



City and Borough of Wrangell
09-10-2019 Public Hearing & Borough Assembly Meeting
AGENDA

Tuesday, September 10, 2019
6:00 PM

Location: Borough Assembly Chambers
City Hall

1. CALL TO ORDER

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Mya DeLong
- b. CEREMONIAL MATTERS - None.

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 from August 27, 2019

7. BOROUGH MANAGER'S REPORT

- a. Borough Manager's Report - KYP

8. BOROUGH CLERK'S FILE

- a. Borough Clerk's File

9. MAYOR AND ASSEMBLY BUSINESS

10. MAYOR AND ASSEMBLY APPOINTMENTS - None.

11. PUBLIC HEARING

- a. **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**
- b. **RESOLUTION No 09-19-1477 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ESTABLISHING THE FEE SCHEDULE FOR COLLECTION OR DISPOSAL FEES**

12. UNFINISHED BUSINESS - None.

13. NEW BUSINESS

- a. Approval of the FY 2018 Audit
- b. Approval to Sole Source Purchase Total Marina Package Harbor Software in the Amount of \$15,832 in Conformance with Wrangell Municipal Code Section 05.10.050 (F).

- c.** **RESOLUTION No 09-19-1483** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE AMENDMENT OF THE JOB DESCRIPTION FOR THE METER READER POSITION AND PROVIDING FOR THE AMENDMENT OF THE UNION WAGE & GRADE TABLE
- d.** **RESOLUTION No 09-19-1484** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE ADDITION OF THE JOB DESCRIPTION FOR THE DIESEL ELECTRIC MECHANIC APPRENTICE AND PROVIDING FOR THE AMENDMENT OF THE UNION WAGE & GRADE TABLE
- e.** **RESOLUTION No 09-19-1485** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2020 BUDGET IN THE ELECTRICAL UTILITY FUND IN THE AMOUNT OF \$33,500 FOR WAGE AND SALARIES AND AUTHORIZING ITS EXPENDITURE
- f.** **RESOLUTION No 09-19-1486** OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE NON-UNION WAGE & GRADE TABLE BY ADDING GRADES 31-35
- g.** **RESOLUTION No 09-19-1487** OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE NON-UNION WAGE & GRADE TABLE MOVING THE POSITION OF POLICE CHIEF FROM GRADE 30 TO GRADE 35
- h.** Approval of Contract with Alaska Permanent Capital Management for Investment Management of the Permanent Fund & Pool Fund

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 August 27, 2019**

Vice-Mayor Patty Gilbert called the Regular Assembly meeting to order at 7:02 p.m., August 27, 2019, in the Borough Assembly Chambers. The pledge was led by Vice-Mayor Gilbert and the roll was called.

PRESENT: MORRISON, GILBERT POWELL, DECKER, DEBORD

ABSENT: PRYSUNKA, DELONG

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

CEREMONIAL MATTERS

A Proclamation was presented to Aleisha Mollen for Payroll Week.

PERSONS TO BE HEARD – None.

AMENDMENTS TO THE AGENDA

At the request of Von Bargen, Item 13a (Approval to Refund Overpaid Property Taxes to Arnold and Alice Bakke) was removed from the Agenda and will be brought back for the September 24, 2019 meeting.

Item 13j was moved up to be considered first under New Business by Gilbert.

There were no objections from the Assembly for either amendment.

CONFLICT OF INTEREST – None.

CONSENT AGENDA

- a. Assembly Minutes - Regular from July 23, 2019
- b. Assembly Minutes – Special from August 21, 2019
- c. Approval of Marijuana Renewal License #10200 - Happy Cannabis (Store)
- d. Approval of Marijuana Renewal License #10201 - Happy Cannabis (Cultivation Facility)
- e. CORRESPONDENCE School Board Minutes (Regular 5-20-19)

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

BOROUGH MANAGER'S REPORT

Manager Von Bargen's reported on the following items:

- 1. Thanked Wrangell Police Department for their hard work in the arrest of the person suspected of the crime spree this past weekend
- 2. Meeting with School Admin Staff on CIP items
- 3. School and Borough maintenance staff discussion

4. School vehicle maintenance; would look at maintaining school vehicles and charge school as we do our city departments
5. ALICE instructor training (our officer Connor Phillips and School Maintenance Staff Josh Blatchley)

BOROUGH CLERK'S FILE

Clerk Lane's report was provided.

MAYOR AND ASSEMBLY BUSINESS

Decker reported that she and Manager Von Bargaen had attended the International Joint Commission meeting; Wrangell Resident, Tis Peterman is a part of the Southeast Alaska Indigenous Transboundary Commission; she wants to keep in communication with the Assembly; Mining in Alaska and the possible impacts in Southeast; commission is looking at holding a meeting in Bellingham with some other tribal groups from BC and Alaska.

WCA held a joint meeting with community members and city staff; creating an action plan (draft); looking at coming to the Assembly to adopt an Memorandum of Understanding in the near future; focusing on the Institute Property; if pieces of the property were to be developed in cooperation with the Tribe, they might be able to get some funding for that; working cooperatively with the Tribe would be very positive.

Economic Development Committee: met with the Forest Service on the Central Tongass Environmental Impact Statement; the appendix actually talks about what they plan on doing and is talks about what they are planning on doing; comment period is open now and closes September 16th?; EDC is looking at submitting comment; Assembly could possibly approve or make comments at the September 10th Assembly meeting.

MAYOR AND ASSEMBLY APPOINTMENTS – None.

PUBLIC HEARING

11a 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

Vice-Mayor Gilbert declared the Public Hearing open on this item.

There were no public comments on this item.

Vice-Mayor Gilbert declared the Public Hearing closed on this item.

M/S: Decker/Morrison to approve Second reading of Ordinance No. 966. Motion approved unanimously by polled vote.

11b 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

Vice-Mayor Gilbert declared the Public Hearing open on this item.

There were no public comments on this item.

Vice-Mayor Gilbert declared the Public Hearing closed on this item.

M/S: Powell/Morrison to approve Second reading of Ordinance No. 967.

Gilbert requested that in Section 2 (C), that the wording “total authorized membership of the Assembly” be amended to be consistent with the other section of the ordinance; Clerk Lane stated that she could change it to say the “an affirmative vote of the majority of the membership present”. There were no objections to the correction.

Motion approved unanimously by polled vote.

11c 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

Vice-Mayor Gilbert declared the Public Hearing open on this item.

There were no public comments on this item.

Vice-Mayor Gilbert declared the Public Hearing closed on this item.

M/S: Decker/Powell to approve Second reading of Ordinance No. 968.

Gilbert stated that she didn’t like the idea of passing a Resolution without proper Public Notice to the public.

Lane stated that the Ordinance could be amended to state that a Public Hearing would be set along with any fee change Resolution; if the Assembly agreed we would bring this item back to the September 10th meeting and also not consider Item 13c, which is the Resolution that sets the fee.

Gilbert asked that “may” be changed to “shall” to the first paragraph under 15.18.070 so that the assembly “shall” establish fees by resolution. There were no objections to this amendment.

M/S: Morrison/Powell to postpone Ordinance No. 968 and to not consider Item 13c. Motion approved unanimously by polled vote.

UNFINISHED BUSINESS – None.

NEW BUSINESS

13j Discussion Item: Proposed Staff Changes in the Electric Department (*placed before Item 13a, with the consent of the Assembly*)

Rod Rhoades, Wrangell Electrical Superintendent explained the current staffing needs to the Assembly and requested that a new position be added to the WML&P Staff and that the duties of an existing position are modified to address those needs. Below is the excerpt from Mr. Rhoades memo to the Assembly:

- Item 1 - Add a new position of Diesel Electric Mechanic Apprentice
WML&P intends post for a Diesel Electric Mechanic Apprentice who would also assume the duties of a 'groundman' for the line crew.

Our Powerhouse Operator hold a unique set of skills that includes a complete maintenance of the diesel engines that drive our generators, the maintenance of the generators themselves and the control systems that make it possible for all of our generators to provide full power to the City and Community of Wrangell. This new job is in recognition of the risk we face if our sole Powerhouse Operator (Royce Cowan) is, for any reason, unable to perform his duties. Additionally, Royce may want to retire someday. An Apprentice to tutelage under Royce's leadership is needed to ensure that institutional knowledge of WML&P's Powerhouse is passed along to a workforce that will carry that knowledge into the future.

- Item 2 - Changes to the existing Meter Reader position
The duties of WML&P's existing Meter Reader position need to be change to more reflect the actual needs of the department. The needs of the department will be best served by making this position a 'part-time' position; i.e. exclusively employed to read the meter route. The Meter Route averages about a week's worth of work (5 days), depending upon time of year, weather conditions and needs for "re-reads".

The Meter Reading position traditionally has been an 'entry-level' position, with very little, if any opportunity for upward mobility (advancement). This has resulted in less-than stable employment; those employed in this position quickly looking for 'something better'.

By offering the Metering Reading position as a part-time job, we reduce the expectations of advancement. Further, a part-time position would be emphasized in a way as to discourage those applicants who are looking for full employment.

In all other respects WML&P's staffing levels would remain as they presently are.

In response to Decker on what the net cost change would be, Von Bargaen stated that Staff would bring that back to the Assembly with the staffing proposal.

In response to Powell on how many staff members are in the department if this new position was added; Von Bargaen stated that they would stay at 6 positions and add a .25 meter reader position.

Powell asked if the meter reading could be distributed amongst the existing staff; Rhoades stated that it would be nearly impossible to change the schedule to accommodate this; it is a burden for the linemen or the admin staff to read meters.

13a Approval to Refund Overpaid Property Taxes to Arnold and Alice Bakke

Item was removed from the Agenda by Von Bargen under Amendments to the Agenda

13b RESOLUTION No 08-19-1476 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, SUPPORTING THE SMALL COUNTY PILT PARITY ACT

M/S: Morrison/Decker to approve Resolution No. 08-19-1476. Motion approved unanimously by polled vote.

13c RESOLUTION No 08-19-1477 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ESTABLISHING THE FEE SCHEDULE FOR COLLECTION OR DISPOSAL FEES

This item was not considered since Item 11c (Ordinance No. 968) was amended and moved to a third reading.

13d RESOLUTION No 08-19-1478 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY2020 BUDGET IN THE WATER FUND BY TRANSFERRING \$119,000 FROM WATER FUND RESERVES TO THE WATER FUND CIP EXPENDITURES FOR THE WATER TREATMENT PLAN IMPROVEMENTS PROJECT AND AUTHORIZING ITS EXPENDITURE

M/S: Morrison/Powell to approve Resolution No. 08-19-1478. Motion approved unanimously by polled vote.

13e RESOLUTION No 08-19-1479 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY20 BUDGET IN THE RESIDENTIAL CONSTRUCTION FUND BY ACCEPTING REVENUE FROM THE SALE OF CITY OWNED LAND TO JOB AND MARY MONTOY, AS AUTHORIZED IN RESOLUTION NO. 07-19-1474, IN THE AMOUNT OF \$9,325, AND AUTHORIZING ITS EXPENDITURE

M/S: Powell/Morrison to approve Resolution No. 08-19-1479. Motion approved unanimously by polled vote.

13f RESOLUTION No 08-19-1480 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY2020 BUDGET IN THE GENERAL FUND BY TRANSFERRING \$25,000 FROM GENERAL FUND RESERVES TO CAPITAL FACILITIES CAPITAL EQUIPMENT EXPENDITURES FOR THE PURCHASE OF A USED VEHICLE, AND AUTHORIZING ITS EXPENDITURE

M/S: Morrison/Powell to adopt Resolution No. 08-19-1480. Motion approved unanimously by polled vote.

13g Approval to Authorize the Borough Manager to Dispose of any City Surplus Items that were not bid on during the Surplus Sale

M/S: Powell/Morrison to authorize the Borough Manager to dispose of any City Surplus Items that were not bid on for the Surplus Sale, in a manner that is in the best interest of the City. Motion approved unanimously by polled vote.

13h RESOLUTION No 08-19-1481 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING THE ENVIRONMENTAL MITIGATION MEASURES OUTLINED IN THE MARCH 2017 ENVIRONMENTAL REVIEW BY SOLTICE ALASKA CONSULTING FOR THE WATER TREATMENT PLANT IMPROVEMENTS DESIGN AND CONSTRUCTION PROJECT

M/S: Morrison/DeBord to approve Resolution No. 08-19-1481. Motion approved unanimously by polled vote.

13i RESOLUTION No 08-19-1482 OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE FY2020 BUDGET IN THE GENERAL FUND BY TRANSFERRING UP TO \$50,000 FROM GENERAL FUND RESERVES TO THE POLICE DEPARTMENT CAPITAL EQUIPMENT EXPENDITURES FOR THE PURCHASE OF TWO USED USFS POLICE VEHICLES

M/S: Powell/Morrison to approve Resolution No. 08-19-1482. Motion approved unanimously by polled vote.

EXECUTIVE SESSION – None.

Regular Assembly meeting adjourned at 8:12 p.m.

Stephen Prysunka, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	September 10, 2019
	<u>Agenda Section</u>	11

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

<u>FISCAL NOTE:</u>		
Expenditure Required: N/A		
FY 19: \$	FY 20: \$	FY21: \$
Amount Budgeted:		
	FY19 N/A	
Account Number(s):		
	N/A	
Account Name(s):		
	N/A	
Unencumbered Balance(s) (prior to expenditure):		
	N/A	

<u>Reviews/Approvals/Recommendations</u>	
<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.

Procedure: Mayor Prysunka shall declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Clerk shall retrieve the list of those who signed up to speak. When the item comes up, Persons on the list will be called by the Mayor to speak in the order in which they signed up for the Public Hearing Agenda Item.

Mayor Prysunka shall declare the Public Hearing closed before the Assembly takes action on the item.

Once the Public Hearing has CLOSED, Mayor shall say “I will now entertain a motion”

RECOMMENDED MOTION AFTER PUBLIC HEARING IS CLOSED:

Move to approve Ordinance No. 968.

SUMMARY STATEMENT:

The Borough Assembly requested that with the adoption of the Resolution to set the fees for solid waste collection, that there be a Public Hearing on the Resolution. Staff recommended adding this language to the Ordinance.

Also, there was a request to add “shall” to the first paragraph under 15.18.070 so that the assembly “shall” establish fees by resolution. That change was also made.

The remainder of this agenda statement is unchanged from the August 27, 2019 meeting.

As requested by the Assembly at the July meeting, the two masculine references (“his”) to the borough manager have been replaced with the word “the.” All other aspects of the ordinance remain unchanged.

The remainder of this agenda statement is unchanged from the July 23r meeting.

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 27th meeting. The August 27th 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 by resolution 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 shall, by resolution, establish fees for the collection or disposal of Monthly Refuse Collection or Disposal Rates in the Public Works Department. A Public Hearing shall be required on the resolution that establishes such 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]** by resolution unless waiver of service is authorized by the borough manager or **[his]** the 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]** the 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: July 23, 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%		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:

Separation of Garbage:	
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 PUBLIC HEARING AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	September 10, 2019
	<u>Agenda Section</u>	11

RESOLUTION No 09-19-1477 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ESTABLISHING THE FEE SCHEDULE FOR COLLECTION OR DISPOSAL FEES

SUBMITTED BY:

Rolland Howell, Public Works Director

FISCAL NOTE:

Expenditure Required: \$XXX Total

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

FY19 \$XXX

Account Number(s):

XXXXX XXX XXXX

Account Name(s):

Enter Text Here

Unencumbered Balance(s) (prior to expenditure):

\$XXX

Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. Res No 09-19-1477 2. Fee Schedule.

Procedure: Mayor shall declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Clerk shall retrieve the list of those who signed up to speak. When the item comes up, Persons on the list will be called by the Mayor to speak in the order in which they signed up for the Public Hearing Agenda Item.

Mayor shall declare the Public Hearing closed before the Assembly takes action on the item.

Once the Public Hearing has CLOSED, Mayor shall say “I will now entertain a motion”

RECOMMENDED MOTION AFTER PUBLIC HEARING IS CLOSED:

Move to Approve Resolution No. 09-19-1477, that sets the Fees for the collection of refuge.

SUMMARY STATEMENT:

At the August 27th Assembly Meeting, there were changes made to the Ordinance that would allow for the Assembly to adopt a Resolution to set fees for solid waste collection. Since that Ordinance was not approved, this item (Resolution to set the fees) was not considered.

This item is being brought forward under Public Hearing, with consideration to be made after, because of the request from the Assembly to require a Public Hearing for the Resolution to set the fees.

The remainder of this agenda statement is unchanged from the August 27, 2019 meeting.

In the past we have relied on outside help to dispose of our scrap metal that accumulates at the Solid Waste Transfer Station. We’ve had to move this metal several times while waiting; hiring contractors, with larger equipment to move and stack the metal pile higher for us. In one instance a contractor was hired several times to keep stacking the material higher and higher while waiting for these people to show up. The Sanitation Department is recommending an increase for cars that are accepted at the Solid Waste Transfer Station, and to not accept cars that have fluids in them and tires still on. We currently charge \$80.00 to dispose of a vehicle with the fluid in it and tires on, and \$30.00 if fluids and tires are removed. This does not even cover the cost to stack a car, let alone the cost for Public Works to drain all fluids and remove tires. With the cars at the SWTS right now, it will take several weeks for PW personnel to drain all the fluids, remove tires, crush the cars and load them for shipping. It costs us \$240.00 dollars to dispose of a car at the scrap yard, not counting our labor to crush and load it. We propose to raise car disposal to \$300.00 with fluids drained and tires removed and to refuse cars that are not ready for shipping.

We will accept batteries for free to help prevent them from being dumped elsewhere.

Some of the fees on our website were posted incorrectly. We've corrected them on this Fee Schedule

and will fix our website immediately if this new schedule is adopted.

All new and corrected fees are highlighted in yellow.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 09-19-1477

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ESTABLISHING THE FEE SCHEDULE FOR COLLECTION OR DISPOSAL FEES

WHEREAS, at reasonable time increments the fees and/or fee structure for the collection or disposal of refuse must be reviewed; and

WHEREAS, when it is determined operational costs require changes to the fee structure, a resolution must be passed setting the new fee structure; and

WHEREAS, a Public Hearing shall be held on the resolution that requests changes to the Fee Schedule for Collection or Disposal Fees; and

WHEREAS, the Public Works collection and disposal services are operated and maintained under the jurisdiction of the Borough Assembly; and

WHEREAS, the Borough Assembly has determined, as recommended by the Public Works Director, that adjustments in the fees are necessary.

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

Section 1. The attached schedule of fees shall govern the collection or disposal of Monthly Refuse Collection or Disposal Rates in the Public Works Department.

Section 2. The attached Exhibit “A” includes the fees for collection or disposal of Monthly Refuse Collection or Disposal Rates in the Public Works Department.

Section 3. This resolution shall become effective upon approval.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 10th DAY OF SEPTEMBER 2019.

CITY & BOROUGH OF WRANGELL

Stephen Prysunka, Mayor

ATTEST: _____

Kim Lane, Borough Clerk

**City and Borough of Wrangell
Collection or Disposal
Fee Schedule**

Item b.

Approved by Resolution No. 08-19-1477

Category	Description	Rate
Container Size	1 Yard	\$ 61.70
	1.5 Yard	\$ 77.55
	2 Yard	\$ 103.20
	2 Yard (2 collections per week)	\$ 206.40
	2 Yard (3 collections per week)	\$ 309.60
	Two (2) - 2 Yards (2 collections per week)	\$ 412.80
	Two (2) - 2 Yards (3 collections per week)	\$ 619.20
	Four (4) - 2 Yards (3 collections per week)	\$ 1,238.40
	48 Gallon	\$ 28.60
	64 Gallons	\$ 47.60
	96 Gallons (1 collection per week)	\$ 57.20
	96 Gallons (2 collections per week)	\$ 114.40
	96 Gallons (3 collections per week)	\$ 171.60
	64 Gallons (2 collections per week)	\$ 95.20
	Landfill Charges	Up to 1 cubic yard (minimum charge)
Each additional cubic yard		\$ 7.00
Cars (each, with no tires and no fluids)		\$ 300.00
Cars WITH tires and fluids		Will not be accepted
Tires		3.00/each
Washers or Dryers (each)		\$ 12.00
Refrigerators and freezers (each with Freon)		\$ 42.00
Cardboard, glass and aluminum (if separate)		Free

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

Separation of Garbage:

- 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
- F Glass
- G Aluminum
- H And other items as posted at the landfill or as directed by landfill personnel

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	September 10, 2019
	<u>Agenda Section</u>	13

Approval of the FY 2018 Audit

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

Expenditure Required: \$0 Total		
FY 19: \$	FY 20: \$0	FY21: \$
Amount Budgeted:		
	FY20 \$0	
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. FY 2018 Audit

RECOMMENDATION MOTION:
Move to Approve FY 2018 Audit.

SUMMARY STATEMENT:
At last...the FY 2018 is available for review and approval. The CBW had two material findings from the FY 18 Fiscal Year. Please specifically review pages 139-145 of the audit document to understand the findings and the corrective actions. As a reminder, the FY 2018 Audit covers the

period of July 1, 2017 – June 30, 2018. As it is now August of 2019, much as changed. The two findings from 2018 were:

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

Finding 2018-002: Material Weakness in Internal Control over Compliance, Material Non-Compliance - Reporting

City and Borough of Wrangell, Alaska

Basic Financial Statements, Required
Supplementary Information, Supplementary
Information and Single Audit Reports
Year Ended June 30, 2018

City and Borough of Wrangell, Alaska

Basic Financial Statements, Required Supplementary Information,
Supplementary Information
and Single Audit Reports
Year Ended June 30, 2018

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Anchorage, AK 99503

Item a.

Independent Auditor's Report

Honorable Mayor and Borough Assembly
City and Borough of Wrangell

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of City and Borough of Wrangell, Alaska (the Borough), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City and Borough of Wrangell, Alaska, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2018 the Borough adopted the provisions of Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 58 through 60, and the schedules of the borough's information on the net pension and OPEB liability and Borough contributions to the pension and OPEB plans on pages 61 through 64, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit for the year ended June 30, 2018 was conducted for the purpose of forming opinions on the financial statements that collectively comprise City and Borough of Wrangell's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, and the combining and individual fund financial statements and schedules listed in the table of contents for the year ended June 30, 2018 required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes

of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements for the year ended June 30, 2018, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City and Borough of Wrangell as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated March 29, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended June 30, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2019, on our consideration of City and Borough of Wrangell's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City and Borough of Wrangell's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City and Borough of Wrangell's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
July 24, 2019

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Basic Financial Statements

City and Borough of Wrangell, Alaska

Statement of Net Position

	Primary Government			Component Units	
	Govern- mental Activities	Business- type Activities	Total	Wrangell Public Schools	Wrangell Medical Center
<i>June 30, 2018</i>					
Assets and Deferred Outflows of Resources					
Assets					
Cash and investments	\$ 22,210,584	\$ 9,065,186	\$ 31,275,770	\$ 1,481,251	\$ 673,852
Receivables, net of allowance for doubtful accounts:					
Property and sales taxes	723,078	-	723,078	-	-
Accounts	290,903	547,105	838,008	191,925	2,093,486
Grants and shared revenues	26,571	-	26,571	-	-
Land sales and improvements	56,741	-	56,741	-	-
Accrued interest	59,598	199	59,797	-	-
Internal balances	102,146	(102,146)	-	122,349	54,178
Inventories	94,334	172,477	266,811	46,146	150,402
Restricted cash and investments	-	2,584,826	2,584,826	-	310,142
Capital assets:					
Land, land improvements and construction in progress	1,186,678	1,828,586	3,015,264	-	-
Other capital assets, net of depreciation	27,023,527	42,493,504	69,517,031	119,115	1,719,577
Total Assets	51,774,160	56,589,737	108,363,897	1,960,786	5,001,637
Deferred Outflows of Resources					
Related to pensions	415,094	251,539	666,633	360,685	-
Related to other postemployment benefits	103,683	49,409	153,092	93,141	-
Total Deferred Outflows of Resources	518,777	300,948	819,725	453,826	-
Total Assets and Deferred Outflows of Resources	\$ 52,292,937	\$ 56,890,685	\$ 109,183,622	\$ 2,414,612	\$ 5,001,637

City and Borough of Wrangell, Alaska

Statement of Net Position, continued

	Primary Government			Component Units	
	Govern- mental Activities	Business- type Activities	Total	Wrangell Public Schools	Wrangell Medical Center
<i>June 30, 2018</i>					
Liabilities, Deferred Inflows of Resources, and Net Position					
Liabilities					
Accounts payable	\$ 186,859	\$ 349,227	\$ 536,086	\$ 4,679	\$ 342,255
Customer utility deposits	-	107,505	107,505	-	-
Line of credit	-	-	-	-	250,000
Accrued interest payable	8,338	4,194	12,532	-	-
Employee compensation and related items	-	-	-	39,077	526,181
Unearned revenue	94,085	1,426,494	1,520,579	2,018	-
Noncurrent liabilities:					
Due within one year:					
Accrued leave	301,243	73,676	374,919	37,372	-
Bonds and loans	240,000	93,331	333,331	-	-
Capital lease obligation	-	-	-	-	40,525
Due in more than one year:					
Unamortized bond premium	58,849	-	58,849	-	-
ADEC loan	-	176,004	176,004	-	-
USDA Rural Development loan	-	87,069	87,069	-	-
Bonds	510,000	171,846	681,846	-	-
Capital lease obligation	-	-	-	-	148,583
Net pension liability	3,363,292	1,898,427	5,261,719	3,356,395	-
Net other postemployment benefits liability	576,503	274,731	851,234	390,009	-
Total Liabilities	5,339,169	4,662,504	10,001,673	3,829,550	1,307,544
Deferred Inflows of Resources					
Related to pensions	437,338	212,318	649,656	363,200	-
Related to other postemployment benefits	283,899	135,292	419,191	244,055	-
Taxes collected in advance	12,377	-	12,377	-	-
Total Deferred Inflows of Resources	733,614	347,610	1,081,224	607,255	-
Total Liabilities and Deferred Inflows of Resources	6,072,783	5,010,114	11,082,897	4,436,805	1,307,544
Net Position					
Net investment in capital assets	27,401,356	43,793,840	71,195,196	119,115	1,719,577
Restricted	11,195,210	-	11,195,210	-	-
Unrestricted (deficit)	7,623,588	8,086,731	15,710,319	(2,141,308)	1,974,516
Total Net Position	46,220,154	51,880,571	98,100,725	(2,022,193)	3,694,093
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 52,292,937	\$ 56,890,685	\$ 109,183,622	\$ 2,414,612	\$ 5,001,637

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska
Statement of Activities

<i>Year Ended June 30, 2018</i>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Fees, Fines & Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Primary Government		Component Units		
					Govern- mental Activities	Business- type Activities	Total	Wrangell Public Schools	Wrangell Medical Center
Functions									
Primary Government									
Governmental activities:									
General government	\$ 1,110,180	\$ 75,867	\$ 17,787	\$ 50,000	\$ (966,526)	\$ -	\$ (966,526)		
Public safety	2,186,712	266,490	439,546	-	(1,480,676)	-	(1,480,676)		
Public works	1,290,264	966,111	25,802	-	(298,351)	-	(298,351)		
Parks and recreation	703,345	87,615	4,593	-	(611,137)	-	(611,137)		
Library	275,410	-	17,670	-	(257,740)	-	(257,740)		
Community services	1,296,776	6,973	353,522	4,172	(932,109)	-	(932,109)		
Education	2,045,686	-	1,055,463	-	(990,223)	-	(990,223)		
Unallocated interest	15,367	-	-	-	(15,367)	-	(15,367)		
Total governmental activities	8,923,740	1,403,056	1,914,383	54,172	(5,552,129)	-	(5,552,129)		
Business-type activities:									
Electric utility	4,023,647	4,824,286	65,934	-	-	866,573	866,573		
Water utility	1,312,613	745,925	43,180	-	-	(523,508)	(523,508)		
Sewer utility	700,095	594,763	6,573	-	-	(98,759)	(98,759)		
Sanitation utility	564,166	589,310	4,795	-	-	29,939	29,939		
Port	3,035,881	1,409,799	329,469	180,934	-	(1,115,679)	(1,115,679)		
Total business-type activities	9,636,402	8,164,083	449,951	180,934	-	(841,434)	(841,434)		
Total Primary Government	\$ 18,560,142	\$ 9,567,139	\$ 2,364,334	\$ 235,106	(5,552,129)	(841,434)	(6,393,563)		

City and Borough of Wrangell, Alaska
Statement of Activities, continued

Year Ended June 30, 2018	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Fees, Fines & Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Primary Government			Component Units	
					Govern- mental Activities	Business- type Activities	Total	Wrangell Public Schools	Wrangell Medical Center
Component Units									
School District	\$ 5,947,067	\$ 31,772	\$ 990,882	\$ -				\$ (4,924,413)	\$ -
Medical Center	11,025,969	10,274,294	347,687	-				-	(403,988)
Total Component Units	\$ 16,973,036	\$ 10,306,066	\$ 1,338,569	\$ -				(4,924,413)	(403,988)
General Revenues									
Taxes:									
Property taxes				\$ 1,761,211	\$ -	\$ 1,761,211		-	-
Sales taxes				2,642,770	-	2,642,770		-	-
Payments in lieu of taxes				450,546	-	450,546		-	-
Other taxes				99,971	-	99,971		-	-
Contributions from primary government				-	-	-		1,516,288	-
Grants and entitlements not restricted to a specific purpose				455,253	-	455,253		3,725,750	-
Investment income				635,382	15,098	650,480		715	367
Other				3,979	-	3,979		-	153,857
Total General Revenues				6,049,112	15,098	6,064,210		5,242,753	154,224
Change in Net Position				496,983	(826,336)	(329,353)		318,340	(249,764)
Net Position, beginning, as restated (Note 2)				45,723,171	52,706,907	98,430,078		(2,340,533)	3,943,857
Net Position, ending				\$46,220,154	\$ 51,880,571	\$ 98,100,725		\$ (2,022,193)	\$ 3,694,093

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

**Governmental Funds
Balance Sheet**

<i>June 30, 2018</i>	Major Funds					Total Govern- mental Funds
	General	Permanent Fund Special Revenue	Sales Tax Special Revenue	Economic Recovery Capital Project	Nonmajor Funds	
Assets						
Cash and investments	\$ 6,628,865	\$ 7,858,741	\$ 643,915	\$ 1,353,445	\$ 5,725,618	\$ 22,210,584
Receivables, net of allowance for doubtful accounts:						
Property and sales taxes	501,893	-	221,185	-	-	723,078
Accounts	290,903	-	-	-	-	290,903
Grants and shared revenues	26,571	-	-	-	-	26,571
Accrued interest	40,256	15,771	-	-	3,571	59,598
Land sales and improvements	-	-	-	-	56,741	56,741
Interfund loans receivable	102,146	-	-	-	-	102,146
Due from other funds	3,864	-	-	-	-	3,864
Inventory	-	-	-	-	94,334	94,334
Total Assets	\$ 7,594,498	\$ 7,874,512	\$ 865,100	\$ 1,353,445	\$ 5,880,264	\$ 23,567,819
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	\$ 72,642	\$ -	\$ -	\$ -	\$ 114,217	\$ 186,859
Unearned revenue	12,225	-	-	-	81,860	94,085
Due to other funds	-	-	-	-	3,864	3,864
Total Liabilities	84,867	-	-	-	199,941	284,808
Deferred Inflows of Resources						
Delinquent property taxes	60,414	-	-	-	-	60,414
Taxes collected in advance	12,377	-	-	-	-	12,377
Land sale receivables not yet due	-	-	-	-	56,741	56,741
Total Deferred Inflows of Resources	72,791	-	-	-	56,741	129,532
Total Liabilities and Deferred Inflows of Resources	157,658	-	-	-	256,682	414,340
Fund Balances						
Nonspendable	102,146	-	-	-	94,334	196,480
Restricted	-	7,874,512	-	-	3,320,698	11,195,210
Committed	-	-	865,100	-	1,789,144	2,654,244
Assigned	-	-	-	1,353,445	423,270	1,776,715
Unassigned (deficit)	7,334,694	-	-	-	(3,864)	7,330,830
Total Fund Balances	7,436,840	7,874,512	865,100	1,353,445	5,623,582	23,153,479
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,594,498	\$ 7,874,512	\$ 865,100	\$ 1,353,445	\$ 5,880,264	\$ 23,567,819

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2018

Total fund balances for governmental funds \$ 23,153,479

Total net position reported for governmental activities in the Statement of Net Position is different because:

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

Land and land improvements	\$ 1,186,678	
Infrastructure	16,034,223	
Buildings	48,373,983	
Improvements other than buildings	6,293,283	
Machinery and equipment	4,094,365	
Accumulated depreciation	<u>(47,772,327)</u>	
Total capital assets		28,210,205

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

These assets consist of:

Delinquent property taxes receivable	60,414	
Deferred land sales and improvements receivable	<u>56,741</u>	
Total long-term assets		117,155

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

General obligation bonds payable	(750,000)	
Unamortized bond premium	(58,849)	
Accrued interest on bonds	(8,338)	
Accrued leave	(301,243)	
Net pension liability	(3,363,292)	
Net other postemployment benefits liability	<u>(576,503)</u>	
Total long term liabilities		(5,058,225)

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

These items are amortized over time.

Deferred outflows of resources related to pensions	415,094	
Deferred inflows of resources related to pensions	(437,338)	
Deferred outflows of resources related to OPEB	103,683	
Deferred inflows of resources related to OPEB	<u>(283,899)</u>	
Total deferred pension and OPEB items		<u>(202,460)</u>

Total Net Position of Governmental Activities \$ 46,220,154

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2018	Major Funds					Total Governmental Funds
	General	Permanent Fund Special Revenue	Sales Tax Special Revenue	Economic Recovery Capital Project	Nonmajor Funds	
Revenues						
Property taxes, penalties and interest	\$ 1,783,561	\$ -	\$ -	\$ -	\$ -	\$ 1,783,561
Payments in lieu of taxes	450,546	-	-	-	-	450,546
Sales taxes, penalties and interest	1,804,545	-	838,225	-	-	2,642,770
Transient taxes	-	-	-	-	99,971	99,971
Intergovernmental	929,917	-	-	-	1,075,655	2,005,572
Charges for services	197,618	-	-	-	167,618	365,236
Sales and leases	128,300	16,440	-	950,000	66,536	1,161,276
Investment income	7,802	578,163	722	1,453	47,242	635,382
Land sales and improvements	-	-	-	-	25,519	25,519
Fines and forfeitures	11,707	-	-	-	-	11,707
Donations and contributions	-	-	-	-	201,412	201,412
Other	28,356	-	-	-	25,166	53,522
Total Revenues	5,342,352	594,603	838,947	951,453	1,709,119	9,436,474
Expenditures						
Current:						
General government	1,127,169	-	-	-	-	1,127,169
Public safety	2,130,410	-	-	-	-	2,130,410
Public works	996,146	-	-	-	-	996,146
Parks and recreation	-	-	-	-	607,153	607,153
Library	272,713	-	-	-	-	272,713
Community services	168,822	4,228	-	-	632,864	805,914
Education - contributions to school district	-	-	667,800	-	848,488	1,516,288
Debt service:						
Principal	-	-	-	-	230,000	230,000
Interest	-	-	-	-	37,325	37,325
Capital outlay	-	-	554,077	-	141,911	695,988
Total Expenditures	4,695,260	4,228	1,221,877	-	2,497,741	8,419,106
Excess of Revenues Over (under)						
Expenditures	647,092	590,375	(382,930)	951,453	(788,622)	1,017,368
Other Financing Sources (Uses)						
Transfers in	303,413	-	-	-	1,349,529	1,652,942
Transfers out	(1,309,329)	(250,000)	(29,000)	-	(64,613)	(1,652,942)
Net Other Financing Sources (Uses)	(1,005,916)	(250,000)	(29,000)	-	1,284,916	-
Net Change in Fund Balances	(358,824)	340,375	(411,930)	951,453	496,294	1,017,368
Fund Balances, beginning	7,795,664	7,534,137	1,277,030	401,992	5,127,288	22,136,111
Fund Balances, ending	\$ 7,436,840	\$ 7,874,512	\$ 865,100	\$ 1,353,445	\$ 5,623,582	\$ 23,153,479

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska
Reconciliation of Change in Fund Balances of Governmental Funds
to Statement of Activities
Year Ended June 30, 2018

Net change in fund balances - total governmental funds \$ 1,017,368

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

Governmental funds report capital outlays as expenditures. However on the Statement of Activities, depreciation expense is recognized to allocate the cost of these items over their estimated useful lives. This is the amount by which depreciation (\$1,863,106) exceeded capital outlays (\$712,976). (1,150,130)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount of the increase in other long-term receivables. (47,869)

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

Principal payments	\$	230,000	
Net decrease in bond premium		19,617	
Decrease in accrued interest		2,341	
		251,958	251,958

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

Increase in accrued leave		(35,475)	
Decrease in net pension obligation and related accounts		480,895	
Increase in net other postemployment benefit obligation and related accounts		(19,764)	
		425,656	425,656

Change in Net Position of Governmental Activities \$ 496,983

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

Enterprise Funds
Statement of Net Position

	Major Funds				Nonmajor Fund	Total Enterprise Funds
	Electric Utility	Water Utility	Port	Sewer Utility	Sanitation Utility	
<i>June 30, 2018</i>						
Assets and Deferred Outflows of Resources						
Current Assets						
Cash and investments	\$ 3,483,047	\$ 274,055	\$ 4,588,186	\$ 623,012	\$ 96,886	\$ 9,065,186
Receivables, net of allowance for doubtful accounts:						
Accounts	302,651	39,829	133,729	37,888	33,008	547,105
Accrued interest	-	31	162	6	-	199
Inventories	172,477	-	-	-	-	172,477
Total Current Assets	3,958,175	313,915	4,722,077	660,906	129,894	9,784,967
Restricted Cash and Investments	-	668,215	1,841,946	74,665	-	2,584,826
Property, plant and equipment	6,939,460	17,152,880	57,566,226	12,551,526	1,535,039	95,745,131
Less accumulated depreciation	(5,466,808)	(11,727,868)	(23,963,328)	(9,336,851)	(928,186)	(51,423,041)
Net Property, Plant and Equipment	1,472,652	5,425,012	33,602,898	3,214,675	606,853	44,322,090
Total Assets	5,430,827	6,407,142	40,166,921	3,950,246	736,747	56,691,883
Deferred Outflows of Resources						
Related to pensions	122,677	19,053	66,257	25,692	17,860	251,539
Related to other postemployment benefits	19,766	3,691	14,770	6,466	4,716	49,409
Total Deferred Outflows of Resources	142,443	22,744	81,027	32,158	22,576	300,948
Total Assets and Deferred Outflows of Resources	\$ 5,573,270	\$ 6,429,886	\$ 40,247,948	\$ 3,982,404	\$ 759,323	\$ 56,992,831

City and Borough of Wrangell, Alaska

Enterprise Funds

Statement of Net Position, continued

	Major Funds				Nonmajor Fund	Total Enterprise Funds
	Electric Utility	Water Utility	Port	Sewer Utility	Sanitation Utility	
<i>June 30, 2018</i>						
Liabilities, Deferred Inflows of Resources, and Net Position						
Current Liabilities						
Accounts payable	\$ 209,913	\$ 1,731	\$ 18,389	\$ 96,519	\$ 22,675	\$ 349,227
Accrued leave	12,063	17,295	22,803	15,231	6,284	73,676
Customer utility deposits	96,685	10,820	-	-	-	107,505
Accrued interest payable	-	2,507	-	1,687	-	4,194
Unearned revenue	-	-	1,426,494	-	-	1,426,494
Current portion of bonds and loans	-	91,740	-	1,591	-	93,331
Interfund loans payable	-	-	16,848	-	-	16,848
Total Current Liabilities	318,661	124,093	1,484,534	115,028	28,959	2,071,275
Long-term Liabilities, net of current portion						
Revenue bonds	-	171,846	-	-	-	171,846
USDA Rural Development loan	-	-	-	87,069	-	87,069
ADEC loan	-	176,004	-	-	-	176,004
Interfund loans payable	-	-	85,298	-	-	85,298
Net pension liability	880,789	143,261	518,324	208,677	147,376	1,898,427
Net other postemployment benefits liability	109,904	20,523	82,125	35,953	26,226	274,731
Total Long-term Liabilities	990,693	511,634	685,747	331,699	173,602	2,693,375
Total Liabilities	1,309,354	635,727	2,170,281	446,727	202,561	4,764,650
Deferred Inflows of Resources						
Related to pensions	86,539	15,879	62,819	27,260	19,821	212,318
Related to other postemployment benefits	54,122	10,107	40,443	17,705	12,915	135,292
Total Deferred Inflows of Resources	140,661	25,986	103,262	44,965	32,736	347,610
Net Position						
Net investment in capital assets	1,472,652	4,985,422	33,602,898	3,126,015	606,853	43,793,840
Unrestricted (deficit)	2,650,603	782,751	4,371,507	364,697	(82,827)	8,086,731
Total Net Position	4,123,255	5,768,173	37,974,405	3,490,712	524,026	51,880,571
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 5,573,270	\$ 6,429,886	\$ 40,247,948	\$ 3,982,404	\$ 759,323	\$ 56,992,831

See accompanying notes to basic financial statements.

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

<i>Year Ended June 30, 2018</i>	Major Funds				Nonmajor	Total Enterprise Funds
	Electric Utility	Water Utility	Port	Sewer Utility	Sanitation Utility	
Operating Revenues						
Charges for services	\$ 4,182,634	\$ 705,825	\$ 1,409,799	\$ 594,142	\$ 589,310	\$ 7,481,710
Operating Expenses						
Salaries and employee benefits	606,630	156,730	566,175	156,839	154,818	1,641,192
Other operating expenses	3,138,710	489,893	384,797	178,487	330,244	4,522,131
Depreciation	276,361	651,933	1,898,130	353,067	76,132	3,255,623
Total Operating Expenses	4,021,701	1,298,556	2,849,102	688,393	561,194	9,418,946
Income (Loss) from Operations	160,933	(592,731)	(1,439,303)	(94,251)	28,116	(1,937,236)
Nonoperating Revenues (Expenses)						
Investment income	3,597	1,851	8,595	916	139	15,098
Interest expense	(1,946)	(14,057)	-	(11,702)	-	(27,705)
State PERS relief	65,934	3,752	15,014	6,573	4,795	96,068
State raw fish tax	-	-	314,455	-	-	314,455
Loss on disposal of assets	-	-	(186,779)	-	(2,972)	(189,751)
Noncapital grant revenue	-	39,428	-	-	-	39,428
SEAPA dividend	609,547	-	-	-	-	609,547
Other revenues	32,105	40,100	-	621	-	72,826
Net Nonoperating Revenues (Expenses)	709,237	71,074	151,285	(3,592)	1,962	929,966
Income (Loss) Before Capital Contributions	870,170	(521,657)	(1,288,018)	(97,843)	30,078	(1,007,270)
Capital contributions	-	-	180,934	-	-	180,934
Change in Net Position	870,170	(521,657)	(1,107,084)	(97,843)	30,078	(826,336)
Net Position, beginning, as restated (Note 2)	3,253,085	6,289,830	39,081,489	3,588,555	493,948	52,706,907
Net Position, ending	\$ 4,123,255	\$ 5,768,173	\$ 37,974,405	\$ 3,490,712	\$ 524,026	\$ 51,880,571

See accompanying notes to basic financial statements.

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City and Borough of Wrangell, Alaska

Enterprise Funds
Statement of Cash Flows

	Major Funds				Nonmajor Fund	Total Enterprise Funds
	Electric Utility	Water Utility	Port	Sewer Utility	Sanitation Utility	
<i>Year Ended June 30, 2018</i>						
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 4,804,028	\$ 786,494	\$ 1,359,529	\$ 596,105	\$ 592,290	\$ 8,138,446
Payments for interfund services used	(169,625)	(119,039)	(83,117)	(56,133)	(83,747)	(511,661)
Payments to suppliers	(3,009,668)	(396,664)	(392,776)	(77,357)	(262,616)	(4,139,081)
Payments to employees	(656,485)	(165,826)	(615,445)	(182,324)	(169,733)	(1,789,813)
Net cash flows from operating activities	968,250	104,965	268,191	280,291	76,194	1,697,891
Cash Flows from Noncapital Financing Activities						
State fish taxes received	-	-	314,455	-	-	314,455
Cash Flows for Capital and Related Financing Activities						
Purchase of property, plant and equipment	(36,468)	(18,492)	(409,307)	(40,194)	(184,680)	(689,141)
Principal payments on long-term debt	-	(90,200)	(40,357)	(184,530)	-	(315,087)
Interest payments on long-term debt	-	(14,057)	-	(11,702)	-	(25,759)
Capital contributions received	-	-	279,053	-	-	279,053
Net cash flows for capital and related financing activities	(36,468)	(122,749)	(170,611)	(236,426)	(184,680)	(750,934)
Cash Flows from Investing Activities						
Investment income received	3,597	1,851	8,595	1,166	139	15,348
Net Increase (Decrease) in Cash and Investments	935,379	(15,933)	420,630	45,031	(108,347)	1,276,760
Cash and Investments, beginning	2,547,668	958,203	6,009,502	652,646	205,233	10,373,252
Cash and Investments, ending	\$ 3,483,047	\$ 942,270	\$ 6,430,132	\$ 697,677	\$ 96,886	\$ 11,650,012
Reconciliation of Cash and Investments to Statement of Net Position						
Cash and investments:						
Current assets	\$ 3,483,047	\$ 274,055	\$ 4,588,186	\$ 623,012	\$ 96,886	\$ 9,065,186
Restricted cash and investments	-	668,215	1,841,946	74,665	-	2,584,826
Total Cash and Investments	\$ 3,483,047	\$ 942,270	\$ 6,430,132	\$ 697,677	\$ 96,886	\$ 11,650,012

See accompanying notes to basic financial statements.

City and Borough of Wrangell, Alaska

Enterprise Funds

Statement of Cash Flows, continued

	Major Funds				Nonmajor Fund	Total Enterprise Funds
	Electric Utility	Water Utility	Port	Sewer Utility	Sanitation Utility	
Reconciliation of Income (Loss) from Operations to Net Cash						
Flows from Operating Activities						
Income (loss) from operations	\$ 160,933	\$ (592,731)	\$ (1,439,303)	\$ (94,251)	\$ 28,116	\$ (1,937,236)
Adjustments to reconcile income (loss) from operations to net cash flows from operating activities:						
Depreciation	276,361	651,933	1,898,130	353,067	76,132	3,255,623
Noncash expense - PERS relief	65,934	3,752	15,014	6,573	4,795	96,068
Decrease in allowance for doubtful accounts	(18,744)	-	-	-	-	(18,744)
Miscellaneous nonoperating revenues	639,706	79,528	-	621	-	719,855
(Increase) decrease in assets:						
Accounts receivable	(9,386)	(274)	(16,574)	1,342	2,980	(21,912)
Noncapital grants receivable	-	540	-	-	-	540
Inventories	(25,913)	-	-	-	-	(25,913)
Decrease in deferred outflows related to pensions	81,967	15,306	61,249	26,814	19,560	204,896
Decrease in deferred outflows related to other postemployment benefits	28,993	5,414	21,665	9,485	6,919	72,476
Increase (decrease) in liabilities:						
Accounts payable	(14,670)	(25,810)	(91,096)	44,997	(16,119)	(102,698)
Accrued leave	(27,878)	3,567	1,405	(3,301)	1,270	(24,937)
Unearned revenue	-	-	(33,696)	-	-	(33,696)
Customer utility deposits	9,818	875	-	-	-	10,693
Net pension liability	(245,309)	(45,807)	(183,305)	(80,248)	(58,538)	(613,207)
Net other postemployment benefits liability	(79,348)	(14,817)	(59,292)	(25,957)	(18,935)	(198,349)
Increase in deferred inflows related to pensions	71,664	13,382	53,551	23,444	17,101	179,142
Increase in deferred inflows related to other postemployment benefits	54,122	10,107	40,443	17,705	12,913	135,290
Net Cash Flows from Operating Activities	\$ 968,250	\$ 104,965	\$ 268,191	\$ 280,291	\$ 76,194	\$ 1,697,891

See accompanying notes to basic financial statements.

Notes to Basic Financial Statements
Year Ended June 30, 2018

1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

The component unit columns in the financial statements include the financial data of the Borough's component units. They are discretely presented in a separate column to emphasize that they are legally separate organizations from the Borough.

Wrangell Public Schools

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

Wrangell Medical Center

Wrangell Medical Center provides health care, including long-term care, in the Wrangell area. The voters elect the members of the Hospital Board; however, the Borough Assembly approves the total annual budget of the Hospital and approves the issuance of bonds for construction.

Complete financial statements of individual component units can be obtained from their respective administrative offices at the addresses below:

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

Wrangell Medical Center
P.O. Box 1081
Wrangell, AK 99929

Related Organization

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

Notes to Basic Financial Statements

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

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property and sales taxes, intergovernmental revenues, charges for services, sales and leases, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of

Notes to Basic Financial Statements

special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue in the current period. All other revenue items are considered to be measurable and available only when received by the government.

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

Major governmental funds:

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

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

Sales Tax Special Revenue Fund accounts for sales tax revenue collected by the Borough from purchases made within the Borough from consumers and business owners.

The *Economic Recovery Capital Project Fund* account for the funding and interest earnings associated with a U.S. Department of Agriculture grant for the purpose of economic assistance within the Borough.

Major proprietary funds:

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

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

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are allocated administration fees and charges between the enterprise funds and the various other funds and departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. In addition, general revenues include all taxes, investment income, and State and federal entitlement revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues

Notes to Basic Financial Statements

of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Central Treasury

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

Cash and Cash Equivalents

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

Inventories

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

Receivables and Payables

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

Grants and Other Intergovernmental Revenues

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

Property Taxes

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

Notes to Basic Financial Statements

Interfund Transactions

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

Capital Assets

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

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

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

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

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

Deferred Outflows of Resources

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

Long-term Liabilities

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

Notes to Basic Financial Statements

Compensated Absences

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

Deferred Inflows of Resources

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

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

Pensions and Other Postemployment Benefits

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

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

Fund Balances

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

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

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

Notes to Basic Financial Statements

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

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

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

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

Encumbrances

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

Unearned Grant Revenue

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

Comparative Data

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

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Notes to Basic Financial Statements

2. Change in Accounting Principle

As discussed in Note 14 to the financial statements, the Borough participates in the Alaska Public Employees’ Retirement System (PERS) plan. In 2018, the Borough adopted the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which, among other accounting and reporting criteria, requires the Borough to recognize its proportional share of the Net other Postemployment Benefits Liability (and related deferred inflows of resources and deferred outflows of resources), as of the beginning of the Borough’s fiscal year. As a result of the implementation of this statement, the Borough has recorded an opening balance adjustment to reflect opening balance other Postemployment Benefits liabilities and related accounts and to decrease opening net position as follows:

	Opening Net Position, as Originally Presented	Change in Accounting Principle Adjustment	Opening Net Position (Deficit), as Restated
Governmental Activities	\$ 46,460,126	\$ (736,955)	\$ 45,723,171
Business-type Activities	53,058,102	(351,195)	52,706,907
Electric Utility Enterprise Fund	3,393,578	(140,493)	3,253,085
Water Utility Enterprise Fund	6,316,065	(26,235)	6,289,830
Port Enterprise Fund	39,186,471	(104,982)	39,081,489
Sewer Utility Enterprise Fund	3,634,514	(45,959)	3,588,555
Nonmajor Enterprise Fund	527,474	(33,526)	493,948

3. Stewardship, Compliance and Accountability

Budgetary Accounting

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

Budgetary comparison statements are presented as Required Supplementary Information for the following major funds: General Fund, Permanent Fund Special Revenue Fund and Sales Tax Special Revenue Fund. For the year ended June 30, 2018, expenditures exceeded appropriations in the Personnel Services, Public Works and Community Services departments by \$58,038, \$59,851, and \$80,060, respectively.

Compliance with Bond Covenants

Certain covenants of the revenue bonds require establishment of bond redemption and bond reserve accounts. The balances in these accounts are included as restricted cash in the financial statements.

Notes to Basic Financial Statements

The 1997 Water Utility and Sewer Utility revenue bonds require that rates be maintained at a level that will produce net revenues at least equal to the annual debt service for each year. For the year ended June 30, 2018, the Borough met this requirement for the Sewer Utility but not the Water Utility.

Revenue requirements of the bonds are computed as follows:

<i>Year Ended June 30, 2018</i>	Water Utility	Sewer Utility
Loss before capital contributions and transfers	\$ (521,657)	\$ (97,843)
Add back:		
Depreciation	651,933	353,067
Interest on bonded debt	8,854	8,854
Amount available for debt service	139,130	264,078
Requirement	14,270	14,270
Excess of Revenue Over Requirement	\$ 124,860	\$ 249,808

4. Cash and Investments

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

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the Borough's deposit and investment balances to the financial statements as of June 30, 2018.

	Pooled Cash and Investments	Other	Totals
Bank deposits	\$ 11,833,735	\$ 101,705	\$ 11,935,440
Investments	14,387,717	7,537,439	21,925,156
Total Cash and Investments	\$ 26,221,452	\$ 7,639,144	\$ 33,860,596
			Government- wide Statement of Net Position
Cash and investments			\$ 31,275,770
Restricted cash and investments			2,584,826
Total Cash and Investments			\$ 33,860,596

Notes to Basic Financial Statements

Investment Policy

The Borough's general investment policy authorizes investments in:

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

The Borough's Permanent Fund investment policy authorizes investments in:

1. Fixed income securities, including corporate notes and bonds, mortgage backed bonds, preferred stock, fixed income securities of foreign governments and corporations, and collateralized mortgage obligations;
2. Equity securities, including common stocks, convertible notes and bonds, convertible preferred stocks and other stocks;
3. Mutual funds which invest in allowable securities; and
4. Miscellaneous other assets.

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

The Permanent Fund's investment policy has the following asset allocation guidelines based on fair value:

Asset Class	Minimum	Maximum
Fixed income	30%	60%
Equities	35%	65%
Cash and cash equivalents	5%	15%

Interest Rate Risk

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

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Notes to Basic Financial Statements

Investment maturities in general investments at June 30, 2018 are as follows:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More than 10 Years
Money market funds	\$ 23,171	\$ 23,171	\$ -	\$ -	\$ -
Certificates of deposit	10,571,567	4,746,605	5,824,962	-	-
U.S. Treasuries	2,948,882	24,159	2,845,177	79,546	-
U.S. government agencies	104,343	25,143	70,019	9,181	-
Corporate bonds	264,232	33,934	184,705	45,593	-
Total subject to interest rate risk	13,912,195	\$ 4,853,012	\$ 8,924,863	\$ 134,320	\$ -
Equity securities	475,522				
Total General Investments	\$14,387,717				

Fair Value Measurement

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

General investments are classified in the fair value hierarchy as follows at June 30, 2018:

Investment Type	Level 1	Level 2	Level 3	Fair Value
U.S. Treasuries	\$ 2,948,882	\$ -	\$ -	\$ 2,948,882
U.S. government agencies	-	104,343	-	104,343
Corporate bonds	-	264,232	-	264,232
Equity securities	475,522	-	-	475,522
Total Investments at Fair Value	\$ 3,424,404	\$ 368,575	\$ -	\$ 3,792,979

Investments at amortized cost:

Money market funds	\$ 23,171
Certificates of deposit	10,571,567
Total Investments at Amortized Cost	10,594,738
Total Investments	\$ 14,387,717

The Borough has investments in money market funds and certificates of deposit that are not held at fair value, but instead are recorded at amortized cost, as of June 30, 2018.

Notes to Basic Financial Statements

Credit Risk

The Borough's general investments in corporate bonds of \$264,232 were rated as follows by Standard & Poors: \$6,934 rated AAA, \$9,672 rated AA+, \$33,394 rated AA-, \$42,494 rated A+, \$18,830 rated A, \$77,406 rated A-, and \$75,502 rated BBB+. All of the Borough's investments in U.S. Treasuries are rated AAA. The U.S. government agencies and treasuries are rated AA+.

Investment maturities in Permanent Fund Special Revenue Fund investments at June 30, 2018 are as follows:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10 Years
Money market funds	\$ 191,696	\$ 191,696	\$ -	\$ -	\$ -
U.S. Treasuries	1,023,809	52,333	578,466	332,707	60,303
U.S. government agencies	796,119	62,410	112,570	88,788	532,351
Corporate bonds	840,385	65,079	538,827	104,868	131,611
Total subject to interest rate risk	2,852,009	\$ 371,518	\$ 1,229,863	\$ 526,363	\$ 724,265
Equity securities	4,685,430				
Total Permanent Fund Investments	\$ 7,537,439				

In addition to the investments disclosed above, the Permanent Fund Special Revenue Fund holds \$321,302 in cash. When combined with the investment held in the Permanent Fund Special Revenue Fund at fair value, the total balance of cash and investments is \$7,858,741.

Fair Value Measurement

Permanent fund investments are classified in the fair value hierarchy as follows at June 30, 2018:

Investment Type	Level 1	Level 2	Level 3	Fair Value
Equity securities	\$ 4,685,430	\$ -	\$ -	4,685,430
Money market funds	191,696	-	-	191,696
Corporate bonds	-	840,385	-	840,385
U.S. Treasuries	1,023,809	-	-	1,023,809
U.S. government agencies	-	796,119	-	796,119
Total Investments at Fair Value	\$ 5,900,935	\$ 1,636,504	\$ -	7,537,439

Credit Risk

The Borough's Permanent Fund Special Revenue Fund investments in corporate bonds of \$840,385 were rated as follows by Standard & Poors: \$8,411 rated AAA, \$17,502 rated AA+, \$19,847 rated AA, \$70,008 rated AA-, \$128,165 rated A+, \$199,284 rated A, \$207,770 rated A-, \$106,112 rated BBB+, and \$83,286 rated BBB. All of the Borough's investments in U.S. Treasuries are rated AAA. The U.S. government agencies and treasuries are rated AA+.

Notes to Basic Financial Statements

5. Accounts Receivable and Valuation Allowances

The Borough maintains accounts receivable balances of which a portion is reserved as an allowance for doubtful receivables. At June 30, 2018, receivables for the Borough's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

<i>June 30, 2018</i>	Major Governmental Funds			Nonmajor Govern- mental Funds	Total Govern- mental Funds
	General	Permanent	Sales Tax		
Grants and shared revenues	\$ 26,571	\$ -	\$ -	\$ -	26,571
Property taxes	77,778	-	-	-	77,778
Sales taxes	424,115	-	221,185	-	645,300
Accounts	295,208	-	-	-	295,208
Land sales and improvements	-	-	-	56,741	56,741
Accrued interest	40,256	15,771	-	3,571	59,598
Total receivables	863,928	15,771	221,185	60,312	1,161,196
Less allowance for doubtful accounts	(4,305)	-	-	-	(4,305)
Net Receivables	\$ 859,623	\$ 15,771	\$ 221,185	\$ 60,312	\$ 1,156,891

	Major Enterprise Funds				Nonmajor Enterprise Fund	Total Enterprise Funds
	Electric Utility	Water Utility	Port	Sewer Utility		
Accounts	\$ 303,907	\$ 39,829	\$ 156,729	\$ 37,888	\$ 33,008	\$ 571,361
Accrued interest	-	31	162	6	-	199
Total receivables	303,907	39,860	156,891	37,894	33,008	571,560
Less allowance for doubtful accounts	(1,256)	-	(23,000)	-	-	(24,256)
Net Receivables	\$ 302,651	\$ 39,860	\$ 133,891	\$ 37,894	\$ 33,008	\$ 547,304

Notes to Basic Financial Statements

6. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions and Reclass- ifications	Deletions and Reclass- ifications	Balance June 30, 2018
Governmental Activities				
<i>Capital assets not being depreciated -</i>				
Land and land improvements	\$ 1,186,678	\$ -	\$ -	\$ 1,186,678
<i>Capital assets being depreciated:</i>				
Infrastructure	15,429,146	605,077	-	16,034,223
Buildings	48,368,164	5,819	-	48,373,983
Improvements other than buildings	6,268,622	24,661	-	6,293,283
Machinery and equipment	6,037,964	77,419	(2,021,018)	4,094,365
Total capital assets being depreciated	76,103,896	712,976	(2,021,018)	74,795,854
Less accumulated depreciation for:				
Infrastructure	3,251,926	360,028	-	3,611,954
Buildings	35,537,255	1,112,355	-	36,649,610
Improvements other than buildings	4,039,506	192,493	-	4,231,999
Machinery and equipment	5,101,552	198,230	(2,021,018)	3,278,764
Total accumulated depreciation	47,930,239	1,863,106	(2,021,018)	47,772,327
Total capital assets being depreciated, net	28,173,657	(1,530,130)	-	27,023,527
Governmental Activities Capital Assets, net	\$ 29,360,335	\$ (1,150,130)	\$ -	\$ 28,210,205

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City and Borough of Wrangell, Alaska

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Notes to Basic Financial Statements

	Balance July 1, 2017	Additions and Reclas- sifications	Deletions and Reclas- sifications	Balance June 30, 2018
Business-type Activities				
<i>Capital assets not being depreciated -</i>				
Land and land improvements	\$ 959,233	\$ -	\$ -	\$ 959,233
Construction in progress	1,540,899	283,581	(955,127)	869,353
Total capital assets not being depreciated	2,500,132	283,581	(955,127)	1,828,586
<i>Capital assets being depreciated:</i>				
Buildings	9,045,651	-	-	9,045,651
Improvements other than buildings	79,086,888	1,201,735	(778,246)	79,510,377
Machinery and equipment	5,214,682	246,595	(100,760)	5,360,517
Total capital assets being depreciated	93,347,221	1,448,330	(879,006)	93,916,545
Less accumulated depreciation for:				
Buildings	6,735,216	396,043	-	7,131,259
Improvements other than buildings	38,349,730	2,556,542	(591,467)	40,314,805
Machinery and equipment	3,771,727	303,038	(97,788)	3,976,977
Total accumulated depreciation	48,856,673	3,255,623	(689,255)	51,423,041
Total capital assets being depreciated, net	44,490,548	(1,807,293)	(189,751)	42,493,504
Business-Type Activity Capital Assets, net	\$ 46,990,680	\$ (1,523,712)	\$ (1,144,878)	\$ 44,322,090

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Notes to Basic Financial Statements

Depreciation expense was charged to the functions as follows for the year ended June 30, 2018:

Governmental Activities	
General government	\$ 52,401
Public safety	256,978
Public works	497,875
Parks and recreation	60,429
Community services	466,025
Education	529,398
Total Depreciation Expense - Governmental Activities	\$ 1,863,106

Business-Type Activities	
Electric utility	\$ 276,361
Water utility	651,933
Sewer utility	353,067
Sanitation utility	76,132
Port	1,898,130
Total Depreciation Expense - Business Type Activities	\$ 3,255,623

7. Interfund Balances and Transfers

A schedule of interfund balances and transfers for the year ended June 30, 2018, follows:

Due to Other Funds	
Due to General Fund from:	
Nonmajor governmental funds for short-term capital advances	\$ 3,864
Total Amount Due to General Fund	\$ 3,864

Interfund Loans	
Due to General Fund from:	
Port Enterprise Fund for long-term capital advances	\$ 102,146
Total Amount Due to General Fund	\$ 102,146

City and Borough of Wrangell, Alaska

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Notes to Basic Financial Statements

Transfers

From General Fund to:	
Nonmajor governmental fund to cover debt service costs	\$ 102,079
Nonmajor governmental funds to cover operating costs	713,750
Nonmajor governmental funds to cover capital costs	493,500
<hr/>	
Total transfers from General Fund	1,309,329
<hr/>	
From Permanent Fund Special Revenue Fund to General Fund for operating costs	250,000
<hr/>	
From Sales Tax Special Revenue Fund to Nonmajor governmental fund for pool operating costs	29,000
<hr/>	
From nonmajor governmental funds to:	
Other nonmajor governmental funds for operating costs	11,200
General Fund to transfer fund balance	53,413
<hr/>	
Total transfers from nonmajor governmental funds	64,613
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Total Transfers to Other Funds	\$ 1,652,942

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Notes to Basic Financial Statements

8. Long-term Liabilities

The following is a summary of long-term liability transactions of the Borough for the year ended June 30, 2018:

Governmental Activities	Balance July 1, 2017	Additions	Retired	Balance June 30, 2018	Due Within One Year
General Obligation Bonds:					
\$1,289,000 refunding 2015A Series One School bond, due in annual installments of \$205,000 to \$240,000 through 2021, plus semi-annual interest payments at rates ranging from 2.0% to 5.0% per annum	\$ 880,000	\$ -	\$ 205,000	\$ 675,000	\$ 215,000
\$220,000 2011 school bonds, due in annual installments of \$25,000 through 2021, plus semi-annual interest payments at rates ranging from 3.0% to 4.0% per annum	100,000	-	25,000	75,000	25,000
Accrued leave	265,768	58,355	22,880	301,243	301,243
Total Governmental Activities	1,245,768	\$ 58,355	\$ 252,880	1,051,243	\$ 541,243
Plus unamortized bond premium	78,466			58,849	
	<u>\$ 1,324,234</u>			<u>\$ 1,110,092</u>	

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

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Notes to Basic Financial Statements

Business-type Activities	Balance July 1, 2017	Additions	Retired	Balance June 30, 2018	Due Within One Year
Revenue Bonds:					
\$250,000 1997 Sewer Utility revenue bonds, due in semi-annual installments of \$7,135 including interest at 4.875% through 2038	\$ 182,960	\$ -	\$ 182,960	\$ -	\$ -
\$250,000 1997 Water Utility revenue bonds, due in semi-annual installments of \$7,135 including interest at 4.875% through 2038	182,946	-	5,416	177,530	5,684
Loans Payable:					
\$91,000 Sewer loan due in semi-annual installments of \$1,623 including interest at 1.875% through 2057	90,230	-	1,570	88,660	1,591
\$1,501,836 Water Utility loan due in annual installments of \$89,987 including interest at 1.5% through 2021	346,844	-	84,784	262,060	86,056
\$200,000 Port loan from the General Fund to be paid with 50% of port development fees	118,994	-	16,848	102,146	16,848*
\$235,096 Port loan from the Permanent Fund Special Revenue Fund	23,509	-	23,509	-	-
Accrued leave	98,613	6,740	31,677	73,676	73,676
Total Business-Type Activities	\$ 1,044,096	\$ 6,740	\$ 346,764	\$ 704,072	\$ 183,855

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

City and Borough of Wrangell, Alaska

Item a.

Notes to Basic Financial Statements

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

Governmental Activities Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2019	\$ 240,000	\$ 28,050	\$ 268,050
2020	250,000	18,250	268,250
2021	260,000	6,875	266,875
	\$ 750,000	\$ 53,175	\$ 803,175

Business-type Activities Year Ending June 30,	Revenue Bonds			Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 5,684	\$ 8,586	\$ 14,270	\$ 87,647	\$ 5,586	\$ 93,233
2020	5,964	8,306	14,270	88,968	4,265	93,233
2021	6,258	8,012	14,270	90,308	2,925	93,233
2022	6,567	7,703	14,270	1,682	1,564	3,246
2023	6,891	7,379	14,270	1,714	1,532	3,246
2024-2028	39,905	31,445	71,350	9,068	7,162	16,230
2029-2033	50,772	20,578	71,350	9,955	6,275	16,230
2034-2038	55,489	6,678	62,167	10,928	5,302	16,230
2039-2043	-	-	-	11,997	4,233	16,230
2044-2048	-	-	-	13,170	3,060	16,230
2049-2053	-	-	-	14,459	1,771	16,230
2054-2058	-	-	-	10,824	407	11,231
	\$ 177,530	\$ 98,687	\$ 276,217	\$ 350,720	\$ 44,082	\$ 394,802

9. Net Position

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

	Governmental Activities	Business -type Activities	Total
Net investment in capital assets	\$ 27,401,356	\$ 43,793,840	\$ 71,195,196
Restricted:			
Barnes Endowment	50,000	-	50,000
Economic stability	7,874,512	-	7,874,512
Schools and roads	3,270,698	-	3,270,698
Total restricted	11,195,210	-	11,195,210
Unrestricted	7,623,588	8,086,731	15,710,319
Total Net Position	\$ 46,220,154	\$ 51,880,571	\$ 98,100,725

Notes to Basic Financial Statements

10. Fund Balances

Fund balances, reported in the Borough's individual major funds and nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints at June 30, 2018:

<u>Major Governmental Funds</u>						
	General	Permanent Fund Special Revenue	Sales Tax Special Revenue	Economic Recovery Capital Project	Nonmajor Funds	Totals
Nonspendable:						
Interfund loans	\$ 102,146	-\$	-	-	-	102,146
Inventory	-	-	-	-	94,334	94,334
Total nonspendable	102,146	-	-	-	94,334	196,480
Restricted:						
Economic stability	-	7,874,512	-	-	-	7,874,512
Schools and roads	-	-	-	-	3,270,698	3,270,698
Barnes Endowment	-	-	-	-	50,000	50,000
Total restricted	-	7,874,512	-	-	3,320,698	11,195,210
Committed:						
Community services	-	-	-	-	356,489	356,489
Education and health	-	-	865,100	-	-	865,100
Swimming pool	-	-	-	-	1,077,193	1,077,193
Land and industrial development	-	-	-	-	355,462	355,462
Total committed	-	-	865,100	-	1,789,144	2,654,244
Assigned:						
Projects	-	-	-	-	375,296	375,296
Economic recovery	-	-	-	1,353,445	-	1,353,445
Community services	-	-	-	-	47,974	47,974
Total assigned	-	-	-	1,353,445	423,270	1,776,715
Unassigned (deficit)	7,334,694	-	-	-	(3,864)	7,330,830
Total Fund Balances	\$ 7,436,840	\$ 7,874,512	\$ 865,100	\$ 1,353,445	\$ 5,623,582	\$ 23,153,479

Notes to Basic Financial Statements

11. Municipal Landfill Closure and Postclosure Liability

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

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

12. Restrictions of Sales Tax Revenues

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

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

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

13. School Support

The following is a summary of the total support provided by the Borough to the School District for the year ended June 30, 2018. Support provided to the School District does not include debt service payments on school facilities or capital expenditures.

Special Revenue Funds:	
Sales Tax	\$ 667,800
National Forest Receipts	848,488
<hr/>	
Total Contributions to School District	\$ 1,516,288

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Notes to Basic Financial Statements

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

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

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

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

The PERS DB Plan was closed to new entrants effective June 30, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

Historical Context and Special Funding Situation

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

Alaska Statute 39.35.255 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board. As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

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

It is important to note that the Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Notes to Basic Financial Statements

Employee Contribution Rates

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

Employer and Other Contribution Rates

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

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

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

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

GASB Rate: This is the rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the GASB Rate disregards all future Medicare Part D payments. For FY18, the rate uses an 8% pension discount rate and a 4.30% healthcare discount rate.

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

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Notes to Basic Financial Statements

Contribution rates for the year ended June 30, 2018 were determined in the June 30, 2015 actuarial valuation.

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate	GASB Rate
Pension	17.12%	21.90%	3.01%	29.07%
Other postemployment benefits (see Note 14)	4.88%	3.11%	0.00%	66.85%
Total Contribution Rates	22.00%	25.01%	3.01%	95.92%

In 2018, the Borough was credited with the following contributions to the pension plan.

	Measurement Period Borough FY17	Borough FY18
Employer contributions (including DBUL)	\$ 537,369	\$ 525,495
Nonemployer contributions (on-behalf)	144,324	108,202
Total Contributions	\$ 681,693	\$ 633,697

In addition, employee contributions to the Plan totaled \$145,813 during the Borough's fiscal year.

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

At June 30, 2018, the Borough reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total were as follows:

	2018
Borough proportionate share of NPL	\$ 5,261,719
State's proportionate share of NPL associated with the Borough	1,960,717
Total Net Pension Liability	\$ 7,222,436

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 to calculate the net pension liability as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2017 measurement date, the Borough's proportion was 0.10179 percent, which was a decrease of 0.02634 from its proportion measured as of June 30, 2016.

Notes to Basic Financial Statements

For the year ended June 30, 2018, the Borough recognized pension expense of \$(184,569) and on-behalf revenue of \$155,625 for support provided by the State. At June 30, 2018, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (94,600)
Net difference between projected and actual earnings on pension plan investments	141,138	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions	-	(555,056)
Borough contributions subsequent to the measurement date	525,495	-
Total Deferred Outflows and Deferred Inflows of Resources Related to Pensions	\$ 666,633	\$ (649,656)

The \$525,495 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2019	\$ (639,811)
2020	146,967
2021	65,976
2022	(81,650)

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Notes to Basic Financial Statements

Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	Graded by service, from 9.66% to 4.92% for peace officer/ firefighter Graded by age and service, from 8.55% to 4.34% for all others
Allocation Methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Investment Return / Discount Rate	8.00%, net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for others. Post-termination - 96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB.

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Notes to Basic Financial Statements

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

<i>Asset Class</i>	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79%
Intermediate Treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

Discount Rate

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

Discount Rate Sensitivity

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate:

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Borough's proportionate share of the net pension liability	0.10179%	\$ 6,911,752	\$ 5,261,719	\$ 3,868,328

Notes to Basic Financial Statements

Pension Plan Fiduciary Net Position

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

(b) Defined Contribution (DC) Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a defined contribution plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the defined benefit plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. <http://doa.alaska.gov/dr/pers>.

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

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service.

Employee Contribution Rate

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

Employer Contribution Rate

For the year ended June 30, 2018, the Borough was required to contribute 5% of covered salary into the Plan.

The Borough and employee contributions to PERS for pensions for the year ended June 30, 2018 were \$60,239 and \$96,383, respectively. The Borough contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plan

As part of its participation in the PERS DB Plan (Tiers I, II, III), which is a cost-sharing multiple employer plan, the District participates in the Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD). The ARHCT is self-funded and provides major medical coverage to retirees of the DB Plan. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration.

Notes to Basic Financial Statements

Employer Contribution Rate

The Borough is required to contribute 8.75% of covered payroll into the OPEB plan. Employees do not contribute.

In 2018, the Borough was credited with the following contributions to the OPEB plan:

	Measurement Period Borough FY17	Borough FY18
Employer contributions	\$ 377,649	\$ 151,842
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 377,649	\$ 151,842

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

At June 30, 2018, the Borough reported a liability for its proportionate share of the net OPEB liabilities (NOL) that reflected a reduction for State OPEB support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total were as follows:

	2018
Borough's proportionate share of NOL - ARHCT	\$ 860,457
Borough's proportionate share of NOL - RMP	5,359
Borough's proportionate share of NOL - ODD	(14,582)
State's proportionate share of the NOL associated with the Borough	320,648
Total Net OPEB Liabilities	\$ 1,171,882

The total OPEB liabilities for the June 30, 2017 measurement date was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 to calculate the net OPEB liabilities as of that date. The Borough's proportion of the net OPEB liabilities were based on a projection of the Borough's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2016 Measurement Date Employer Proportion	June 30, 2017 Measurement Date Employer Proportion	Change
Borough's proportionate share of the net OPEB liabilities:			
ARHCT	0.12821 %	0.10186%	(0.02635)%
RMP	0.11454 %	0.10277%	(0.01177)%
ODD	0.11454 %	0.10277%	(0.01177)%

Notes to Basic Financial Statements

As a result of its requirement to contribute to the Plan, the Borough recognized OPEB expense of \$83,076 and on-behalf revenue of \$50,382 for support provided by the State. At June 30, 2018, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (46,874)
Net difference between projected and actual earnings on OPEB plan investments	-	(272,974)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	1,250	(99,343)
Borough contributions subsequent to the measurement date	151,842	-
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB Plans	\$ 153,092	\$ (419,191)

The \$151,842 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,

2019	\$ (148,699)
2020	(132,613)
2021	(68,267)
2022	(68,267)
2023	(23)
Thereafter	(72)

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Notes to Basic Financial Statements

Actuarial Assumptions

The total OPEB liability for the measurement period ended June 30, 2017 (Borough fiscal year 2018) was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2017. The actuarial assumptions used in the June 30, 2016 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

Actuarial cost method	Entry age normal; level percentage of payroll
Amortization method	Level dollar, closed
Inflation	3.12%
Salary increases	Graded by service from 9.66% to 4.92% for peace officer/ firefighter Graded by service from 8.55% to 4.34% for all others
Allocation Methodology	Amounts for FY17 were allocated to employers based on the projected present value of contributions for FY2019-FY2039. The liability is expected to go to zero at 2039.
Investment Return / Discount Rate	8.00%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical; 8.8% grading down to 4.4% Post-65 medical; 5.8% grading down to 4.0% Prescription drug; 5.4% grading down to 4.0%
Mortality	Pre-termination - Based on the 2010-2013 actual mortality experience, 60% of male and 65% of female post-termination rates. Deaths are assumed to be occupational 70% of the time for peace officers/firefighters, 50% of the time for all others. Post-termination - 96% of all rates of the RP-2000 table, 2000 base year projected to 2018 with projection scale BB.

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

Notes to Basic Financial Statements

<i>Asset Class</i>	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	8.83%
Global ex-U.S. equity	22%	7.79%
Intermediate Treasuries	13%	1.29%
Opportunistic	5%	4.76%
Real assets	17%	4.94%
Absolute return	7%	4.76%
Private equity	9%	12.02%
Cash equivalents	1%	0.63%

Discount Rate

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

Discount Rate Sensitivity

The following presents the Borough's proportionate share of the net OPEB liabilities calculated using the discount rate of 8.00%, as well as what the Borough's proportionate share of the net OPEB liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	Proportional Share	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Borough's proportionate share of the net OPEB liabilities:				
ARHCT	0.10186%	\$ 1,841,468	\$ 860,457	\$ 35,292
RMP	0.10277%	\$ 25,107	\$ 5,359	\$ (10,061)
ODD	0.10277%	\$ (13,164)	\$ (14,582)	\$ (15,741)

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Notes to Basic Financial Statements

Healthcare Cost Trend Rates Sensitivity

The following presents the Borough’s proportionate share of the net OPEB liabilities calculated using the healthcare cost trend rate, as well as what the Borough’s proportionate share of the net OPEB liabilities would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
Borough’s proportionate share of the net OPEB liabilities:				
ARHCT	0.10186%	\$ (95,449)	\$ 860,457	\$ 2,009,684
RMP	0.10277%	\$ (13,266)	\$ 5,359	\$ 30,314
ODD	0.10277%	\$ -	\$ (14,582)	\$ -

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plans

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the Occupational Death and Disability Plan (ODD), and the Retiree Medical Plan. Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment health care benefits.

Employer Contribution Rates

Employees do not contribute to the DC OPEB plans. Employer contribution rates for the year ended June 30, 2018 were as follows:

	Other Tier IV	Police/Fire Tier IV
Retiree medical plan	1.03%	1.03%
Occupational death and disability benefits	0.16%	0.43%
Total Contribution Rates	1.19%	1.46%

In addition, PERS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. As of July 1, 2017, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,084 per year for each full-time employee, and \$1.34 per hour for part-time employees.

Notes to Basic Financial Statements

Annual Postemployment Healthcare Cost

In 2018, the Borough contributed \$47,074 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

17. Risk Management

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

18. Contingencies*Grants*

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

Environmental Remediation

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

Notes to Basic Financial Statements

19. Subsequent Events

Subsequent to year-end, the Wrangell Medical Center, a discretely presented component unit, was purchased by an independent third party. The sale was finalized on October 26, 2018.

Subsequent to year-end, the Borough incurred approximately \$4.4 million in expenditures related to the Shoemaker Harbor Float Replacement project.

20. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined.

GASB 84 - Fiduciary Activities - Effective for year-end June 30, 2020, with earlier application encouraged - This statement addresses criteria for identifying and reporting fiduciary activities.

GASB 87 - Leases - Effective for year-end June 30, 2021, with earlier application encouraged - This statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - Effective for year-end June 30, 2021, with earlier application encouraged - This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

GASB 90 - Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61 - Effective for year-end June 30, 2020, with earlier application encouraged - This statement addresses accounting and financial reporting for a majority equity interest in a legally separate organization. It provides a definition of a majority equity interest and provides guidance for further presentation as either an investment or a component unit, based on specific criteria.

GASB 91 - Conduit Debt Obligations - Effective for year-end December 31, 2021, with earlier application encouraged - This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

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Required Supplementary Information

City and Borough of Wrangell, Alaska

General Fund

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

<i>Year Ended June 30, 2018</i>	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 3,955,000	\$ 3,955,000	\$ 4,038,652	\$ 83,652
Intergovernmental	1,041,799	1,041,799	929,917	(111,882)
Charges for services	275,633	275,633	197,618	(78,015)
Sales and leases	114,500	114,500	128,300	13,800
Fines and forfeitures	7,500	7,500	11,707	4,207
Investment income	35,000	35,000	7,802	(27,198)
Other	8,750	8,750	28,356	19,606
Total Revenues	5,438,182	5,438,182	5,342,352	(95,830)
Expenditures				
General government	1,117,650	1,204,350	1,127,169	77,181
Public safety	2,686,502	2,349,502	2,130,410	219,092
Public works	984,295	936,295	996,146	(59,851)
Library	300,830	305,830	272,713	33,117
Community services	409,800	140,100	168,822	(28,722)
Total Expenditures	5,499,077	4,936,077	4,695,260	240,817
Excess of Revenues Over (Under) Expenditures	(60,895)	502,105	647,092	144,987
Other Financing Sources (Uses)				
Transfers in	304,250	304,250	303,413	(837)
Transfers out	(700,666)	(1,268,165)	(1,309,329)	(41,164)
Net Other Financing Sources (Uses)	(396,416)	(963,915)	(1,005,916)	(42,001)
Net Change in Fund Balance	\$ (457,311)	\$ (461,810)	(358,824)	\$ 102,986
Fund Balance, beginning			<u>7,795,664</u>	
Fund Balance, ending			<u>\$ 7,436,840</u>	

See accompanying notes to Required Supplementary Information.

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

<i>Year Ended June 30, 2018</i>	Original and Final Budget	Actual	Variance with Budget
Revenues			
Investment income	\$ 250,000	\$ 578,163	\$ 328,163
Lease revenue	16,440	16,440	-
Total Revenues	266,440	594,603	328,163
Expenditures - community services - insurance	-	4,228	(4,228)
Excess of Revenue Over Expenditures	266,440	590,375	323,935
Other Financing Uses - transfers out	(650,000)	(250,000)	400,000
Net Change in Fund Balance	<u>\$ (383,560)</u>	340,375	<u>\$ 723,935</u>
Fund Balance, beginning		<u>7,534,137</u>	
Fund Balance, ending		<u>\$ 7,874,512</u>	

See accompanying notes to Required Supplementary Information.

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

<i>Year Ended June 30, 2018</i>	Original and Final Budget	Actual	Variance with Budget
Revenues			
Sales tax	\$ 840,000	\$ 838,225	\$ 1,775
Investment income	10,000	722	9,278
Total Revenues	850,000	838,947	11,053
Expenditures			
Contributions to school district	667,800	667,800	-
Street design/construction	585,000	554,077	30,923
Total Expenditures	1,252,800	1,221,877	30,923
Excess of Revenues Under Expenditures	(402,800)	(382,930)	(19,870)
Other Financing Uses - transfers out	-	(29,000)	29,000
Net Change in Fund Balance	<u>\$ (402,800)</u>	(411,930)	<u>\$ 9,130</u>
Fund Balance, beginning		<u>1,277,030</u>	
Fund Balance, ending		<u>\$ 865,100</u>	

See accompanying notes to Required Supplementary Information.

City and Borough of Wrangell, Alaska
Public Employees' Retirement System (PERS)
Schedule of the Borough's Information on the Net Pension Liability

<i>Year Ended June 30,</i>	Borough's Proportion of the Net Pension Liability	Borough's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	Borough's Covered Payroll	Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2009	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2015	0.09481%	\$ 4,421,796	\$ 3,807,733	\$ 8,229,709	\$ 3,598,834	122.87%	62.37%
2016	0.12944%	\$ 6,277,982	\$ 1,682,286	\$ 7,960,268	\$ 3,219,425	195.00%	63.96%
2017	0.12813%	\$ 7,161,690	\$ 901,438	\$ 8,063,128	\$ 3,146,642	227.60%	59.55%
2018	0.10179%	\$ 5,261,718	\$ 1,960,717	\$ 7,222,435	\$ 3,185,949	165.15%	63.37%

* Information for these years is not available.

See accompanying notes to Required Supplementary Information.

City and Borough of Wrangell, Alaska
Public Employees' Retirement System (PERS)
Schedule of the Borough's Contributions

<i>Year Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Borough's Covered Payroll	Contributions as a Percentage of Covered Payroll
2009	*	*	*	*	*
2010	*	*	*	*	*
2011	*	*	*	*	*
2012	*	*	*	*	*
2013	*	*	*	*	*
2014	*	*	*	*	*
2015	\$ 340,908	\$ 340,908	\$ -	\$ 3,219,425	10.59%
2016	\$ 343,399	\$ 343,399	\$ -	\$ 3,146,642	10.91%
2017	\$ 537,369	\$ 537,369	\$ -	\$ 3,185,949	16.87%
2018	\$ 525,495	\$ 525,495	\$ -	\$ 3,289,940	15.97%

* Information for these years is not available.

See accompanying notes to Required Supplementary Information.

City and Borough of Wrangell, Alaska
Public Employees' Retirement System (PERS) OPEB Plan
Schedule of the Borough's Information on the Net Pension Liability

<i>Year Ended June 30,</i>	Borough's Proportion of the Net OPEB Liability	Borough's Proportionate Share of the Net OPEB Liability	State of Alaska Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	Borough's Covered Payroll	Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2009	*	*	*	*	*	*	*
2010	*	*	*	*	*	*	*
2011	*	*	*	*	*	*	*
2012	*	*	*	*	*	*	*
2013	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*
2015	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*
2017	*	*	*	*	*	*	*
2018	0.10186%	\$ 860,457	\$ 320,648	\$ 1,181,105	\$ 3,185,949	27.01%	89.68%

* Information for these years is not available.

See accompanying notes to Required Supplementary Information.

City and Borough of Wrangell, Alaska
Public Employees' Retirement System (PERS) OPEB Plan
Schedule of the Borough's Contributions

<i>Year Ended June 30,</i>	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Borough's Covered Payroll	Contributions as a Percentage of Covered Payroll
2009	*	*	*	*	*
2010	*	*	*	*	*
2011	*	*	*	*	*
2012	*	*	*	*	*
2013	*	*	*	*	*
2014	*	*	*	*	*
2015	*	*	*	*	*
2016	*	*	*	*	*
2017	*	*	*	*	*
2018	\$ 151,842	\$ 151,842	\$ -	\$ 3,289,940	4.62%

* Information for these years is not available.

See accompanying notes to Required Supplementary Information.

Notes to Required Supplementary Information
June 30, 2018

1. Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

The schedules are presented on the modified accrual basis of accounting.

2. Public Employees' Retirement System - Schedule of the Borough's Information on the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017.

There were no changes in benefit terms from the prior measurement period.

There were no changes in assumptions from the prior measurement period.

There were no changes in allocation methodology.

3. Public Employees' Retirement System Pension Plan - Schedule of the Borough's Contributions

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

4. Public Employees' Retirement System - Schedule of the Borough's Information on the Net OPEB Liability

This table is presented based on the Plan measurement date. For June 30, 2018, the Plan measurement date is June 30, 2017.

There were no changes in benefit terms from the prior measurement period.

There were no changes in assumptions from the prior measurement period.

There were no changes in allocation methodology.

5. Public Employees' Retirement System OPEB Plan - Schedule of the Borough's Contributions

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

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Supplementary Information

City and Borough of Wrangell, Alaska

Nonmajor Governmental Funds

Combining Balance Sheet

	Special Revenue Funds				Capital Project Funds			Total Nonmajor Govern- mental Funds
	Transient Tax	Secure Rural Schools	Parks and Recreation	Nolan Center	Residential Construc- tion	Industrial Construc- tion	Misc- ellaneous	
<i>June 30, 2018</i>								
Assets								
Cash and investments	\$ 363,531	\$ 3,270,698	\$ 1,092,885	\$ 112,353	\$ -	\$ 355,462	\$ 530,689	\$ 5,725,618
Receivables:								
Accrued interest	-	-	3,569	2	-	-	-	3,571
Land sales and improvements	-	-	-	-	23,685	33,056	-	56,741
Inventory	-	-	-	94,334	-	-	-	94,334
Total Assets	\$ 363,531	\$ 3,270,698	\$ 1,096,454	\$ 206,689	\$ 23,685	\$ 388,518	\$ 530,689	\$ 5,880,264

City and Borough of Wrangell, Alaska

Nonmajor Governmental Funds
Combining Balance Sheet, continued

	Special Revenue Funds				Capital Project Funds			Total Nonmajor Govern- mental Funds
	Transient Tax	Secure Rural Schools	Parks and Recreation	Nolan Center	Residential Construc- tion	Industrial Construc- tion	Misc- ellaneous	
<i>June 30, 2018</i>								
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable	\$ 7,042	\$ -	\$ 19,261	\$ 4,031	\$ -	\$ -	\$ 83,883	\$ 114,217
Unearned revenue	-	-	-	10,350	-	-	71,510	81,860
Due to other funds	-	-	-	-	3,864	-	-	3,864
Total Liabilities	7,042	-	19,261	14,381	3,864	-	155,393	199,941
Deferred Inflows of Resources - land sale receivables not yet due	-	-	-	-	23,685	33,056	-	56,741
Fund Balances								
Nonspendable - inventory	-	-	-	94,334	-	-	-	94,334
Restricted:								
Schools and roads	-	3,270,698	-	-	-	-	-	3,270,698
Barnes Endowment	-	-	-	50,000	-	-	-	50,000
Committed:								
Community services	356,489	-	-	-	-	-	-	356,489
Swimming pool	-	-	1,077,193	-	-	-	-	1,077,193
Land development	-	-	-	-	-	355,462	-	355,462
Assigned:								
Projects	-	-	-	-	-	-	375,296	375,296
Community services	-	-	-	47,974	-	-	-	47,974
Unassigned (deficit)	-	-	-	-	(3,864)	-	-	(3,864)
Total Fund Balances (deficits)	356,489	3,270,698	1,077,193	192,308	(3,864)	355,462	375,296	5,623,582
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 363,531	\$ 3,270,698	\$ 1,096,454	\$ 206,689	\$ 23,685	\$ 388,518	\$ 530,689	\$ 5,880,264

City and Borough of Wrangell, Alaska
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	Special Revenue Funds					Capital Project Funds			Total Nonmajor Governmental Funds
	Transient Tax	Secure Rural Schools	Parks and Recreation	Nolan Center	Debt Service Fund	Residential Construc- tion	Industrial Construc- tion	Misc- ellaneous	
<i>Year Ended June 30, 2018</i>									
Revenues									
Taxes	\$ 99,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,971
Intergovernmental	-	890,217	4,487	11,533	165,246	-	-	4,172	1,075,655
Charges for services	-	-	75,444	92,174	-	-	-	-	167,618
Sales and leases	-	-	-	66,536	-	-	-	-	66,536
Investment income (loss)	392	3,521	38,750	29	-	(112)	4,662	-	47,242
Land sales and improvements	-	-	-	-	-	1,362	24,157	-	25,519
Donations and contributions	50,000	-	4,380	147,032	-	-	-	-	201,412
Other	636	-	3,304	21,226	-	-	-	-	25,166
Total Revenues	150,999	893,738	126,365	338,530	165,246	1,250	28,819	4,172	1,709,119

City and Borough of Wrangell, Alaska

Nonmajor Governmental Funds

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

Year Ended June 30, 2018	Special Revenue Funds					Capital Project Funds			Total Nonmajor Governmental Funds
	Transient Tax	Secure Rural Schools	Parks and Recreation	Nolan Center	Debt Service Fund	Residential Construc- tion	Industrial Construc- tion	Misc- ellaneous	
Expenditures									
Parks and recreation	\$ -	\$ -	\$ 607,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 607,153
Community services	44,390	-	-	588,474	-	-	-	-	632,864
Education - contributions to school district	-	848,488	-	-	-	-	-	-	848,488
Debt service:									
Principal	-	-	-	-	230,000	-	-	-	230,000
Interest	-	-	-	-	37,325	-	-	-	37,325
Capital outlay	-	-	1,045	-	-	800	1,283	138,783	141,911
Total Expenditures	44,390	848,488	608,198	588,474	267,325	800	1,283	138,783	2,497,741
Excess of Revenues Over (Under) Expenditures	106,609	45,250	(481,833)	(249,944)	(102,079)	450	27,536	(134,611)	(788,622)
Other Financing Sources (Uses)									
Transfers in	-	-	472,665	252,285	102,079	-	-	522,500	1,349,529
Transfers out	(11,200)	(53,413)	-	-	-	-	-	-	(64,613)
Net Other Financing Sources (Uses)	(11,200)	(53,413)	472,665	252,285	102,079	-	-	522,500	1,284,916
Net Change in Fund Balances	95,409	(8,163)	(9,168)	2,341	-	450	27,536	387,889	496,294
Fund Balances (Deficits), beginning	261,080	3,278,861	1,086,361	189,967	-	(4,314)	327,926	(12,593)	5,127,288
Fund Balances (Deficits), ending	\$ 356,489	\$ 3,270,698	\$ 1,077,193	\$ 192,308	\$ -	\$ (3,864)	\$ 355,462	\$ 375,296	\$ 5,623,582

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General Fund

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

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

City and Borough of Wrangell, Alaska

General Fund Balance Sheet

<i>June 30,</i>	2018	2017
Assets		
Cash and investments	\$ 6,628,865	\$ 7,098,486
Receivables:		
Property taxes	77,778	82,764
Sales taxes	424,115	429,671
Accounts	295,208	131,425
Accrued interest	40,256	33,744
Grants and shared revenues	26,571	79,945
Total receivables	863,928	757,549
Less allowance for doubtful accounts	(4,305)	(83,871)
Net receivables	859,623	673,678
Due from other funds	3,864	115,766
Interfund loan receivable	102,146	118,994
Total Assets	\$ 7,594,498	\$ 8,006,924
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
Accounts payable	\$ 72,642	\$ 111,332
Unearned revenue	12,225	11,825
Total Liabilities	84,867	123,157
Deferred Inflows of Resources		
Delinquent property taxes	60,414	82,764
Taxes collected in advance	12,377	5,339
Total Liabilities and Deferred Inflows of Resources	157,658	211,260
Fund Balance		
Nonspendable - interfund loan receivable	102,146	118,994
Unassigned	7,334,694	7,676,670
Total Fund Balance	7,436,840	7,795,664
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 7,594,498	\$ 8,006,924

City and Borough of Wrangell, Alaska

General Fund

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

Years Ended June 30,	2018		Variance	2017
	Budget	Actual	with Budget	Actual
Revenues				
Taxes:				
Real property taxes	\$ 1,750,000	\$ 1,753,974	\$ 3,974	\$ 1,719,014
Property tax penalties and interest	15,000	29,587	14,587	20,390
Payments in lieu of taxes	400,000	450,546	50,546	434,795
Sales taxes	1,775,000	1,788,890	13,890	1,774,678
Sales tax penalties and interest	15,000	15,655	655	34,046
Total taxes	3,955,000	4,038,652	83,652	3,982,923
Intergovernmental:				
State of Alaska:				
Jail contract	325,274	356,408	31,134	325,274
Community assistance	408,105	435,897	27,792	379,515
Library grants	7,900	7,000	(900)	7,964
LEPC grant revenue	8,900	11,900	3,000	9,278
State PERS relief	274,620	66,472	(208,148)	85,466
Sate of Alaska reimbursement	-	1,384	1,384	5,512
Fisheries business tax	-	11,156	11,156	-
Liquor licenses	10,000	8,200	(1,800)	13,200
Total State of Alaska	1,034,799	898,417	(136,382)	826,209
Federal government:				
911 system replacement	-	8,250	8,250	134,194
Replacement grants	-	16,250	16,250	-
Library grants	7,000	7,000	-	7,000
Total federal government	7,000	31,500	24,500	141,194
Total intergovernmental	1,041,799	929,917	(111,882)	967,403
Charges for services:				
Cemetery services	2,000	5,235	3,235	1,816
Police services	107,000	114,213	7,213	95,512
911 surcharge	48,000	48,512	512	50,177
Airport security	118,633	29,658	(88,975)	118,633
Total charges for services	275,633	197,618	(78,015)	266,138

City and Borough of Wrangell, Alaska

General Fund

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

<i>Years Ended June 30,</i>	2018			2017
	Budget	Actual	Variance with Budget	Actual
Revenues, continued				
Sales and leases:				
Court rental	\$ 62,000	\$ 62,400	\$ 400	\$ 65,374
Tideland leases	40,000	56,076	16,076	46,972
Material sales	10,000	8,722	(1,278)	9,442
Cemetery plot sales	2,500	1,102	(1,398)	2,075
Total sales and leases	114,500	128,300	13,800	123,863
Fines and forfeitures	7,500	11,707	4,207	4,575
Investment income (loss)	35,000	7,802	(27,198)	(1,710)
Other revenues:				
Licenses and permits	4,500	1,871	(2,629)	3,024
Copies	250	96	(154)	72
Library grants	-	15,021	15,021	6,303
Public works labor	-	7,389	7,389	2,062
Miscellaneous	4,000	3,979	(21)	13,299
Total other revenues	8,750	28,356	19,606	24,760
Total Revenues	5,438,182	5,342,352	(95,830)	5,367,952
Expenditures				
General government:				
Finance:				
Personnel services:				
Salaries	246,720	263,257	(16,537)	234,792
Overtime salaries	12,500	7,195	5,305	6,904
Employee benefits	202,640	165,063	37,577	158,248
Total personnel services	461,860	435,515	26,345	399,944
Contractual services:				
Auditor	25,000	62,246	(37,246)	21,436
Assessor	70,000	92,759	(22,759)	51,000
Telephone and internet	-	9,653	(9,653)	1,447
Travel and training	-	-	-	(43)

City and Borough of Wrangell, Alaska

General Fund

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

<i>Years Ended June 30,</i>	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
General government, continued:				
Finance, continued:				
Contractual services, continued:				
Utilities	\$ -	\$ 14,051	\$ (14,051)	\$ -
Equipment rental & repair	-	6,284	(6,284)	283
Programming	47,000	25,784	21,216	49,963
Financial services	-	-	-	346
Foreclosure costs	3,000	7,680	(4,680)	5,689
Bank & credit card	-	44,946	(44,946)	-
Allocated - public works building costs	37,275	1,827	35,448	41,466
Collection charges	-	221	(221)	(81)
Total contractual services	182,275	265,451	(83,176)	171,506
Commodities:				
Materials and supplies	16,000	28,823	(12,823)	15,344
Custodial supplies	-	2,627	(2,627)	1,113
Postage	15,000	4,256	10,744	15,504
Facility repairs and maintenance	-	2,125	(2,125)	-
Equipment repairs and maintenance	8,000	2,376	5,624	9,891
Publications and advertising	-	-	-	686
Total commodities	39,000	40,207	(1,207)	42,538
Bad debts	-	-	-	16,127
Total finance	683,135	741,173	(58,038)	630,115
Less charges to other funds	(168,200)	(168,200)	-	(163,600)
Net finance	514,935	572,973	(58,038)	466,515
Administration:				
Personnel services:				
Salaries	215,010	197,199	17,811	223,273
Employee benefits	94,810	79,733	15,077	63,547
Total personnel services	309,820	276,932	32,888	286,820

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

Years Ended June 30,	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
General government, continued:				
Administration, continued:				
Contractual services:				
Attorney	\$ 65,000	\$ 75,420	\$ (10,420)	\$ 124,777
Telephone and internet	-	2,014	(2,014)	1,248
Administration travel and training	6,000	11,384	(5,384)	9,019
Publications and advertising	15,000	670	14,330	1,358
Litigation	72,200	-	72,200	-
Allocated - public works building costs	-	-	-	11,058
Tourism program	20,000	5,206	14,794	6,707
Total contractual services	178,200	94,694	83,506	154,167
Commodities:				
Materials and supplies	5,000	1,773	3,227	1,565
Memberships and dues	-	113	(113)	455
Total commodities	5,000	1,886	3,114	2,020
General insurance	11,000	8,636	2,364	6,885
Total administration	504,020	382,148	121,872	449,892
Clerk and assembly:				
Personnel services:				
Salaries	73,450	75,603	(2,153)	71,682
Overtime salaries	300	248	52	241
Employee benefits	65,000	52,435	12,565	53,044
Total personnel services	138,750	128,286	10,464	124,967
Contractual services:				
Telephone and internet	-	-	-	395
Clerk travel and training	16,000	14,000	2,000	12,932
Recorder fees	850	619	231	779
Allocated - public works building costs	-	-	-	2,764
Total contractual services	16,850	14,619	2,231	16,870

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

Years Ended June 30,	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
General government, continued:				
Clerk and assembly, continued:				
Commodities:				
Materials and supplies	\$ 2,000	\$ 2,629	\$ (629)	\$ 844
Publications	21,120	21,490	(370)	19,864
Records preservation	1,000	426	574	1,093
Election supplies	2,675	1,856	819	4,107
Republishing WMC	3,000	2,742	258	2,441
Total commodities	29,795	29,143	652	28,349
Total clerk and assembly	185,395	172,048	13,347	170,186
City hall building:				
Personnel services:				
Salaries	-	-	-	5,179
Overtime salaries	-	-	-	121
Employee benefits	-	-	-	6,933
Total personnel services	-	-	-	12,233
Contractual services:				
Telephone and internet	-	-	-	8,760
Utilities	-	-	-	13,368
Software programming and licensing	-	-	-	14,845
Computer repairs and maintenance	-	-	-	2,051
Equipment rental	-	-	-	566
Allocated - public works labor	-	-	-	766
Total contractual services	-	-	-	40,356
Commodities:				
Materials and supplies	-	-	-	259
Facility repair and maintenance	-	-	-	8,078
Custodial supplies	-	-	-	645
Equipment repair and maintenance	-	-	-	1,180
Capital outlay	-	-	-	4,770
Total commodities	-	-	-	14,932
Total city hall building	-	-	-	67,521
Less charges to other departments and funds	-	-	-	(55,288)
Net city hall building	-	-	-	12,233
Total general government	1,204,350	1,127,169	77,181	1,098,826

City and Borough of Wrangell, Alaska

General Fund

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

Years Ended June 30,	2018		Variance with Budget	2017
	Budget	Actual		Actual
Expenditures, continued				
Public safety:				
Fire department:				
Personnel services:				
Salaries	\$ 85,840	\$ 97,170	\$ (11,330)	\$ 89,013
Overtime salaries	11,220	9,584	1,636	8,707
Employee benefits	82,155	65,596	16,559	69,124
Contributions for fire calls	5,500	5,500	-	5,500
Total personnel services	184,715	177,850	6,865	172,344
Contractual services:				
Telephone and internet	6,500	6,239	261	6,950
Travel and training	10,000	2,494	7,506	12,208
Publications and advertising	-	78	(78)	72
Volunteer accident hospital	12,600	-	12,600	-
Fire prevention and education	2,000	602	1,398	-
Hydrant rental	39,750	39,750	-	42,112
Insurance	13,580	13,903	(323)	7,890
Capital expenditures	49,000	5,500	43,500	-
Allocated - public works labor	-	-	-	3,544
LEPC costs	8,900	-	8,900	-
Total contractual services	142,330	68,566	73,764	72,776
Commodities:				
Materials and supplies	11,000	4,202	6,798	6,074
Fire substation costs	19,000	12,317	6,683	15,622
Vehicle maintenance	40,249	38,997	1,252	56,250
Allocated vehicle charges - garage	-	-	-	26,870
Fire truck replacement fund	25,000	-	25,000	-
Turn out gear	7,000	944	6,056	2,173
Total commodities	102,249	56,460	45,789	106,989
Total fire department	429,294	302,876	126,418	352,109
Police department:				
Personnel services:				
Salaries	440,915	474,066	(33,151)	493,413
Overtime salaries	53,000	97,965	(44,965)	53,501
Employee benefits	318,575	281,986	36,589	304,738
Uniform allowances	5,700	4,555	1,145	2,125
Total personnel services	818,190	858,572	(40,382)	853,777

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

Years Ended June 30,	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public safety, continued:				
Police department, continued:				
Contractual services:				
Telephone and internet	\$ 20,750	\$ 14,757	\$ 5,993	\$ 12,778
Utilities	-	32,220	(32,220)	76,030
Insurance	30,120	30,837	(717)	17,499
Travel and training	38,000	17,469	20,531	5,960
Professional dues	-	-	-	75,612
911 expenditures	5,000	24,500	(19,500)	2,469
Capital expenditures	46,000	2,525	43,475	3,972
Animal control	7,000	1,977	5,023	1,971
State portion of driver licenses	70,000	72,532	(2,532)	60,274
Vehicle impound	500	-	500	250
State portion of citations	500	530	(30)	150
Total contractual services	217,870	197,347	20,523	256,965
Commodities:				
Materials and supplies	12,000	8,893	3,107	5,778
Boat expenditures	5,000	1,309	3,691	1,106
Publications	1,000	154	846	482
Ammunition	7,500	7,162	338	7,599
Special investigations	2,500	1,675	825	-
Equipment repairs and maintenance	48,299	41,559	6,740	8,210
Health & safety permits	-	125	(125)	-
Capital expenditures	-	-	-	56,709
Allocated vehicle charges - garage	-	-	-	43,467
Total commodities	76,299	60,877	15,422	123,351
Total police department	1,112,359	1,116,796	(4,437)	1,234,093
Police corrections department:				
Personnel services:				
Salaries	275,000	249,219	25,781	221,109
Overtime salaries	32,500	33,065	(565)	27,577
Employee benefits	225,000	176,670	48,330	175,331
Total personnel services	532,500	458,954	73,546	424,017
Contractual services:				
Telephone and internet	1,500	1,500	-	1,500
Travel and training	2,000	-	2,000	-
Total contractual services	3,500	1,500	2,000	1,500

City and Borough of Wrangell, Alaska

General Fund

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

Years Ended June 30,	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public safety continued:				
Police corrections department, continued:				
Materials and supplies	\$ 3,500	\$ 141	\$ 3,359	\$ 1,520
Allocated vehicle charges - garage	2,559	-	2,559	1,919
Prisoner meals	20,000	7,478	12,522	5,423
Reimbursement of prisoner costs	-	(30)	30	248
Total commodities	26,059	7,589	18,470	9,110
Total police corrections department	562,059	468,043	94,016	434,627
Public safety building:				
Personnel services:				
Salaries	20,850	21,196	(346)	19,188
Overtime	-	-	-	206
Employee benefits	23,740	25,378	(1,638)	30,667
Total personnel services	44,590	46,574	(1,984)	50,061
Telephone and internet	600	537	63	523
Insurance	8,100	8,293	(193)	4,706
Allocated - public works labor	35,000	46,495	(11,495)	35,173
Utilities	120,000	88,207	31,793	50,129
Total contractual services	163,700	143,532	20,168	90,531
Commodities:				
Materials & supplies	-	213	(213)	-
Custodial supplies	2,500	2,451	49	3,073
Capital outlay	-	28,543	(28,543)	42,822
Facility repair and maintenance	35,000	21,382	13,618	32,974
Total commodities	37,500	52,589	(15,089)	78,869
Total public safety building	245,790	242,695	3,095	219,461
Total public safety	2,349,502	2,130,410	219,092	2,240,290
Public works:				
Garage:				
Personnel services:				
Salaries	118,690	120,493	(1,803)	117,852
Overtime salaries	5,500	2,265	3,235	796
Employee benefits	106,675	81,242	25,433	110,552
Total personnel services	230,865	204,000	26,865	229,200

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

<i>Years Ended June 30,</i>	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public works, continued:				
Garage, continued:				
Contractual services:				
Utilities	\$ 23,500	\$ 23,094	\$ 406	\$ 23,134
Insurance	1,750	1,792	(42)	1,017
Telephone and internet	-	-	-	18
Vehicle maintenance	-	1,565	(1,565)	48
Computer maintenance and repair	-	-	-	285
Software programming and licensing	-	1,428	(1,428)	-
Publications and advertising	-	-	-	367
Allocated - public works labor	10,000	6,757	3,243	8,608
Travel and training	6,000	-	6,000	150
Total contractual services	41,250	34,636	6,614	33,627
Commodities:				
Materials and supplies	150,000	25,712	124,288	39,469
Fuel oil	13,000	6,442	6,558	12,544
Fuel and lubrication	65,000	60,052	4,948	45,386
Facility repair and maintenance	-	3,048	(3,048)	-
Capital outlay	60,000	730	59,270	10,588
Expendable tools	3,000	1,067	1,933	2,952
Total commodities	291,000	97,051	193,949	110,939
Total garage	563,115	335,687	227,428	373,766
Less charges to other departments and funds	(450,492)	(241,450)	(209,042)	(339,991)
Net garage	112,623	94,237	18,386	33,775
General:				
Personnel services:				
Salaries	407,600	437,106	(29,506)	381,438
Overtime salaries	34,500	37,221	(2,721)	28,124
Uniform allowances	1,600	2,786	(1,186)	2,817
Employee benefits	302,850	257,727	45,123	250,237
Total personnel services	746,550	734,840	11,710	662,616

City and Borough of Wrangell, Alaska

General Fund

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

<i>Years Ended June 30,</i>	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public works, continued:				
General, continued:				
Contractual services:				
Telephone	\$ 9,500	\$ 9,197	\$ 303	\$ 10,666
Senior Citizen Program	-	-	-	638
Publications and advertising	-	-	-	220
Vehicle maintenance	-	2,310	(2,310)	993
Insurance	8,800	9,010	(210)	5,113
Travel and training	5,000	1,050	3,950	1,034
Total contractual services	23,300	21,567	1,733	18,664
Materials and supplies	10,500	8,685	1,815	10,877
Engineering supplies	2,500	290	2,210	79
Publications and advertising	-	-	-	585
Capital outlay	-	57,782	(57,782)	14,247
Building repairs and maintenance	10,000	5,011	4,989	2,659
Total commodities	23,000	71,768	(48,768)	28,447
Total general	792,850	828,175	(35,325)	709,727
Less charges to other departments and funds	(430,000)	(384,262)	(45,738)	(406,133)
Net general	362,850	443,913	(81,063)	303,594
Streets:				
Personnel services - allocated salaries - public works	165,022	123,526	41,496	154,557
Contractual services:				
Street lighting	7,800	2,215	5,585	12,215
Insurance	-	-	-	5,113
Rock quarry electricity	3,000	21,177	(18,177)	12,143
Capital outlay	60,000	71,501	(11,501)	-
Allocated - public works labor	150,000	150,827	(827)	161,383
Sanding and snow removal	-	1,617	(1,617)	(3,761)
Total contractual services	220,800	247,337	(26,537)	187,093
Commodities:				
Materials and supplies	55,000	36,948	18,052	6,849
Crushing and maintenance	20,000	32,582	(12,582)	15,253
Street repairs and maintenance	-	17,603	(17,603)	41,342
Total commodities	75,000	87,133	(12,133)	63,444
Total streets	460,822	457,996	2,826	405,094
Total public works	936,295	996,146	(59,851)	742,463

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

Years Ended June 30,	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Parks and recreation:				
Library:				
Personnel services:				
Salaries	\$ 115,150	\$ 122,779	\$ (7,629)	\$ 108,272
Employee benefits	101,030	81,866	19,164	77,052
Total personnel services	216,180	204,645	11,535	185,324
Contractual services:				
Telephone and internet	4,500	2,702	1,798	2,235
Travel and training	2,000	1,496	504	2,553
Insurance	3,000	3,072	(72)	1,743
Allocated - public works labor	-	1,204	(1,204)	1,639
Utilities	8,000	9,326	(1,326)	8,499
Total contractual services	17,500	17,800	(300)	16,669
Commodities:				
Materials and supplies	5,000	6,897	(1,897)	4,227
Custodian supplies	1,500	905	595	155
Books, subscriptions and dues	20,000	19,114	886	20,586
Library grant expenditures	13,250	7,000	6,250	7,106
State library grant expenditures	6,900	(33)	6,933	4,360
Postage	2,000	-	2,000	953
Building repairs and maintenance	13,500	3,317	10,183	2,275
Equipment repairs and maintenance	-	3,998	(3,998)	1,593
Computer repairs and maintenance	10,000	9,070	930	-
Vehicle maintenance	-	-	-	7,155
Capital outlay	-	-	-	4,500
Total commodities	72,150	50,268	21,882	52,910
Total library	305,830	272,713	33,117	254,903
Community services:				
Community development:				
Contractual services:				
Dues and subscriptions	-	6,420	(6,420)	4,983
Telephone and internet	-	-	-	959
Lobbyist	-	67,600	(67,600)	64,200
Publications and advertising	-	-	-	50
Web hosting	-	-	-	3,000
Allocated - public works labor	-	1,968	(1,968)	1,877
Travel and training	-	-	-	115
Total contractual services	-	75,988	(75,988)	75,184

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

<i>Years Ended June 30,</i>	2018			2017
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Community services, continued:				
Contributions:				
Senior citizens program	\$ 15,500	\$ 11,073	\$ 4,427	\$ 11,240
Community promotion	-	8,464	(8,464)	1,099
Chamber of Commerce	23,000	23,000	-	23,000
Local radio	8,500	8,500	-	8,500
Miscellaneous donations	-	-	-	7,691
Volunteer fire department	4,000	4,035	(35)	4,551
Total contributions	51,000	55,072	(4,072)	56,081
Total community development	51,000	131,060	(80,060)	131,265
Planning and zoning:				
Personnel services - allocated clerical	23,000	23,000	-	17,894
Contractual services:				
Travel and training	1,500	1,919	(419)	1,804
Computer IT and software support	-	-	-	210
Total contractual services	1,500	1,919	(419)	2,014
Commodities:				
Materials and supplies	100	396	(296)	37
Publications	1,500	72	1,428	147
Subdivisions and surveys	45,000	220	44,780	2,725
Memberships and dues	-	-	-	428
Mapping upgrade	6,000	3,150	2,850	2,480
Total commodities	52,600	3,838	48,762	5,817
Total planning and zoning	77,100	28,757	48,343	25,725
Cemetery:				
Personnel services - allocated salaries - public works	10,000	8,387	1,613	3,494
Commodities - materials and supplies	2,000	618	1,382	1,100
Total cemetery	12,000	9,005	2,995	4,594
Total community services	140,100	168,822	(28,722)	161,584
Total Expenditures	4,936,077	4,695,260	240,817	4,498,066

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

<i>Years Ended June 30,</i>	2018			2017
	Budget	Actual	Variance with Budget	Actual
Excess of Revenues Over Expenditures	\$ 502,105	\$ 647,092	\$ 144,987	\$ 869,886
Other Financing Uses				
Transfers in	304,250	303,413	(837)	256,595
Transfers out	(1,268,165)	(1,309,329)	(41,164)	(766,010)
Net Other Financing Uses	(963,915)	(1,005,916)	(42,001)	(509,415)
Net Change in Fund Balance	<u>\$ (461,810)</u>	(358,824)	<u>\$ 102,986</u>	360,471
Fund Balance, beginning		<u>7,795,664</u>		<u>7,435,193</u>
Fund Balance, ending		<u>\$ 7,436,840</u>		<u>\$ 7,795,664</u>

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Special Revenue Funds

Transient Tax

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

Sales Tax

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

Parks and Recreation

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

Nolan Center

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

Permanent Fund

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

Secure Rural Schools

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

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

<i>Years Ended June 30,</i>	2018			2017
	Budget	Actual	Variance with Budget	Actual
Revenues				
Transient and excise taxes	\$ 41,000	\$ 99,971	\$ 58,971	\$ 93,825
Advertising and promotion	3,000	636	(2,364)	2,278
Donations	2,500	50,000	47,500	500
CPV revenue sharing	35,000	-	(35,000)	-
Investment income (loss)	250	392	142	(58)
Total Revenues	81,750	150,999	69,249	96,545
Expenditures - community services:				
Travel and training	8,000	7,929	71	9,082
Materials and supplies	-	1,616	(1,616)	45
Telephone and internet	1,000	817	183	1,014
Postage	1,500	-	1,500	888
Promotional	20,000	17,178	2,822	8,281
Web hosting	1,400	1,243	157	970
Dues	5,500	4,885	615	1,975
Publications	18,000	10,544	7,456	9,500
CPV expenditures	-	178	(178)	4,703
Total Expenditures	55,400	44,390	11,010	36,458
Excess of Revenues Over Expenditures	26,350	106,609	80,259	60,087
Other Financing Uses - transfers out	(10,000)	(11,200)	(1,200)	(11,760)
Net Change in Fund Balance	<u>\$ 16,350</u>	95,409	<u>\$ 79,059</u>	48,327
Fund Balance, beginning		<u>261,080</u>		<u>212,753</u>
Fund Balance, ending		<u>\$ 356,489</u>		<u>\$ 261,080</u>

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

<i>Years Ended June 30,</i>	2018				2017	
	Budget	Actual		Total	Variance with Budget	Actual
		28%	4%			
Revenues						
Sales tax	\$ 840,000	\$ 732,996	\$ 105,229	\$ 838,225	\$ (1,775)	\$ 834,640
Miscellaneous reimbursement	-	-	-	-	-	39,961
Investment income (loss)	10,000	722	-	722	(9,278)	(241)
Total Revenues	850,000	733,718	105,229	838,947	(11,053)	874,360
Expenditures						
Contributions to school district	667,800	667,800	-	667,800	-	667,800
Street design/construction	585,000	-	554,077	554,077	30,923	306,305
Total Expenditures	1,252,800	667,800	554,077	1,221,877	30,923	974,105
Excess of Revenues Over (Under) Expenditures	(402,800)	65,918	(448,848)	(382,930)	19,870	(99,745)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	5,156
Transfers out	(29,000)	-	(29,000)	(29,000)	-	(29,000)
Net Change in Fund Balance	<u>\$ (431,800)</u>	65,918	(477,848)	(411,930)	<u>\$ 19,870</u>	(123,589)
Fund Balance, beginning		<u>682,857</u>	<u>594,173</u>	<u>1,277,030</u>		<u>1,400,619</u>
Fund Balance, ending		<u>\$ 748,775</u>	<u>\$ 116,325</u>	<u>\$ 865,100</u>		<u>\$ 1,277,030</u>

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

<i>Years Ended June 30,</i>	2018						2017	
	Budget	Swimming Pool	Recreational Activity	Actual		Total	Variance with Budget	Actual
				Parks	Helping our Parks			
Revenues								
User fees	\$ 66,500	\$ 49,420	\$ 22,527	\$ 3,497	\$ -	\$ 75,444	\$ 8,944	\$ 72,688
Investment income	-	38,750	-	-	-	38,750	38,750	48,130
Donations	-	-	-	-	4,380	4,380	4,380	11,045
Other	2,700	3,304	-	-	-	3,304	604	1,403
State PERS relief	-	4,487	-	-	-	4,487	4,487	4,785
Total Revenues	69,200	95,961	22,527	3,497	4,380	126,365	57,165	138,051
Expenditures - parks and recreation:								
Personnel services:								
Salaries	134,430	57,570	78,308	25,834	-	161,712	(27,282)	158,667
Casual labor	85,300	69,058	-	-	-	69,058	16,242	67,292
Allocated salaries - public works	4,500	9,435	220	743	-	10,398	(5,898)	1,026
Employee benefits	-	45,960	33,782	5,714	-	85,456	(85,456)	67,306
Total personnel services	224,230	182,023	112,310	32,291	-	326,624	(102,394)	294,291
Contractual services:								
Telephone and internet	57,750	5,887	2,027	-	-	7,914	49,836	7,251
Utilities	66,500	109,100	7,750	10,966	-	127,816	(61,316)	60,801
Travel and training	6,000	4,586	307	-	-	4,893	1,107	4,015
Insurance	19,160	14,641	4,331	645	-	19,617	(457)	22,239
Total contractual services	149,410	134,214	14,415	11,611	-	160,240	(10,830)	94,306

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

<i>Years Ended June 30,</i>	2018						2017	
	Budget	Swimming Pool	Recreational Activity	Actual			Variance with Budget	Actual
				Parks	Helping our Parks	Total		
Expenditures - parks and recreation, continued:								
Commodities:								
Materials and supplies	\$ 32,000	\$ 21,531	\$ 11,831	\$ 4,287	\$ -	\$ 37,649	\$ (5,649)	\$ 46,325
Allocated vehicle charges - garage	-	-	-	-	-	-	-	5,477
Heating fuel	-	-	-	-	-	-	-	45,696
Vehicle maintenance	10,000	-	-	9,544	-	9,544	456	1,748
Chemicals	15,000	16,582	-	-	-	16,582	(1,582)	12,594
Health reports and permits	2,860	1,049	490	-	-	1,539	1,321	1,091
Publications	2,700	935	939	761	-	2,635	65	1,880
Capital outlay	-	1,045	-	-	-	1,045	(1,045)	32,752
Facility repair and maintenance	52,000	19,811	11,307	7,722	13,500	52,340	(340)	33,042
Total commodities	114,560	60,953	24,567	22,314	13,500	121,334	(6,774)	180,605
Total Expenditures	488,200	377,190	151,292	66,216	13,500	608,198	(119,998)	569,202
Excess of Revenues								
Under Expenditures	(419,000)	(281,229)	(128,765)	(62,719)	(9,120)	(481,833)	(62,833)	(431,151)
Other Financing Sources - transfers in	467,246	281,229	128,717	62,719	-	472,665	5,419	508,470
Net Change in Fund Balance	\$ 48,246	\$ -	\$ (48)	\$ -	\$ (9,120)	(9,168)	\$ (57,414)	77,319
Fund Balance, beginning						1,086,361		1,009,042
Fund Balance, ending						<u>\$ 1,077,193</u>		<u>\$ 1,086,361</u>

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

Years Ended June 30,	2018								Variance with Budget	2017 Actual
	Budget	Actual								
		Museum	Civic Center	Theater	Nolan Center	Grants	Barnes	Total		
Revenues										
Admissions	\$ 80,000	\$ 31,674	\$ -	\$ 32,801	\$ -	\$ -	\$ -	\$ 64,475	\$ (15,525)	\$ 76,320
Concessions	120,000	-	-	27,699	-	-	-	27,699	(92,301)	34,188
Museum gift store revenue	-	66,536	-	-	-	-	-	66,536	66,536	70,043
Donations and contributions	100,000	6,000	-	-	141,032	-	-	147,032	47,032	212,967
Rental revenue	25,000	-	21,226	-	-	-	-	21,226	(3,774)	19,639
Investment income	-	-	-	-	-	-	29	29	29	40
State PERS relief	-	-	-	-	2,321	-	-	2,321	2,321	3,458
Other grant revenue	3,000	-	-	-	-	9,212	-	9,212	6,212	3,051
Total Revenues	328,000	104,210	21,226	60,500	143,353	9,212	29	338,530	10,530	419,706
Expenditures - community services:										
Personnel services:										
Salaries	88,190	9,001	59,552	16,714	61	-	-	85,328	2,862	92,476
Casual labor	56,310	62,229	11,382	-	11,423	-	-	85,034	(28,724)	55,269
Employee benefits	-	9,376	19,873	1,531	-	-	-	30,780	(30,780)	34,234
Total personnel services	144,500	80,606	90,807	18,245	11,484	-	-	201,142	(56,642)	181,979
Contractual services:										
Travel and training	4,500	1,997	788	-	-	-	-	2,785	1,715	1,852
Building maintenance and utilities	109,000	72,041	-	8,462	130,922	-	-	211,425	(102,425)	190,705
Allocated salaries - public works	-	-	-	-	947	-	-	947	(947)	1,930
Credit card costs	3,000	2,377	-	-	-	-	-	2,377	623	2,326
Total contractual services	116,500	76,415	788	8,462	131,869	-	-	217,534	(101,034)	196,813

City and Borough of Wrangell, Alaska

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

Years Ended June 30,	2018								2017	
	Budget	Museum	Civic Center	Theater	Nolan Center	Grants	Barnes	Total	Variance with Budget	Actual
Expenditures, continued										
Commodities:										
Materials and supplies	\$ 14,400	\$ 3,555	\$ 76,215	\$ 253	\$ -	\$ 5,201	\$ -	\$ 85,224	\$ (70,824)	\$ 62,640
Books, subscriptions and dues	41,000	43,278	-	-	-	-	-	43,278	(2,278)	41,717
Publications and advertising	20,800	286	5,763	2,518	-	-	-	8,567	12,233	9,239
Concessions	20,000	-	-	10,752	-	-	-	10,752	9,248	14,590
Film costs	30,000	-	-	21,395	-	-	-	21,395	8,605	23,979
Postage	300	-	70	-	-	-	-	70	230	58
Equipment repairs and maintenance	2,000	-	-	-	-	-	-	-	2,000	12,699
Insurance on loaned artifacts	500	512	-	-	-	-	-	512	(12)	291
Total commodities	129,000	47,631	82,048	34,918	-	5,201	-	169,798	(40,798)	165,213
Total Expenditures	390,000	204,652	173,643	61,625	143,353	5,201	-	588,474	(198,474)	544,005
Excess of Revenues										
Over (Under) Expenditures	(62,000)	(100,442)	(152,417)	(1,125)	-	4,011	29	(249,944)	(187,944)	(124,299)
Other Financing Sources - transfers in	105,281	99,868	152,417	-	-	-	-	252,285	147,004	125,214
Net Change in Fund Balance	\$ 43,281	\$ (574)	\$ -	\$ (1,125)	\$ -	\$ 4,011	\$ 29	2,341	\$ (40,940)	915
Fund Balance, beginning								<u>189,967</u>		<u>189,052</u>
Fund Balance, ending								<u>\$ 192,308</u>		<u>\$ 189,967</u>

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

<i>Years Ended June 30,</i>	2018			2017	
	Budget	Actual	Variance with Budget	Actual	
Revenues					
Investment income	\$ 250,000	\$ 578,163	\$ 328,163	\$ 590,202	
Land sales	-	-	-	65,858	
Lease revenue	16,440	16,440	-	31,440	
Total Revenues	266,440	594,603	328,163	687,500	
Expenditures - community services:					
Insurance	-	4,228	(4,228)	2,400	
Other	-	-	-	250	
Total Expenditures	-	4,228	(4,228)	2,650	
Excess of Revenues Over Expenditures	266,440	590,375	323,935	684,850	
Other Financing Uses - transfers out	(650,000)	(250,000)	400,000	(250,000)	
Net Change in Fund Balance	<u>\$ (383,560)</u>	340,375	<u>\$ 723,935</u>	434,850	
Fund Balance, beginning		<u>7,534,137</u>		<u>7,099,287</u>	
Fund Balance, ending		<u>\$ 7,874,512</u>		<u>\$ 7,534,137</u>	

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

<i>Years Ended June 30,</i>	2018			2017	
	Budget	Actual	Variance with Budget	Actual	
Revenues					
Intergovernmental - national forest receipts \$	904,250	\$ 890,217	\$ (14,033)	\$ -	
Investment income (loss)	20,000	3,521	(16,479)	(731)	
Total Revenues	924,250	893,738	(30,512)	(731)	
Expenditures - education -					
contributions to school district	848,488	848,488	-	848,488	
Excess of Revenues Over					
(Under) Expenditures	75,762	45,250	(30,512)	(849,219)	
Other Financing Uses - transfers out					
	(54,250)	(53,413)	837	-	
Net Change in Fund Balance	<u>\$ 21,512</u>	(8,163)	<u>\$ (29,675)</u>	(849,219)	
Fund Balance, beginning		<u>3,278,861</u>		<u>4,128,080</u>	
Fund Balance, ending		<u>\$ 3,270,698</u>		<u>\$ 3,278,861</u>	

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Debt Service Fund

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

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

<i>Years Ended June 30,</i>	2018			2017	
	Budget	Actual	Variance with Budget	Actual	
Revenues					
Intergovernmental - State of Alaska	\$ 125,186	\$ 165,246	\$ 40,060	\$ 138,014	
Expenditures					
Debt service:					
Principal	230,000	230,000	-	265,000	
Interest	37,325	37,325	-	46,100	
Total Expenditures	267,325	267,325	-	311,100	
Excess of Revenues Over (Under) Expenditures	(142,139)	(102,079)	40,060	(173,086)	
Other Financing Sources					
Transfers in	142,139	102,079	(40,060)	173,086	
Net Change in Fund Balance	\$ -	-	\$ -	-	
Fund Balance, beginning		-		-	
Fund Balance, ending		\$ -		\$ -	

Capital Project Funds

Residential Construction

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

Industrial Construction

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

Miscellaneous Capital Projects

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

Economic Recovery

This fund was established to account for the funding and interest earnings associated with a U.S. Department of Agriculture grant for the purpose of economic assistance within the Borough.

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

<i>Year Ended June 30, 2018</i>	Residential Construc- tion	Industrial Construc- tion	Misc- ellaneous	Economic Recovery	Totals
Revenues					
Intergovernmental	\$ -	\$ -	\$ 4,172	\$ -	\$ 4,172
Sales and leases	-	-	-	950,000	950,000
Land sales and improvements	1,362	24,157	-	-	25,519
Investment income (loss)	(112)	4,662	-	1,453	6,003
Total Revenues	1,250	28,819	4,172	951,453	985,694
Expenditures					
Miscellaneous capital projects	800	-	138,783	-	139,583
Compliance testing and other	-	1,283	-	-	1,283
Total Expenditures	800	1,283	138,783	-	140,866
Excess of Revenues Over (Under) Expenditures	450	27,536	(134,611)	951,453	844,828
Other Financing Sources					
Transfers in	-	-	522,500	-	522,500
Net Change in Fund Balances	450	27,536	387,889	951,453	1,367,328
Fund Balances (Deficits), beginning	(4,314)	327,926	(12,593)	401,992	713,011
Fund Balances (Deficits), ending	\$ (3,864)	\$ 355,462	\$ 375,296	\$1,353,445	\$2,080,339

Enterprise Funds

Electric Utility

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

Water Utility

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

Sewer Utility

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

Sanitation Utility

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

Port

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

City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund

Statement of Net Position

<i>June 30,</i>	2018	2017
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 3,483,047	\$ 2,547,668
Receivables:		
Accounts	303,907	294,521
Less allowance for doubtful accounts	(1,256)	(20,000)
Net receivables	302,651	274,521
Inventories	172,477	146,564
Total Current Assets	3,958,175	2,968,753
Property, Plant and Equipment		
Land	10,900	10,900
Buildings	478,535	478,535
Improvements other than buildings	2,280,655	2,265,907
Equipment	4,169,370	4,147,650
Total property, plant and equipment	6,939,460	6,902,992
Less accumulated depreciation	(5,466,808)	(5,190,447)
Net Property, Plant and Equipment	1,472,652	1,712,545
Total Assets	5,430,827	4,681,298
Deferred Outflows of Resources		
Related to pensions	122,677	204,644
Related to other postemployment benefits	19,766	48,759
Total Deferred Outflows of Resources	142,443	253,403
Total Assets and Deferred Outflows of Resources	\$ 5,573,270	\$ 4,885,942

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

<i>June 30,</i>	2018	2017
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 209,913	\$ 224,583
Accrued leave	12,063	39,941
Customer utility deposits	96,685	86,867
Total Current Liabilities	318,661	351,391
Long-term Liabilities		
Net pension liability	880,789	1,126,098
Net other postemployment benefits liability	109,904	189,252
Total Long-term Liabilities	990,693	1,315,350
Total Liabilities	1,309,354	1,477,489
Deferred Inflows of Resources		
Related to pensions	86,539	14,875
Related to other postemployment benefits	54,122	-
Total Deferred Inflows of Resources	140,661	14,875
Net Position		
Net investment in capital assets	1,472,652	1,712,545
Unrestricted	2,650,603	1,681,033
Total Net Position	4,123,255	3,393,578
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 5,573,270	\$ 4,885,942

City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2018	2017
Operating Revenues		
Residential	\$ 1,718,220	\$ 1,688,621
Commercial	2,353,733	2,240,535
Fuel surcharge	91,688	-
Labor charges	533	6,850
Other	18,460	25,868
Total Operating Revenues	4,182,634	3,961,874
Operating Expenses		
Generation	3,125,226	3,055,453
Distribution	454,932	629,140
General and administrative	165,182	130,492
Depreciation	276,361	286,663
Total Operating Expenses	4,021,701	4,101,748
Income (Loss) from Operations	160,933	(139,874)
Nonoperating Revenues (Expenses)		
Equipment and pole rental	(1,359)	76,090
Late fees	22,398	(12,161)
Investment income (loss)	3,597	(536)
Material sales	11,066	11,684
Interest expense	(1,946)	(2,137)
State PERS relief	65,934	19,107
SEAPA dividend	609,547	274,436
Net Nonoperating Revenues (Expenses)	709,237	366,483
Change in Net Position	870,170	226,609
Net Position, beginning, as restated (Note 2)	3,253,085	3,166,969
Net Position, ending	\$ 4,123,255	\$ 3,393,578

City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund

Statement of Cash Flows

<i>Years Ended June 30,</i>	2018	2017
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 4,804,028	\$ 4,284,930
Payments for interfund services used	(169,625)	(115,724)
Payments to suppliers	(3,009,668)	(2,763,480)
Payments to employees	(656,485)	(806,269)
Net cash flows from operating activities	968,250	599,457
Cash Flows for Capital and Related Financing Activities		
Purchase of property, plant and equipment	(36,468)	(65,063)
Cash Flows from (for) Investing Activities		
Investment income received (loss)	3,597	(536)
Net Increase in Cash and Investments	935,379	531,721
Cash and Investments, beginning	2,547,668	2,015,947
Cash and Investments, ending	\$ 3,483,047	\$ 2,547,668
Reconciliation of Income (Loss) from Operations to Net Cash		
Flows from Operating Activities		
Income (loss) from operations	\$ 160,933	\$ (139,874)
Adjustments to reconcile income (loss) from operations to net cash flows from operating activities:		
Depreciation	276,361	286,663
Noncash expense - PERS relief	65,934	19,107
Decrease in allowance for doubtful accounts	(18,744)	(113,000)
Miscellaneous nonoperating revenues	639,706	350,049
(Increase) decrease in assets:		
Accounts receivable	(9,386)	88,340
Inventories	(25,913)	16,256
(Increase) decrease in deferred outflows related to pensions	81,967	(38,283)
Decrease in deferred outflows related to other postemployment benefits:	28,993	-
Increase (decrease) in liabilities:		
Accounts payable	(14,670)	58,452
Accrued leave	(27,878)	2,377
Customer utility deposits	9,818	(2,333)
Net pension liability	(245,309)	81,829
Net other postemployment benefits liability	(79,348)	-
Increase (decrease) in deferred inflows related to pensions	71,664	(10,126)
Increase in deferred inflows related to other postemployment benefits	54,122	-
Net Cash Flows from Operating Activities	\$ 968,250	\$ 599,457

City and Borough of Wrangell, Alaska

**Electric Utility Enterprise Fund
Schedule of Operating Expenses**

<i>Years Ended June 30,</i>	2018	2017
Generation		
Salaries	\$ 163,066	\$ 191,718
Overtime salaries	591	4,350
Employee benefits	94,566	150,569
Telephone	6,078	3,732
Utilities	2,280	2,246
Travel and training	1,420	2,839
Materials and supplies	6,719	8,308
Gas and oil	222,460	9,473
Diesel fuel	17,349	11,033
Tyee hydro power purchases	2,582,294	2,655,257
Repairs and maintenance	9,590	1,996
Allocated vehicle charges - garage	13,751	11,397
O.S.H.A. requirements	5,062	2,535
Total Generation	3,125,226	3,055,453
Distribution		
Salaries	272,670	304,767
Overtime salaries	15,811	18,742
Employee benefits	59,926	191,027
Allocated salaries - public works	2,676	3,937
Telephone	-	2,493
Utilities	1,017	983
Travel and training	9,791	4,803
Materials and supplies	54,530	55,858
Meters	15,057	12,228
Repairs and maintenance	(9,319)	3,202
Transformers	-	775
Allocated vehicle charges - garage	32,773	30,325
Total Distribution	454,932	629,140
General and Administrative		
Allocated overhead - finance	70,000	70,065
Allocated salaries - public works	50,425	-
Professional services	13,400	11,744
Travel and training	936	-
Insurance	16,555	9,395
Credit card expense	13,866	39,288
Total General and Administrative	165,182	130,492
Depreciation	276,361	286,663
Total Operating Expenses	\$ 4,021,701	\$ 4,101,748

City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2018	2017
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 274,055	\$ 291,501
Receivables:		
Accounts	39,829	39,555
Grants	-	540
Accrued interest	31	31
Total receivables	39,860	40,126
Total Current Assets	313,915	331,627
Restricted Cash and Investments		
Bond redemption reserve	25,286	25,159
ADEC loan	642,929	641,543
Total Restricted Cash and Investments	668,215	666,702
Property, Plant and Equipment		
Buildings	5,128,436	5,128,436
Improvements other than buildings	11,862,986	11,862,986
Equipment	137,233	137,233
Construction in progress	24,225	5,733
Total property, plant and equipment	17,152,880	17,134,388
Less accumulated depreciation	(11,727,868)	(11,075,935)
Net Property, Plant and Equipment	5,425,012	6,058,453
Total Assets	6,407,142	7,056,782
Deferred Outflows of Resources		
Related to pensions	19,053	34,359
Related to other postemployment benefits	3,691	-
Total Deferred Outflows of Resources	22,744	34,359
Total Assets and Deferred Outflows of Resources	\$ 6,429,886	\$ 7,091,141

City and Borough of Wrangell, Alaska

**Water Utility Enterprise Fund
Statement of Net Position, continued**

<i>June 30,</i>	2018	2017
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	\$ 1,731	\$ 27,541
Accrued leave	17,295	13,728
Customer utility deposits	10,820	9,945
Accrued interest payable	2,507	2,507
Current portion:		
Revenue bonds	5,684	5,416
ADEC loan	86,056	84,784
Total Current Liabilities	124,093	143,921
Long-term Liabilities		
Revenue bonds, net of current portion	171,846	177,530
ADEC loan, net of current portion	176,004	262,060
Net pension liability	143,261	189,068
Net other postemployment benefits liability	20,523	-
Total Long-term Liabilities	511,634	628,658
Total Liabilities	635,727	772,579
Deferred Inflows of Resources		
Related to pensions	15,879	2,497
Related to other postemployment benefits	10,107	-
Total Deferred Inflows of Resources	25,986	2,497
Net Position		
Net investment in capital assets	4,985,422	5,528,663
Unrestricted	782,751	787,402
Total Net Position	5,768,173	6,316,065
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 6,429,886	\$ 7,091,141

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

<i>Years Ended June 30,</i>	2018	2017
Operating Revenues		
Water sales	\$ 705,825	\$ 627,336
Operating Expenses		
Salaries	104,656	96,790
Overtime salaries	14,898	20,779
Employee benefits	37,176	111,939
Allocated salaries - public works	96,039	89,282
Allocated overhead - finance	23,000	22,802
Telephone	1,154	2,847
Travel and training	1,801	1,297
Materials and supplies	32,153	30,491
Chlorination - electricity	208,023	124,252
Repairs and maintenance	114,669	272,961
Allocated vehicle charges - garage	-	26,439
Professional services	3,650	27,574
Insurance	7,423	4,212
Credit card expense	1,981	4,355
Depreciation	651,933	667,280
Total Operating Expenses	1,298,556	1,503,300
Loss from Operations	(592,731)	(875,964)
Nonoperating Revenues (Expenses)		
Fire hydrant rental	39,750	42,112
Investment income	1,851	1,318
Material sales	350	-
Interest expense	(14,057)	(14,860)
Noncapital grant revenue	39,428	77,670
State PERS relief	3,752	3,208
Net Nonoperating Revenues (Expenses)	71,074	109,448
Loss before capital contributions	(521,657)	(766,516)
Capital contributions	-	280,359
Change in Net Position	(521,657)	(486,157)
Net Position, beginning, as restated (Note 2)	6,289,830	6,802,222
Net Position, ending	\$ 5,768,173	\$ 6,316,065

City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund

Statement of Cash Flows

<i>Years Ended June 30,</i>	2018	2017
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 786,494	\$ 782,672
Payments for interfund services used	(119,039)	(138,523)
Payments to suppliers	(396,664)	(451,861)
Payments to employees	(165,826)	(173,017)
Net cash flows from operating activities	104,965	19,271
Cash Flows for Capital and Related Financing Activities		
Purchase of property, plant and equipment	(18,492)	(481,278)
Principal payments on revenue bonds	(5,416)	(5,162)
Principal payments on loan	(84,784)	(83,531)
Interest payments on bonds and loan	(14,057)	(15,565)
Capital contributions received	-	280,359
Net cash flows for capital and related financing activities	(122,749)	(305,177)
Cash Flows from Investing Activities		
Investment income received	1,851	1,344
Net Decrease in Cash and Investments	(15,933)	(284,562)
Cash and Investments, beginning	958,203	1,242,765
Cash and Investments, ending	\$ 942,270	\$ 958,203
Reconciliation of Cash and Investments to Statement of Net Position		
Cash and investments:		
Current assets	\$ 274,055	\$ 291,501
Restricted assets	668,215	666,702
Total Cash and Investments	\$ 942,270	\$ 958,203

City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund
Statement of Cash Flows, continued

<i>Years Ended June 30,</i>	2018	2017
Reconciliation of Loss from Operations to Net Cash		
Flows from Operating Activities		
Loss from operations	\$ (592,731)	\$ (875,964)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	651,933	667,280
Noncash expense - PERS relief	3,752	3,208
Miscellaneous nonoperating revenues	79,528	119,782
(Increase) decrease in assets:		
Accounts receivable	(274)	12,517
Noncapital grants receivable	540	22,637
(Increase) decrease in deferred outflows related to pensions	15,306	(12,041)
Increase in deferred outflows related to other postemployment benefits	5,414	-
Increase (decrease) in liabilities:		
Accounts payable	(25,810)	16,128
Accrued leave	3,567	7,291
Customer utility deposits	875	400
Net pension liability	(45,807)	56,895
Net other postemployment benefits liability	(14,817)	-
Increase in deferred inflows related to pensions	13,382	1,138
Increase in deferred inflows related to other postemployment benefits	10,107	-
Net Cash Flows from Operating Activities	\$ 104,965	\$ 19,271

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund

Statement of Net Position

<i>June 30,</i>	2018	2017
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 623,012	\$ 578,190
Receivables:		
Accounts	37,888	39,230
Accrued interest	6	256
Total receivables	37,894	39,486
Total Current Assets	660,906	617,676
Restricted Cash and Investments		
Bond redemption reserve	74,665	74,456
Property, Plant and Equipment		
Buildings	2,233,579	2,233,579
Improvements other than buildings	10,122,946	10,122,946
Equipment	195,001	154,807
Total property, plant and equipment	12,551,526	12,511,332
Less accumulated depreciation	(9,336,851)	(8,983,784)
Net Property, Plant and Equipment	3,214,675	3,527,548
Total Assets	3,950,246	4,219,680
Deferred Outflows of Resources		
Related to pensions	25,692	52,506
Related to other postemployment benefits	6,466	-
Total Deferred Outflows of Resources	32,158	52,506
Total Assets and Deferred Outflows of Resources	\$ 3,982,404	\$ 4,272,186

City and Borough of Wrangell, Alaska

**Sewer Utility Enterprise Fund
Statement of Net Position, continued**

<i>June 30,</i>	2018	2017
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	\$ 96,519	\$ 51,522
Accrued leave	15,231	18,532
Accrued interest payable	1,687	1,687
Current portion - USDA Rural Development loan	1,591	1,561
Current portion - revenue bonds	-	5,416
Total Current Liabilities	115,028	78,718
Long-term Liabilities		
USDA Rural Development loan, net of current portion	87,069	88,669
Revenue bonds, net of current portion	-	177,544
Net pension liability	208,677	288,925
Net other postemployment benefits liability	35,953	-
Total Long-term Liabilities	331,699	555,138
Total Liabilities	446,727	633,856
Deferred Inflows of Resources		
Related to pensions	27,260	3,816
Related to other postemployment benefits	17,705	-
Total Deferred Inflows of Resources	44,965	3,816
Net Position		
Net investment in capital assets	3,126,015	3,254,358
Unrestricted	364,697	380,156
Total Net Position	3,490,712	3,634,514
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 3,982,404	\$ 4,272,186

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2018	2017
Operating Revenues		
Sewer charges	\$ 593,042	\$ 571,573
Labor charges	1,100	10,718
Total Operating Revenues	594,142	582,291
Operating Expenses		
Collection and treatment	303,678	415,348
General and administrative	31,648	30,695
Depreciation	353,067	352,164
Total Operating Expenses	688,393	798,207
Loss from Operations	(94,251)	(215,916)
Nonoperating Revenues (Expenses)		
Material sales	60	100
Investment income	916	39
State PERS relief	6,573	4,902
Other revenue	561	500
Interest expense	(11,702)	(9,966)
Net Nonoperating Revenues (Expenses)	(3,592)	(4,425)
Loss before capital contributions	(97,843)	(220,341)
Capital contributions	-	175,322
Change in Net Position	(97,843)	(45,019)
Net Position, beginning as restated (Note 2)	3,588,555	3,679,533
Net Position, ending	\$ 3,490,712	\$ 3,634,514

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City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund Statement of Cash Flows

<i>Years Ended June 30,</i>	2018	2017
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 596,105	\$ 595,306
Payments for interfund services used	(56,133)	(74,608)
Payments to suppliers	(77,357)	(60,903)
Payments to employees	(182,324)	(196,528)
Net cash flows from operating activities	280,291	263,267
Cash Flows from (for) Capital and Related Financing Activities		
Purchase of property, plant and equipment	(40,194)	(45,905)
Proceeds from issuance of USDA Rural Development loan	-	91,000
Principal payments on USDA Rural Development loan	(1,570)	(770)
Principal payments on revenue bonds	(182,960)	(5,161)
Interest payments on long-term debt	(11,702)	(9,962)
Capital contributions received	-	175,322
Net cash flows from (for) capital and related financing activities	(236,426)	204,524
Cash Flows from (for) Investing Activities		
Investment income received (loss)	1,166	(182)
Net Increase in Cash and Investments	45,031	467,609
Cash and Investments, beginning	652,646	185,037
Cash and Investments, ending	\$ 697,677	\$ 652,646
Reconciliation of Cash and Investments to Statement of Net Position		
Cash and investments:		
Current assets	\$ 623,012	\$ 578,190
Restricted assets	74,665	74,456
Total Cash and Investments	\$ 697,677	\$ 652,646

City and Borough of Wrangell, Alaska

**Sewer Utility Enterprise Fund
Statement of Cash Flows, continued**

<i>Years Ended June 30,</i>	2018	2017
Reconciliation of Loss from Operations to Net Cash		
Flows from Operating Activities		
Loss from operations	\$ (94,251)	\$ (215,916)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	353,067	352,164
Noncash expense - PERS relief	6,573	4,902
Miscellaneous nonoperating revenues	621	600
Decrease in assets - accounts receivable	1,342	12,415
(Increase) decrease in deferred outflows related to pensions	26,814	(16,237)
Decrease in deferred outflows related to other postemployment benefits	9,485	-
Increase (decrease) in liabilities:		
Accounts payable	44,997	49,241
Accrued leave	(3,301)	2,660
Net pension liability	(80,248)	72,294
Net other postemployment benefits liability	(25,957)	-
Increase in deferred inflows related to pensions	23,444	1,144
Increase in deferred inflows related to other postemployment benefits	17,705	-
Net Cash Flows from Operating Activities	\$ 280,291	\$ 263,267

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund Schedule of Operating Expenses

<i>Years Ended June 30,</i>	2018	2017
Collection and Treatment		
Salaries	\$ 110,094	\$ 116,830
Overtime salaries	8,014	11,625
Employee benefits	38,731	132,836
Allocated salaries - public works	24,295	26,266
Telephone	5,009	3,320
Utilities	57,578	53,294
Travel and training	1,022	215
Materials and supplies	14,781	12,340
Fuel oil	-	429
Facilities repairs and maintenance	12,706	13,685
Systems repairs and maintenance	13,271	4,938
Allocated vehicle charges - garage	10,838	30,118
Compliance testing	7,339	9,452
Total Collection and Treatment	303,678	415,348
General and Administrative		
Allocated overhead - finance	21,000	18,059
Professional services	5,800	5,291
Insurance	2,867	1,627
Repairs and maintenance	-	1,420
Allocated vehicle charges - garage	-	165
Credit card expense	1,981	4,133
Total General and Administrative	31,648	30,695
Depreciation	353,067	352,164
Total Operating Expenses	\$ 688,393	\$ 798,207

City and Borough of Wrangell, Alaska

Sanitation Utility Enterprise Fund
Statement of Net Position

<i>June 30,</i>	2018	2017
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 96,886	\$ 205,233
Accounts receivable	33,008	35,988
Total Current Assets	129,894	241,221
Property, Plant and Equipment		
Buildings	982,637	982,635
Equipment	552,402	468,482
Total property, plant and equipment	1,535,039	1,451,117
Less accumulated depreciation	(928,186)	(949,842)
Net Property, Plant and Equipment	606,853	501,275
Total Assets	736,747	742,496
Deferred Outflows of Resources		
Related to pensions	17,860	37,420
Related to other postemployment benefits	4,716	-
Total Deferred Outflows of Resources	22,576	37,420
Total Assets and Deferred Outflows of Resources	\$ 759,323	\$ 779,916
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	\$ 22,675	\$ 38,794
Accrued leave	6,284	5,014
Total Current Liabilities	28,959	43,808
Long-term Liabilities		
Net pension liability	147,376	205,914
Net other postemployment benefits liability	26,226	-
Total Long-term Liabilities	173,602	205,914
Total Liabilities	202,561	249,722
Deferred Inflows of Resources		
Related to pensions	19,821	2,720
Related to other postemployment benefits	12,915	-
Total Deferred Inflows of Resources	32,736	2,720
Net Position		
Net investment in capital assets	606,853	501,275
Unrestricted (deficit)	(82,827)	26,199
Total Net Position	524,026	527,474
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 759,323	\$ 779,916

City and Borough of Wrangell, Alaska

Sanitation Utility Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2018	2017
Operating Revenues		
User fees	\$ 589,310	\$ 587,399
Operating Expenses		
Collection	116,011	146,617
Landfill	357,310	384,762
General and administrative	11,741	12,247
Depreciation	76,132	66,792
Total Operating Expenses	561,194	610,418
Income (Loss) from Operations	28,116	(23,019)
Nonoperating Revenues		
State PERS relief	4,795	3,494
Loss on disposal of assets	(2,972)	-
Investment income (loss)	139	(54)
Net Nonoperating Revenues	1,962	3,440
Change in Net Position	30,078	(19,579)
Net Position, beginning as restated (Note 2)	493,948	547,053
Net Position, ending	\$ 524,026	\$ 527,474

City and Borough of Wrangell, Alaska

Sanitation Utility Enterprise Fund

Statement of Cash Flows

<i>Years Ended June 30,</i>	2018	2017
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 592,290	\$ 598,787
Payments for interfund services used	(83,747)	(90,674)
Payments to suppliers	(262,616)	(234,459)
Payments to employees	(169,733)	(172,927)
Net cash flows from operating activities	76,194	100,727
Cash Flows for Capital and Related Financing Activities		
Purchase of property plant and equipment	(184,680)	(5,943)
Net Increase (Decrease) in Cash and Investments	(108,347)	94,730
Cash Flows from (for) Investing Activities		
Investment income received (loss)	139	(54)
Cash and Investments, beginning	205,233	110,503
Cash and Investments, ending	\$ 96,886	\$ 205,233
Reconciliation of Income (Loss) from Operations to Net Cash		
Flows from Operating Activities		
Income (loss) from operations	\$ 28,116	\$ (23,019)
Adjustments to reconcile income (loss) from operations to net cash flows from operating activities:		
Depreciation	76,132	66,792
Noncash expense - PERS relief	4,795	3,494
Decrease in assets - accounts receivable	2,980	11,388
(Increase) decrease in deferred outflows related to pensions	19,560	(7,879)
Increase in deferred outflows related to other postemployment benefits	6,919	-
Increase (decrease) in liabilities:		
Accounts payable	(16,119)	20,745
Accrued leave	1,270	1,676
Net pension liability	(58,538)	27,485
Net other postemployment benefits liability	(18,935)	-
Increase in deferred inflows related to pensions	17,101	45
Increase in deferred inflows related to other postemployment benefits	12,913	-
Net Cash Flows from Operating Activities	\$ 76,194	\$ 100,727

City and Borough of Wrangell, Alaska

**Sanitation Utility Enterprise Fund
Schedule of Operating Expenses**

<i>Years Ended June 30,</i>	2018	2017
Collection		
Salaries	\$ 43,847	\$ 44,614
Overtime salaries	1,290	342
Employee benefits	13,857	57,844
Allocated salaries - public works	3,067	5,802
Materials and supplies	17,051	1,613
Allocated vehicle charges - garage	36,899	36,402
Total Collection	116,011	146,617
Landfill		
Salaries	50,994	46,443
Overtime salaries	2,019	1,838
Employee benefits	42,811	46,667
Allocated salaries - public works	18,237	17,736
Telephone	1,261	1,245
Utilities	8,437	8,823
Travel and training	-	186
Monitoring and testing	1,018	3,758
Disposal costs	204,405	193,690
Hazardous waste	381	26,881
Materials and supplies	5,431	4,249
Repairs and maintenance	2,672	4,374
Professional services	1,300	456
Allocated vehicle charges - garage	18,344	24,096
Equipment rental	-	4,320
Total Landfill	357,310	384,762
General and Administrative		
Allocated overhead - finance	7,200	6,638
Insurance	2,560	1,452
Credit card expense	1,981	4,157
Total General and Administrative	11,741	12,247
Depreciation	76,132	66,792
Total Operating Expenses	\$ 561,194	\$ 610,418

City and Borough of Wrangell, Alaska

Port Enterprise Fund Statement of Net Position

<i>June 30,</i>	2018	2017
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 4,588,186	\$ 4,170,602
Receivables:		
Accounts	156,729	140,155
Grants	-	98,119
Accrued interest	162	162
Less allowance for doubtful accounts	(23,000)	(23,000)
Net receivables	133,891	215,436
Total Current Assets	4,722,077	4,386,038
Restricted Cash and Investments - harbor improvements	1,841,946	1,838,900
Property, Plant and Equipment		
Land	948,333	948,333
Harbor floats, docks and improvements	34,166,723	33,757,983
Travel lift	18,391,507	18,391,507
Gridiron	154,636	154,636
Buildings	222,466	222,466
Equipment	306,510	306,510
Paving	2,530,923	2,530,923
Construction in progress	845,128	1,535,166
Total property, plant and equipment	57,566,226	57,847,524
Less accumulated depreciation	(23,963,328)	(22,656,665)
Net Property, Plant and Equipment	33,602,898	35,190,859
Total Assets	40,166,921	41,415,797
Deferred Outflows of Resources		
Related to pensions	66,257	127,506
Related to other postemployment benefits	14,770	-
Total Deferred Outflows of Resources	81,027	127,506
Total Assets and Deferred Outflows of Resources	\$ 40,247,948	\$ 41,543,303

City and Borough of Wrangell, Alaska

**Port Enterprise Fund
Statement of Net Position, continued**

<i>June 30,</i>	2018	2017
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	\$ 18,389	\$ 109,485
Accrued leave	22,803	21,398
Unearned revenue	1,426,494	1,372,549
Interfund loans	16,848	23,509
Total Current Liabilities	1,484,534	1,526,941
Long-term Liabilities		
Interfund loans, net of current portion	85,298	118,994
Net pension liability	518,324	701,629
Net other postemployment benefits liability	82,125	-
Total Long-term Liabilities	685,747	820,623
Total Liabilities	2,170,281	2,347,564
Deferred Inflows of Resources		
Related to pensions	62,819	9,268
Related to other postemployment benefits	40,443	-
Total Deferred Inflows of Resources	103,262	9,268
Net Position		
Net investment in capital assets	33,602,898	35,190,859
Unrestricted	4,371,507	3,995,612
Total Net Position	37,974,405	39,186,471
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 40,247,948	\$ 41,543,303

City and Borough of Wrangell, Alaska

Port Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

<i>Years Ended June 30,</i>	2018	2017
Operating Revenues		
Municipal dock:		
Storage fees	\$ 101,297	\$ 92,045
Wharfage fees	31,438	40,434
Dockage fees	67,311	42,999
Port development fees	33,694	23,585
Transient fees	247	10,762
Total municipal dock	233,987	209,825
Small boat harbor:		
Stall rentals and transient fees	706,001	763,737
Penalties and late fees	17,720	12,595
Materials sales	6,375	29,000
Other revenues	19,342	54,683
Total small boat harbor	749,438	860,015
Travel lift:		
Lift fees	185,402	186,359
Storage fees	225,458	156,308
Electric revenues	15,514	15,972
Total travel lift	426,374	358,639
Total Operating Revenues	1,409,799	1,428,479
Operating Expenses		
Municipal dock	91,944	136,651
Small boat harbor	362,071	460,787
Travel lift	384,485	459,739
General and administrative	112,472	123,275
Depreciation	1,898,130	1,924,260
Total Operating Expenses	2,849,102	3,104,712
Loss from Operations	(1,439,303)	(1,676,233)
Nonoperating Revenues (Expenses)		
Investment income	8,595	5,012
State PERS relief	15,014	11,904
State raw fish tax	314,455	233,563
State fisheries business tax	-	12,453
Loss on disposal of assets	(186,779)	-
Net Nonoperating Revenues (Expenses)	151,285	262,933
Loss before capital contributions	(1,288,018)	(1,413,300)
Capital contributions	180,934	193,579
Change in Net Position	(1,107,084)	(1,219,721)
Net Position, beginning as restated (Note 2)	39,081,489	40,406,192
Net Position, ending	\$ 37,974,405	\$ 39,186,471

City and Borough of Wrangell, Alaska

Port Enterprise Fund Statement of Cash Flows

<i>Years Ended June 30,</i>	2018	2017
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 1,359,529	\$ 1,386,888
Payments for interfund services used	(83,117)	(84,097)
Payments to suppliers	(392,776)	(307,176)
Payments to employees	(615,445)	(602,450)
Net cash flows from operating activities	268,191	393,166
Cash Flows from Noncapital Financing Activities		
State fish taxes received	314,455	246,016
Cash Flows for Capital and Related Financing Activities		
Purchase of property, plant and equipment	(409,307)	(342,731)
Principal payments on loan payable to other fund	(40,357)	(35,301)
Capital contributions received	279,053	156,470
Net cash flows for capital and related financing activities	(170,611)	(221,562)
Cash Flows from Investing Activities		
Investment income received	8,595	5,000
Net Increase in Cash and Investments	420,630	422,620
Cash and Investments, beginning	6,009,502	5,586,882
Cash and Investments, ending	\$ 6,430,132	\$ 6,009,502
Reconciliation of Cash and Investments to Statement of Net Position		
Cash and investments:		
Current assets	\$ 4,588,186	\$ 4,170,602
Restricted assets	1,841,946	1,838,900
Total Cash and Investments	\$ 6,430,132	\$ 6,009,502
Reconciliation of Loss from Operations to Net Cash		
Flows from Operating Activities		
Loss from operations	\$ (1,439,303)	\$ (1,676,233)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	1,898,130	1,924,260
Noncash expense - PERS relief	15,014	11,904
Increase in assets - accounts receivable	(16,574)	(41,591)
(Increase) decrease in deferred outflows related to pensions	61,249	(29,096)
Increase in deferred outflows related to other postemployment benefits	21,665	-
Increase (decrease) in liabilities:		
Accounts payable	(91,096)	93,746
Accrued leave	1,405	2,392
Unearned revenue	(33,696)	-
Net pension liability	(183,305)	107,388
Net other postemployment benefits liability	(59,292)	-
Increase in deferred inflows related to pensions	53,551	395
Increase in deferred inflows related to other postemployment benefits	40,443	-
Net Cash Flows from Operating Activities	\$ 268,191	\$ 393,166

City and Borough of Wrangell, Alaska

Port Enterprise Fund
Schedule of Operating Expenses

<i>Years Ended June 30,</i>	2018	2017
Municipal Dock		
Salaries	\$ 45,710	\$ 63,319
Employee benefits	27,235	20,161
Materials and supplies	3,730	2,649
Insurance	14,538	8,250
Utilities	7,161	7,075
Capital expenditures	(17,707)	13,661
Allocated vehicle charges - garage	1,188	993
Repairs and maintenance	10,089	20,543
Total Municipal Dock	91,944	136,651
Small Boat Harbor		
Salaries	143,354	156,829
Employee benefits	57,942	121,358
Allocated salaries - public works	4,125	2,203
Materials and supplies	12,359	16,024
Insurance	3,174	1,801
Utilities	102,079	96,013
Repairs and maintenance	28,842	60,633
Allocated vehicle charges - garage	10,196	5,001
Miscellaneous expense	-	925
Total Small Boat Harbor	362,071	460,787
Travel Lift		
Salaries	187,419	131,772
Overtime salaries	16,305	13,111
Employee benefits	88,210	188,883
Materials and supplies	8,366	40,193
Insurance	27,643	15,687
Utilities	24,447	33,368
Allocated vehicle charges - garage	12,584	22,298
Repairs and maintenance	19,511	14,427
Total Travel Lift	384,485	459,739
General and Administrative		
Allocated overhead - finance	24,000	28,142
Travel and training	6,020	10,709
Professional services	9,508	11,714
Telephone	6,655	6,498
Materials and supplies	4,851	6,589
Allocated vehicle charges - garage	31,024	25,460
Insurance	2,252	1,278
Repairs and maintenance	1,033	179
Credit card expense	17,210	16,359
Compliance testing	-	6,409
Publications	9,919	9,938
Total General and Administrative	112,472	123,275
Depreciation	1,898,130	1,924,260
Total Operating Expenses	\$ 2,849,102	\$ 3,104,712

City and Borough of Wrangell, Alaska
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Department of Agriculture				
Passed through State of Alaska Department of Commerce, Community, and Economic Development - Forest Service Schools and Roads Cluster - School and Roads - Grants to States - National Forest Receipts	10.665	N/A	\$ -	\$ 901,901
Department of the Interior				
Payments in Lieu of Taxes	15.226		-	450,546
Department of Homeland Security				
Passed through State of Alaska Department of Military and Veteran Affairs - Homeland Security Grant Program - 911 System Replacement	97.067	20SHSP-GY15	-	24,500
Institute of Museum and Library Services				
Passed through Wrangell Cooperative Association - Native American and Native Hawaiian Library Services - IMLS Library Grant	45.311	JG-01-13-0078-13	-	7,000
Total Expenditures of Federal Awards			\$ -	\$ 1,383,947

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

Notes to Schedules of Expenditures of Federal Awards
For the Year Ended June 30, 2018

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City and Borough of Wrangell, Alaska under programs of the federal government for the year ended June 30, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City and Borough of Wrangell, Alaska, it is not intended to and does not present the financial position, changes in net position, or cash flows of City and Borough of Wrangell, Alaska.

2. Summary of Significant Accounting Principles

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

3. Indirect Cost Rate

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

4. National Forest Receipts

In accordance with the provisions of GASB Statement Number 33, National Forest Receipts are recorded directly to revenue and any unspent amounts are reported as restricted fund balance. The unspent balance reported in the Secure Rural Schools Special Revenue Fund includes interest earnings as well as unspent grant proceeds. At June 30, 2018, there were no unspent interest earnings and unspent grant funds were \$3,270,698.

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Single Audit Reports



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

3601 C Street, Suite 600
Anchorage, AK 99503

Item a.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City and Borough of Wrangell as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise City and Borough of Wrangell's basic financial statements and have issued our report thereon dated July 24, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

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

City and Borough of Wrangell's Response to Finding

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

Purpose of this Report

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

BDO USA, LLP

Anchorage, Alaska
July 24, 2019



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3601 C Street, Suite 600
Anchorage, AK 99503

Item a.

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

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

Report on Compliance for Each Major Federal Program

We have audited City and Borough of Wrangell's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City and Borough of Wrangell's major federal programs for the year ended June 30, 2018. City and Borough of Wrangell's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

City and Borough of Wrangell's basic financial statements include the operations of the Wrangell Public Schools and Wrangell Medical Center, governmental discretely presented component units. Our audit, described below, did not include the operations of Wrangell Public Schools and Wrangell Medical Center because they were subjected to separate audits. Neither Wrangell Public Schools nor Wrangell Medical Center met the threshold for an audit in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, City and Borough of Wrangell complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2018-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-002 that we consider to be a material weakness.

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

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

BDO USA, LLP

Anchorage, Alaska
July 24, 2019

City and Borough of Wrangell, Alaska

Item a.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
10.665	Forest Service Schools and Roads Cluster	Department of Agriculture

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

Auditee qualified as low-risk auditee? X yes no

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2018

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

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

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

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

Cause Internal controls were not established and functioning properly to ensure that all general ledger accounts were properly reconciled and adjusted at year-end for GAAP based reporting.

Effect or Potential Effect Individual accounts were misstated, requiring entries to be made to net position, capital assets, accumulated depreciation, depreciation expense, loss on disposal of capital assets, customer accounts receivables, utility revenue, deferred inflows of resources, tax revenue, intergovernmental revenue, intergovernmental receivables, PERS on-behalf revenue and expense.

Recommendation Borough staff must closely review the activity in the general ledger. Information should be reviewed for completeness and accuracy. Year-end balance should be reviewed prior to closing of the books.

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

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2018

Section III - Federal Award Findings and Questioned Costs

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

Agency Department of Agriculture

FAIN N/A

Pass-Through Entity State of Alaska Department of Commerce, Community, and Economic Development

Pass-Through Entity Identifying Number N/A

CFDA 10.665

Program Forest Service Schools and Roads Cluster

Award Year FY 2018

Criteria or Specific Requirements The Borough is required to submit the single audit report and Form SF-SAC within nine months of the fiscal year end.

Condition The Form SF-SAC for the fiscal year ended June 30, 2018 was not filed on time.

Cause The audit was not completed in time to file the form, due to a delay in closing the books and records.

Effect or Potential Effect The Schedule of Expenditures of Federal Awards were not available in a timely manner in order to allow for timely submission of Form SF-SAC.

Questioned costs None.

Context The Form SF-SAC is due nine months after the fiscal year end. The form for the fiscal year ended June 30, 2018 was filed late.

Recommendation We recommend the Form SF-SAC is filed timely in the future.

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

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City and Borough of Wrangell Single Audit Responses
(Unaudited)



**CITY AND BOROUGH
OF WRANGELL**
INCORPORATED MAY 30, 2008

Item a.

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

City and Borough of Wrangell, Alaska
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2018

Financial Statement Findings

Finding 2017-001 **Approved Timesheets - Internal Control over Financial Reporting - Significant Deficiency**

Finding During entity wide test of controls over payroll transactions, 4 instances out of 40 transactions were noted in which payroll transactions were not supported by signed and approved timesheets. Internal controls related to payroll expense supporting documentation and review were not functioning properly.

Status Finding resolved in 2018.

Federal Award Findings and Questioned Costs

Finding 2017-002 **Activities Allowed or Unallowed - Approved Timesheets - Internal Control over Compliance - Significant Deficiency**

Agency Department of the Interior
Program 15.226 Payment in Lieu of Taxes
Award No. N/A

Finding During entity wide test of controls over payroll transactions, 4 instances out of 40 transactions were noted in which payroll transactions were not supported by signed and approved timesheets. Internal controls related to payroll expense supporting documentation and review were not functioning properly.

Status Finding resolved in 2018.



**CITY AND BOROUGH
OF WRANGELL**

INCORPORATED MAY 30, 2008

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

Item a.

City and Borough of Wrangell, Alaska

**Corrective Action Plan
Year Ended June 30, 2018**

Name of Contact Person Lee Burgess
Finance Director
lburgess@wrangell.com
907-874-2381

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

Corrective Action Plan

Numerous software, procedural and organization changes, limited technical support, and unusually significant departmental turnover within a short period of time contributed to staff difficulties providing the necessary amount of review and accuracy in certain areas. All department staff would benefit from significant additional training in new software systems and tools and improved technical and software support.

Planned Corrective Action

Staff will pursue training and improve skills in using new software systems. Staff will strongly pursue additional technical support to address weaknesses in knowledge, skills, and to complete the implementation of new software that has taken more than two years to complete.

Expected Completion Date

Currently in process in fiscal year 2019.

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

Corrective Action Plan

Numerous software, procedural and organization changes, limited technical support, and unusually significant departmental turnover within a short period of time contributed to staff difficulties providing the necessary amount of review and accuracy in certain areas. All department staff would benefit from significant additional training in new software systems and tools and improved technical and software support.

Planned Corrective Action

Staff will pursue training and improve skills in using new software systems. Staff will strongly pursue additional technical support to address weaknesses in knowledge, skills, and to complete the implementation of new software that has taken more than two years to complete.

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	September 10, 2019
	<u>Agenda Section</u>	13

Approval to Sole Source Purchase of Total Marina Package Harbor Software in the Amount of \$15,832 in Conformance with Wrangell Municipal Code Section 05.10.050 (F).

SUBMITTED BY:

Greg Meissner, Harbormaster
Lisa Von Bargaen, Borough Manager

<u>FISCAL NOTE:</u>		
Expenditure Required: \$15,832 Total		
FY 19: \$	FY 20: \$15,832	FY21: \$
Amount Budgeted:		
FY20 \$18,000		
Account Number(s):		
74000 401 7503		
Account Name(s):		
Harbor Information Technology		
Unencumbered Balance(s) (prior to expenditure):		
\$		

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

ATTACHMENTS: 1. Quote from Marina Software

RECOMMENDATION MOTION:

Move to Approve a Sole Source purchase from Total Marina Package, for the total budgeted amount of \$18,000.

SUMMARY STATEMENT:

The Harbor Department is currently using a software management system that is 19 years old and is very difficult to use and is inefficient. The system is not user friendly, is very difficult to get tech support, and does not interact with the Borough's government finance accounting software – AccuFund.

The Harbor staff has been reviewing new software options for the past two years. Last year Bobbie Robbins traveled to Homer to work with their harbor staff in reviewing the use of this software – Total Marina Package. Homer just migrated to this software last year. It was important to have a hands on experience with the software to ensure it will fit the needs of Wrangell.

The Total Marina Package is a newer system that is much more user friendly which will stop many daily issues before they even start. The Finance Director has reviewed the software and is confident it will integrate with the AccuFund system which will make the transfer of information between the Harbor Department and the Finance Department much easier and efficient.

The Total Marina Package system will also integrate with the hoist management software system as well.

There are only a few marina management systems out there and we have been watching other harbors around the state and have kept in communications with them as to which systems they are using and the problems they are encountering.

Administration believes The Total Marina Package is the best system for our needs.

As it is critical the new harbor software integrates with AccuFund, the procurement code provides for the ability to sole source the purchase. WMC Section 5.10.050 (F) allows for "Supplies, materials, equipment, or contractual services which must be purchased from a specific source in order to prevent incompatibility with previously purchased supplies, materials, equipment or contractual services."

Administration is requesting permission to sole source this purchase.

The cost is \$15,832. The quote is attached. There is \$18,000 in the FY20 Harbor Budget for this purchase.



Item b.

Total Marina Package Pricing

8320 Kamehameha V Hwy, Kaunakakai, HI 96748, 808-558-8111

Annette@TotalMarinaPackage.com

Prepared For: Wrangell Port and Harbors

Proposal good through 10/01/19- *60-90 day delivery timeframe from day of quote acceptance

Software Licenses		Price	Qty.	Ext Price
Base Application	Single Server Software license Base Application Includes: Customers, Boats, Reservations, Billing, Invoicing, Graphic Designer, Reports, Email & Export Support, Comprehensive User Manual (in PDF format)	\$3,600.00	1	\$3,600.00
Workstations	Workstation Software License	\$250.00	2	\$500.00
Database	SQL Server Express	\$0.00	0	\$0.00
Dockominium		\$400.00	0	\$0.00
Report Designer		\$1,000.00	0	\$0.00
**ChargeltPro		\$350.00	1	\$350.00
Fixed Monthly Costs: \$12 account fee, \$4.95 regulatory fee.				
Fixed Annual Costs: PCI Compliance \$108				
Contact: Dan O'Bannon-Account Manager T: 800.989.2135 x 314 or email: DanO@ChargeltPro.com				
Toye Access Control Interface http://www.ToyeCorp.com		\$350.00	0	\$0.00
****Windows Tablet Software for Meter Reading		\$400.00	0	\$0.00
****Windows Tablet Software for Dock Check Inventory		\$450.00	1	\$450.00
Sub-Total Software Licenses				\$4,900.00
***Annual Support 18%				\$882.00
Discount ChargeltPro Interface		-\$350.00	1	-\$350.00
Total Software Licenses				\$5,432.00
Hardware (see attached requirements and hardware brochures)		Price	Qty.	Ext Price
Any Windows 8 or > tablet or any Windows Mobile (embedded) Device				
Windows 10 Tablet 8" NuVision		\$170.00	0	\$0.00
xTablet T8650 at www.ruggedtabletpc.com/products/xtablet-t8650		\$1,400.00	1	\$1,400.00
xTablet Battery XL Battery		\$75.00	1	\$75.00
?Trimple - Mesa 2 Tablet need to request pricing		\$2,000.00	0	\$0.00
Psion Handheld Workabout HDL		\$1,695.00	0	\$0.00
Psion Docking Station extra battery		\$500.00	0	\$0.00
Total Hardware				\$1,475.00
Training		Price	Qty.	Ext Price
On Customer Site	Onsite training . Billed on a daily basis. Excludes travel and accomodations expenses billed separately	\$1,200.00	5	\$6,000.00
Online		\$100.00	0	\$0.00

Online training. Billed on an hourly basis. Assumes a maximum of five users in a session.

Total Training			\$6,000.00
Conversion	Price	Qty.	Ext Price
Data Conversion	\$100.00	8	\$800.00

!! I will need to connect to your current server and see what database system MarinaWare uses, I don't think they use SQL for their database so I would need to see what it is and more importantly how to extract the data.

Total Conversion			\$800.00
Professional Services	Price	Qty.	Ext Price
Marina Graphic Creation Per Hr.	\$100.00	8	\$800.00
Custom Programming Per. Hr.	\$125.00	8	\$1,000.00

!Used for any customizations to the software, usually for custom imports or special rate calculations.

Server Installation/Configuration	\$125.00	1	\$125.00
Installation of the TMP software on the server and the configuration of the database to accept Remote Connections, Start the SQL Browser service, does NOT include any connectivity issues that may exist between the Server and Workstations nor does it include changes that may be required to the Firewall that may be required to allow SQL server to connect to the server.			

Workstation Installation/Configuration	\$100.00	2	\$200.00
Installation of the TMP client software on the workstations, configuring the connection string for the database.			

Total Professional Services			\$2,125.00
Grand Total:			\$15,832.00

- *Could go longer than 90 days if multiple customizations are required.
- **Additional Fixed monthly costs listed above. The processing costs vary based on the type of card,
- **distinguished by credit vs debit, and the rewards level of each card.
- **(the higher the rewards level, the higher the fee).
- **Ranges from below one percent for a debit card all the way to over 3 percent for a business card
- **or high rewards level personal card.
- **All transactions done over the phone increase the transaction cost by .3 - .5%
- ***Annual support plan starts on your 91st day after installation.
- ****This is for the cost of the software that resides on the Windows Tablet not the Tablet itself
- !Estimates, if you don't use you don't get charged. if you do use, you will be billed as the work is delivered.

Acceptance Wrangell Port and Harbors

Print Name: _____

Date: _____



 Annette Kord , Kord Information Systems LLC

Date: 07/25/19 _____

Effective 4/1/2018

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	September 10, 2019
	<u>Agenda Section</u>	13

RESOLUTION No 09-19-1483 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE AMENDMENT OF THE JOB DESCRIPTION FOR THE METER READER POSITION AND PROVIDING FOR THE AMENDMENT OF THE UNION WAGE & GRADE TABLE

SUBMITTED BY:

Rod Rhoades, Electrical Superintendent

FISCAL NOTE:

Expenditure Required: \$XXX Total		
FY 19: \$	FY 20: \$	FY21: \$
Amount Budgeted:		
	FY19 \$XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	\$XXX	

Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. Resolution 09-19-1483 2. Meter Reader Job Description 3. Temporary Employee Wage and Grade Table

RECOMMENDATION MOTION:
Move to Approve Resolution No. 09-19-1483.

SUMMARY STATEMENT:

WML&P has need of a Meter Reader to work to work part-time. The duties of WML&P's existing Meter Reader position need to be changed to more reflect the actual needs of the department. The needs of the department will be best served by making this position a 'part-time' position; i.e. exclusively employed to read the Meter Route. The Meter Route averages about a week's worth of work (5 days), depending upon time of year, weather conditions and the need for "re-reads".

The Meter Reading position traditionally has been an entry-level position with very little, if any, opportunity for upward mobility (advancement). This has resulted in less-than stable employment; those employed in this position quickly looking for something better.

By offering the Metering Reader position as a part-time, on-call, we reduce the expectations of advancement. Further, a part-time position will set appropriate expectations for employment in this position.

Another reason for this change is that WML&P intends to move to AMI meters. This is a huge meter replacement project, but it will allow for direct upload of meter reads to a computer on a desk and eliminate the need for a Meter Reader entirely. This allows for the permanent reduction in staff. This is a pre-emptive move in this direction even though a target date for this project has not yet been determined.

The Meter Reader position will be eliminate from the Union Wage & Grade Table and will move to the Non-Permanent Wage Table at a Grade 13 with an hourly salary range of \$18.55 to \$23.32.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 09-19-1483

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE AMENDMENT OF THE JOB DESCRIPTION FOR THE METER READER AND PROVIDING FOR THE AMENDMENT OF THE UNION WAGE & GRADE TABLE

WHEREAS, the amendment of this position description allows the City and Borough of Wrangell’s Administration Department the ability to appropriately update the duties and responsibilities as well as the type of position of the Meter Reader; and

WHEREAS, the current rate of pay for the Meter Reader position is a grade 13 with the pay range from \$18.55 to \$23.32 and based on the proposed changes to the job description, will not change, however the type of position will change from full-time permanent to part-time on-call; and

WHEREAS, this position has been reviewed and job description updated to accurately reflect actual duties, responsibilities, and qualifications; and

WHEREAS, it is the desire of the City and Borough of Wrangell to bring all job descriptions into compliance with current standards.

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

Section 1. The attached Exhibit “A” includes the job description which describes the duties, responsibilities and qualifications for the Meter Reader position.

Section 2. The attached Exhibit “B” is the Temporary Employee Wage and Grade Table reflecting the Meter Reader position at a grade 13.

Section 3. The new job description and wage table for the Meter Reader position will be effective as of September 10, 2019.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 10TH DAY OF SEPTEMBER 2019.

CITY & BOROUGH OF WRANGELL

Patricia Gilbert, Vice-Mayor

ATTEST: _____
Aleisha Mollen, Deputy Clerk

City & Borough of Wrangell

Position Description

Position: Meter Reader	Position Number:
Department/Site: Light Department	FLSA: Non-exempt
Evaluated by: Electrical Line Foreman	Salary Grade: 13

Summary

To assist line crews in the reading of electric meters citywide.

Distinguishing Career Features

The Meter Reader is essential to the support of Wrangell Municipal Light & Power operations. The Meter Reader assists lineworkers by reading the city's electric meters.

Essential Duties and Responsibilities

- Performs scheduled or assigned meter reading duties to record customer power usage. Observes and reports meter abnormalities or malfunctions.
- Performs other related duties as required or assigned. Works cooperatively with other employees, city departments, external agencies, and the public.

Qualifications

- **Knowledge and Skills**

Requires knowledge of or the ability to learn basic electric principles and safety procedures.

- **Abilities**

- Ability to work cooperatively with line crews.
- Ability to accurately read and record meter readings.
- Willingness to perform various job related duties as required or assigned.
- Must have a strong sense of teamwork and the ability to work cooperatively with others.
- Requires some mechanical knowledge of vehicles and equipment to ensure that they are in good and safe operating condition.
- Requires good verbal interpersonal skills and interaction skills.

- **Physical Abilities**

Ability to perform physically active duties such as lifting materials. Must be able to work outside in severe conditions, to stand for long periods of time, and to bend, stoop, and crouch.

- **Education and Experience**

- High School Diploma required
- Some knowledge of basic electric principles and safety procedures desirable

- **Licenses and Certificates**

Requires an Alaska Drivers License or the ability to obtain one within 6 months.

- **Working Conditions**

Ability to work irregular hours in sometimes severe weather and working conditions.

This job/class description, describes the general nature of the work performed, representative duties as well as the typical qualifications needed for acceptable performance. It is not intended to be a complete list of all responsibilities, duties, work steps, and skills required of the job.

Item c.

old step	6	7	8	9	10	11	12	13	14	15			
Grade	Step →												
↓	1	2	3	4	5	6	7	8	9	10	11	12	13
8	14.96	15.26	15.55	15.84	16.14	16.44	16.76	17.09	17.41	17.74	18.08	18.43	18.78
9	15.62	15.91	16.21	16.52	16.85	17.17	17.49	17.82	18.16	18.52	18.88	19.24	19.61
12	17.73	18.07	18.42	18.78	19.14	19.50	19.87	20.27	20.66	21.05	21.46	21.87	22.29
13	18.55	18.90	19.26	19.63	20.00	20.40	20.79	21.19	21.59	22.02	22.45	22.88	23.32
14	19.38	19.75	20.14	20.53	20.92	21.32	21.74	22.16	22.58	23.01	23.46	23.91	24.37
15	20.28	20.69	21.10	21.52	21.95	22.39	22.84	23.30	23.76	24.24	24.72	25.22	25.72
16	21.18	21.58	22.01	22.43	22.86	23.30	23.77	24.22	24.68	25.16	25.65	26.15	26.66
17	22.17	22.59	23.02	23.47	23.93	24.39	24.86	25.36	25.85	26.35	26.86	27.38	27.91
18	23.19	23.65	24.10	24.56	25.03	25.53	26.02	26.52	27.05	27.57	28.11	28.66	29.22
21	26.43	26.96	27.48	28.01	28.56	29.12	29.68	30.26	30.85	31.44	32.05	32.68	33.32
23	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
25	30.94	31.54	32.17	32.79	33.42	34.09	34.75	35.44	36.13	36.84	37.56	38.30	39.05
26	32.22	32.84	33.48	34.14	34.80	35.49	36.18	36.89	37.61	38.34	39.09	39.86	40.64

8	Custodian	14	Dispatch/Corrections Officer	21	Police Officer Probationary
9	Library Assistant 1	15	Public Works Administrative Assistant	23	Police Officer
12	DMV Assistant Recreation Coordinator Library Assistant 2	17	Police Officer Recruit	25	Police Sergeant
13	Accounting Clerk/Deputy Clerk Utility Accounts Clerk	18	Administrative Assistant - Police Corrections Sergeant Accounting Generalist Firemedic/Trainer Nolan Center Facility Manager	26	Police Lieutenant

Permanent, Salaried (Exempt) Employee Pay Plan, City and Borough of Wrangell, Monthly Compensation

old step	6	7	8	9	10	11	12	13	14	15			
Grade	Step →												
↓	1	2	3	4	5	6	7	8	9	10	11	12	13
19	4,209.00	4,290.00	4,375.00	4,458.00	4,543.00	4,630.00	4,722.00	4,812.00	4,904.00	5,001.00	5,098.00	5,197.00	5,297.00
24	5,150.00	5,252.00	5,353.00	5,457.00	5,566.00	5,673.00	5,782.00	5,897.00	6,011.00	6,131.00	6,250.00	6,373.00	6,498.00
25	5,363.00	5,467.00	5,576.00	5,684.00	5,793.00	5,909.00	6,023.00	6,143.00	6,263.00	6,386.00	6,510.00	6,639.00	6,769.00
27	5,821.00	5,935.00	6,049.00	6,171.00	6,290.00	6,413.00	6,540.00	6,666.00	6,800.00	6,932.00	7,067.00	7,205.00	7,348.00
28	6,070.00	6,191.00	6,311.00	6,436.00	6,561.00	6,689.00	6,821.00	6,952.00	7,091.00	7,228.00	7,370.00	7,516.00	7,663.00
30	6,607.00	6,739.00	6,869.00	7,006.00	7,141.00	7,282.00	7,426.00	7,571.00	7,720.00	7,873.00	8,027.00	8,185.00	8,346.00

19	Civic Center Manager	25	Harbormaster	28	Economic Development Director
24	Library Director Parks & Recreation Director Fire Chief Nolan Center Director	27		30	Finance Director Electrical Superintendent Police Chief Director of Public Works & Capital Projects

Temporary/Part-time/Seasonal Employees

Hourly Compensation

Note: Each step represents the amount above the prevailing State of Alaska Minimum Wage 9.89

Grade	Step →												
↓	1	2	3	4	5	6	7	8	9	10	11	12	13
1	State MW	0.30	0.60	0.90	1.20	1.50	1.80	2.10	2.40	2.70	3.00	3.30	3.60
3		0.70	1.00	1.30	1.60	1.90	2.20	2.50	2.80	3.10	3.40	3.70	4.00
4		1.70	2.00	2.30	2.60	2.90	3.20	3.50	3.80	4.10	4.40	4.70	5.00
5		2.70	3.00	3.30	3.60	3.90	4.20	4.50	4.80	5.10	5.40	5.70	6.00
6		3.20	3.50	3.80	4.10	4.40	4.70	5.00	5.30	5.60	5.90	6.20	6.50
7		3.70	4.00	4.30	4.60	4.90	5.20	5.50	5.80	6.10	6.40	6.70	7.00
8		4.20	4.50	4.80	5.10	5.40	5.70	6.00	6.30	6.60	6.90	7.20	7.50
9		4.70	5.00	5.30	5.60	5.90	6.20	6.50	6.80	7.10	7.40	7.70	8.00
11		6.20	6.50	6.80	7.10	7.40	7.70	8.00	8.30	8.60	8.90	9.20	9.50

Actual Temp Rates, Calendar Year 2017

	1	2	3	4	5	6	7	8	9	10	11	12	13
1	9.89	10.19	10.49	10.79	11.09	11.39	11.69	11.99	12.29	12.59	12.89	13.19	13.49
3	10.59	10.89	11.19	11.49	11.79	12.09	12.39	12.69	12.99	13.29	13.59	13.89	14.19
4	11.59	11.89	12.19	12.49	12.79	13.09	13.39	13.69	13.99	14.29	14.59	14.89	15.19
5	12.59	12.89	13.19	13.49	13.79	14.09	14.39	14.69	14.99	15.29	15.59	15.89	16.19
6	13.09	13.39	13.69	13.99	14.29	14.59	14.89	15.19	15.49	15.79	16.09	16.39	16.69
7	13.59	13.89	14.19	14.49	14.79	15.09	15.39	15.69	15.99	16.29	16.59	16.89	17.19
8	14.09	14.39	14.69	14.99	15.29	15.59	15.89	16.19	16.49	16.79	17.09	17.39	17.69
9	14.59	14.89	15.19	15.49	15.79	16.09	16.39	16.69	16.99	17.29	17.59	17.89	18.19
11	16.09	16.39	16.69	16.99	17.29	17.59	17.89	18.19	18.49	18.79	19.09	19.39	19.69
13	18.55	18.90	19.26	19.63	20.00	20.40	20.79	21.19	21.59	22.02	22.45	22.88	23.32

1	Lifeguard Recreation Assistant Theater Sales Associate	4	Sales Assistant Laborer Assistant Theater Manager	7	Clerical Assistant
3	Head Lifeguard	5	Park Maintenance I	8	Custodian
		6	Senior Sales Assistant Park Maintenance II	9	Maintenance Custodian
				11	Theater Manager

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	September 10, 2019
	<u>Agenda Section</u>	13

RESOLUTION No 09-19-1484 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE ADDITION OF THE JOB DESCRIPTION FOR THE DIESEL ELECTRIC MECHANIC APPRENTICE AND PROVIDING FOR THE AMENDMENT OF THE UNION WAGE & GRADE TABLE

SUBMITTED BY:

Rod Rhoades, Electrical Superintendent

FISCAL NOTE:

Expenditure Required: \$XXX Total		
FY 19: \$	FY 20: \$	FY21: \$
Amount Budgeted:		
	FY19 \$XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	\$XXX	

Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. Resolution 09-19-1484 2. Diesel Electric Mechanic Apprentice Job Description 3. Union Wage and Grade Table

RECOMMENDATION MOTION:
Move to Approve Resolution No. 09-19-1484.

SUMMARY STATEMENT:
WML&P has need of an apprentice to work with the Diesel Electric Mechanic to 1) Prepare for any lack of coverage concerning the operation of WML&P's generators, and 2) Learn the coordination required to operate WML&P's multiple generators.

The City and Borough believes that its employees are critical in achieving the Borough's mission, goals, and objectives. To be successful, the Borough must employ and retain qualified and productive people. Further, in order to be a high performing organization, the Borough must attract and retain employees who demonstrate initiative while also accepting responsibility and accountability for their work performance. To support, encourage and reward employees, the Borough uses a classification and compensation system to operate in a fair and equitable manner.

Positions are classified into job grades and pay levels according to the nature and difficulty of duties and responsibilities assigned to employees in their positions. Classification of a position often is determined based on the level of decision-making, discretion, independence of action, complexity, consequence of error, and impact on the unit or organization.

Given the new position of the Diesel Electric Mechanic Apprentice/Groundman, we have taken the opportunity to propose that job description and classification. Attached is the proposed job description and updated wage scale for the Diesel Electric Mechanic Apprentice/Groundman position. Based on the demands and the expectations of the position of Diesel Electric Mechanic Apprentice and Groundman, which involve a high degree of complexity, involvement and independence of action, it is recommended that the position of Diesel Electric Mechanic Apprentice be classified in the City and Borough of Wrangell's Union Pay Plan at the Grade 19.

Both the Superintendent for the Municipal Light and Power Department and the Borough Manager support the job description for the requested full-time position and related pay grade for the position.

The proposed, revised job description also required concurrence from the IBEW before proceeding to the Borough Assembly for approval. The job description submitted herein and the corresponding Wage Grade increase, has been approved by Jay Rhodes, the IBEW representative.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 09-19-1484

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE ADDITION OF THE JOB DESCRIPTION FOR THE DIESEL ELECTRIC MECHANIC APPRENTICE AND PROVIDING FOR THE AMENDMENT OF THE UNION WAGE & GRADE TABLE

WHEREAS, the addition of this position description allows the City and Borough of Wrangell’s Administration Department the ability to appropriately add the duties and responsibilities of the Diesel Electric Mechanic Apprentice; and

WHEREAS, the rate of pay for the Diesel Electric Mechanic Apprentice position is a grade 19 with the pay range from \$24.28 to \$30.57; and

WHEREAS, this position has been reviewed and job description accurately reflects actual duties, responsibilities, and qualifications; and

WHEREAS, it is the desire of the City and Borough of Wrangell to bring all job descriptions into compliance with current standards.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA,

Section 1. The attached Exhibit “A” includes the job description that describe the duties, responsibilities and qualifications for the Diesel Electric Mechanic Apprentice.

Section 2. The attached Exhibit “B” is the Union Wage and Grade Table reflecting the Diesel Electric Mechanic Apprentice position at a grade 19.

Section 3. The new job description and wage table for the Diesel Electric Mechanic Apprentice position will be effective as of September 10, 2019.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 10TH DAY OF SEPTEMBER 2019.

CITY & BOROUGH OF WRANGELL

Stephen Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

City & Borough of Wrangell

Position Description

Position: Diesel Electric Mechanic Apprentice and Groundman	Position Number:
Department/Site: Light Department	FLSA: Non-exempt
Evaluated by: Superintendent Electrical Utility	Salary Grade: 19

Summary

Assists the Diesel Electric Mechanic Lead with maintaining and operating standby electrical generation facility. When regular duties permit or circumstances require, assist the Line Department as a ground person or equipment operator. Occasionally works with other City departments, assisting in special projects.

Distinguishing Career Features

The Diesel Electric Mechanic has one of the most technical demanding roles in the electric department, and as such, the Diesel Electric Mechanic Apprentice must be able to prioritize tasks, follow directions, work well with others, and be comfortable switching between tasks and situations.

Advancement to Diesel Electric Mechanic is based on department needs and compliance with the requirements and certifications of the position.

Essential Duties and Responsibilities**MAINTAIN AND OPERATE STANDBY GENERATION FACILITY**

- Performs scheduled or routine maintenance on diesel engines, generators, electrical switchboards, compressors, control systems, pumps and other related equipment as directed by the Diesel Electric Mechanic Lead.
- Assists Powerhouse Lead with Operating Generators during scheduled and emergency outages.
- Starts and brings diesel generators up to speed, synchronize, and parallel.
- Closes in units and switch units to base load or isoc.

RECORDKEEPING

- Maintains detailed records on diesel electrical generation system, which include maintenance, lubrication, part inventories, and costs. Maintains and updates all parts and service manuals.

REPAIRS AND INSTALLATIONS

- Inspects diesel preheat systems, cooling systems, air systems and lubricating systems.

TEAMWORK AND COOPERATION

- When necessary, or as determined by the Electrical Superintendent, assists the Line Department as a ground worker or an equipment operator. Performs other related tasks and duties as required or assigned. Works cooperatively with other employees, internal agencies, and the public.
- As needed this position will assist with call-outs at any time due to staff shortages or emergencies to facilitate and sustain departmental operations. Must be willing to work odd hours as required by the work environment.

Qualifications

Knowledge and Skills

- Requires knowledge of safety standards and expertise necessary to ensure conformance to them.
- Requires knowledge of diesel mechanics and operation.
- Requires knowledge of voltage regulators, AC generation control, and protection systems.
- Requires knowledge of generator operation, and utility switching operations.
- Requires demonstrated skill in organizing and prioritizing work.
- Requires knowledge of recordkeeping procedures and the ability to keep an accurate account of inventories.
- Requires knowledge of parts and supplies purchasing procedures.
- Requires ability to work with vendors, place orders and make adjustments.
- Requires writing and computer skills to prepare reports.
- Requires sufficient mathematics skill to read, record, and compute precise measurements.
- Requires sufficient human relation skills to train others and exchange technical information.
- Requires the ability to obtain various job-related certifications and training.

Abilities

- Requires the ability to perform diesel generator maintenance projects and tasks.
- Requires the successful candidate be able to function at a fully skilled, journeyman level within four years.
- Requires the ability to diagnose a full range of problems associated with diesel generator operation and safety.
- Ability to read and interpret blueprints at a basic level.
- Must have basic computer skills, including use of Microsoft's Word, Excel, and Outlook programs.
- Requires the ability to plan, prioritize, and assign work to meet schedules and timelines.
- Requires the ability to use common mechanics tools to operate equipment to perform maintenance and repair tasks.
- Requires the ability to read technical manuals and schematics and write such sufficiently to perform the duties of this classification.
- Requires the ability to estimate the scope of work assignments in terms of labor and materials and secure necessary tools and materials to complete assignments.
- Requires the ability to assign and perform a variety of maintenance and repair activities simultaneously.
- Must be able to observe general safety procedures.
- Requires the ability to obtain and maintain applicable certifications.
- Requires the ability to communicate effectively and work as a contributing team member and work productively and cooperatively external customers, contractors, and other employees of the organization.
- Requires knowledge of electrical power generation and the ability learn to manage power loads across multiple diesel generators.
- Requires ability to troubleshoot and maintain the diesel engine of the generator.
- Requires ability to troubleshoot and maintain the generator end of generator.

Physical Abilities

- Ability to operate hand-held equipment and to perform active, physically demanding duties.
- Requires ambulatory ability and strength to maintain cardiovascular fitness to engage in strenuous physical labor such as lifting and carrying materials up to 75 pounds on a frequent basis, to reach from awkward positions using hand-eye coordination to insert parts, and to climb and balance.
- Requires near and far visual acuity to drive, to read and write, to read detailed schematics, and to perform repair work.
- Requires enough hearing and speech ability to hear sound prompts and vehicle sounds, and to carry on conversations in person and over the phone.
- Frequently required to stand, walk, use hands to handle, or feel objects, tools, or controls, climb or balance, talk or hear, sit, stoop, kneel, crouch or crawl.

Education and Experience

- High school diploma or GED plus two (2) years technical training in diesel generator maintenance and mechanical repair.
- Two (2) years of progressively responsible experience in the maintenance, repair, and overhaul of diesel generators. Knowledge of EMD diesel engines is preferred.
- The ability to clearly read, write, and speak English.
- Sufficient skills necessary to operate related equipment effectively, safely, and responsibly.
- A combination of training, education, and experience, which demonstrates an ability to perform the duties of the position, will be considered.

Licenses and Certificates

- Must have a valid Alaska Driver's License, or the ability to obtain one within 6 months.
- Must have a valid First Aid/CPR card or be able to obtain one within 6 months of initial employment.
- Must have a valid State of Alaska CDL, or the ability to obtain one within 6 months which must be maintained by the employee through employment.

Working Conditions

- Will sometimes be required to work irregular hours.
- Work is performed indoors and outdoors where significant safety considerations exist from physical labor, moving equipment, and temperature and noise extremes. Will frequently work in outside weather conditions and will regularly be exposed to extreme cold. The employee is occasionally exposed to wet and/or humid conditions, fumes, airborne particles, toxic or caustic chemicals, extreme heat and the risk of electrical shock.
- The noise level in the work environment is moderated noisy.

This job/class description describes the general nature of the work performed, representative duties as well as the typical qualifications needed for acceptable performance. It is not intended to be a complete list of all responsibilities, duties, work steps, and skills required of the job.

Proposed Revisions to Pay Plan based on Addition of Facility Maintenance Specialist Lead Position at Grade 23:

Wage Scale, IBEW-represented positions, July 1, 2017 to June 30, 2020

City & Borough of Wrangell

Grade	Step	NEW												
		STEP 1	2	3	4	5	6	7	8	9	10	11	12	13
13	Groundman/Meter Reader	18.55	18.90	19.26	19.63	20.00	20.40	20.79	21.19	21.59	22.02	22.45	22.88	23.32
13	Harbor Maintenance/Security	18.55	18.90	19.26	19.63	20.00	20.40	20.79	21.19	21.59	22.02	22.45	22.88	23.32
14	Maint Specialist I	19.38	19.75	20.14	20.53	20.92	21.32	21.74	22.16	22.58	23.01	23.46	23.91	24.37
15	Administrative Assistant-Harbors	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
15	Water Trt. Plt. Apprentice	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
15	Maintenance Specialist	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
15	Custodian - Light Maintenance	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
16	Electrical Dispatch Secretary	21.18	21.58	22.01	22.43	22.86	23.30	23.77	24.22	24.68	25.16	25.65	26.15	26.65
16	Sanitation Worker	21.18	21.58	22.01	22.43	22.86	23.30	23.77	24.22	24.68	25.16	25.65	26.15	26.65
17	Port & Harbor Maintenance	22.17	22.59	23.02	23.47	23.93	24.39	24.86	25.36	25.85	26.35	26.86	27.38	27.92
19	Mechanic	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
19	Diesel Electric Mechanic Apprentice	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
19	Maint. Specialist II/Heavy Equip Operator	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
19	Water/Wastewater Treatment Operator	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
19	Marine Service Ctr & Harbor Team Leader	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
20	Diesel Electric Mechanic	25.44	25.93	26.43	26.96	27.48	28.01	28.56	29.12	29.68	30.26	30.85	31.45	32.07
20	Maint. Specialist III/Heavy Equip Operator	25.44	25.93	26.43	26.96	27.48	28.01	28.56	29.12	29.68	30.26	30.85	31.45	32.07
23	Public Works Foreman	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Water Treatment Leadman	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Wastewater Treatment Leadman	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Mechanic Lead	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Facility Maintenance Specialist Lead	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
27	Electrical Lineman	33.58	34.24	34.90	35.60	36.29	37.00	37.73	38.46	39.23	39.99	40.77	41.58	42.39
29	Electrical Line Foreman	36.53	37.26	37.98	38.74	39.49	40.27	41.06	41.87	42.69	43.53	44.39	45.26	46.15

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	September 10, 2019
	<u>Agenda Section</u>	13

RESOLUTION No 09-19-1485 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2020 BUDGET IN THE ELECTRICAL UTILITY FUND IN THE AMOUNT OF \$33,500 FOR WAGE AND SALARIES AND AUTHORIZING ITS EXPENDITURE

SUBMITTED BY:

Rod Rhoades, Electrical Superintendent

FISCAL NOTE:

Expenditure Required: \$33,500		
FY 19: \$	FY 20: \$33,500	FY21: \$
Amount Budgeted:		
	FY20 \$0	
Account Number(s):		
	70000 202 6001, 6005, 6100	
Account Name(s):		
	ELECTRICAL UTILITY Fund Wage and Salaries, Overtime, and Personal Benefits Accounts	
Unencumbered Balance(s) (prior to expenditure):		
	\$	

Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. Resolution 09-19-1485; 2. Position Calculations

RECOMMENDATION MOTION:
Move to Approve Resolution No. 09-19-1485.

SUMMARY STATEMENT:

Pursuant to the approval of Resolutions 09-19-1483 and 09-19-1484, the full-time vacant Meter Reader/Groundman position is being eliminated and the full-time Diesel Electric Mechanic Apprentice is being added. There is also a part-time temporary Meter Reader position being added at .25 FTE.

This resolution authorizes the amendment to the FY 20 Budget in the Electric Fund to reflect this change.

Please see the attached wage calculations that show the minimum and maximum total expenses associated with this proposed staffing level.

This budget amendment figure is based on the difference between what the salary of the Meter Reader would have been at grade 13, step 1 (\$18.55/hour) and what the proposed salary of the Diesel Electric Mechanic Apprentice will be at grade 19, step 6 (\$26.71/hour). The Apprentice will start at grade 6 to be consistent with the practice concerning the Lineman Apprentice also starting at grade 6. This does include the change in benefits as some benefits will not change based on the hourly wage (health insurance, life insurance, etc.) and some that are percentage-based will change (PERS, SBS, etc.). The total amount of the budget amendment is based on the attached Employee Calculation Worksheets, adding the full-time, benefitted Diesel Electric Mechanic Apprentice and the on-call meter reader at .25FTE and removing the full-time, benefitted Meter Reader/Groundman position.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 09-19-1485

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2020 BUDGET IN THE ELECTRICAL UTILITY FUND IN THE AMOUNT OF \$33,500 FOR WAGE AND SALARIES AND AUTHORIZING ITS EXPENDITURE

WHEREAS, the City and Borough of Wrangell, Alaska adopted the budget for all funds of the City and Borough of Wrangell, Alaska for the fiscal year 2019-2020; and

WHEREAS, the Wrangell Municipal Code requires that the Borough Assembly approve any budget amendments over those amounts adopted; and

WHEREAS, staff recommends a budget amendment adding \$33,500 to Wage and Salaries from the ELECTRICAL UTILITY Fund Reserves to fund a new full-time position, a .25 FTE position, and remove an unnessessary full-time position. The position of Diesel Electric Mechanic Apprentice is new and was not included in the final ELECTRICAL UTILITY Fund FY 2020 budget; and the Meter Reader position will change from full-time to part-time, on-call.

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

Section 1. The FY 2020 Budget in the ELECTRICAL UTILITY Fund is amended by transferring \$33,500 from the ELECTRICAL UTILITY Fund Reserve to the ELECTRICAL UTILITY Fund Wage and Salaries, Overtime, and Personal Benefits Accounts 70000-202-6001, 70000-202-6005, 70000-202-6100, and authorizing its expenditure.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 10th Day of September, 2019.

CITY & BOROUGH OF WRANGELL

Steve Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

Non-permanent/non-benefited Personnel Cost Worksheet

Hourly wage	18.55	New Meter Reader temp
Hours per week, on average	10.00	
OT hours per week, on average	-	
# of months worked during year	12.00	
Worker's Comp %	3.3067%	
Wage expense (6002), annual	9,646.00	
FICA	598.05	
Medicare	139.87	
Worker's compensation	318.96	
Total Benefits (61XX), annual	1,056.88	
Total wages & benefits for this employee	10,702.88	

	1	2	3	4	5	6	7	8
1	9.89	10.19	10.49	10.79	11.09	11.39	11.69	11.99
3	10.59	10.89	11.19	11.49	11.79	12.09	12.39	12.69
4	11.59	11.89	12.19	12.49	12.79	13.09	13.39	13.69
5	12.59	12.89	13.19	13.49	13.79	14.09	14.39	14.69
6	13.09	13.39	13.69	13.99	14.29	14.59	14.89	15.19
7	13.59	13.89	14.19	14.49	14.79	15.09	15.39	15.69
8	14.09	14.39	14.69	14.99	15.29	15.59	15.89	16.19
9	14.59	14.89	15.19	15.49	15.79	16.09	16.39	16.69
11	16.09	16.39	16.69	16.99	17.29	17.59	17.89	18.19

1 Lifeguard
Recreation Assistant
Theater Sales Associate

4 Sales Assistant
Laborer
Assistant Theater Man

3 Head Lifeguard

5 Park Maintenance I

6 Senior Sales Assistant
Park Maintenance II

Worker's Compensation Percentages %

Port/Harbor	2.7968%
Water	2.2195%
Electric	3.3067%
Wastewater	2.6244%
Sanitation	2.6543%
Fire	3.2017%
Police/Corrections	2.6244%
Solid Waste Transfer Station	2.8193%
Clerical/Office	0.2699%
Building Maint.	4.0190%
Parks & Recreation	3.4792%
Theater	2.0545%
Garbage Collection	4.4314%
Public Works	2.8418%

8	9	10	11	12	13
99	12.29	12.59	12.89	13.19	13.49
69	12.99	13.29	13.59	13.89	14.19
69	13.99	14.29	14.59	14.89	15.19
69	14.99	15.29	15.59	15.89	16.19
19	15.49	15.79	16.09	16.39	16.69
69	15.99	16.29	16.59	16.89	17.19
19	16.49	16.79	17.09	17.39	17.69
69	16.99	17.29	17.59	17.89	18.19
19	18.49	18.79	19.09	19.39	19.69

- 7 Clerical Assistant
- 8 Custodian
- 9 Maintenance Custodian
- 11 Theater Manager

Permanent Employee Compensation Cost Estimator, FY 2020

Hourly wage	18.55	Meter Reader Position to be removed
Hours per week	40.00	
Est. hours overtime per month	-	
Worker's Comp %	3.3067%	

Annual Wage/Salary	38,584.00	
PERS	8,488.48	
SBS	2,365.20	
Worker's Comp	1,275.86	
Medicare	559.47	
Minimum Total Benefits	12,846.80	(opts out of health insurance)
	22,636.88	(includes individual insurance)
Maximum Total Benefits	43,701.92	(includes family insurance)
Minimum Total Compensation Cost	51,430.80	(opts out of health insurance)
	61,220.88	(includes individual insurance)
Maximum Total Compensation Cost	82,285.92	(includes family insurance)

Employer Share of Health Insurance, Annual	FY 2020	Navia Costs
Employee only	9,578.28	54.00
Employee + child(ren)	18,175.32	162.00
Employee + spouse	21,943.68	108.00
Employee spouse & child(ren)	30,535.32	162.00
Employer Paid Life Insurance	13.15/month	

Worker's Compensation Percentages	%
Port/Harbor	2.7968%
Water	2.2195%
Electric	3.3067%
Wastewater	2.6244%
Sanitation	2.6543%
Fire	3.2017%
Police/Corrections	2.6244%
Solid Waste Transfer Station	2.8193%
Clerical/Office	0.2699%
Building Maint.	4.0190%
Parks & Recreation	3.4792%
Theater	2.0545%
Garbage Collection	4.4314%
Public Works	2.8418%

Grade	Step	1	2	3	4	5	6	7	8	9	10	11	12	13
8		14.96	15.26	15.55	15.84	16.14	16.44	16.76	17.09	17.41	17.74	18.08	18.43	18.78
9		15.62	15.91	16.21	16.52	16.85	17.17	17.49	17.82	18.16	18.52	18.88	19.24	19.61
12		17.73	18.07	18.42	18.78	19.14	19.50	19.87	20.27	20.66	21.05	21.46	21.87	22.29
13		18.55	18.90	19.26	19.63	20.00	20.40	20.79	21.19	21.59	22.02	22.45	22.88	23.32
14		19.38	19.75	20.14	20.53	20.92	21.32	21.74	22.16	22.58	23.01	23.46	23.91	24.37
15		20.28	20.69	21.10	21.52	21.95	22.39	22.84	23.30	23.76	24.24	24.72	25.22	25.72
16		21.18	21.58	22.01	22.43	22.86	23.30	23.77	24.22	24.68	25.16	25.65	26.15	26.66
17		22.17	22.59	23.02	23.47	23.93	24.39	24.86	25.36	25.85	26.35	26.86	27.38	27.91
18		23.19	23.65	24.10	24.56	25.03	25.53	26.02	26.52	27.05	27.57	28.11	28.66	29.22
21		26.43	26.96	27.48	28.01	28.56	29.12	29.68	30.26	30.85	31.44	32.05	32.68	33.32
23		28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
25		30.94	31.54	32.17	32.79	33.42	34.09	34.75	35.44	36.13	36.84	37.56	38.30	39.05
26		32.22	32.84	33.48	34.14	34.80	35.49	36.18	36.89	37.61	38.34	39.09	39.86	40.64

8	Custodian	14	Dispatch/Corrections Officer	21	Police Officer Probationary
9	Library Assistant 1	15	Public Works Administrative Assistant	23	Police Officer
12	DMV Assistant Recreation Coordinator Library Assistant 2	17	Police Officer Recruit	25	Police Sergeant
13	Accounting Clerk Meter Reader	18	Administrative Assistant - Police Corrections Sergeant Accounting Coordinator	26	Police Lieutenant

Utility Accounts Clerk

Accounting Generalist
 Firemedic/Trainer
 Nolan Center Facility Manager

Wage Scale, IBEW-represented positions, July 1, 2017 to June 30, 2020

City & Borough of Wrangell

Grade	Step	NEW												
		STEP 1	2	3	4	5	6	7	8	9	10	11	12	13
13	Groundman/Meter Reader	18.55	18.90	19.26	19.63	20.00	20.40	20.79	21.19	21.59	22.02	22.45	22.88	23.32
13	Harbor Maintenance/Security	18.55	18.90	19.26	19.63	20.00	20.40	20.79	21.19	21.59	22.02	22.45	22.88	23.32
14	Maint Specialist I	19.38	19.75	20.14	20.53	20.92	21.32	21.74	22.16	22.58	23.01	23.46	23.91	24.37
15	Administrative Assistant-Harbors	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
15	Water Trt. Plt. Apprentice	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
15	Maintenance Specialist	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
15	Custodian - Light Maintenance	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
16	Electrical Dispatch Secretary	21.18	21.58	22.01	22.43	22.86	23.30	23.77	24.22	24.68	25.16	25.65	26.15	26.65
16	Sanitation Worker	21.18	21.58	22.01	22.43	22.86	23.30	23.77	24.22	24.68	25.16	25.65	26.15	26.65
17	Port & Harbor Maintenance	22.17	22.59	23.02	23.47	23.93	24.39	24.86	25.36	25.85	26.35	26.86	27.38	27.92
19	Mechanic	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
19	Maint. Specialist II/Heavy Equip Operator	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
19	Water/Wastewater Treatment Operator	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
19	Marine Service Ctr & Harbor Team Leader	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
20	Diesel Electric Mechanic	25.44	25.93	26.43	26.96	27.48	28.01	28.56	29.12	29.68	30.26	30.85	31.45	32.07
20	Maint. Specialist III/Heavy Equip Operator	25.44	25.93	26.43	26.96	27.48	28.01	28.56	29.12	29.68	30.26	30.85	31.45	32.07
23	Public Works Foreman	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Water Treatment Leadman	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Wastewater Treatment Leadman	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Mechanic Lead	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Facility Maintenance Specialist Lead	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
27	Electrical Lineman	33.58	34.24	34.90	35.60	36.29	37.00	37.73	38.46	39.23	39.99	40.77	41.58	42.39
29	Electrical Line Foreman	36.53	37.26	37.98	38.74	39.49	40.27	41.06	41.87	42.69	43.53	44.39	45.26	46.15

Permanent Employee Compensation Cost Estimator, FY 2020

Hourly wage	26.71	Meter Reader Position to be removed
Hours per week	40.00	
Est. hours overtime per month	-	
Worker's Comp %	3.3067%	

Annual Wage/Salary	55,556.80	
PERS	12,222.50	
SBS	3,405.63	
Worker's Comp	1,837.10	
Medicare	805.57	
Minimum Total Benefits	18,428.60	(opts out of health insurance)
	28,218.68	(includes individual insurance)
Maximum Total Benefits	49,283.72	(includes family insurance)
Minimum Total Compensation Cost	73,985.40	(opts out of health insurance)
	83,775.48	(includes individual insurance)
Maximum Total Compensation Cost	104,840.52	(includes family insurance)

Employer Share of Health Insurance, Annual	FY 2020	Navia Costs
Employee only	9,578.28	54.00
Employee + child(ren)	18,175.32	162.00
Employee + spouse	21,943.68	108.00
Employee spouse & child(ren)	30,535.32	162.00
Employer Paid Life Insurance	13.15/month	

Worker's Compensation Percentages	%
Port/Harbor	2.7968%
Water	2.2195%
Electric	3.3067%
Wastewater	2.6244%
Sanitation	2.6543%
Fire	3.2017%
Police/Corrections	2.6244%
Solid Waste Transfer Station	2.8193%
Clerical/Office	0.2699%
Building Maint.	4.0190%
Parks & Recreation	3.4792%
Theater	2.0545%
Garbage Collection	4.4314%
Public Works	2.8418%

Grade	Step	1	2	3	4	5	6	7	8	9	10	11	12	13
8		14.96	15.26	15.55	15.84	16.14	16.44	16.76	17.09	17.41	17.74	18.08	18.43	18.78
9		15.62	15.91	16.21	16.52	16.85	17.17	17.49	17.82	18.16	18.52	18.88	19.24	19.61
12		17.73	18.07	18.42	18.78	19.14	19.50	19.87	20.27	20.66	21.05	21.46	21.87	22.29
13		18.55	18.90	19.26	19.63	20.00	20.40	20.79	21.19	21.59	22.02	22.45	22.88	23.32
14		19.38	19.75	20.14	20.53	20.92	21.32	21.74	22.16	22.58	23.01	23.46	23.91	24.37
15		20.28	20.69	21.10	21.52	21.95	22.39	22.84	23.30	23.76	24.24	24.72	25.22	25.72
16		21.18	21.58	22.01	22.43	22.86	23.30	23.77	24.22	24.68	25.16	25.65	26.15	26.66
17		22.17	22.59	23.02	23.47	23.93	24.39	24.86	25.36	25.85	26.35	26.86	27.38	27.91
18		23.19	23.65	24.10	24.56	25.03	25.53	26.02	26.52	27.05	27.57	28.11	28.66	29.22
21		26.43	26.96	27.48	28.01	28.56	29.12	29.68	30.26	30.85	31.44	32.05	32.68	33.32
23		28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
25		30.94	31.54	32.17	32.79	33.42	34.09	34.75	35.44	36.13	36.84	37.56	38.30	39.05
26		32.22	32.84	33.48	34.14	34.80	35.49	36.18	36.89	37.61	38.34	39.09	39.86	40.64

8	Custodian	14	Dispatch/Corrections Officer	21	Police Officer Probationary
9	Library Assistant 1	15	Public Works Administrative Assistant	23	Police Officer
12	DMV Assistant Recreation Coordinator Library Assistant 2	17	Police Officer Recruit	25	Police Sergeant
13	Accounting Clerk Meter Reader	18	Administrative Assistant - Police Corrections Sergeant Accounting Coordinator	26	Police Lieutenant

Utility Accounts Clerk

Accounting Generalist
 Firemedic/Trainer
 Nolan Center Facility Manager

Wage Scale, IBEW-represented positions, July 1, 2017 to June 30, 2020

City & Borough of Wrangell

Grade	Step	NEW												
		STEP 1	2	3	4	5	6	7	8	9	10	11	12	13
13	Groundman/Meter Reader	18.55	18.90	19.26	19.63	20.00	20.40	20.79	21.19	21.59	22.02	22.45	22.88	23.32
13	Harbor Maintenance/Security	18.55	18.90	19.26	19.63	20.00	20.40	20.79	21.19	21.59	22.02	22.45	22.88	23.32
14	Maint Specialist I	19.38	19.75	20.14	20.53	20.92	21.32	21.74	22.16	22.58	23.01	23.46	23.91	24.37
15	Administrative Assistant-Harbors	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
15	Water Trt. Plt. Apprentice	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
15	Maintenance Specialist	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
15	Custodian - Light Maintenance	20.26	20.65	21.04	21.44	21.87	22.29	22.72	23.15	23.61	24.06	24.53	25.00	25.49
16	Electrical Dispatch Secretary	21.18	21.58	22.01	22.43	22.86	23.30	23.77	24.22	24.68	25.16	25.65	26.15	26.65
16	Sanitation Worker	21.18	21.58	22.01	22.43	22.86	23.30	23.77	24.22	24.68	25.16	25.65	26.15	26.65
17	Port & Harbor Maintenance	22.17	22.59	23.02	23.47	23.93	24.39	24.86	25.36	25.85	26.35	26.86	27.38	27.92
19	Mechanic	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
19	Maint. Specialist II/Heavy Equip Operator	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
19	Water/Wastewater Treatment Operator	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
19	Marine Service Ctr & Harbor Team Leader	24.28	24.75	25.24	25.72	26.21	26.71	27.24	27.76	28.29	28.85	29.41	29.99	30.57
20	Diesel Electric Mechanic	25.44	25.93	26.43	26.96	27.48	28.01	28.56	29.12	29.68	30.26	30.85	31.45	32.07
20	Maint. Specialist III/Heavy Equip Operator	25.44	25.93	26.43	26.96	27.48	28.01	28.56	29.12	29.68	30.26	30.85	31.45	32.07
23	Public Works Foreman	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Water Treatment Leadman	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Wastewater Treatment Leadman	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Mechanic Lead	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
23	Facility Maintenance Specialist Lead	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00
27	Electrical Lineman	33.58	34.24	34.90	35.60	36.29	37.00	37.73	38.46	39.23	39.99	40.77	41.58	42.39
29	Electrical Line Foreman	36.53	37.26	37.98	38.74	39.49	40.27	41.06	41.87	42.69	43.53	44.39	45.26	46.15

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	September 10, 2019
	<u>Agenda Section</u>	13

RESOLUTION No 09-19-1486 OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE NON-UNION WAGE & GRADE TABLE BY ADDING GRADES 31-35

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

Expenditure Required: \$0 Total		
FY 19: \$	FY 20: 0\$	FY21: \$
Amount Budgeted:		
	FY20 \$0	
Account Number(s):		
	N/A	
Account Name(s):		
	N/A	
Unencumbered Balance(s) (prior to expenditure):		
	\$0	

Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. Res No 09-19-1486; 2. Amended Wage & Grade Table

RECOMMENDATION MOTION:
Move to Approve Resolution No. 09-19-1486.

SUMMARY STATEMENT:
During negotiations with a candidate for the position of Police Chief it was determined amendments to the Non-Union Wage & Grade Table would be necessary. The Assembly gave

direction to Administration to develop additional grade levels for the table. The result is the proposed addition of Grades 31-35.

The attached resolution amends the Non-Union Wage & Grade Table by adding Grades 31-35. An update version of the Wage & Grade Table is also attached. The proposed amendments to the table are shown in red.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 09-19-1486

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE NON-UNION WAGE AND GRADE TABLE BY ADDING GRADES 31-35

WHEREAS, the City and Borough of Wrangell has determined a need to update the Non-Union Wage & Grade Table by adding additional grades; and

WHEREAS, amendments to the Non-Union Wage & Grade Table must be approved by action of the Assembly; and

WHEREAS, Grades 31-35 will be added to the Non-Union Wage & Grade Table.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, that:

Section 1. The Non-Union Wage & Grade Table will be amended by adding Grades 31-35.

Section 2. Grade 31 will have a monthly salary range from Step 1 at \$6,871 to Step 13 at \$8,680.

Section 3. Grade 32 will have a monthly salary range from Step 1 at \$7,146 to Step 13 at \$9,027.

Section 4. Grade 33 will have a monthly salary range from Step 1 at \$7,432 to Step 13 at \$9,388.

Section 5. Grade 34 will have a monthly salary range from Step 1 at \$7,729 to Step 13 at \$9,764.

Section 6. Grade 35 will have a monthly salary range from Step 1 at \$8,038 to Step 13 at \$10,154.

Section 7. This resolution will become effective immediately upon passage and approval.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 10th Day of September, 2019.

CITY & BOROUGH OF WRANGELL, ALASKA

Patricia Gilbert, Vice-Mayor

ATTEST: _____
Kim Lane, Borough Clerk

Grade/Step	Job Description
↓ 1	Lifeguard
	Recreation Assistant
2	
3	Senior Lifeguard
4	Sales Assistant
	Laborer
5	Park Maint II
6	Senior Sales Assistant
	Park Maint I
7	Clerical Assistant
8	Custodian
9	Library Assistant I
	Maintenance Custodian
	Light Maintenance Technician
10	Firefighter - EMT
11	Animal Control Officer
	Theater Manager
12	DMV Assistant
	Recreation Coordinator
	Library Assistant II
13	Accounting Clerk
	Groundman/Meter Reader
	Utility Accounts Clerk
	Harbor Maintenance/Security
14	Dispatcher/Corrections Specialist
	Maint Specialist I/Heavy Equip Operator Trainee
15	Water Trt. Plt. Apprentice
	Wastewater Trt. Plt. Apprentice
	Administrative Assistant-Harbors
	Maintenance Specialist
16	Custodian - Light Maintenance
	Admin Assistant - Police
	Electrical Dispatch Secretary
17	Sanitation Worker
	Apprentice Lineman
	Police Officer Recruit
18	Port & Harbor Maintenance
	Corrections Supervisor
	Accounting Technician
19	Firemedic/Trainer
	Mechanic
	Water/Wastewater Treatment Operator
	Skilled Maintenance Specialist
	Facility Maintenance Specialist

	Marine Service Ctr & Harbor Team Leader Civic Center Manager
20	Water Treatment Leadman Wastewater Treatment Leadman Diesel Electric Mechanic Mechanic Leadman
21	Police Officer Probationary
22	Public Works Foreman
23	Police Officer
24	Library Services Director Fire Chief Park and Recreation Director Museum Director/Curator
25	Harbormaster Police Sergeant
26	Police Lieutenant
27	Borough Clerk Electrical Lineman
28	Economic and Community Development Planner
29	Electrical Line Foreman
30	Director of Finance Superintendent, Electrical Utility Director of Public Works & Capital Projects Police Chief
34	Borough Manager



Vivian Grossardt Nancy McQueen
Marlene Messmer
Kim Flores
Laura Massin, Kim Byttner, Joel Peterman
Jean Brown, Sara Merritt
Kris Reed
Dorthea Rooney
Victoria Martin
Lana Johnson, Margaret Villarma
Betsy McConachie
Dave Joseph
Lavonne Klinke
Jeff Davidson, Jerry Knapp
Alesa, Juanita, Karen, Debora
Tom Gillen
Ladonna Botsford
Tim Berberich
Marilyn McComas
Valerie Biastoch
Derek Meissner, David Gillen
Dwight Yancey
Jim Early
Thecla LaLonde
Carol Bean
Dee Dee Blatchley
John Calvert, David Bryner
Barre Gadd
Gary Pullman, Stan Campbell
Kjell Nore

} these are
lumped together

Steve Miller
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Wayne McHolland
Brian Christian
Clay Hammer
Jim Lebo
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Kim Covalt
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Greg Meissner
Bruce Smith
Merlin Ehlers
Christie Jamieson
Mark Armstrong
Carol Rushmore
Ron Paul
Jeff Jabusch
Steve Henson
Carl Johnson
Doug McCloskey
Tim Rooney

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	September 10, 2019
	<u>Agenda Section</u>	13

RESOLUTION No 09-19-1487 OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE NON-UNION WAGE & GRADE TABLE MOVING THE POSITION OF POLICE CHIEF FROM GRADE 30 TO GRADE 35

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

Expenditure Required: \$XXX Total		
FY 19: \$	FY 20: \$	FY21: \$
Amount Budgeted:		
	FY19 \$XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	\$XXX	

Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. Resolution No. 09-19-1487.

RECOMMENDATION MOTION:
Move to Approve Resolution No. 09-19-1487.

SUMMARY STATEMENT:

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 09-19-1487

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE NON-UNION WAGE & GRADE TABLE MOVING THE POSITION OF POLICE CHIEF FROM GRADE 30 TO GRADE 35

WHEREAS, from time to time it is necessary to evaluate the salary levels of positions of the City & Borough of Wrangell (CBW); and

WHEREAS, this evaluation can be accomplished by reviewing salary levels of the same position in similarly sized communities around the state; and

WHEREAS, the current rate of pay for the position of Police Chief is a grade 30 with the monthly pay range from \$6,607 to \$8,346; and

WHEREAS, the CBW finds it necessary to move the position to grade 35 with the monthly pay range from \$8,038 to \$10,154.

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

Section 1. The attached Exhibit “A” is the Non-Union Wage and Grade Table reflecting the Police Chief position at a grade 35 with a monthly pay range from \$8,038 at Step 1 to \$10,154 at Step 13.

Section 2. The new wage for the Police Chief position will be effective as of September 10, 2019.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 10TH DAY OF SEPTEMBER 2019.

CITY & BOROUGH OF WRANGELL

Stephen Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

Grade/Step	Job Description
↓ 1	Lifeguard
	Recreation Assistant
2	
3	Senior Lifeguard
4	Sales Assistant
	Laborer
5	Park Maint II
6	Senior Sales Assistant
	Park Maint I
7	Clerical Assistant
8	Custodian
9	Library Assistant I
	Maintenance Custodian
	Light Maintenance Technician
10	Firefighter - EMT
11	Animal Control Officer
	Theater Manager
12	DMV Assistant
	Recreation Coordinator
	Library Assistant II
13	Accounting Clerk
	Groundman/Meter Reader
	Utility Accounts Clerk
	Harbor Maintenance/Security
14	Dispatcher/Corrections Specialist
	Maint Specialist I/Heavy Equip Operator Trainee
15	Water Trt. Plt. Apprentice
	Wastewater Trt. Plt. Apprentice
	Administrative Assistant-Harbors
	Maintenance Specialist
16	Custodian - Light Maintenance
	Admin Assistant - Police
	Electrical Dispatch Secretary
17	Sanitation Worker
	Apprentice Lineman
	Police Officer Recruit
18	Port & Harbor Maintenance
	Corrections Supervisor
	Accounting Technician
19	Firemedic/Trainer
	Mechanic
	Water/Wastewater Treatment Operator
	Skilled Maintenance Specialist
	Facility Maintenance Specialist

	Marine Service Ctr & Harbor Team Leader Civic Center Manager
20	Water Treatment Leadman Wastewater Treatment Leadman Diesel Electric Mechanic Mechanic Leadman
21	Police Officer Probationary
22	Public Works Foreman
23	Police Officer
24	Library Services Director Fire Chief Park and Recreation Director Museum Director/Curator
25	Harbormaster Police Sergeant
26	Police Lieutenant
27	Borough Clerk Electrical Lineman
28	Economic and Community Development Planner
29	Electrical Line Foreman
30	Director of Finance Superintendent, Electrical Utility Director of Public Works & Capital Projects Police Chief
34	Borough Manager



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Doug McCloskey
Tim Rooney

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	September 10, 2019
	<u>Agenda Section</u>	13

Approval of Contract with Alaska Permanent Capital Management for Investment Management of the Permanent Fund & Pool Fund

<u>SUBMITTED BY:</u>
Lisa Von Bargaen, Borough Manager

<u>FISCAL NOTE:</u>		
Expenditure Required: See Agenda Statement		
FY 19: \$	FY 20: \$	FY21: \$
Amount Budgeted:		
FY20		
Account Number(s):		
N/A		
Account Name(s):		
Permanent Fund		
Unencumbered Balance(s) (prior to expenditure):		
N/A		

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

ATTACHMENTS: 1. APCM Contract

RECOMMENDATION MOTION:
Move to Approve Contract with Alaska Permanent Capital Management for Investment Management of the Permanent Fund and Pool Fund.

SUMMARY STATEMENT:

The current manager of the Permanent Fund and Pool Fund advised the CBW late last year of their intention to discontinue managing funds of the type and size held by Wrangell. The Administration, Investment Committee and Assembly recently concluded a search for a new fund manager. That open proposal process culminated in an interview with Alaska Permanent Capital Management (APCM).

The Assembly must now take action on a contract with APCM. That contract is attached. Once approved Administration, and the Investment Committee will work together with APCM to develop some new investment guidelines that will require a code amendment. The Assembly gave direction to move forward with this work as swiftly as possible. Administration will work to bring the first reading of an ordinance to the Assembly at the September 24th meeting.

The fee for management services is 0.50 of 1% annually on market value of assets under management up to \$5,000,000 and; 0.30 of 1% annually on market value of assets under management thereafter.

INVESTMENT MANAGEMENT SERVICES AGREEMENT

This Agreement between Alaska Permanent Capital Management, an Alaskan corporation ("Investment Manager"), and _____ the ("CLIENT"), is made effective on _____. By this agreement, CLIENT retains Investment Manager to provide services to CLIENT on the following terms:

I. SERVICES TO THE CLIENT:

(a) This Agreement is for professional services to CLIENT. The INVESTMENT MANAGER shall perform the professional services described in Exhibit A, which is attached hereto and by reference made a part hereof.

(b) The INVESTMENT MANAGER shall at the INVESTMENT MANAGER's own expense furnish to CLIENT a copy of all information requested by CLIENT for review of the INVESTMENT MANAGER's services while in progress.

(c) CLIENT shall provide the INVESTMENT MANAGER access in a timely manner to those records, personnel and other items necessary for the INVESTMENT MANAGER to perform the services described in Exhibit A.

II. COMPENSATION:

(a) CLIENT shall compensate the INVESTMENT MANAGER for the services described in Exhibit A in the amounts and in the manner set forth in Exhibit B, which is attached to this agreement and by reference made a part hereof. The INVESTMENT MANAGER shall receive no other compensation in connection with the purchase, sale or exchange of any investment for CLIENT and will not accept, or knowingly permit any of its officer or employees or any member of their immediate families to accept any compensation, bonuses, commissions, rebates, discounts, gifts or any other thing of value from any other person or party in connection with any such purchase, sale or trade, provided that the receipt by the INVESTMENT MANAGER of research reports and materials or statistical data from a securities broker shall not be deemed to violate this provision.

(b) CLIENT understands that Account assets invested in mutual fund and/or ETF shares will incur internal mutual fund/ETF fees in addition to the advisory fees specified in the Exhibit B. Additionally, CLIENT may bear transaction charges or commissions for transactions executed in the account.

III. GENERAL PROVISIONS:

(a) Independent Contractor. The INVESTMENT MANAGER is an independent contractor. The INVESTMENT MANAGER is neither an employee, partner, nor joint venture with CLIENT.

(b) No Assignment. The INVESTMENT MANAGER may neither assign this agreement or any rights thereunder nor delegate any of its duties without first obtaining consent of CLIENT.

(c) Insurance. The INVESTMENT MANAGER shall procure and maintain insurance coverage in such amounts as set forth in Exhibit B. The INVESTMENT MANAGER shall provide to CLIENT, upon request, certificates indicating such insurance is in effect. The insurance shall be in effect upon the date of execution of this agreement and shall be effective through the term of this agreement.

(d) Indemnity. To the fullest extent permitted by law, the INVESTMENT MANAGER shall indemnify, defend and hold harmless CLIENT from and against all claims, damages, losses, and expenses, including but not limited to attorneys' fees, caused in whole or in part by any failure of the INVESTMENT MANAGER to comply with fiduciary standards. Nothing herein shall in any way constitute a waiver or limitation of any rights which CLIENT may have under federal securities laws.

(e) Termination. This Agreement will continue in effect until terminated by either party by written notice to other. Such termination shall be effected by personal delivery or by sending to the INVESTMENT MANAGER

by certified mail, or other acceptable method of communication as specified in Section III (i) of this Agreement. Item h. This Agreement will not affect (i) the validity of any action previously taken by INVESTMENT MANAGER under this Agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or (iii) CLIENT'S obligation to pay advisory fees (pro-rated through the date of termination). On the termination of this Agreement, INVESTMENT MANAGER will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the Account. In the event of such termination, CLIENT is entitled to a refund of any "unearned" portion of fees already paid, on a pro rata basis.

(f) Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the State of Alaska without giving effect to any conflict or choice of law provisions of that State, provided that nothing in this Agreement will be construed in any manner inconsistent with the Advisers Act, any rule or order of the Securities and Exchange Commission under the Advisers Act and, if applicable to the Account, ERISA and any rule or order of the Department of Labor under ERISA. Venue for any legal proceeding relating to this contract shall be Anchorage, Alaska.

(g) Payment of Taxes. The INVESTMENT MANAGER shall not be responsible for the provision or payment of insurance, taxes or costs incurred by subcontractors or personnel not on the INVESTMENT MANAGER's payroll.

(h) Term. This agreement shall commence on _____, 20____ and shall be subject to termination in accordance with Section III (e) of this Agreement.

(i) Notice. Any notices or other communications required or permitted by this agreement to be delivered to CLIENT or the INVESTMENT MANAGER shall be in writing and shall be considered delivered when personally delivered to the party to whom it is addressed, or in lieu of such personal delivery, when deposited in the United States mail, certified, postage prepaid, addressed to CLIENT or the INVESTMENT MANAGER at the address set forth below, or when the notice is successfully sent electronically through email addresses used during the regular course of business.

CLIENT

INVESTMENT MANAGER

Alaska Permanent Capital Management Company
900 West 5th Ave. Suite 601
Anchorage, AK 99516

(j) Entire Agreement. This agreement constitutes the entire agreement between CLIENT and the INVESTMENT MANAGER. It supersedes all prior oral and written understanding and agreements. It shall bind CLIENT and the INVESTMENT MANAGER, its successors, executors, administrators, assigns and legal representatives.

(k) Benefits. Nothing contained in this agreement shall be construed to give any rights or benefits hereunder to anyone other than to CLIENT and to the INVESTMENT MANAGER.

(l) Consultants. CLIENT reserves the right to enter into separate agreements directly with any 3rd party for any services.

(m) INVESTMENT MANAGER Does Not Provide Legal or Accounting Advice. INVESTMENT MANAGER is not engaged in the practice of law or accounting. Information provided by INVESTMENT MANAGER concerning investment tax consequences does not constitute legal nor tax advice. It is CLIENT'S responsibility to retain, at CLIENT'S expense, legal and/or tax professionals as may be necessary to conduct CLIENT'S affairs. INVESTMENT MANAGER is not responsible for the payment of taxes. The CLIENT agrees that INVESTMENT MANAGER will not advise or act for CLIENT in any legal

proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers of these securities.

(n) Risk Acknowledgment. INVESTMENT MANAGER does not guarantee the future performance of the Account or any specific level of performance, the success of any investment decision or strategy that INVESTMENT MANAGER may use, or the success of INVESTMENT MANAGER'S overall management of the Account. CLIENT understands that investment decisions made for CLIENT'S Account by INVESTMENT MANAGER are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. INVESTMENT MANAGER will manage only the securities, cash and other investments held in CLIENT'S Account and in making investment decisions for the Account, INVESTMENT MANAGER will not consider any other securities, cash or other investments owned by CLIENT. Except as may otherwise be provided by law, INVESTMENT MANAGER will not be liable to CLIENT for (i) any loss that CLIENT may suffer by reason of any investment decision made or other action taken or omitted in good faith by INVESTMENT MANAGER with that degree of care, skill, prudence, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (ii) any loss arising from INVESTMENT MANAGER'S adherence to CLIENTS instructions; or (iii) any act or failure to act by the Custodian, any broker or dealer to which INVESTMENT MANAGER directs transactions for the Account, or by any other third party. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in this Agreement will waive or limit any rights that CLIENT may have under those laws.

IV. FORM ADV II:

CLIENT acknowledges that INVESTMENT MANAGER has provided a copy of Parts 2A and 2B for Form ADV as required by Rule 204-3 under the Investment Adviser's Act of 1940. CLIENT understands the investment approach, related risk factors, and the fees associated with investing.

V. CLIENT AUTHORITY:

This Agreement will bind and be for the benefit of the parties to the Agreement and their successors and permitted assigns, except that this Agreement may not be assigned (within the meaning of the Advisers Act or applicable state securities laws) by either party without the consent of the other party. If CLIENT is an individual, CLIENT represents that he or she is of legal age. If CLIENT is a corporation, government entity, partnership or limited liability company, the person signing this Agreement for the CLIENT represents that he or she has been authorized to do so by appropriate action. If this Agreement is entered into by a trustee or other fiduciary, the trustee or fiduciary represents that INVESTMENT MANAGER'S investment management strategies, allocation procedures, and investment management services are authorized under the applicable plan, trust, or law and that the person signing this Agreement has the authority to negotiate and enter into this Agreement. CLIENT will inform INVESTMENT MANAGER of any event that might affect this authority or the propriety of this Agreement.

VI. ARBITRATION CLAUSE

To the extent permitted by law, any controversy or dispute which may arise between CLIENT and INVESTMENT MANAGER concerning any transaction or the construction, performance or breach of this Agreement will be settled by arbitration. Any arbitration will be pursuant to the rules, then applying, of the American Arbitration Association, except to the extent set forth herein. The arbitration panel will consist of at least three individuals, with at least one panelist having knowledge of investment advisory activities. The parties agree that any arbitration proceeding pursuant to this provision will be held in a location as determined by the rules of the American Arbitration Association. The award of the arbitrators will be final and binding on the parties, and judgment upon the award rendered may be entered into in any court, state or federal, having jurisdiction. The parties are waiving their right to seek remedies in court, including the right to jury trial, except to the extent such a waiver would violate applicable law. Pre-arbitration discovery is generally more limited than and different from court proceedings. The arbitrators' award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited.

The agreement to arbitrate does not entitle CLIENT to obtain arbitration of claims that would be barred by the relevant statute of limitations if such claims were brought in a court of competent jurisdiction. If at the time a demand for arbitration is made or an election or notice of intention to arbitrate is served, the claims sought to be arbitrated would have been barred

Item h.

by the relevant statute of limitations or other time bar, any party to this agreement may assert the limitations as a bar to the arbitration by applying to any court of competent jurisdiction, and CLIENT expressly agrees that any issues relating to the application of a statute of limitations or other time bar, are referable to such a court. The failure to assert such bar by application to a court, however, will not preclude its assertion before the arbitrators. CLIENT understands that this agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such waiver would be void under the federal securities law if more than one, all principals to the account must sign. If any signatory is a fiduciary, the capacity in which he or she is acting should be indicated.

By: _____ Date: _____

Print Name: _____

Title: _____

Alaska Permanent Capital Management Company

By: _____ Date: _____
Evan D. Rose, Chairman and CEO

EXHIBIT A

Item h.

The work which the INVESTMENT MANAGER is required to perform for this project consists of the following:

I. APPOINTMENT:

CLIENT hereby appoints the INVESTMENT MANAGER as INVESTMENT MANAGER of all securities and cash placed in an appointed custody account for the CLIENT. The INVESTMENT MANAGER agrees to act in that capacity with regard to such securities and cash as a fiduciary, and upon the terms and conditions set forth in this agreement. The INVESTMENT MANAGER shall have full authority to make purchases and sales of securities for the account of CLIENT, subject to the provisions of Section III below.

II. CUSTODY:

Exclusive responsibility for the custody and safekeeping of the cash and securities under this Agreement shall remain with a custodian selected by CLIENT, hereafter referred to as "Custodian." INVESTMENT MANAGER will not have custody of any assets in the Account. CLIENT will be solely responsible for paying all fees or charges of the Custodian. CLIENT authorizes INVESTMENT MANAGER to give Custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the Account. CLIENT also authorizes and directs INVESTMENT MANAGER to instruct Custodian on CLIENT'S behalf to (a) send CLIENT at least quarterly a statement showing all transactions occurring in the Account during the period covered by the Account statement, and the funds, securities and other property in the Account at the end of the period; and (b) provide INVESTMENT MANAGER copies of all periodic statements and other reports for the Account that Custodian sends to CLIENT. Pursuant to federal regulations, the Custodian will maintain and report tax related information to the Internal Revenue Service. CLIENT accepts responsibility for selecting the applicable tax methods with the Custodian.

The INVESTMENT MANAGER agrees to cooperate with CLIENT and the Custodian, including but not limited to:

- (a) Timely reporting of all transactional information to the Custodian;
- (b) Reconciling security holdings and cash balances of the INVESTMENT MANAGER with similar data reported by the Custodian;
- (c) Cooperating in the identification and remedy of failed transactions; and
- (d) Responding in a timely manner to all reasonable requests for information by the Custodian.

III. SERVICES TO BE PERFORMED:

The INVESTMENT MANAGER is responsible for providing investment services to CLIENT and other funds as may be designated by CLIENT. In this capacity, the INVESTMENT MANAGER shall invest and reinvest the cash and securities from time to time allocated to it hereunder and deposited in the account, without distinction between principal and interest. The INVESTMENT MANAGER shall act as CLIENT'S fiduciary, and will discharge its duties with respect to the investments solely in the interest of CLIENT.

IV. INVESTMENT POLICY:

The INVESTMENT MANAGER will manage and invest the assets in an appropriate and prudent manner in compliance with CLIENT'S Investment Policy. The performance of the INVESTMENT MANAGER will be measured against fixed income and/or equity indexes as outlined in CLIENT'S Investment Policy.

V. AUTHORIZATION

The INVESTMENT MANAGER is hereby authorized to invest or reinvest or dispose of any cash, either U.S. or non-U.S., or securities held in the Account and invest the proceeds of any disposition in accordance with Section III above.

VI. BROKERAGE AND COMMISSION

In carrying out its functions hereunder, the INVESTMENT MANAGER will use its best efforts to obtain prompt execution of orders at favorable prices reasonably obtainable and in doing so will consider a number of factors, including the overall direct net economic result to CLIENT, the financial strength and stability of the broker; the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the availability of the broker to stand ready to execute possible difficult transactions in the future and other matters involved in the receipt of "brokerage and research services" as defined in compliance with Section 28 (e) of the Securities Exchange Act of 1934, as amended and regulations thereunder.

VII. RULE OF PRUDENCE:

In performing its services, the INVESTMENT MANAGER will follow the Prudent Investor Rule. When evaluating investments, the INVESTMENT MANAGER will give appropriate consideration to the 1) composition and diversification of the portfolio, 2) liquidity of the portfolio, and 3) projected return of the portfolio.

VIII. INSTRUCTIONS:

All instructions given by the INVESTMENT MANAGER to the Custodian shall be in an agreed upon format in either written or electronic form, submitted by an authorized representative of the INVESTMENT MANAGER; Fax, oral or email transmissions may be used when acceptable to both parties.

IX. REPORTS BY THE INVESTMENT MANAGER:

The INVESTMENT MANAGER shall deliver to CLIENT, or any person or persons designated by CLIENT:

- (a) Monthly statements are to be delivered to CLIENT within 15 calendar days following month end, and shall include:
 - (i) a listing of all cash and securities in the Account with market values in U.S. dollars as of the close of business on the last business day of each month;
 - (ii) a listing in chronological order of each purchase and sale transaction for the Account during the month;
- (b) At a minimum, quarterly statements with investment performance
- (c) Appearances. The INVESTMENT MANAGER will make a presentation to CLIENT at least annually and will be available to make additional presentations as mutually agreeable.
- (d) Representation of the INVESTMENT MANAGER. The INVESTMENT MANAGER represents and warrants:
 - (i) that it is an "investment adviser" as defined in the Investment Advisers Act of 1940, as amended;
 - (ii) that it has completed, obtained and performed all registrations, filings and approvals, authorizations, consents or examinations required by any government or governmental authority for acts contemplated by this Contract

X. INSPECTION:

CLIENT may, at reasonable times, inspect the INVESTMENT MANAGER's facilities and activities that are related to the performance of this contract, and audit the INVESTMENT MANAGER's services.

XI. OTHER INVESTMENT ACCOUNTS:

CLIENT understands that INVESTMENT MANAGER serves as investment manager for other CLIENTS and will continue to do so. CLIENT also understands that INVESTMENT MANAGER, its personnel and affiliates may give advice or take action in performing their duties to other CLIENTS, or for their own accounts, that differ from advice given to or action taken for

CLIENT. INVESTMENT MANAGER is not obligated to buy, sell or recommend for CLIENT any security or other investment that INVESTMENT MANAGER, its personnel or affiliates may buy, sell or recommend for any other CLIENT or for their own accounts. This Agreement does not limit or restrict in any way INVESTMENT MANAGER or any of its personnel or affiliates from buying, selling or trading in any securities or other investments for their own accounts.

XII. RETIREMENT OR EMPLOYEE BENEFIT PLAN ACCOUNTS:

This Section applies if the Account is for a (a) pension or other employee benefit plan (including a 401(k) plan) governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (b) tax-qualified retirement plan (including a Keogh plan) under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and not covered by ERISA; or (c) an individual retirement account ("IRA") under Section 408 of the Code.

If the Account is for a plan subject to ERISA, CLIENT appoints INVESTMENT MANAGER, and INVESTMENT MANAGER accepts its appointment, as an "investment manager" for purposes of ERISA and the Code, and Adviser acknowledges that it is a "fiduciary" within the meaning of Section 3(21) of ERISA and Section 4975(e)(3) of the Code (but only with respect to the provision of services described in Section I of this Agreement). INVESTMENT represents that it is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

CLIENT represents that INVESTMENT MANAGER has been furnished true and complete copies of all documents establishing and governing the plan and evidencing CLIENT'S authority to retain INVESTMENT MANAGER. CLIENT will furnish promptly to INVESTMENT MANAGER any amendments to the plan, and CLIENT agrees that, if any amendment affects the rights or obligations of INVESTMENT MANAGER, such amendment will be binding on INVESTMENT MANAGER only when agreed to by INVESTMENT MANAGER in writing. If the Account contains only a part of the assets of the plan, CLIENT understands that INVESTMENT MANAGER will have no responsibility for the diversification of all of the plan's investments, and that INVESTMENT MANAGER will have no duty, responsibility or liability for CLIENT assets that are not in the Account. If ERISA or other applicable law requires bonding with respect to the assets in the Account, CLIENT will obtain and maintain at its expense bonding that satisfies this requirement and covers INVESTMENT MANAGER and its Affiliated Persons.

XIII. MISCELLANEOUS:

The headings in this Contract are for convenience only and shall not expand, limit or otherwise affect the meaning hereof. The Contract may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

XIV. PROXY VOTING

As a matter of policy and as a fiduciary to our CLIENTS, we vote proxies for portfolio securities consistent with the best economic interests of the CLIENT. We vote proxies for debt instruments and, with some exceptions, exchange-traded funds and mutual funds. We do not vote proxies for individual equities. Individual equities are held in a CLIENT'S account as an accommodation to the CLIENT and are not part of our overall management strategy or an appropriate focus for research. CLIENTS are hereby notified that we do not vote these proxies and that we will arrange for CLIENT to receive these proxies directly. If the Account is for a pension or other employee benefit plan governed by ERISA, CLIENT directs Adviser not to vote proxies for securities held in the Account because the right to vote such proxies has been expressly reserved for either the plan's trustees, or a named fiduciary.

Our policy and practice includes the responsibility to monitor corporate actions, receive and vote CLIENT proxies, disclose any potential conflicts of interest, and make information related to proxies available to CLIENTS. The term proxy as used here includes corporate actions and tender offers for debt instruments.

EXHIBIT B

I. COMPENSATION:

CLIENT shall pay to the INVESTMENT MANAGER as compensation for services the INVESTMENT MANAGER rendered in accordance with the terms of this agreement as follows:

_____ of 1% annually on market value of assets under management up to _____ and;
 _____ of 1% annually on market value of assets under management thereafter.

Payable monthly, in arrears, and based on the month-end account market value, which includes accrued interest and dividends. The INVESTMENT MANAGER utilizes a third party pricing service to determine market value.

II. MANNER OF PAYMENT:

CLIENT shall make payments to the INVESTMENT MANAGER as follows: The INVESTMENT MANAGER shall submit monthly invoices for services rendered. The invoice shall itemize the manner in which the billing is calculated. Payment will be made by CLIENT by check, electronic payment or by authorizing the CUSTODIAN to direct payment to the INVESTMENT MANAGER, at the CLIENT's discretion.

III. INSURANCE:

The INVESTMENT MANAGER shall maintain the following insurance in accordance with Paragraph III (c) of this Agreement:

	LIMIT
(a) Professional Liability	\$5,000,000 aggregate
(b) General Liability	\$2,000,000 general aggregate
(c) Statutory Worker's Compensation Protection	\$1,000,000 each accident