 12:13:30 PM

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Good morning Mayor Prysunka, Assembly Members and Staff –

Wrangell Medical Center Legacy Items: Good news first. I recently received an email from Dan Neumeister informing me the Borough can expect another \$233,000 in revenue from SEARCH in the coming months. I don't have an exact timeframe on the payment, but this is the estimated amount coming to the CBW from account collection and closed cost reports. On the flip side, we are incurring legal expenses associated with the two outstanding complaints against the hospital. The legal work associated with these claims is covered by the insurance policy that was in place at the time the complaints were filed. However, there is a \$50,000 deductible associated with each of the claims. I apologize I did not realize this sooner. It was brought to my attention during the final work on our 2018 Audit. Subsequently we received a bill for legal services from Bob Blasco (who was retained by the insurance company). Not one time did Mr. Blasco indicate his firm was "holding" invoices for these legal services. The invoice actually date back to June of 2018 (two fiscal years ago now). Obviously any legal fees accrued prior to November first of 2018 should have been paid by Wrangell Medical Center. Water under the bridge now. We have received invoices only through March 13, 2019 totaling \$6,239. I am trying to get the invoices from the remainder of March through current and will advise the Assembly as soon as I have that information.

Police Chief Interview: The Police Chief interview process was held on Friday. I appreciate all of the Assembly, Staff and Community Members that participated in the process. I will be speaking with the Candidate today and will be addressing some additional background requirements. I expect to be making an offer very soon.

Mill Property Update: After many weeks, the Borough finally received a Purchase/Sales Agreement on Thursday from a representative of Ms. Buhler. Staff and the Attorney will be reviewing the document prior to setting up an executive session with the Assembly to discuss.

2018 Audit Update: It was my understanding the Borough was supposed to receive the 2018 Audit on Monday of last week, so it could be put on the July 23<sup>rd</sup> Agenda. I was corrected that it was sometime the week of the 16<sup>th</sup>. Friday I received an Audit Response letter from the Finance Director to sign so the Audit process could be completed. Given the Police Chief candidate interview process and that the Agenda Packet had to be completed, I will just now be getting to that review. The Audit will be on the next agenda.

Water Leak This Morning: There is a water leak this morning on Shustak, next to the old Sourdough Lodge.. It is being fixed. When I have more details I will get those out to the Assembly.

BUILD Grant: The Better Utilizing Investments to Leverage Development, or BUILD Transportation



Discretionary Grant program, provides a unique opportunity for the DOT to invest in road, rail, transit and port projects that promise to achieve national objectives. Greg Meissner, Amber Al-Haddad and Carol Rushmore worked together to submit a BUILD Grant application for the engineering to re-construct the float system in Inner Harbor. Their effort n this is greatly appreciated. We will keep you posted.

Senator Murkowski – Federal PILT Legislation: About 10 days ago Senator Murkowski introduced new federal legislation titled -Small County PILT Parity Act – to improve the PILT funding formula for small population counties with vast areas of federal land. A copy of the press release is attached. There will be a resolution on the agenda for the next meeting in support of the bill.

Shoemaker Bay Harbor Matching Grant: The Harbor Matching Grant the CBW has includes a retainage fee for the State. The grant agreement we have with ADOT states 1%. But, it has a provision for this to be increased. In March Administration reported to the Assembly that ADEC was increasing its retainage from 1% to 2.48%. Thankfully there have been no major issues on this project and we are easily able to absorb that changes in the existing budgeted contingency. Last week we were informed the State will be increasing the amount to 10%. We sent a letter to ADOT “confirming” this would not include our project as it is 90% complete and may not be able to absorb that kind of a hit. We are waiting to hear back. If it goes through we could lose nearly \$500,000 of grant funds. Our Lobbyist and our Delegation have been advised of the issue.

New Lift for Garage: the FY20 Budget included funding for a new lift capable of lifting our vehicles (the current one cannot). The Public Works Director got three quotes and NAPA locally was the best price. The cost of the lift is just under my spending authority so it is not coming back to the Assembly for approval. However, since this is a major piece of equipment we wanted you to know its purchase is underway.

USFS Police Vehicle Surplus: Jimmy Nelson’s rig and another one exactly like it out of Ketchikan are scheduled to be surplussed early this fall. Lt. Smith and Dave Bryner are working to determine the likely fair market value of the rigs so we can make an offer on them prior to the going out for GSA auction. That information will be coming to the Assembly at the next meeting. It is our understanding that Hoonah put in a request before we did, so we may or may not, have access to the vehicles. We want to be prepared in case we do.

Project Budget Carry Forward: There are a handful of projects that are in play currently as we transfer from one fiscal year to the next. Some of these projects did not have the expenditures that were anticipated prior to FY19 Year End. For this reason that funding will need to be “carried forward” via a budget amendment resolution at the next meeting.

Massin Lease Enforcement: Last month Carol Rushmore sent an enforcement letter to Mr. Massin regarding his non-compliance on his leased property out by the Shoemaker Bay Harbor. Mr. Massin is currently working to correct the violations. Staff will keep you updated on the process.

Nolan Center Exhibit Presentation: Last Tuesday the Nolan Center hosted a wonderful community event featuring the photo exhibit currently on display in the theater room. The exhibit’s curator gave

a wonderful presentation. It was wonderful to see such a great community event at the facility.

Library – Hub of Summer Activity: Last week WCA notified the Library it was awarded \$500 for the “Healthy is Here” grant. The Friends of the Library applied for the grant so the Library will be able to update the medical books and DVD’s. Also (amazingly given the State Budget) the Library was notified that they received \$7,000 from the Public Library Assistance Grant from the State. Last week the Library was extremely busy. Last Monday 122 people walked through the door, Tuesday it was 133 and Wednesday it was 109.

Police DUI Stop on Friday Night: On Saturday I sent out a KYP to the Assembly about a DUI stop Friday night. Two Assembly members have contacted me this morning saying the rumor mill is going nuts with incorrect information. PLEASE come speak to me about this issue if you have any questions. Any help you can provide letting people know the rumors are incorrect is very much appreciated.

Assembly Meeting this Week: Just a friendly reminder we have an Assembly meeting on Tuesday with a work session beginning at 6:00pm. See you there.

I am sure there are many more things, but that is all for now. Have a great week. Lisa

# City and Borough of Wrangell

## Capital Facilities Department Report

### July 18, 2019

#### **Facilities Maintenance** - Capital Facilities provides service and maintenance to City and Borough of Wrangell facilities.

- **New Capital Facilities Department staff.** Capital Facilities welcomes Dwane Ballou to our department staff team. Dwane began as the Lead Facilities Maintenance Specialist on July 1, 2019 and has jumped in, to the department's work, headfirst.
- **Dude Solutions'-based Computer Maintenance Management System (CMMS) Rollout.** Capital Facilities staff have rolled out the computer-based system that will assist us in managing maintenance work orders for our facilities' assets. Following the on-site facilities conditions assessments, Dude Solutions has input the Preventive maintenance Schedule for each building's equipment, and maintenance staff have begun tackling the list of PM tasks scheduled for the month of July.

The CMMS also allows each department to submit work orders for Reactive Maintenance needs as well. As we all work to learn how to use the system to its fullest, we will have the ability to have live information about our department's in-progress work tasks.

To date, the CBW has signed onto this CMMS system for both Facilities and Fleet maintenance and asset management and is considering additional modules for maintenance of those assets related to Parks, Harbors, Water & Sewer, and possibly other areas of the CBW.

- **Nolan Center's Broken Sprinkler Head.** On Monday, July 8<sup>th</sup>, the Nolan Center experienced flooding and water damage due to a broken sprinkler head. The sprinkler head broke as it was impacted during the difficult relocation of a hinged/sliding partition wall in the Classroom. This is at least the second time this head has been hit, due to the same challenges with the partition wall. Staff are considering ways to make modifications to both the wall and sprinkler head to mitigate similar impacts in the future.

The CBW wants to thank the Fire Department's volunteers who helped to quickly evacuate the water from the building. Initial evaluations of the damage, caused by the water, appear to be minimal, in part due to these volunteers' speedy assistance.

No museum exhibits or fixtures have to date been identified as receiving damage from the water release. Minimal damaged was sustained to the building systems. Moisture

readings for drywall, wood, and carpet have provided results in the lower ranges of those acceptable in the industry for those materials.

To date only the vinyl plank flooring material was removed in the Multi-Purpose Classroom, where the sprinkler head was located, and where most of the water was standing, prior to evacuation. The removal was required due to the 4" vinyl planks' cupping at the seams. Before replacing the vinyl flooring, staff will take the opportunity to investigate potential moisture content in the concrete slab. We had planned already to perform similar investigations for the concrete slab in the Civic Center room, and we are proceeding to investigate both rooms concurrently to help direct the proper method of concrete preparation and vinyl flooring replacement in various sections of the building.

### **Capital Improvement Projects - Capital Facilities provides management of major capital improvements to City and Borough of Wrangell facilities.**

- **Oil-Fired Boiler Installation at Public Safety Building.** The Contractor for the Oil-Fired Boiler Installation project received his parts and has the boiler plates assembled and jacketed. Work continues with the required piping modifications, which will include additional pipe replacement which has been identified through the course of this project to be failed components. The system is best served through replacement of these additional pipe sections and fittings during this project. The Contractor anticipates having the project complete in approximately two weeks' time.
- **Public Safety Building Siding and Roofing Renovations.** After rejecting the one bid we received for this project in April, further project budgeting was postponed during the FY20 CIP project development until such time as a supplemental engineering review is completed and recommendations can be presented by staff. Staff anticipates a recommendation to be finalized in August 2019.
- **Shoemaker Bay Harbor Replacement**

#### *Shoemaker Harbor Project Status*

The project is 90% complete to date. Following the CBW's Substantial Completion acceptance of the Main Floats C and D, the Harbor Department continues to relocate boats into those slips. The primary delay of the Contractor being able to call for Substantial Completion on Main Floats A and B is the delay in the electrical subcontractor's receipt of the powerheads for these floats, although they continue to receive weekly, partial shipments from the manufacturer. USA suppliers have been dealing with parts delays for over a year, which has forced them to curb manufacturing output. This project's electrical subcontractor's supplier of the powerheads is one of the largest manufacturers of electrical components in the USA dealing with this ongoing problem. That said, the Contractor and their Subcontractors are committed to completing the project as they receive the materials necessary to perform their work.

The Harbor Department continues to monitor their operational impacts due to these delays and to date reports that impacts have not been encountered.

*Shoemaker Harbor Additional Project Considerations*

Staff are pursuing additional improvements to be included in the current project, and PND is developing the design for the following improvements, in order to obtain a proposal from Tamico-RNR JV to include this work in the current construction contract:

- Replace the existing boarding float (next to the drive-down ramp). Replacement of this section of the existing harbor was not included in the current replacement design due to the estimated lack of funding during the planning phase. CBW staff instead budgeted for making in-house improvements to this float. Considering the level of funding now available and the possibility to have 50% of the cost covered by the State's matching grant, it is advantageous to replace this float now. The State's Harbor Grant Program staff have confirmed that this work is eligible for grant reimbursement.
- Make minor but critical improvements to the parking lot. Uplands, parking lot work was not included in the current replacement design due to the estimated lack of funding during the planning phase. Further, uplands work is not eligible for grant reimbursement through the State's Harbor Matching Grant Program; therefore, full funding would have been required to be provided from the Harbor Department's Reserves Fund.

*Shoemaker Harbor ICAP Rate Adjustments*

The Project Manager for the State's Harbor Facility (Matching) Grant Program this week let us know that the State of Alaska proposed to Federal Highways an increase to the ICAP rate, the administrative fee ADOT charges their program grantees. Particular to harbor projects, the proposal was to increase the rate to 10%. Although Federal Highways does not provide funding for the Harbor Facility Grant Program, ADOT applies the same CIP Harbor Projects' ICAP rate to this program as well.

While the ICAP rate for harbor projects was previously increased from 1% to 2.48% in March 2019 and was retroactive to on-going projects, we understand that Federal Highways did, this week, approve a further increase to the 10% rate; however, it is unclear whether the increase will affect Shoemaker Harbor since we are nearing completion of the project.

The ICAP was not a project cost that was identified by the State's grant program until after we had secured project funding, completed design and construction bidding, and thereafter received a copy of the grant agreement. Our State's Harbor Facility Grant Program's grant agreement initially identified the ICAP at 1% of the grant amount, but it also provides for increases to the ICAP rate "as necessary."

Based on our current grant amount of \$4,307,954, the 10% rate increase would equate to Wrangell contributing \$430,795 of unplanned, additional funds to the State of Alaska as indirect administrative fees. While Wrangell was fortunate enough to set aside a project contingency in the approximate amount of \$417,000, from which a small amount will be used for minor changes made at the CBW's request, this ICAP increase would create significant impacts to the project and the Harbor Department's Reserve Fund. Further, if this ICAP rate increase is applied to our project, the aforementioned, additional project considerations related to replacing the boarding float and making parking lot improvements would not be financially possible.

The Borough Manager has sent a letter to the State requesting confirmation that the 10% increase to the ICAP will not affect the Shoemaker Bay Harbor project, which is 90% complete to date.

- **Reservoir Bypass.** Earlier this year, staff narrowed our preferred alternative for accessing the water in the upper reservoir, for the lower reservoir bypass to the treatment plant, to the *Spillway Trench with Siphon* option. Before confirming that option as our preferred alternative, we asked the engineers whether there were limitations with this option, as our initial concern was about limitations to accessing the full depth of the stored raw water.

In subsequent discussions with the engineers, they expanded on the limitation of siphons, which generally have 20' of lift at sea level, assuming no friction loss is present. Given the formula to determine uplift applied to the elevations surrounding our upper reservoir's conditions, siphoning at the raw water surface elevation will not work, which is why the engineers suggested trenching through the spillway. This increases the pool elevation, thus lowering the intake elevation of the siphon.

As we reviewed other criteria for the siphon, the engineers explained that normal downstream features of the siphon generally include flows to an open trench. However, our project's goal is to access the upper reservoir's water and make a direct conveyance of that water to the treatment plant, by way of the existing 12" HDPE transmission line that was previously installed for this purpose (before the project was shut down in the early 2000s due to environmental permitting issues). The engineers indicate that the risk of conveying the water from the siphon into a closed pipe is that of pipe collapse.

Staff have requested that Shannon & Wilson and CRW Engineers return to this issue and determine if the *Spillway Trench with Siphon* is a viable option considering the existing conditions related to the siphon uplift and reservoir depth and to the conveyance from siphon pipe to transmission pipe.

- **Water Mains Replacement.** Following ADEC's approval of our request for a grant extension through January 2021, an RFP for competitive selection for engineering design services is required as the next step for project development. CBW staff will be developing this solicitation.

- **Water Treatment Plant Improvements – EDA Funding.** During the month of June, several requests for clarifications and/or information were received by EDA, regarding the proposed Water Treatment Plant Improvements project, which staff promptly responded to. The last response occurred on June 27<sup>th</sup>.

A phone call follow-up to EDA's regional Seattle office last week provided indication that our grant application remains with their legal division who is performing a review of the latest information we provided to confirm compliance with their program's regulations.

During the writing of this report, we received a subsequent request from EDA for additional project information.

As we await a grant approval from EDA, staff will begin addressing the USDA's Letter of Conditions which outlines 40+ conditions required to be in place by the Borough by the end of December 2019.

- **Wrangell School District Facilities**

*Evergreen Elementary Primary School Building*

School staff have notified CBW staff that they are recipients of a \$50,000 grant from the NRA for exterior doors and hardware replacement. CBW staff will work with school staff to assist as needed.

## **PUBLIC WORKS**

### **STREETS**

The Street Department has been out cutting brush throughout town and up at the Water Plant.

Front Street crosswalks have been completed, with the rest of downtown to follow when weather allows. We resurrected and placed 4 ports johns downtown for the 4<sup>th</sup> of July and received many thanks from the community for having them out. We may look at purchasing more of them for future events. We'll be working with a concrete contractor very soon to start fixing and replacing some of the broken and missing concrete around town.

### **SANITATION**

The Public Works crew has been working with the Sanitation Department and will finish the rock work where the burn pile was located. The next phase of this project is to construct a permanent, elevated burn area. During the latest dry spell, we were able to stockpile all the burn materials received until wetter weather allowed us to burn again. We will begin shipping metal out in the next few weeks. It will take several weeks to empty all the fluids out of the vehicles we currently have at the Solid Waste Transfer Station. We'll be coming to the Assembly with a proposed increase for cars disposed of at the SWTS, to help offset the cost of shipping and disposal.

### **WATER**

There have been 3 water main breaks in the last 5 weeks. One next to the Salvation Army Church, one on Evergreen Ave., next to Spring Street, and one at 5.2 mill Zimovia. All were found and patched fairly quickly, with the exception of the Salvation Army, which we'll address soon. Only one service comes off this particular section between Zimovia and Case Ave. It is part of a looped system, so we'll bring it on ASAP. 2 substantial water leaks on private property were reported to PW and are being fixed.

The Water Treatment Plant had a major OZONE leak recently. The crew stacked the filters, shut down the plant for a day and repaired the leak. There was no loss in service or water reserves. We have a welder scheduled to look at this area, as this is a reoccurring problem which needs a permanent fix.

### **SEWER**

Business as usual.

### **GARAGE**

The Garage Department has received 3 quotes for the new lift, with our local NAPA coming in with the lowest at \$24982.23 FOB Wrangell.



## **CEMETARY**

Haven't had a chance to test new ground. We'll be fully staffed next week.

**CITY & BOROUGH OF WRANGELL, ALASKA  
BOROUGH ASSEMBLY PUBLIC HEARING AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	July 23, 2019
	<u>Agenda Section</u>	<b>11</b>

**PROPOSED ORDINANCE NO. 965** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CHAPTER 15.12, ELECTRICITY, BY ADDING SECTION 15.12.193 RATE STABILIZATION

**SUBMITTED BY:**

Lisa Von Barga, Borough Manager

**FISCAL NOTE:**

**Expenditure Required: \$ N/A**

FY 19: \$	FY 20:	FY21: \$
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**Amount Budgeted:**

FY20 \$N/A

**Account Number(s):**

N/A

**Account Name(s):**

N/A

**Unencumbered Balance(s) (prior to expenditure):**

\$N/A

**Reviews/Approvals/Recommendations**

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

**ATTACHMENTS:** 1. Ordinance No. 965; 2. New Ordinance No. 965 with Track Changes; 3. WMC Section 15. 12.190

**RECOMMENDATION MOTION:**

Move to approve Second reading of Ordinance No. 965 with Amendments, and move to a Third Reading, with a Public Hearing to be held on August 27, 2019.

**SUMMARY STATEMENT:**

The Assembly discussed this ordinance at first reading on June 23<sup>rd</sup>. There was a request for some modifications. Staff has incorporated recommended changes into draft ordinance, but discussion of some elements is required. As such, staff anticipates the Assembly making amendments to what

is presented here. That will require a third reading and public hearing of the ordinance at the August 27<sup>th</sup> meeting.

1. Section E. Ongoing Funding. The Assembly requested language to allow for more than one revision in the fiscal year if necessary. In this section two amendments are suggested. First, in the first year of the fund the Assembly may set the rate stabilization amount later than July 31<sup>st</sup>. This is because we won't have the ordinance finalized by July 31<sup>st</sup> of this year. Second, a sentence was added allowing for additional rate stabilization amendments to be made in a fiscal year.
2. Section A. Establishment. The extraneous word "source" was removed from the section.
3. Section D. Offset Amount. There are a few changes in this section. The first requires the Assembly to pass a resolution establishing an offset amount before the next billing cycle where diesel power generation was used in a previous billing cycle. This makes the section match the existing Section of the Municipal Code (15.12.190 Rate Adjustment) related to existing diesel fuel surcharges. This is the section we need to discuss in detail. The offset amount was changed also to factor in all additional costs to the borough to operate diesel powered generation. To be clear, staff anticipates an offset resolution would be passed following each diesel run.
4. Assembly member Gilbert also suggested the term "light department" be changed to "electric department" or "utility." In Section 15.12.190 the department is referred to as light department. Does the Assembly want to see the reference changed in the ordinance and the existing section of the code?

The original ordinance is attached, along with a version that includes track changes showing the new language. Section 15.12.190 is also attached for reference.

Staff looks forward to the discussion with the Assembly.

The remainder of the agenda statement remains unchanged from the June 23<sup>rd</sup> meeting.

\*\*\*\*\*

During the Budget work sessions, the Assembly requested a Rate Stabilization Fund be created in the Electric Fund. The purpose of the stabilization fund is to help level the increased cost of power to the rate payers in the event diesels runs are required. The fund will be used to reduce or eliminate the need for diesel surcharges to rate payers following/during extended diesel campaigns. The fund will be established with a proposed transfer of \$250,000 from Electric Reserves. A small rate increase acting as a surcharge will be applied to each kilowatt hour. This surcharge revenue will go into the stabilization fund to grow to the fund to a sufficient level. Annually, the Assembly will establish the surcharge amount by resolution. That way the surcharge can be increased or decreased based on the health of the fund.

The attached ordinance establishes the fund in code. The ordinance was developed with the assistance of the attorneys. If the ordinance moves on to second reading an accompanying resolution will be brought before the Assembly at the next meeting to establish the surcharge rate at the same time the ordinance passes second reading.

CITY AND BOROUGH OF WRANGELL, ALASKA  
ORDINANCE NO. 965

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND  
BOROUGH OF WRANGELL, ALASKA, AMENDING CHAPTER  
15.12, ELECTRICITY, BY ADDING 15.12.193 RATE  
STABILIZATION

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF  
WRANGELL, ALASKA:

The changes to the existing code are shown as follows: the words that are underlined are to be added **[and the words that are bolded and in brackets are to be deleted.]**

SEC. 1. Action. The purpose of this ordinance is to add a new Section, 15.12.193, titled Rate Stabilization, to Chapter 15.12 of the Wrangell Municipal Code.

SEC. 2. Amendment. Chapter 15.12, Electricity, of the Wrangell Municipal Code is hereby amended to include a new Section 15.12.193, Rate Stabilization:

15.12.193 Rate Stabilization.

A. Establishment. A Rate ~~Source~~-Stabilization Fund is hereby established within the borough light department to create better certainty for ratepayers under Schedule A, Schedule B, Schedule C, and those receiving shore service.

B. Initial Funding. The Rate Stabilization Fund shall initially be seeded with funds from the Utility Reserve Fund, in the amount of \$250,000.00.

C. Purpose. Available capital from this Rate Stabilization Fund shall be used to offset the increased cost of energy for ratepayers under Schedule A, Schedule B, Schedule C, and those receiving shore service, during billing months when the fuel surcharge is in effect.

D. Offset Amount. The Assembly shall approve any offset amount by resolution. Such resolution shall be passed prior to the current billing period in which diesel fuel was used in the previous billing cycle. In establishing the offset amount, the Assembly shall consider the total actual available fund value, the actual additional costs to the borough ~~for~~ during any period ~~diesel fuel~~ diesel fuel is used to generate power ~~necessary~~ to ensure continuity of service to ratepayers, and the number of actual ratepayers during any period when ~~diesel~~-diesel fuel is used to generate power ~~was used for such purpose, and the likely costs of diesel fuel for the upcoming fiscal year.~~

E. Ongoing Funding. A per kilowatt hour rate stabilization surcharge shall be assessed against ratepayers under Schedule A, Schedule B, Schedule C, and those receiving shore service. Funds collected under the rate stabilization surcharge shall be invested or held in a rate stabilization fund. Except the year in which the rate stabilization surcharge is created, aAnnually, on or before July 31, the Assembly shall by resolution determine the per kilowatt hour surcharge. The Assembly may amend the surcharge by subsequent resolutions within the same fiscal year.

SEC. 4. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 5. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: June 25, 2019

PASSED IN SECOND READING:                     , 2019

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

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

CITY AND BOROUGH OF WRANGELL, ALASKA  
ORDINANCE NO. 965

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND  
BOROUGH OF WRANGELL, ALASKA, AMENDING CHAPTER  
15.12, ELECTRICITY, BY ADDING 15.12.193 RATE  
STABALIZATION

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF  
WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are bolded and in brackets are to be deleted.]

SEC. 1. Action. The purpose of this ordinance is to add a new Section, 15.12.193, titled Rate Stabilization, to Chapter 15.12 of the Wrangell Municipal Code.

SEC. 2. Amendment. Chapter 15.12, Electricity, of the Wrangell Municipal Code is hereby amended to include a new Section 15.12.193, Rate Stabilization:

15.12.193 Rate Stabilization.

A. Establishment. A Rate Source Stabilization Fund is hereby established within the borough light department to create better certainty for ratepayers under Schedule A, Schedule B, Schedule C, and those receiving shore service.

B. Initial Funding. The Rate Stabilization Fund shall initially be seeded with funds from the Utility Reserve Fund, in the amount of \$250,000.00.

C. Purpose. Available capital from this Rate Stabilization Fund shall be used to offset the increased cost of energy for ratepayers under Schedule A, Schedule B, Schedule C, and those receiving shore service, during billing months when the fuel surcharge is in effect.

D. Offset Amount. The Assembly shall approve any offset amount by resolution. In establishing the offset amount, the Assembly shall consider the total actual available fund value, the actual costs to the borough for any diesel fuel necessary to ensure continuity of service to ratepayers, the number of actual ratepayers during any period when diesel was used for such purpose, and the likely costs of diesel fuel for the upcoming fiscal year.

E. Ongoing Funding. A per kilowatt hour rate stabilization surcharge shall be assessed against ratepayers under Schedule A, Schedule B, Schedule C, and those receiving shore service. Funds collected under the rate stabilization surcharge shall be invested or held in a rate stabilization fund. Annually, on or before July 31, the Assembly shall by resolution determine the per kilowatt hour surcharge.

SEC. 4. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 5. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: June 25, 2019

PASSED IN SECOND READING: \_\_\_\_\_, 2019

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

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

### 15.12.190 Fuel adjustment charge.

A. In addition to the charges and rates set forth in this chapter, there shall be a fuel surcharge applied to the kilowatt hour sales of electrical energy whenever diesel fuel is used to generate electrical energy during the billing period immediately preceding the current billing period.

The fuel surcharge rate shall be calculated as set forth in subsection (B) of this section.

$$B. R = (((G \times P)/D) - T) \times D$$

K

For purposes of the above formula:

R = Rate to be charged for the fuel surcharge portion of the monthly bill;

G = Gallons of diesel used during the preceding billing period;

P = Price per gallon based on latest fuel delivery during the billing period of diesel consumption;

D = KWHs produced by diesel generation for the billing period;

T = Cost per KWH that is paid to purchase power from Tyee (Four Dam Pool);

K = Total KWHs sold during the preceding billing period (including KWHs sold to the borough).

C. The fuel surcharge rate shall be applied to KWHs sold. For example, if R under the above formula equals 0.053 per KWH, then the fuel surcharge would equal 5.3 cents for each KWH sold to the customer. [Ord. 769 § 1, 2005; Ord. 473 § 5, 1985; Ord. 465 § 4, 1984; Ord. 416 § 3, 1981.]



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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	July 23, 2019
	<u>Agenda Section</u>	<b>13</b>

Approval of Limited Access Agreement with Dan & Twyla Nore for a Portion of Lot 6A, Dan Nore Subdivision

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required:** \$N/A

FY 19: \$	FY 20: \$	FY21: \$
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**Amount Budgeted:**

FY2 \$ N/A

**Account Number(s):**

N/A

**Account Name(s):**

N/A

**Unencumbered Balance(s) (prior to expenditure):**

\$N/A

Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. Carol Rushmore P&Z Action Summary Memo; 2. July 5 P&Z Agenda Statement; 3. Aerial Map

**RECOMMENDATION MOTION:**

Move to Approve Limited Access Agreement with Dan & Twyla Nore for a Portion of Lot 6A, Dan Nore Subdivision.

**SUMMARY STATEMENT:**

A few weeks ago Twyla Nore met with the Borough Manager and explained her husband Dan's current mobility level makes it impossible for him to access their home through the front door as

it requires climbing stairs to the second story of the house. The back yard of the house wraps around and connects to a small deck adjacent to a second story doorway. Ms. Nore explained if they were able to build a driveway access across the adjacent Borough property to the back yard, Mr. Nore would have the second story access he requires.

The Borough property in question is Lot 6A, Dan Nore Subdivision. It sits directly adjacent to the Nore's property, and below the residence belonging to Brian Ashton. Quite some time ago the Borough offered to sell the property to the Nores and Mr. Ashton, but the neighbors have been unable to agree on the subdivision of the property. As such, the land remains under Borough ownership.

Administration is recommending the Borough grant a limited access agreement to the Nores. The access agreement will be temporary and will be for driveway access only to the Nore's back yard. The access agreement will be valid for the Nores only, and will not be transferrable. The Borough is not proposing to charge the Nores the access, but the agreement will require liability insurance be in place naming the Borough as an additional insured party. The Attorney will assist staff in the development of the agreement document.

The Planning & Zoning Commission took action on this request and approved a recommendation to the Assembly to grant the limited access agreement. The documents from the Commission are attached for review by the Assembly.

Administration recommends approval of the limited access.

## *City of Wrangell, Alaska*

Date: July 12, 2019

To: Planning and Zoning Commission

From: Carol Rushmore, Economic Development Director

Re: Recommendation on a limited access agreement for Dan and Twyla Nore across Borough owned property, Lot 6A, Dan Nore Subdivision zoned Multi-Family residential.

---

The Planning and Zoning Commission at their regular meeting of July 11, 2019 moved to recommend to the Assembly to grant limited access and driveway improvements to the rear of the Nore residence through Borough owned property, Lot 6A, Dan Nore Subdivision.

# City of Wrangell, Alaska

## Agenda Item G6

Date: July 5, 2019

To: Planning and Zoning Commission

From: Carol Rushmore, Economic Development Director

Re: Recommendation on a limited access agreement for Dan and Twyla Nore across Borough owned property, Lot 6A, Dan Nore Subdivision, zoned Multi-Family.

---

### **Review:**

The Nore's are requesting permission to access the back of their house across Borough owned land, with driveway improvements, due to the inability of Mr. Nore to climb the steps on the front of the house.

**Recommendation** Staff recommends approving the limited access agreement and driveway improvements.

### **Recommended Motion:**

**Move to recommend to the Assembly to grant limited access and driveway improvements to the rear of the Nore residence.**

### **Findings:**

The Nore's have requested access across Lot 6A, Dan Nore Subdivision, owned by the Borough in order to access their back door due to the inability of Mr. Nore being able to climb steps on the front of the house. The access would include a rocked driveway for ease of access.

This lot is a 7934 square foot property with a 30 foot wide access easement to 2 back lots. The Nore's and Mr. Ashton had requested to split the property several years ago, but they could not agree on how it should be split and were concerned about the costs involved. Mr. Ashton has filled the upper portion of the lot. The City was interested in trying to sell the lot to Mr. Ashton and the Nore's, and rather than saying this was how it will be subdivided, were waiting for an agreement between the parties that was not forthcoming.

Since the upper portion of the Borough owned lot has been filled and is being used by Mr. Ashton for parking and other personal uses, staff sees no reason not to allow access across the middle of the property to the back of the Nore's property. Staff is not recommending a recorded access easement, but a limited approved access that would not be transferred. Should the Nore's and Ashton still seek to purchase the property, continued access could be dealt with at the time of the subdivision.

# CITY AND BOROUGH OF WRANGELL, ALASKA

Item a.



49

= 30 feet

Date: 7/8/2019

Public Map



**DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.  
PROPERTY LINES ARE APPROXIMATE.**

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	Enter Date Here
	<u>Agenda Section</u>	<b>13</b>

Approval to Disperse Funds to the Wrangell Mariners Memorial

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required:** \$38,525 Total

FY 19: \$	FY 20: \$38,525	FY21: \$
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**Amount Budgeted:**

FY20 \$38,525

**Account Number(s):**

N/A

**Account Name(s):**

Harbor Reserves

**Unencumbered Balance(s) (prior to expenditure):**

\$38,525

Reviews/Approvals/Recommendations

☐ Commission, Board or Committee

Name(s)

Name(s)

☐ Attorney

☐ Insurance

ATTACHMENTS: 1. Request Letter

**RECOMMENDATION MOTION:**

Move to approve dispersal of funds to the Wrangell Mariners Memorial.

**SUMMARY STATEMENT:**

Following the completion of the last round of work at Heritage Harbor a small amount of funding remained. At the time the decision was made to set that money aside for use as the Borough's

match funding for the Wrangell Mariners Memorial. Funding in the amount of \$38,525 has been residing in the Harbor Reserves since that time.

The Borough has received a request (attached) from the Wrangell Mariners Memorial to confirm the use of those funds to begin construction of the foundation for the Memorial. Below is a picture of the FY20 Harbor Budget Reserves with the Mariners Memorial funding on the last line in the amount of \$38,525. As this amount exceeds the Manager's spending authority, Administration is requesting approval from the Assembly to disperse the funds for the intended purpose.

**PORT & HARBOR FUNDS SUMMARY**  
**CITY AND BOROUGH OF WRANGELL**  
**2019-2020 BUDGET**

	2017-2018	2018-2019	2018-2019	2019-2020	2019-2020
	ACTUAL	APPROVED	ESTIMATED	REQUESTED	MANAGER APPROVED
Harbor Operating Reserves	1,730,082	548,354	232,489	380,847	228,879
Port, Dock and Barge Ramp Operating Reserves	477,451	484,395	505,856	521,849	525,118
Marine Service Center Operating Reserves	613,252	676,599	654,194	705,471	718,233
Reserved for Meyer's Chuck	687,166	687,166	688,348	690,000	690,000
Reserved for Mariner's Memorial	38,525	38,525	38,525	38,525	38,525
Total Ports & Harbors Reserves	3,546,476	2,435,039	2,119,412	2,336,692	2,200,755

**WRANGELL MARINERS' MEMORIAL COMMITTEE**  
**WRANGELLMARINERSMEMORIAL.ORG**  
**WMM is a Non-Profit 501 C (3) organization.**



907-305-0926  
wrgmarmem@gmail.com

Box 2346  
Wrangell, Alaska  
99929

June 25, 2019

Lisa Von Bargaen  
City and Borough of Wrangell  
Box 531  
Wrangell, Alaska 99929

Dear Ms. Von Bargaen:

Wrangell Mariners' Memorial Committee would like to request transfer of the monies from the Heritage Harbor project that was earmarked for the memorial project by the Wrangell Port and Harbor Commission upon the completion of Heritage Harbor. We understand this is about \$37,000.00. Harbormaster, Greg Meissner has been in contact with us about the money. We are moving forward with construction now by doing the groundwork and preparing for laying concrete. The transfer of the money will enable us to continue forward with construction of further parts of the memorial. We understand that you have also spoken with member, Brennon Eagle, and are aware of the circumstances. Thank you for your support on this matter. We appreciate your assistance in helping to facilitate this transfer. Wrangell Mariner's Memorial Committee is very excited about the progress we've made, and look forward to how this money will assist us in making further progress toward a completed Wrangell Mariners' Memorial for Wrangell.

Sincerely yours,

Jenn Miller

President, Wrangell Mariners' Memorial



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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	July 23, 2019
	<u>Agenda Section</u>	<b>13</b>

Approval to Request Reimbursement from SEAPA for Additional Diesel Run Expenses

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required:** \$N/A

FY 19: \$	FY 20: \$	FY21: \$
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**Amount Budgeted:**

	FY20 N/A
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**Account Number(s):**

	N/A
--	-----

**Account Name(s):**

	N/A
--	-----

**Unencumbered Balance(s) (prior to expenditure):**

	\$N/A
--	-------

Reviews/Approvals/Recommendations

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

Name(s)	
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<input type="checkbox"/>	Attorney
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<input type="checkbox"/>	Insurance
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ATTACHMENTS: None

**RECOMMENDATION MOTION:**

Move to Approve Reimbursement Request from SEAPA for Additional Diesel Run Expenses.

**SUMMARY STATEMENT:**

When SEAPA approved the reimbursement amounts for Wrangell and Petersburg for the February/March diesel run, it excluded oil and the cost of benefits associated with the overtime wages. It was originally reported to Administration the cost of oil for the run was nearly \$100,000.

Exact expenditures for oil appear to be \$39,877. The difference between the actual overtime wages and the additional benefits is \$6,672. The total unreimbursed amount is \$46,549.

At the last Assembly meeting it was requested this item be brought back for consideration. If the Assembly approves the request, Administration will submit it for consideration to SEAPA.

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	July 23, 2019
	<u>Agenda Section</u>	<b>13</b>

**ORDINANCE NO. 966** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA,  
AMENDING SECTION 3.05.020, ORDER OF BUSINESS, OF THE WRANGELL MUNICIPAL CODE

SUBMITTED BY:

Lisa Von Barga, Borough Manager &  
Kim Lane, Borough Clerk

FISCAL NOTE:

**Expenditure Required:** \$N/A

FY 19: \$	FY 20: \$	FY21: \$
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**Amount Budgeted:**

FY20 N/A

**Account Number(s):**

N/A

**Account Name(s):**

N/A

**Unencumbered Balance(s) (prior to  
expenditure):**

\$ N/A

Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. Ord 966.

**RECOMMENDATION MOTION:**

Move to approve first reading of Ordinance No. 966 and move to a second reading with a Public Hearing to be held on August 27, 2019.

**SUMMARY STATEMENT:**

Last year WMC Section 3.05.020 was amended by ordinance to incorporate any Public Hearings into the regular meeting agenda. Previously, Public Hearings had been held at either 6:00 p.m. to 6:30 p.m. and preceded the Regular Assembly meeting.

Now that the Public Hearings are being held during the Regular Assembly meeting, there is no reason why the Regular Assembly meetings cannot start at 6:00 p.m.

If there is a Work Session scheduled before the Regular Assembly meeting, the Clerk will publish a Public Notice on the city's website, City Hall, and the Post Office, that the Regular Assembly meeting shall begin at 7:00 p.m.

This matter was discussed with the Assembly at the last meeting and Administration received concurrence from the Assembly to bring this back in ordinance format to amend the code.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 966

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 3.05.020, ORDER OF BUSINESS, OF THE WRANGELL MUNICIPAL CODE

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Action. The purpose of this ordinance is to amend Section 3.05.020 of the Wrangell Municipal Code, Order of business at regular meetings of the Assembly.

SEC. 2. Amendment of Section. Section 3.05.020 of the Wrangell Municipal Code is amended to read:

**3.05.020 Order of business.**

At all regular meetings of the assembly, the order of business shall be:

A. Call to Order. The mayor shall call the meeting to order at [7]6:00 p.m. in the Borough Assembly Chambers. If a work session is scheduled preceding the regular assembly meeting, publication shall be made on the website and posted at city hall and the post office that the regular assembly meeting shall begin at 7:00 p.m.

SEC. 3. Effective Date. This ordinance shall become effective immediately upon adoption.

CITY & BOROUGH OF WRANGELL

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

ATTEST:

\_\_\_\_\_  
Kim Lane, Borough Clerk

PASSED IN FIRST READING: \_\_\_\_\_, 2019.

PASSED IN SECOND READING \_\_\_\_\_, 2019.

Yes: \_\_\_\_\_

No: \_\_\_\_\_

Absent: \_\_\_\_\_

Abstaining: \_\_\_\_\_

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	July 23, 2019
	<u>Agenda Section</u>	<b>13</b>

**ORDINANCE NO 967** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTIONS OF CHAPTER 1.20 OF THE WRANGELL MUNICIPAL CODE, IN THEIR ENTIRETY, AND ESTABLISHING A NEW PROCESS FOR INTRODUCING AND ADOPTING ORDINANCES, AND AMENDING SECTION 1.12.070, RESOLUTIONS, OF THE WRANGELL MUNICIPAL CODE

SUBMITTED BY:

Kim Lane, Borough Clerk

FISCAL NOTE:

**Expenditure Required:** \$N/A

FY 19: \$	FY 20: \$	FY21: \$
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**Amount Budgeted:**

FY20 \$N/A

**Account Number(s):**

N/A

**Account Name(s):**

N/A

**Unencumbered Balance(s) (prior to expenditure):**

\$N/A

Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. Ord 967; 2. Existing WMC Chapter 1.12.

**RECOMMENDATION MOTION:**

Move to approve first reading of Ordinance No. 967 and move to a second reading with a Public Hearing to be held on August 27, 2019.

**SUMMARY STATEMENT:**

This Ordinance is being proposed in order to clean up the WMC language for processing Ordinances. The existing language refers to the Clerk as "he" when it should just state "the Clerk". Also, the new language for processing Ordinances is clearer and not so confusing.

Section 1.12.070 Resolutions in the Code conflicts with what the Wrangell Charter, Section 2-8(B) states (Actions of the assembly are adopted by a majority of the membership present when the vote is taken). As per WMC 1.12.030, an Ordinance only takes the majority of the membership present when the vote is taken.

This change to Section 1.12.070 will bring it into conformance with the Charter, and will make the number of members present required to vote affirmatively the same for both an Ordinance and Resolution.



## CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 967

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTIONS OF CHAPTER 1.20 OF THE WRANGELL MUNICIPAL CODE, IN THEIR ENTIRETY, AND ESTABLISHING A NEW PROCESS FOR INTRODUCING AND ADOPTING ORDINANCES, AND AMENDING SECTION 1.12.070, RESOLUTIONS, OF THE WRANGELL MUNICIPAL CODE

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Action. The purpose of this ordinance is to establish a new and clear process for introducing and adopting ordinances in Sections 1.12.010, 1.12.020, 1.12.030, 1.12.040, 1.12.050, and 1.12.060, and amend Section 1.12.070, Resolutions, of the Wrangell Municipal Code.

SEC. 2. Repeal & Reenactment. Sections 1.12.010, 1.12.020, 1.12.030, 1.12.040, 1.12.050, and 1.12.060 of the Wrangell Municipal Code are hereby repealed in their entirety and reenacted as follows:

- A. An ordinance may be presented by a member or committee of the assembly, the borough mayor, or the borough manager.
- B. The department and/or officials which are affected by an ordinance or required to enforce an ordinance will review the ordinance and submit a report or recommendation to the borough manager for the assembly's information.
- C. An ordinance shall be set for public hearing by the affirmative vote of a majority of the total authorized membership of the assembly. A summary of the ordinance and the time and place of the hearing shall be published by the clerk. The notice shall be published not less than five days prior to the date of public hearing in accordance with AS 29.25.020 and 29.71.800.
- D. Copies of the ordinance must be available to all persons present or the ordinance must be read in full. The assembly shall hear all interested persons wishing to be heard.
- E. After the hearing the assembly shall consider the ordinance and may adopt it with or without amendment.

- F. The clerk shall make printed copies of adopted ordinances available. Each ordinance after adoption shall be codified.

SEC. 3. Amendment. Sections 1.12.070, Resolutions of the Wrangell Municipal Code is hereby amended to read as follows:

**1.12.070 Resolutions.**

...

- E. An affirmative vote of **[four members of the assembly]** a majority of the membership present when the vote is taken is required for adoption of a resolution.

SEC. 3. **Effective Date.** This ordinance shall become effective immediately upon adoption.

CITY & BOROUGH OF WRANGELL

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

ATTEST:

\_\_\_\_\_  
Kim Lane, Borough Clerk

PASSED IN FIRST READING: \_\_\_\_\_, 2019.

PASSED IN SECOND READING \_\_\_\_\_, 2019.

Yes: \_\_\_\_\_

No: \_\_\_\_\_

Absent: \_\_\_\_\_

Abstaining: \_\_\_\_\_

## Chapter 1.12

### ORDINANCES<sup>1</sup>

#### Sections:

- 1.12.010 Acts which shall be by ordinance.
- 1.12.020 Introduction.
- 1.12.030 Number of readings – Passage.
- 1.12.035 Abstentions.
- 1.12.040 Publication.
- 1.12.050 Number.
- 1.12.060 Adoption by reference.
- 1.12.070 Resolutions.
- 1.12.080 Repeal of ordinances.

#### **1.12.010 Acts which shall be by ordinance.**

Formal acts of the assembly intended to regulate any of the affairs of the borough and such additional acts of the assembly as provisions of law require may be enacted by ordinance. [Ord. 355 § 5, 1976; prior code § 27.20.010.]

#### **1.12.020 Introduction.**

An ordinance meeting the requirements of this chapter may be introduced by any member or committee of the assembly, by the mayor or by the chief executive at any regular or special meeting of the assembly. Upon introduction of any ordinance, sufficient copies shall be furnished to the clerk in order for him to distribute immediately at least one copy each to the assembly members and to the mayor. At any assembly meeting at which the ordinance is considered, copies of the ordinance shall be distributed to all persons present who request them or, in the alternative, the ordinance shall be read in full. All persons interested shall have an opportunity to be heard. The assembly shall then consider the ordinance and may adopt it with or without amendment or reject it, except that no ordinance other than an emergency ordinance may be finally passed on the same day that it is introduced. [Ord. 355 § 5, 1976; prior code § 27.20.030.]

#### **1.12.030 Number of readings – Passage.**

A proposed ordinance shall be introduced in the first reading by title or in full. After introduction, an ordinance may be amended by an affirmative vote of four members of the assembly. The assembly may, by an affirmative vote of a majority of the membership present when the vote is taken, move the ordinance to the second reading. At the next regular or special meeting, after the ordinance has been read in the second reading by title or in full, an affirmative vote of a majority of the membership present when the vote is taken is required for final adoption. [Ord. 833 § 6, 2009; Ord. 355 § 5, 1976; prior code § 27.20.040.]

#### **1.12.035 Abstentions.**

A. All members of the assembly present at any regular or special meeting of the assembly shall be required to vote upon all matters, motions, resolutions and ordinances before the assembly for vote, unless he or she is required to abstain for good and special cause to include a substantial direct or indirect financial interest in the matter to be voted upon.

B. The assembly shall rule upon the validity of any claim of abstention by a vote of the members present at the time of the claim. A simple majority of those voting shall be sufficient to sustain or deny any claim of abstention. The abstaining assembly member's vote shall not be counted either for or against the matter, motion, resolution or ordinance that is before the assembly after abstention is determined as above. [Ord. 407 § 4, 1980; prior code § 27.20.047.]

#### **1.12.040 Publication.**

Within 10 days after passage, every ordinance shall be published by number and title. Ordinances which are to be submitted to the voters for enactment shall be published in full as provided by Charter Section 2-10. [Ord. 355 § 5, 1976; prior code § 27.20.055.]

**1.12.050 Number.**

Immediately upon passage, each ordinance shall be assigned the next consecutive number indicating the total number of ordinances passed. [Ord. 201 § 5, 1967; prior code § 27.20.060.]

**1.12.060 Adoption by reference.**

A. The assembly by ordinance may adopt by reference codes, ordinances, standards and regulations, and amendments thereto, relating to building, plumbing, electrical installations, milk and milk products and other matters which it has power to regulate otherwise.

B. Such code, ordinance, standards, or regulation so adopted need not be enrolled in the book of ordinances, but at least five copies of the subject reference document shall be filed in the office of the borough clerk and be kept available for public use, inspection and examination at the time the ordinance is proposed. After its adoption, the subject reference document shall be kept available for public use, inspection and examination so long as it remains in force.

C. Nothing contained in this section relieves the borough from the requirement of publishing the ordinance which adopts a code or amended code of technical regulations, nor may the borough adopt penalties by reference to a reference document other than provisions of the municipal code. [Ord. 355 § 5, 1976; prior code § 27.20.080.]

**1.12.070 Resolutions.**

A. Formal acts by the assembly not required by law to be enacted by ordinance, such as authorizing a municipal officer to undertake certain acts and not being acts of a general and permanent nature which should become part of the code, may be adopted by resolution bearing the following:

1. The heading “City and Borough of Wrangell”;
2. Space for the serial number to be assigned, “Resolution No. \_\_\_\_\_”;
3. A short and concise title descriptive of the subject and purpose;
4. Short premises or whereas clauses descriptive of the reasons for the resolution if necessary;
5. Resolving clause, “BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA”; and
6. Provision for date after the text, “Adopted (date) ” and designated lines for the signatures of the mayor and clerk.

B. All resolutions adopted by the assembly, whether at the instance of and presented by third parties or on the motion of and instance of the assembly, shall conform to that set forth in subsection (A) of this section.

C. Serial numbers shall be assigned as follows: The first digit(s) shall denote the month, the second digits shall denote the year and the last digits shall be the next consecutive numbers indicating the total number of resolutions passed.

D. Formal acts by the assembly required to be enacted by resolution include establishing salaries and compensation for officers and employees; and establishing classes of positions in the borough’s personnel system.

E. An affirmative vote of four members of the assembly is required for adoption of a resolution. [Ord. 355 § 5, 1976; prior code § 27.20.085.]

**1.12.080 Repeal of ordinances.**

Ordinances and parts of ordinances shall be specifically repealed by ordinance number or by section if only amended or partially repealed. [Ord. 355 § 5, 1976; prior code § 27.20.095.]

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<sup>1</sup> For additional provisions on ordinances, see Charter § 2-9 et seq.



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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	July 23, 2019
	<u>Agenda Section</u>	<b>13</b>

**PROPOSED ORDINANCE No. 968** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTION 15.18.070, COLLECTION OR DISPOSAL FEES, IN ITS ENTIRETY AND ESTABLISHING A NEW PROCESS FOR FEES IN CHAPTER 15.18 GARBAGE OF THE WRANGELL MUNICIPAL CODE

SUBMITTED BY:

Rolland Howell, Public Works Director  
Kim Lane, Borough Clerk

FISCAL NOTE:

**Expenditure Required:** N/A

FY 19: \$	FY 20: \$	FY21: \$
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**Amount Budgeted:**

	FY19 N/A
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**Account Number(s):**

	N/A
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**Account Name(s):**

	N/A
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**Unencumbered Balance(s) (prior to expenditure):**

	N/A
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Reviews/Approvals/Recommendations

<input type="checkbox"/>	
Name(s)	
Name(s)	
<input checked="" type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Proposed Ord 968. 2. Current WMC Section 15.18.070.

**RECOMMENDATION MOTION:**

Move to approve first reading of Ordinance No. 968 and move to a second reading with a Public Hearing to be held on August 27, 2019.

**SUMMARY STATEMENT:**

This ordinance amends the Wrangell Municipal Code to remove solid waste collection and disposal fees from the Code, and instead have them set by resolution approved by the Assembly. This is the same action that was taken earlier this year with Parks & Recreation fees. If this ordinance is approved it will come back for public hearing and adoption at the August 27<sup>th</sup>

meeting. The August 27<sup>th</sup> agenda will also include a resolution establishing the fees for consideration by the Assembly.

CITY AND BOROUGH OF WRANGELL, ALASKA  
ORDINANCE NO. 968

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTION 15.18.070, COLLECTION OR DISPOSAL FEES, IN ITS ENTIRETY AND ESTABLISHING A NEW PROCESS FOR FEES IN CHAPTER 15.18 GARBAGE OF THE WRANGELL MUNICIPAL CODE

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are bolded and in brackets are to be deleted.]

SEC. 1. Action. The purpose of this ordinance is to amend Section 15.18.070 of the Wrangell Municipal Code to authorize the Assembly to establish fees for the collection or disposal of Monthly Refuse Collection or Disposal Rates in the Public Works Department.

SEC. 2. Repeal & Reenactment. Section 15.18.070 of the Wrangell Municipal Code is hereby repealed in its entirety and reenacted as follows:

**15.18.070 Collection or disposal fees.**

The assembly may by resolution establish fees for the collection or disposal of Monthly Refuse Collection or Disposal Rates in the Public Works Department.

A. Every owner, occupant, liveaboard, tenant or lessee within the borough's garbage collection service area shall receive refuse pickup service and shall pay such fees as are set forth in this section unless waiver of service is authorized by the borough manager or his authorized agent, after special investigation of conditions upon which the waiver is requested.

B. Residential service shall consist of the removal of refuse substances, as defined in this chapter, in containers approved by the borough manager or his authorized agent, weighing with contents when full not over 55 pounds, or the equivalent thereof, once weekly.

C. The borough manager shall have the authority to waive any fees as established by resolution by the assembly for a period of up to two weeks during community clean-up projects.



D. All customers shall be billed based on the charges as set forth in the fee schedule, as established by resolution by the assembly.

E. Interest will be charged to all delinquent accounts in accordance with the rates set forth in AS 45.45.010. Delinquency shall occur after the twentieth day of the month.

SEC. 3. Severability. If any provision of this ordinance, or any application thereof to any person or circumstances is held invalid, the remainder of this ordinance and the application to all other persons or circumstances shall not be affected thereby.

SEC. 4. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 5. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: \_\_\_\_\_, 2019

PASSED IN SECOND READING: \_\_\_\_\_, 2019

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

ATTEST: \_\_\_\_\_

Kim Lane, Borough Clerk

Yes: \_\_\_\_\_

No: \_\_\_\_\_

Absent: \_\_\_\_\_

Abstaining: \_\_\_\_\_

**15.18.070 Collection or disposal fees.**

A. Every owner, occupant, liveaboard, tenant or lessee within the borough's garbage collection service area shall receive refuse pickup service and shall pay such fees as are set forth in this section unless waiver of service is authorized by the borough manager or his authorized agent, after special investigation of conditions upon which the waiver is requested.

B. Residential service shall consist of the removal of refuse substances, as defined in this chapter, in containers approved by the borough manager or his authorized agent, weighing with contents when full not over 55 pounds, or the equivalent thereof, once weekly.

C. The borough manager shall have the authority to waive any fees in Table 15.18.070 for a period of up to two weeks during community clean-up projects.

D. All customers shall be billed on the basis of the charges as set forth in Table 15.18.070.

E. Interest will be charged to all delinquent accounts in accordance with the rates set forth in AS 45.45.010. Delinquency shall occur after the twentieth day of the month.

**Table 15.18.070 – Monthly Refuse Collection or Disposal Rates with the Following Table**

Container Size	# of Collections Per Week	Present Rate	9%	4%	4%	4%	3%	3%
			7/1/2011	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016
1 Yard	1	\$ 39.70	\$ 43.30	\$ 45.00	\$ 46.80	\$ 48.70	\$ 50.20	\$ 51.70
1.5 Yard	1	59.55	64.95	67.50	70.20	73.05	75.30	77.55
2 Yard	1	79.40	86.50	90.00	93.60	97.30	100.20	103.20
2 Yard	2	158.80	173.10	180.00	187.20	194.70	200.50	206.50
2 Yard	3	238.20	259.60	270.00	280.80	292.00	300.80	309.80
Two (2) – 2 yards	2	317.60	346.20	360.00	374.40	389.40	401.10	413.10
Two (2) – 2 yards	3	476.40	519.30	540.10	561.70	584.20	601.70	619.80
Four(4) – 2 yards	3	952.80	1,038.60	1,080.10	1,123.30	1,168.20	1,203.20	1,239.30
48 Gallons	1	\$ 21.98	\$ 24.00	\$ 25.00	\$ 26.00	\$ 27.00	\$ 27.80	\$ 28.60
64 Gallons	1	36.65	39.90	41.50	43.20	44.90	46.20	47.60
96 Gallons	1	43.98	47.90	49.80	51.80	53.90	55.50	57.20
96 Gallons	2	51.31	55.90	58.10	60.40	62.80	64.70	66.60
96 Gallons	3	65.97	71.90	74.80	77.80	80.90	83.30	85.80
64 Gallons	2	73.30	79.90	83.10	86.40	89.90	92.60	95.40

**Landfill Charges:**

Up to 1 cubic yard (minimum charge)	\$ 12.00	\$ 14.00
Each additional cubic yard	\$ 6.00	\$ 7.00
Cars (each)		
No tires and no fluids	\$ 30.00	\$ 30.00

Container Size	# of Collections Per Week	Present Rate	9%	4%	4%	4%	3%	3%
			7/1/2011	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016
With tires and fluids		\$ 80.00	\$ 80.00					
Batteries (each)		\$ 3.00	\$ 3.00					
Washers and dryers (each)		\$ 12.00	\$ 12.00					
Refrigerators and freezers (each with Freon)		\$ 42.00	\$ 42.00					
Cardboard, glass and aluminum (if separated)		Free	Free					

**Specific Requirements for Landfill:**

The following list is items that need to be separated by the customer prior to bringing to the landfill:

<b>Separation of Garbage:</b>	
A	Metal and Appliances
B	Wood and Paper
C	Batteries
D	Refrigerators and Freezers
E	Hazardous Waste, including but not limited to oil, gas, paint, antifreeze, and household chemicals
F	Glass
G	Aluminum
H	And other items as posted at the landfill or as directed by landfill personnel

Note 1: The monthly rates for any establishment not herein designated shall be determined by the borough assembly. Until such rate may be established, the rate deemed most applicable shall apply, subject to adjustment. [Ord. 851 § 5, 2011; Ord. 833 § 40, 2009; Ord. 812 § 4, 2008; Ord. 809 § 4, 2008; Ord. 792 § 1, 2007; Ord. 742 § 5, 2004; Ord. 715 § 5, 2002; Ord. 679 § 4, 2000; Ord. 660 § 5, 1999; Ord. 644 § 5, 1998; Ord. 575 § 4, 1991; Ord. 574 § 4, 1991; Ord. 571 § 5, 1991. Formerly 9.04.070.]

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	July 23, 2019
	<u>Agenda Section</u>	<b>13</b>

**RESOLUTION NO. 07-19-1474** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE NEGOTIATED SALE OF BOROUGH OWNED LOT 8, BLOCK 53 WRANGELL TOWNSITE FOR PUBLIC INTEREST

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required:** \$N/A

FY 19: \$	FY 20: \$ N/A	FY21: \$
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**Amount Budgeted:**

	FY20 \$N/A
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**Account Number(s):**

	N/A
--	-----

**Account Name(s):**

	N/A
--	-----

**Unencumbered Balance(s) (prior to expenditure):**

	\$N/A
--	-------

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
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Name(s)	
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Name(s)	
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<input type="checkbox"/>	Attorney
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<input type="checkbox"/>	Insurance
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ATTACHMENTS: 1. Resolution No. 07-19-1474; 2. Appraisal; 3. Memo from P&Z Commission; 4. Summary Memo from Aleisha Mollen; 5. Letter to Adjacent Property Owners; 6. Aerial Map

**RECOMMENDATION MOTION:**

Move to Approve Resolution 07-19-1474 authorizing the sale of Borough owned Lot 8, Block 53 Wrangell Townsite for Public Interest.

**SUMMARY STATEMENT:**

The Mr. Montoy and Ms. Glaser recently purchased Ben Lund's property consisting of two different lots on Reid Street across from the Wrangell Medical Center, only to discover a third lot

they thought was part of the sale, is still owned by the Borough. Mr. Montoy and Ms. Glaser purchased Lots 7A and 8A. Lot 8, the one in question, is owned by the Borough. Please see an image of the aerial map below:



After purchasing what they thought were three lots comprising the parcel from Mr. Lund, it was discovered that only two lots were owned by him and the remaining lot was still in possession of the Borough. Lot 8, Block 53 is owned by the Borough and landlocked without road frontage.

During the private property sale, the Title Company did not catch that the third lot was owned by the Borough. Mr. Montoy and Ms. Glaser, and their lending institution, have been trying to figure out how to resolve the issue. An inquiry was made about them purchasing Lot 8. As part of due diligence for the disposal of public lands, CBW staff sent out letters to the other adjacent property owners asking if they had any interest in the land. There was no interest. Lot 8 is landlocked, but is accessible by three different private lots. Prior to bringing forth a recommendation for a negotiated sale, it was necessary to confirm the other adjacent property owners had no interest in acquiring the land.

The Planning & Zoning Commission (on July 8<sup>th</sup>) approved the recommendation to the Assembly that the sale of Lot 8, Block 53 for residential purposes is in the best interest to the CBW and to sell the parcel in a negotiated sale to the Mr. Montoy and Ms. Glaser.

An appraisal was conducted by the Borough Assessor determining the fair market value of the property to be \$8,800. Administration is recommending the sale negotiated sale of the property to Mr. Montoy and Ms. Glaser for \$8,800 plus the cost of the appraisal and recording fees which total \$525. The total sale price will be \$9,325.

Attached to this agenda statement are several documents:

1. Resolution 07-19-1474 Authorizing the Sale
2. Appraisal
3. Memo from Carol Rushmore to the Assembly summarizing action by the P&Z Commission
4. A summary document from Aleisha Mollen describing the situation with the property
5. A copy of the letter that went to the other two adjacent property owners
6. Aerial map of the parcels

## CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO: 07-19-1474

## A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE SALE OF BOROUGH OWNED LOTS FOR PUBLIC INTEREST

WHEREAS, the City & Borough of Wrangell is the owner of the real property known as Lot 8, Block 53; and

WHEREAS, Mr. Montoy and Ms. Glaser are the new owners of Lots 8A and 7A; and

WHEREAS, after the sale of Lots 8A and 7A, Mr. Montoy and Ms. Glaser believed that they had purchased Borough owned property known as Lot 8, Block 53, as well as Lots 8A and 7A; and

WHEREAS, on July 11, 2019, the Planning & Zoning Commission recommended *that the sale of Lot 8, Block 53 for residential purposes was in the best interest of the City and to sell the parcel in a negotiated sale to the Montoy's*; and

WHEREAS, the conditions of the sale are considered as stated in Wrangell Municipal Code Section 16.12.040; and

WHEREAS, upon inquiry from Mr. Montoy and Ms. Glaser, Borough Staff, in conformance with Wrangell Municipal Code Section 16.12.010, mailed certified letters to the other adjacent property owners to see if they wished to express interest in Lot 8 Block 53; and

WHEREAS, the adjacent property owners replied that they were not interested in purchasing Lot 8, Block 53; and

WHEREAS, Staff is asking the Borough Assembly to apply Wrangell Municipal Code Section 16.12.010 that allows the Borough Assembly to waive the public bid process and allow the sale of Lot 8, Block 53 to Mr. Montoy and Ms. Glaser; and

WHEREAS, the Borough Assembly is approving the sale of the above described Borough land to Job Montoy and Mary Glaser, adjacent property owner, P.O. Box 161, Wrangell, AK 99929, for \$8,800 + the cost of the Appraisal and Recording Fees of \$525; total amount \$9,325; and

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL ALASKA, THAT:

SECTION 1. The Mayor and Borough Clerk are authorized to execute a quit claim deed to Job Montoy and Mary Glaser to convey the following public land, when full price is paid for:

Lot 8, Block 53

SECTION 2. In conformance with Wrangell Municipal Code Section 16.12.090 a resolution providing for the disposition of property shall become effective upon adoption by the assembly.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 23<sup>rd</sup> DAY OF JULY 2019.

CITY & BOROUGH OF WRANGELL

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

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



# *City of Wrangell, Alaska*

## Agenda Item G4

Date: July 8, 2019

To: Planning and Zoning Commission

From: Carol Rushmore, Economic Development Director

Re: Recommendation on sale of Borough owned property, Lot 8, Block 53, Wrangell Townsite, zoned Single Family Residential

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### **Review:**

The Montoys recently purchase Ben Lund's property consisting of two different lots on Reid Street across from the Wrangell Medical Center, only to discover a third lot they thought was part of the sale was actually is still owned by the Borough.

**Recommendation** Staff recommends that selling this land for residential purposes is in the best interest of the City and approves selling Lot 8, Block 53.

### **Recommended Motion:**

**Move to recommend to the Assembly that the sale of Lot 8, Block 53 for residential purposes is in the best interest to the City and to sell the parcel in a negotiated sale to the Montoys.**

### **Findings:**

After purchasing what they thought were three lots comprising the parcel purchased from Mr. Lund, it was discovered that only two lots were owned by him and the remaining lot was still in possession of the Borough. Lot 8, Block 53 is owned by the Borough and landlocked without road frontage.

During the private property sale, the Title Company did not catch that the third lot was owned by the Borough. The Montoys have been trying to figure out how to resolve the issue. As part of due diligence for the disposal of public lands, City staff sent out letters to adjacent property owners asking if they had any interest in the land. To date, one response has been received as having no interest.

**MEMORANDUM**

**TO: PLANNING & ZONING COMMISSION**

**FROM: ALEISHA MOLLEN  
PLANNING AND ZONING SECRETARY**

**SUBJECT: RECOMMENDATION TO SELL BOROUGH-OWNED LANDS, LOT 8,  
BLOCK 53, WRANGELL TOWNSITE**

**DATE: JULY 11, 2019**

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In August, it was discovered that Lot 8, Block 53 was not owned by Alf Lund, who owns Lots 8A and 7A, but was owned by the City & Borough of Wrangell. Mr. Lund had chosen not to buy that lot when the City & Borough offered it to him.

Last month, the owners who purchased Lots 8A and 7A discovered that they did not own this lot and would like to purchase it to make the lot complete. Letters were sent to the adjacent lot owners to see if they had any interest in the lot. If so, a competitive bid process would open, and if not, the City & Borough can enter into a negotiated sales agreement with Job Montoy and Mary Glaser to purchase that lot. As of this day, neither of the other adjacent lot owners have an interest in the lot. We can now recommend to the Assembly to enter into a negotiated sales agreement for the lot.

**Recommended Motion: Move to recommend entering into a negotiated sales agreement with Job Montoy and Mary Glaser for Lot 8, Block 53.**

A RESTRICTED USE APPRAISAL OF  
LOT 8 BLOCK 53 WRANGELL TOWNSITE  
WRANGELL, ALASKA

FOR  
KIM LANE  
BOROUGH CLERK  
CITY AND BOROUGH OF WRANGELL  
P. O. BOX 531  
WRANGELL, ALASKA 99929

VALUATION DATE  
JUNE 20, 2019

FILE 19-3405

BY  
MICHAEL C. RENFRO,  
PARTNER

APPRAISAL COMPANY OF ALASKA, LLC  
341 W. TUDOR ROAD SUITE 202  
ANCHORAGE, ALASKA 99503

June 20, 2019

Kim Lane, Borough Clerk  
City and Borough of Wrangell  
P. O. Box 531  
Wrangell, AK 99929

Re: Lot 8 Block 53 Wrangell Townsite  
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 June 20, 2019. The purpose of the report is to determine the fair market 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 June 20, 2019 is:

**\$8,800**

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 – 5,890 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 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:** June 20, 2019

**DATE OF REPORT:** June 20, 2019

**SALES HISTORY:** No sales of the subject property have occurred within the past three years.

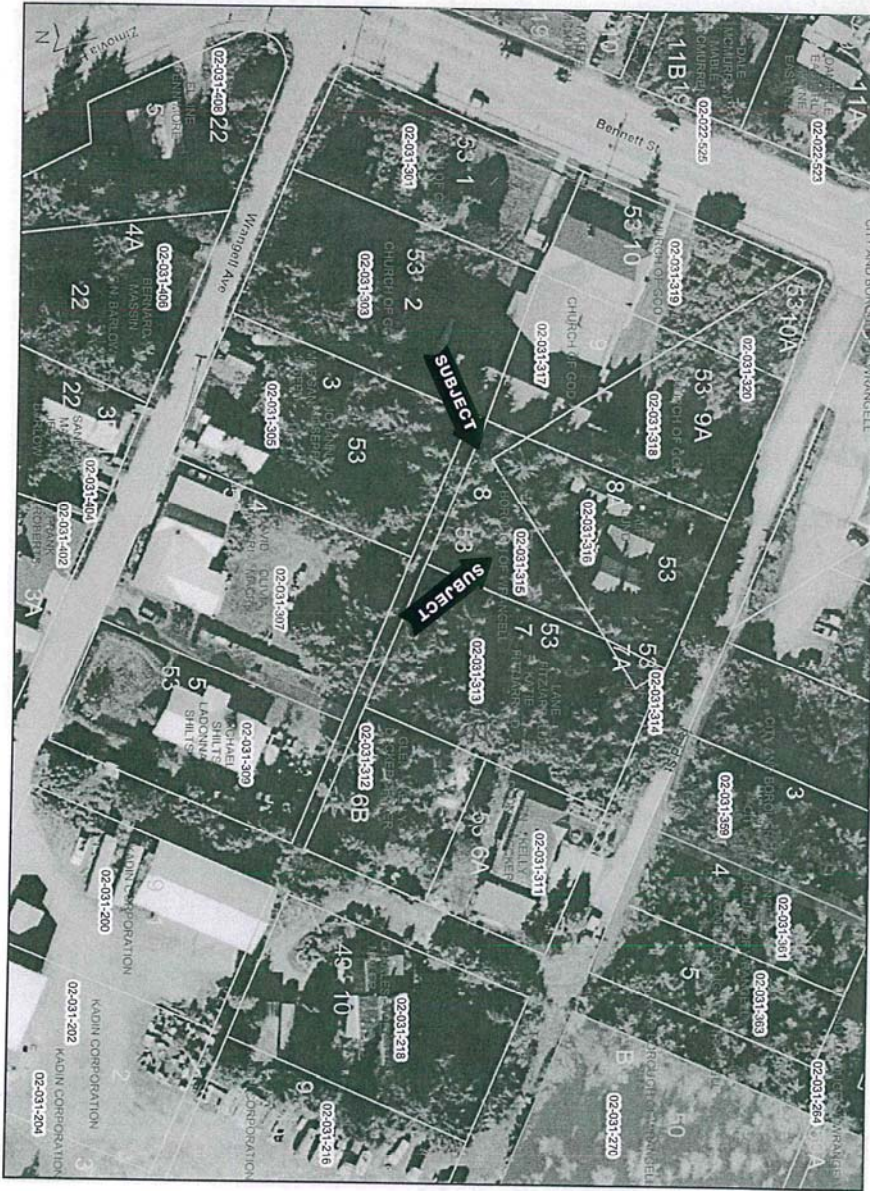
**APPRAISAL DEVELOPMENT AND REPORTING PROCESS:** In preparing this appraisal, the appraiser:

- Inspected the subject property prior to June 20, 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**



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 to the Southside of Reid Street on the Southside of Lot 8A Block 53 Wrangell Townsite. Access is via an undeveloped alley bordering the South property line of the site.

Legal Description: Lot 8 Block 53 Wrangell Townsite  
Wrangell, Alaska.

Address: NHN Reid Street, 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 5,890 sq. ft. The topography is generally undeveloped land.

Utilities: All utilities are available to the adjoining Lot 8A Block 53 Wrangell Townsite

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 single family residential.

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. As assemblage to Lot 8A Block 53 Wrangell Townsite.





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 10 Block 2 City S/D	10/07	\$30,000	8,083	\$3.71	Residential lot Similar Utilities Access
2	Lot A Etolin Ave Replat	4/19	\$38,278	14,983	2.55	Residential lot Similar Utilities Access
3	Lot C Etolin Ave Replat	47/19	\$32,400	19,326	1.68	Residential lot Inferior topography Similar Utilities Access
4	Lot 7 Block 53 Wrangell TS	12/17	\$35,000	11,941	2.93	Residential Lot Similar Access



### 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 All of the comparables are larger and are adjusted upward.

### 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 of Wrangell sales and lease transactions indicates that location and access can account for up to 20% difference between superior and inferior locations of similar utility parcels. In addition, the subject has only platted alley access while all of the comparables are located on developed roads. Lack of actual developed access is adjusted at minus 50%.

### Utilities:

All of the comparables are adjusted downward for superior utility access.

### Topography/View

Topography and view are concluded to be similar for all the comparables and the subject.



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	\$3.71	\$2.55	\$1.68	\$2.93
Time	+12%	0	0	+2%
Net After Time	\$4.16	\$2.55	\$1.68	\$2.99
Terms	0	0	0	0
Size	+10%	+20%	+20%	+10%
Location/Access	-50%	-50%	-50%	-50%
Utilities	-10%	-10%	-10%	-10%
Topography	0	0	0	0
Net Adjustment	-50%	-40%	-40%	-50%
Indicated Value/Acre	\$2.08	\$1.53	\$1.01	\$1.49

Conclusion:

After adjustments for property differences, the available transactions indicate a range of value for the subject site from \$1.01 to \$2.08 per square foot.

After analysis of the property differences, including the subject's size and location, the market value of the subject's 5,890 square feet is concluded to be \$1.50 per square foot or \$8,835 rounded to. **\$8,800.**



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 of Wrangell, Alaska*

Date: July 12, 2019

To: Planning and Zoning Commission

From: Carol Rushmore, Economic Development Director

Re: Recommendation on sale of Borough owned property, Lot 8, Block 53, Wrangell Townsite, zoned Single Family Residential

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The Planning and Zoning Commission at their regular meeting of July 11, 2019 moved to recommend to the Assembly that the sale Lot 8, Block 53 for residential purposes is in the best interest to the Borough and to sell the parcel in a negotiated sale to the Montoys.

**MEMORANDUM**

**TO: LISA VON BARGEN, BOROUGH MANAGER**

**FROM: ALEISHA MOLLEN, ACCOUNTING GENERALIST**

**CC: KIM LANE, BOROUGH CLERK**  
**CAROL RUSHMORE, ECONOMIC DEVELOPMENT DIRECTOR**  
**LEE BURGESS, FINANCE DIRECTOR**

**SUBJECT: BLOCK 53, LOT 8**  
**QUITCLAIM DEED REQUEST FROM ALASKA ESCROW & TITLE**

**DATE: AUGUST 22, 2018**

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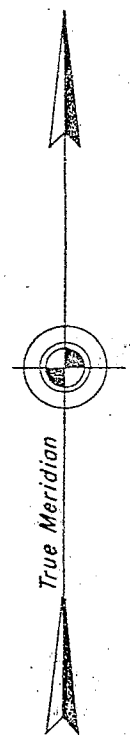
This memo is to document the circumstances around Block 53, Lot 8 and the findings. On Monday, August 20, 2018, I received a request from Alaska Escrow & Title to complete a Quitclaim Deed for Block 53, Lot 8. At the time it was believed that Alf Lund owned this lot as he owns the adjacent Lots 8A and 7A. After much research, nothing was found about Lot 8 beyond when it was given to the Town of Wrangell by the Territory of Alaska in 1917. After speaking to Mr. Lund to get clarification, Mr. Lund stated that he never bought Lot 8, since it was inaccessible except through his land and he had no need to purchase it (His house is on Lot 8A). Subsequently, he has decided not to sell the property after all and will continue to own just Lots 8A and 7A. Alaska Escrow & Title was notified and the case was closed.

The other concerns were if Mr. Lund had been paying property taxes on Lot 8 that he did not own and splitting the value of Lot 8 from 8A and 7A in MARS. Mr. Lund has been fully exempt via a senior exemption since 2003. In reviewing the values with Lila Koplin, Assessor, the value and square footage in MARS is only representative of Lots 8A and 7A, as Lot 8 never had a square footage assigned to it and therefore no value. Mr. Lund has never been overcharged for property taxes. The lots have now been split in MARS and Carol Rushmore will be providing an estimated square footage for Lot 8 to determine a value. The City & Borough of Wrangell can then decide in the future what they would like to do with that lot.

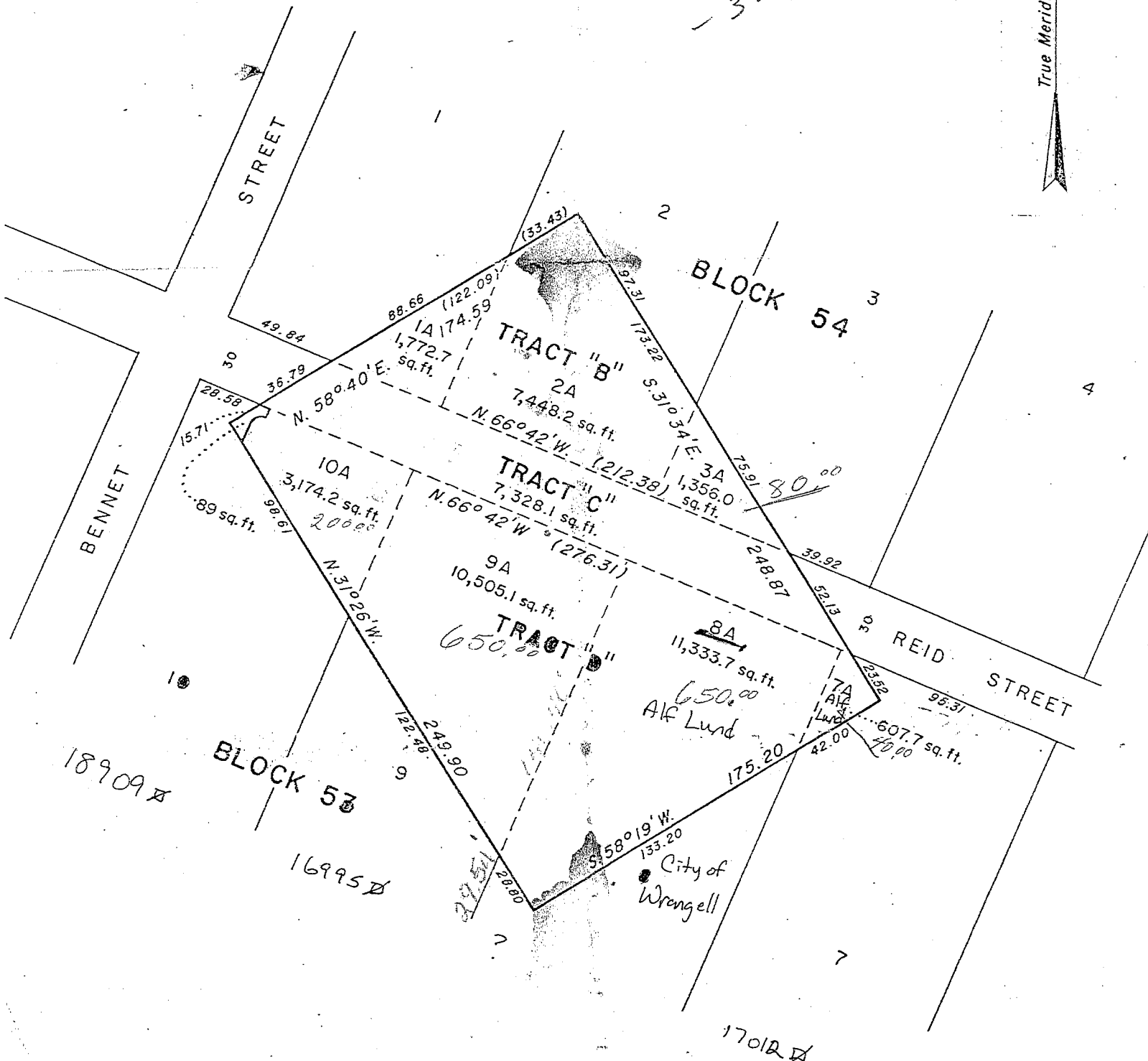
Attached are the plat map and deeds for the 3 lots as reference. A copy of this memo will be placed in each of the property folders for future reference.



# WRANGELL TOWNSITE ADDITION



3294-



12-33  
1806

394

WRANGELL

Serial No. 72-71

17 Deeds BOOK PAGE 453  
Wrangell Recording District

This Indenture, Made this 16<sup>th</sup> day of December  
in the year of our Lord one thousand nine hundred and nineteen, by and between  
Charles R. Grumell, as trustee for the townsite of  
Wrangell, in the Territory of Alaska, party of the first part,  
and The Town of Wrangell, Alaska, inc  
of Wrangell, in the County of \_\_\_\_\_  
and Territory of Alaska, party of the second part,  
witnesseth:

That said party of the first part, as such trustee, by virtue of the power vested in and conferred upon  
him by the terms of section eleven of the Act of Congress approved March 3, 1891 (26 U. S. Stat., 1093),  
and the regulations thereunder and the patent issued to him thereon, and in consideration of the sum of  
\_\_\_\_\_ dollars, the amount of the assessments  
upon the premises hereinafter described, the receipt of which is hereby acknowledged, by them presents  
does grant, convey, and confirm unto the said party of the second part and he heirs and  
assigns all the following lots, pieces, \_\_\_\_\_ and parcels \_\_\_\_\_ of land situate in the townsite of  
Wrangell and Territory of Alaska, described as follows, to wit:  
Lots 11, 12, 13, 14, 34, 35, 36, 37 and 38 Block 13; lots 12, 13 and 14 Block 21; lots  
1, 2, 3, 6 and 7 Block 22; lots 5, 6, 7 and 8 Block 23; lots 1, 2, 3 and 4 Block 24; all of Block  
25; lots 1, 2, 3 and 4 Block 26; all of blocks 27, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40,  
41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51 and 52; lots 5, 6 and 8 Block 53; all of blocks  
54, 55, 56, 57, 58, 59, 60 and 61; lots 5, 6, 7, 8, 9 and 10 Block 62; all of blocks 63, 64, 65 and  
66; lots 1, 2, 3, 4 and 5 Block 67; and all of blocks 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81  
and 82 all according to the official plat of survey of said townsite approved by the  
Commissioner of the General Land Office on September 12, 1917  
Subject to rights and reservations in said patent, as recited

To have and to hold the same, together with all and singular the tenements, hereditaments, and appar-  
tenances thereunto belonging, or in anywise appertaining, forever.

In witness whereof, said party of the first part, as such trustee, has hereunto set his hand and seal  
on the day and year first above written.

In presence of:  
Gilbert A. Tuck  
Malter B. Herick  
Charles R. Grumell  
Trustee for the Townsite of  
Wrangell  
Territory of Alaska

Territory of Alaska:  
To it remembered, that on this 16<sup>th</sup> day of December A. D. 1919  
before me, a Notary Public, came Charles R. Grumell  
to me personally known to be the trustee of said townsite of Wrangell

and Office  
Anchorage, Alaska  
Date  
Certified to be a true copy of the  
original.  
George E. Mc Joseph  
Authorized Signature

person described in and whose name is affixed to the foregoing conveyance as grantor,  
has acknowledged the execution of the same to be his voluntary act and deed as such trustee, for the  
uses and purposes therein mentioned.  
In testimony whereof, I have hereunto subscribed my name and affixed my  
official seal on the day and year first above written.  
H. L. Faulkner

Box 2614  
Filed 8-11-72  
Transamerica Title Ins. Co.  
Ketchikan 99901

95

Form 2242-1  
(September 1967)  
(formerly 4-1547)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

TRUSTEE DEED

BOOK 17 Deeds PAGE 167  
Wrangell Recording District

Serial No. 70-86

THIS INDENTURE, made this 21st day of April, in the year of our Lord one thousand nine hundred and seventy, by and between George E. M. Gustafson as trustee for the townsite of Wrangell, Supplemental Plat, U. S. Survey Number 1119, in the State of Alaska, party of the first part, and Clifford O. White of Box 861, Wrangell, Alaska, party of the second part,

WITNESSETH, That said party of the first part, as such trustee, by virtue of the power vested in and conferred upon him by the terms of section 11 of the Act of Congress approved March 3, 1891 (26 Stat. 1095), and the regulations thereunder and the patent issued to him thereon, and in consideration of the sum of \$650.00----- dollars, the amount of the assessments upon the premises hereinafter described, the receipt of which is hereby acknowledged, by these presents does grant, convey, and confirm unto the said party of the second part and his heirs and assigns all the following lotXXXXXXX, piece XXXXXX, and parcel XXXXXX of land situate in the townsite of Wrangell, State of Alaska, described as follows, to-wit: That portion of Tract "D" as shown on the official plat of Supplemental Plat of Wrangell Townsite (U. S. S. 1119) as approved by the Chief, Division of Engineering, for the Director on January 16, 1968, described as follows: Beginning at the intersection of the lot line common to Lots 8 and 9, Block 53 and the southwesterly boundary line of Tract "D"; thence, N. 23° 18' E., 140.46 feet; thence, S. 66° 42' E., 100.00 feet; thence, S. 23° 18' W., 47.95 feet; thence, S. 58° 19' W., 133.20 feet; thence, N. 31° 26' W., 28.80 feet, to the point of beginning, containing 11,340 square feet, more or less. (Lot 8A).

RECORDED FILED  
Wrangell REC. DIST.  
DATE 4-23 1970  
TIME 9-43 A  
Requested by Clifford O. White  
Reserve Box 861  
Wrangell

According to the official plat of survey of said townsite, subject to rights and reservations in said patent expressed. To have and to hold the same, together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, his heirs and assigns forever.

IN WITNESS WHEREOF said party of the first part, as trustee, has hereunto set his hand and seal on the day and year first above written.

In the presence of:

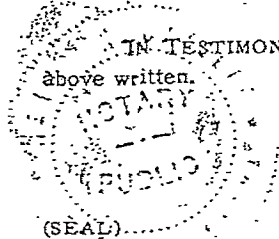
Valmer J. Moore  
Clifford O. White

George E. M. Gustafson (SEAL)  
George E. M. Gustafson  
Trustee for the townsite of Wrangell, State of Alaska

STATE OF ALASKA:

BE IT REMEMBERED, That on this 21st day of April A.D. 1970, before me, a Notary Public, came George E. M. Gustafson, to me personally known to be the trustee of said townsite of Wrangell, Alaska, and the identical person described in, and whose name is affixed to, the foregoing conveyance as grantor, and he acknowledged the execution of the same to be his voluntary act and deed as such trustee, for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year first above written.



Neil R. Bassett  
Neil R. Bassett  
Notary Public for Alaska, residing at Anchorage, Alaska

My Commission expires December 15, 1973



Item g.

CITY AND BOROUGH OF WRANGELL  
INCORPORATED MAY 30, 2008

P.O. Box 531 ph. 907-874-2381  
Wrangell, AK 99929 fax 907-874-3952

Owner  
Address  
Wrangell, AK 99929

June 12, 2019

To Whom It May Concern,

This letter is to notify you of a potential land sale of an adjacent lot to your lot. On the attached exhibit, Alf Lund has sold Lots 8A and 7A, but Lot 8 is still in the possession of the City & Borough of Wrangell. The new owners have expressed interest in purchasing Lot 8.

There are two options to sell this lot. The first option is that we have to contact the adjacent lot owners and if you are interested in it, it will go into a competitive bid sale between those owners. The second option is that if no adjacent land owners are interested, we would enter into a negotiation with the new owners of Lots 8A and 7A to purchase Lot 8.

Please let me know via the enclosed envelope if you are interested or not. If we do not hear from you by July 11<sup>th</sup>, we will assume that you have no interest in this lot and will move forward. If you have any questions, please contact me at 907-874-2381. Thank you.

Sincerely,

Aleisha Mollen  
Accounting Generalist  
City and Borough of Wrangell

- ☐ I am interested in purchasing Lot 8 Block 53, and would like to be part of the competitive bid process.
- ☐ I have no interest in purchasing Lot 8 Block 53.

Signature

Printed Name

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## CITY AND BOROUGH OF WRANGELL, ALASKA



1 inch = 75 feet  
Date: 7/8/2019

Public Map



**DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.  
PROPERTY LINES ARE APPROXIMATE.**