City and Borough of Wrangell
Borough Assembly Meeting
AGENDA

Tuesday, December 20, 2022 (Rescheduled from 12-13-22) Location: Borough Assembly Chambers
Work Session from 6:00 – 7:00 PM / **Regular Assembly Mtg**. at 7:00 PM

WORK SESSION (6:00 - 7:00 PM)

a. Department Needs (Org Chart)

1. CALL TO ORDER

a. PLEDGE OF ALLEGIANCE led by Assembly Member Anne Morrison

b. CEREMONIAL MATTERS

i. **Certificate of Service** - Joan Sargent (Economic Development Committee)

2. ROLL CALL

3. PERSONS TO BE HEARD

4. AMENDMENTS TO THE AGENDA

5. CONFLICT OF INTEREST

6. CONSENT AGENDA

Matters listed under the consent agenda are routine and will be enacted by one motion and one vote. there will be no separate discussion of these items. ***If the borough mayor, assembly member, manager, or clerk requests discussion on any item, that item will be removed from the consent agenda and will be considered under unfinished business (no motion is necessary to move an item from the consent agenda).***

MOTION ONLY: *Move to Approve the Consent Agenda, as submitted.*

a. Minutes from the November 22, 2022, Regular Assembly Meeting

b. Minutes from the November 28, 2022, Special Assembly Meeting

c. Approval to issue the FY 2021 Audit for the City and Borough of Wrangell

d. Final Plat approval of the GPV Tidelands Replat, a replat of Lot A, Block 84, GPV Replat (Plat No. 2022-12), and Lots 6 and 7, Block 84D, Wrangell Tidelands Addition (Plat 65-87), creating Lot A-1 and Lot 6-1, zoned Waterfront Development, requested by Micony, LLC.

e. Final Plat approval of the Massin Replat, a replat of Lot B, Block 67, Edgley-Massin Subdivision (Plat No. 2015-7) and Lot AA, Block 67 of the Good/Edgley Subdivision (Plat 2018-4) creating Lots A-1 and B-1 zoned Single Family Residential, requested and owned by Michelle Massin and owned by Chloe Edgley

f. **RESOLUTION No. 12-22-1742** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE FINANCE DIRECTOR AND BOROUGH MANAGER TO BE SIGNERS OF THE KEYBANC CAPITAL MARKETS BROKERAGE ACCOUNT AND FURTHER AUTHORIZING THEM TO SIGN THE NON-CORPORATE RESOLUTION AND STANDING LETTER OF AUTHORIZATION FOR REQUESTING MONEY WIRES OR TRANSFERING POSITIONS FROM THE KEYBANC CAPITAL MARKETS ACCOUNT TO THE KEYBANK AMLIP ACCOUNT

g. **RESOLUTION 12-22-1743** OF THE CITY AND BOROUGH OF WRANGELL ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY23 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 18: CENTRAL SOUTHEAST AREA

7. BOROUGH MANAGER'S REPORT

a. Borough Manager's Report

b. FINANCIAL REPORT

8. BOROUGH CLERK'S REPORT

a. Borough Clerk's Report

9. MAYOR AND ASSEMBLY BUSINESS

10. MAYOR AND ASSEMBLY APPOINTMENTS

a. Investment Committee Vacancy Appointment

11. PUBLIC HEARING

a. **NON-CODE ORDINANCE No. 1033** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE SALE OF PUBLIC LAND IN CONFORMANCE WITH WRANGELL MUNICIPAL CODE CHAPTER 16.12, SPECIFICALLY, LOT A, BLOCK 54, WMC REPLAT, PLAT 2016-6, WRANGELL MEDICAL CENTER, WRANGELL RECORDING DISTRICT, AND REPEALING RESOLUTION NO. 04-22-1690

12. UNFINISHED BUSINESS

13. NEW BUSINESS

a. **RESOLUTION No. 12-22-1731** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE CONVEYANCE OF PUBLIC TIDELANDS, LOT 6 AND LOT 7, BLOCK 84D, TIDELANDS SUBDIVISION, ATS 83, TO MICONY, LLC, FOR $83,989 WHICH IS $27,511 BELOW THE APPRAISED VALUE OF $111,500 FOR ECONOMIC DEVELOPMENT PURPOSES AS ALLOWED UNDER WRANGELL MUNICIPAL CODE 16.12.012

b. **RESOLUTION No. 12-22-1732** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY TRANSFERRING $40,000 FROM THE SEWER FUND RESERVES TO THE SEWER FUND CIP AND AUTHORIZING ITS EXPENDITURE FOR THE WASTEWATER TREATMENT PLANT OUTFALL MIXING ZONE MODELING AND ANTI-DEGRADATION ANALYSIS PROJECT

c. **RESOLUTION No. 12-22-1733** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ESTABLISHING THE PRIORITY CAPITAL PROJECTS FOR FY 2024

d. **RESOLUTION No. 12-22-1734** OF THE CITY AND BOROUGH OF WRANGELL, ALASKA CREATING THE TOURISM COORDINATOR JOB DESCRIPTION WITHIN THE ECONOMIC DEVELOPMENT DEPARTMENT AND AMENDING THE NON-UNION WAGE AND GRADE TABLE

e. **RESOLUTION No. 12-22-1735** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY APPROPRIATING $39,592 FROM GENERAL FUND UNRESTRICTED FUND BALANCE AND AUTHORIZING ITS EXPENDITURE THROUGH MULTIPLE ACCOUNTS FOR THE PURPOSE OF HIRING AND RETAINING A TOURISM COORDINATOR IN THE ECONOMIC DEVELOPMENT DEPARTMENT

f. **RESOLUTION No. 12-22-1736** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET CUMULATIVELY TRANSFERRING $2,206,123 FROM MULTIPLE ACCOUNTS TO THE ALDER TOP VILLAGE SUBDIVISION (I.E., INSTITUTE) PROPERTY DEVELOPMENT EXPENSE ACCOUNT IN THE RESIDENTIAL CONSTRUCTION FUND AND FURTHER ADOPTING A METHODOLOGY FOR FUTURE PROJECT COST AND REVENUE SHARING

g. **RESOLUTION No. 12-22-1737** OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, CREATING THE BOROUGH CONTROLLER JOB DESCRIPTION WITHIN THE FINANCE DEPARTMENT AND AMENDING THE NON-UNION WAGE AND GRADE TABLE

h. **RESOLUTION No. 12-22-1738** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY APPROPRIATING $75,750 FROM GENERAL FUND UNRESTRICTED FUND BALANCE AND AUTHORIZING ITS EXPENDITURE THROUGH MULTIPLE ACCOUNTS FOR THE PURPOSE OF HIRING AND RETAINING A BOROUGH CONTROLLER IN THE FINANCE DEPARTMENT

i. **RESOLUTION No. 12-22-1739** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY2023 BUDGET BY TRANSFERRING $52,000 FROM THE GENERAL FUND RESERVE TO THE GENERAL FUND CAPITAL BUDGET FOR THE PUBLIC SAFETY BUILDING IMPROVEMENTS PROJECT

j. Approval of a Professional Services Agreement with NorthWind Architects in the Amount of $47,204.60 for the Public Safety Building Improvements Project

k. **RESOLUTION No. 12-22-1740** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY TRANSFERRING $98,500 FROM THE SECURE RURAL SCHOOLS FUND RESERVES TO THE SECURE RURAL SCHOOLS FUND CIP FUND FOR THE HIGH SCHOOL AND MIDDLE SCHOOL FIRE ALARM REPLACEMENT PROJECT AND AUTHORIZING ITS EXPENDITURES

l. Approval of a contract award to Sitka Electric Company in the amount of $655,000 for the High School and Middle School Fire Alarm Replacement Rebid Project

m. Approval of a contract award to Schmolck Mechanical Contractors, Inc. in the amount of $424,100 for the Recreation Center HVAC Upgrades Project

n. Approval of a Sole Source Procurement, in Conformance with Section 5.10.050 (B) of the Wrangell Municipal Code, from NC Power Systems for a Caterpillar Generator in the amount of $80,756 for the Nolan Center Standby Generator Upgrades project

o. **RESOLUTION No. 12-22-1741** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE BOROUGH TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE THE MAJOR RENOVATION OF THE MIDDLE SCHOOL, HIGH SCHOOL, AND ELEMENTARY SCHOOL AND OTHER RELATED CAPITAL IMPROVEMENTS; FIXING CERTAIN DETAILS OF SUCH BONDS; AND AUTHORIZING THEIR SALE

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

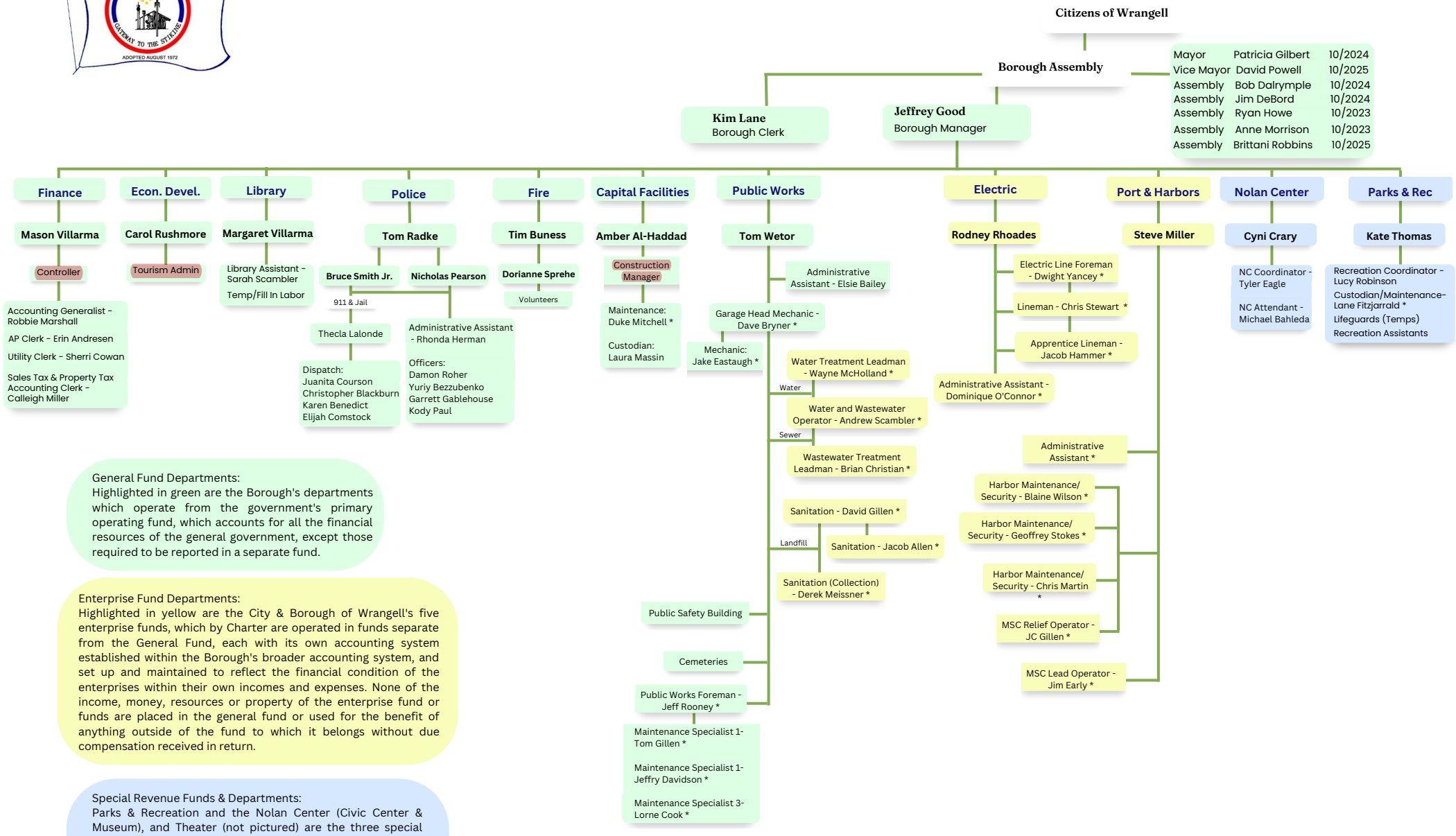
15. EXECUTIVE SESSION

16. ADJOURNMENT

City and Borough of Wrangell

Organizational Chart

Item a.



General Fund Departments:
Highlighted in green are the Borough's departments which operate from the government's primary operating fund, which accounts for all the financial resources of the general government, except those required to be reported in a separate fund.

Enterprise Fund Departments:
Highlighted in yellow are the City & Borough of Wrangell's five enterprise funds, which by Charter are operated in funds separate from the General Fund, each with its own accounting system established within the Borough's broader accounting system, and set up and maintained to reflect the financial condition of the enterprises within their own incomes and expenses. None of the income, money, resources or property of the enterprise fund or funds are placed in the general fund or used for the benefit of anything outside of the fund to which it belongs without due compensation received in return.

Special Revenue Funds & Departments:
Parks & Recreation and the Nolan Center (Civic Center & Museum), and Theater (not pictured) are the three special revenue funds of the Borough which maintain staff and generate user revenues. The theater funds its operations through ticket prices and concessions sales. Parks & Recreation are supported by a combination of generated revenues, investments & endowments, and General Funds covering all losses from operations each year.

*- indicates IBEW Union Employee

CERTIFICATE OF SERVICE

The City & Borough of Wrangell, Alaska
Presents this Certificate of Service to:

Joan Sargent

for her service and dedication on the Economic Development Committee

May 2020 to November 2022

Patricia Gilbert, Borough Mayor

ATTEST: Kim Lane, MMC, Borough Clerk

Dated this 20th day of December 2022

Minutes of Regular Assembly Meeting
Held on November 22, 2022

Mayor Patricia Gilbert called the Regular Assembly meeting to order at 6:00 p.m., November 22, 2022, in the Borough Assembly Chambers. Assembly Member DeBord led the pledge of allegiance, and the roll was called.

PRESENT - ROBBINS, DALRYMPLE, GILBERT, HOWE, DEBORD, POWELL

ABSENT - MORRISON

Borough Manager Jeff Good and Clerk Lane were also present.

PERSONS TO BE HEARD

Zach Taylor, Muddy Water Adventures submitted email correspondence in opposition of support for the IFA Letter that was received from the Petersburg Borough.

Bruce McQueen, resident submitted email correspondence in opposition of support for the IFA Letter that was received from the Petersburg Borough.

AMENDMENTS TO THE AGENDA

Manager Good requested that item 13e (approval of a contract award to AWC Water Solutions LTD) be removed from the Agenda. There were no objections from the Assembly.

CONFLICT OF INTEREST – None.

CONSENT AGENDA

6a **RESOLUTION No. 11-22-1730** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE ASSESSMENT VALUE FOR TAX YEAR 2021 FOR PRESBYTERIAN CHURCH LOT A PRESBYTERIAN RESERVE REPLAT SUBDIVISION, DUE TO A MANIFEST CLERICAL ERROR

6b Minutes of the November 8, 2022, Regular Assembly Meeting

6c Final plat approval of Trust Land Survey 2019-03, aka Woodbury Subdivision, a subdivision of Lot 2 of Trust Land Survey 2018-11, aka W-4 Subdivision, creating Lots 2A and 2B, zoned Timber Management, requested by Brett Woodbury, owned by the Alaska Mental Health Land Trust

M/S: Powell/Dalrymple to approve the Consent Agenda, as submitted. Motion approved unanimously by polled vote.

BOROUGH MANAGER'S REPORT

Borough Manager Good provided a verbal report.

An economic development report / update was provided.

Amber Al-Haddad, Capital Facilities Director provided the infrastructure updates and answered various questions on upcoming projects from the Assembly.

Mason Villarma, Finance Director provided a detailed financial report and answered various question from the Assembly.

BOROUGH CLERK'S REPORT

Clerk Lane's report was provided.

MAYOR AND ASSEMBLY BUSINESS

Dalrymple reminded the listening public that the comment period for the Cabin EA (Environmental Assessment) project ends at the end of this month; encouraged those who have not commented, to please do so.

MAYOR AND ASSEMBLY APPOINTMENTS

Mayor Gilbert appointed Kathleen St. Clair to fill the vacancy on the Planning & Zoning Commission with the term expiring October 2024. There were no objections from the Assem

Mayor Gilbert appointed John DeRuyter to fill the vacancy on the Economic Development Committee with the term expiring October 2023. There were no objections from the Assembly.

PUBLIC HEARING - None.

UNFINISHED BUSINESS

12a **RESOLUTION No. 11-22-1729** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE CONVEYANCE OF LOT 36, LOT 37, AND LOT 38, WRANGELL TOWNSITE, LOCATED ON A STREET AND CASSIAR, TO FRANK WARFEL, JR. FOR A TOTAL COMBINED FAIR MARKET COST OF $33,000

M/S: Powell/Howe to approve Resolution No. 11-22-1729. Motion approved unanimously by polled vote.

NEW BUSINESS

13a **ORDINANCE No. 1033** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE SALE OF PUBLIC LAND IN CONFORMANCE WITH WRANGELL MUNICIPAL CODE CHAPTER 16.12, SPECIFICALLY, LOT A, BLOCK 54, WMC REPLAT, PLAT 2016-6, WRANGELL MEDICAL CENTER, WRANGELL RECORDING DISTRICT, AND REPEALING RESOLUTION NO. 04-22-1690

M/S: Howe/Powell to approve first reading of Ordinance No. 1033 and move to a Second Reading with a Public Hearing to be held on December 20, 2022. Motion approved with Howe, Dalrymple, Powell, Robbins, and Gilbert voting yes; DeBord voted no.

13b **RESOLUTION NO 11-22-1728** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ACCEPTING A GRANT IN THE AMOUNT OF $427,804 FROM THE STATE OF ALASKA HOMELAND SECURITY AND EMERGENCY MANAGEMENT GRANT PROGRAM FOR THE PORTS AND HARBORS SURVEILLANCE SYSTEM PROJECT

M/S: Powell/Robbins to approve Resolution No. 11-22-1728. Motion approved unanimously by polled vote.

13c Approval of the City & Borough of Wrangell Employee Handbook (formally Personnel Regulations)

M/S: Powell/Robbins to approve the City & Borough of Wrangell Employee Handbook, as presented. Motion approved unanimously by polled vote.

13d Approval of State Lobbyist Professional Services Agreement

M/S: Powell/Robbins to approve the Professional Services Agreement to Ray Matiashowski & Associates for Lobbying Services. Motion approved unanimously by polled vote.

~~13e Approval of a Contract Award to AWC Water Solutions LTD for the Packaged Water Treatment Plant Equipment Preselection and Shop Drawing Procurement in the Amount of $125,000~~ *This item was removed from the Agenda under "Amendments to the Agenda"*

13f Approval of an Amendment to the Professional Services Agreement with DOWL for the Water Treatment Plant Improvements Design in the amount of $140,000

M/S: Powell/Robbins to approve an Amendment to the Professional Services Agreement with DOWL for the Water Treatment Plant Improvements Design in the amount of $140,000. Motion approved unanimously by polled vote.

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

EXECUTIVE SESSION – None.

Meeting adjourned at 7:17 p.m.

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

Minutes of Special Assembly Meeting
Held on November 28, 2022

Mayor Stephen Prysunka called the Special Assembly meeting to order at 12:00 p.m., November 28, 2022, in the Borough Assembly Chambers.

PRESENT: MORRISON, GILBERT, DALRYMPLE (by phone), GILBERT, ROBBINS

ABSENT: DEBORD, HOWE

AMENDMENTS TO THE AGENDA: None.

CONFLICT OF INTEREST:

Powell declared that his brother was a part of this company however, he is not affiliated with this company whatsoever. Mayor Gilbert declared that she did not see any conflict. There were no objections from the Assembly.

PERSONS TO BE HEARD: None.

ITEMS OF BUSINESS

6a Public Hearing: Request to Purchase City-owned Tidelands consisting of approximately 35,740 total square feet, described as: a portion of Parcel 02-026-301, Lot 6, and Parcel 02-026-303, Lot 7, Block 84D, Alaska Tidelands Survey ATS 83 on Peninsula Street, requested by Micony, LLC

Mayor Gilbert declared the Public Hearing open and asked for an administration report.

Acting Manager Al-Haddad stated that Micony, LLC is wanting to purchase the tidelands that are adjacent to the lots that they recently purchased.

Gilbert asked if there were any persons who wished to speak on this item.

Bill Goodale with Micony, LLC gave his reasons for wanting to purchase the tidelands, vs. leasing them.

Gilbert declared the Public Hearing closed and asked for a motion.

M/S: Powell/Morrison to approve moving forward with the sale of City-owned Tidelands consisting of Lots 6 and 7, Block 84D, (total of approximately 35,740 square feet), ATS 83, to Micony, LLC.

In response to Morrison on how many employees were estimated to be employed, Mr. Goodale said that in the first few years, three to four and after that, hopefully, twelve high-paying jobs.

Mr. Goodale stated that he had acquired tidelands through the city in the past; one of the tidelands that he had was the Stikine tidelands; the tidelands were sold to them a couple of years ago; had the tidelands not been sold to them and if the property would have been ran by another entity, he believes that the business would have gone under.

Goodale stated that he would like to have this current business be based in Wrangell; if the sale of tidelands does not go through, Goodale stated that they would not lease the tidelands and that they will not have the main office here in Wrangell; would still move forward but would change the plans that they originally had.

Motion approved unanimously by polled vote.

Meeting adjourned at 12:30 p.m.

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	12/20/2022
	Agenda Section	**6**

Approval to issue the FY 2021 Audit for the City and Borough of Wrangell

SUBMITTED BY:
Mason Villarma, *Finance Director*

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 21: $0	FY 22: $0	FY23: $0
Amount Budgeted:		
	FY22 $0	
Account Number(s):		
	N/A	
Account Name(s):		
	N/A	
Unencumbered Balance(s) (prior to expenditure):		
	N/A	

ATTACHMENTS: 1. FY 2021 Audited Financial Statements PDF

This item is being considered under the Consent Agenda. Matters listed under the consent agenda are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion on these items. If the Mayor, an Assembly Member, the Manager or Clerk requests discussion and/or consideration on an item under the Consent Agenda, that item will be removed from the Consent Agenda and will be considered under Unfinished Business.

RECOMMENDATION MOTION:
Move to Approve the FY 2021 Audit for the City and Borough of Wrangell.

SUMMARY STATEMENT:

The FY 2021 audit of the City and Borough of Wrangell, AK that was conducted by BDO –Anchorage, our external auditors, will be issued during December of 2022. BDO has issued an *unmodified opinion* meaning that they have gained reasonable assurance that our FY 2021 Financial Statements are fairly presented and not materially misstated. They have included a list of findings with respect to our internal controls over financial reporting and compliance (ICOFR or ICOFC). A summary of the findings can be found starting on PDF page 157 of the audited financial statements. A corrective action plan can be found at the end of the issued FY 2021 Financial Statements where management has included a plan to address each of these findings in subsequent fiscal years.

Joy Merriner, BDO Audit Partner, delivered the FY21 audit results to the Assembly at the 11/15/22 work session. At the meeting, Mrs. Merriner highlighted the Borough's FY21 audit findings and reviewed key components of the financial statements. The following summarizes significant talking points from the meeting:

- The FY21 audit was a time-consuming effort that encompassed a comprehensive review of the Borough's financial statements that amended many errors from FY21 as well as prior fiscal years. The effort was a demonstration of a strong partnership between the Finance Department and BDO to tackle complex accounting errors that have plagued the Borough for years. The books and records are now at par with the auditors and the Borough can move forward to confidently rely on the financials for decision making.

- Findings related to internal control deficiencies will not be resolved without comprehensive and robust review by a controller or an equally competent professional.

- ADEC loans are the best source of financing to build or perform major maintenance on water and sewer infrastructure.

- Depreciation and cash flows are two key factors in reassessing user fees, enterprise fund rates, and taxes. Many enterprise funds have completely depreciated most of their assets.

City and Borough of Wrangell, Alaska

Basic Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports

Year Ended June 30, 2021

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

BDO

City and Borough of Wrangell, Alaska

Basic Financial Statements, Required Supplementary Information,
Supplementary Information
and Single Audit Reports
Year Ended June 30, 2021

City and Borough of Wrangell, Alaska

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

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and Borough Assembly
City and Borough of Wrangell

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the unit, each major fund, and the aggregate remaining fund information of the City and Borough of Wrangell, Alaska (the Borough), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Borough, as of June 30, 2021, 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.

We did not audit the financial statements of Wrangell Public Schools (the "District"), a discretely presented component unit, as of June 30, 2021. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the School District, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules of the Borough's information on the net pension and OPEB liability and asset and Borough contributions to the pension and OPEB plans, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

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 statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying combining and individual fund financial statements and schedules, and Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Schedule of State Financial Assistance as required by the *State of Alaska Single Audit Guide and Compliance Supplement* 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 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 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 combining and individual fund financial statements and schedules, the Schedule of Expenditures of Federal Awards, and the Schedule of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Borough as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated June 19, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The individual fund financial statements and schedules for the year ended June 30, 2020 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 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 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, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022 on our consideration of the Borough'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 the Borough'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 the Borough's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
December 7, 2022

Basic Financial Statements

Exhibit A-1

City and Borough of Wrangell, Alaska

Statement of Net Position

June 30, 2021	Primary Government: Govern-mental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Wrangell Public Schools
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	$ 27,124,839	$ 8,697,033	$ 35,821,872	$ 1,718,802
Receivables, net of allowance for doubtful accounts:				
Property and sales taxes	1,011,665	-	1,011,665	-
Accounts	97,567	689,352	786,919	67,564
Grants and shared revenues	-	415,080	415,080	524,892
Accrued interest	-	44	44	-
Internal balances	42,669	(42,669)	-	-
Prepaid items	483	-	483	-
Inventories	55,161	186,466	241,627	29,740
Restricted cash and investments	-	689,100	689,100	-
Net other postemployment benefits asset	379,551	180,610	560,161	457,101
Capital assets:				
Land, land improvements and construction in progress	1,186,678	2,166,756	3,353,434	-
Other capital assets, net of depreciation	30,366,267	43,789,153	74,155,420	47,724
Total Assets	60,264,880	56,770,925	117,035,805	2,845,823
Deferred Outflows of Resources				
Related to pensions	632,655	301,048	933,703	334,127
Related to other postemployment benefits	279,900	133,190	413,090	239,645
Total Deferred Outflows of Resources	912,555	434,238	1,346,793	573,772
Total Assets and Deferred Outflows of Resources	$ 61,177,435	$ 57,205,163	$ 118,382,598	$ 3,419,595

Exhibit A-1, continued

City and Borough of Wrangell, Alaska

Statement of Net Position, continued

June 30, 2021	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Wrangell Public Schools
Liabilities, Deferred Inflows of Resources, and Net Position				
Liabilities				
Accounts payable	$ 526,501	$ 667,902	$ 1,194,403	$ -
Customer utility deposits	-	103,752	103,752	-
Accrued interest payable	-	5,043	5,043	-
Accrued payroll and related liabilities	-	-	-	28,078
Unearned revenue	244,650	689,100	933,750	10,625
Noncurrent liabilities:				
Due within one year:				
Accrued leave	258,253	129,475	387,728	24,550
Loans	-	6,791	6,791	-
Due in more than one year:				
ADEC loan	-	46,769	46,769	-
USDA Rural Development loan	-	82,154	82,154	-
Net pension liability	4,526,380	2,153,872	6,680,252	3,336,511
Net other postemployment benefits liability	7,346	3,495	10,841	4,006
Total Liabilities	5,563,130	3,888,353	9,451,483	3,403,770
Deferred Inflows of Resources				
Related to pensions	-	-	-	102,068
Related to other postemployment benefits	307,742	146,440	454,182	245,133
Total Deferred Inflows of Resources	307,742	146,440	454,182	347,201
Total Liabilities and Deferred Inflows of Resources	5,870,872	4,034,793	9,905,665	3,750,971
Net Position				
Net investment in capital assets	31,552,945	45,820,195	77,373,140	457,101
Restricted	12,103,429	-	12,103,429	-
Unrestricted (deficit)	11,650,189	7,350,175	19,000,364	(788,477)
Total Net Position (Deficit)	55,306,563	53,170,370	108,476,933	(331,376)
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 61,177,435	$ 57,205,163	$ 118,382,598	$ 3,419,595

See accompanying notes to Basic Financial Statements.

Exhibit A-2

City and Borough of Wrangell, Alaska

Statement of Activities

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
Year Ended June 30, 2021	Expenses	Fees, Fines & Charges for Services	Operating Grants & Contri-butions	Capital Grants & Contri-butions	Govern-mental Activities	Business-type Activities	Total	Wrangell Public Schools
Functions								
Primary Government								
Governmental activities:								
General government	$ 2,739,933	$ 52,015	$ 509,570	$ 9,565	$ (2,168,783)	$ -	$ (2,168,783)	
Public safety	3,612,261	159,727	2,853,972	-	(598,562)	-	(598,562)	
Public works	2,183,922	25,374	50,492	-	(2,108,056)	-	(2,108,056)	
Parks and recreation	511,479	41,026	31,094	-	(439,359)	-	(439,359)	
Library	275,697	-	21,047	-	(254,650)	-	(254,650)	
Community services	521,948	50,445	26,821	250,224	(194,458)	-	(194,458)	
Education	1,792,534	-	796,757	-	(995,777)	-	(995,777)	
Total governmental activities	11,637,774	328,587	4,289,753	259,789	(6,759,645)	-	(6,759,645)	
Business-type activities:								
Electric utility	4,116,310	4,026,212	138,500	-	-	48,402	48,402	
Water utility	1,039,138	692,705	11,688	541,624	-	206,879	206,879	
Sewer utility	602,202	598,144	10,701	-	-	6,643	6,643	
Sanitation utility	848,686	670,479	10,075	-	-	(168,132)	(168,132)	
Port	3,120,825	1,329,147	389,851	-	-	(1,401,827)	(1,401,827)	
Total business-type activities	9,727,161	7,316,687	560,815	541,624	-	(1,308,035)	(1,308,035)	
Total Primary Government	$ 21,364,935	$ 7,645,274	$ 4,850,568	$ 801,413	(6,759,645)	(1,308,035)	(8,067,680)	

Exhibit A-2, continued

City and Borough of Wrangell, Alaska

Statement of Activities, continued

Year Ended June 30, 2021	Expenses	Program Revenues: Fees, Fines & Charges for Services	Program Revenues: Operating Grants & Contri-butions	Program Revenues: Capital Grants & Contri-butions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Govern-mental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Wrangell Public Schools
Component Unit								
Wrangell Public Schools	$ 5,098,594	$ 29,678	$ 939,876	$ 52,674				$ (4,076,366)
General Revenues								
Taxes:								
Property taxes					$ 1,926,327	$ -	$ 1,926,327	-
Sales taxes					3,288,094	-	3,288,094	-
Payments in lieu of taxes					494,259	-	494,259	-
Other taxes					89,921	-	89,921	-
Contributions from primary government					-	-	-	1,425,000
Grants and entitlements not restricted to a specific purpose					378,192	-	378,192	3,305,769
E-rate					-	-	-	99,307
Investment income					1,903,188	1,766	1,904,954	339
Other					64,412	-	64,412	84,387
Transfers					(722,000)	722,000	-	-
Total General Revenues and Transfers					7,422,393	723,766	8,146,159	4,914,802
Change in Net Position					662,748	(584,269)	78,479	838,436
Net Position (Deficit), beginning					54,643,815	53,754,639	108,398,454	(1,169,812)
Net Position (Deficit), ending					$ 55,306,563	$ 53,170,370	$ 108,476,933	$ (331,376)

See accompanying notes to Basic Financial Statements.

Exhibit B-1

City and Borough of Wrangell, Alaska

Governmental Funds
Balance Sheet

June 30, 2021	Major Funds: General	Permanent Fund Special Revenue	Secure Rural Schools Special Revenue	COVID-19 Response Special Revenue	Nonmajor Funds	Total Governmental Funds
Assets						
Cash and investments	$ 9,014,904	$ 9,620,244	$ 2,433,185	$ -	$6,056,506	$ 27,124,839
Receivables, net of allowance for doubtful accounts:						
Property and sales taxes	645,842	-	-	-	365,823	1,011,665
Accounts	97,309	-	-	-	258	97,567
Due from other funds	87,351	-	-	-	-	87,351
Interfund loan receivable	42,669	-	-	-	-	42,669
Prepaid items	483	-	-	-	-	483
Inventory	-	-	-	-	55,161	55,161
Total Assets	$ 9,888,558	$ 9,620,244	$ 2,433,185	$ -	$6,477,748	$ 28,419,735
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	$ 446,897	$ -	$ -	$ 45,287	$ 34,317	$ 526,501
Unearned revenue	12,368	-	-	87,932	144,350	244,650
Due to other funds	-	-	-	87,351	-	87,351
Total Liabilities	459,265	-	-	220,570	178,667	858,502
Deferred Inflows of Resources						
Delinquent property taxes	118,881	-	-	-	-	118,881
Total Liabilities and Deferred Inflows of Resources	578,146	-	-	220,570	178,667	977,383
Fund Balances (Deficit)						
Nonspendable	43,152	-	-	-	55,161	98,313
Restricted	-	9,620,244	2,433,185	-	50,000	12,103,429
Committed	-	-	-	-	3,993,564	3,993,564
Assigned	-	-	-	-	2,256,164	2,256,164
Unassigned (deficit)	9,267,260	-	-	(220,570)	(55,808)	8,990,882
Total Fund Balances (Deficit)	9,310,412	9,620,244	2,433,185	(220,570)	6,299,081	27,442,352
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 9,888,558	$ 9,620,244	$ 2,433,185	$ -	$6,477,748	$ 28,419,735

See accompanying notes to basic financial statements.

Exhibit B-2

City and Borough of Wrangell, Alaska

Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position

June 30, 2021

Total fund balances for governmental funds		$ 27,442,352
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets, net of accumulated depreciation consist of:		
Land and land improvements	$ 1,186,678	
Infrastructure	23,450,938	
Buildings	48,578,760	
Improvements other than buildings	6,655,793	
Machinery and equipment	5,331,892	
Accumulated depreciation	(53,651,116)	
Total capital assets		31,552,945
Certain other postemployment benefits (OPEB) plans have been funded in excess of the required contributions. These assets are not financial resources and therefore are not reported in the funds.		
Net OPEB asset		379,551
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		118,881
Long-term liabilities, including accrued leave and net pension/OPEB liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. These liabilities consist of:		
Accrued leave	(258,253)	
Net pension liability	(4,526,380)	
Net OPEB liability	(7,346)	
Total long-term liabilities		(4,791,979)
Certain changes in net pension and OPEB items are deferred rather than recognized immediately. These items are amortized over time.		
Deferred outflows of resources related to pensions	632,655	
Deferred outflows of resources related to OPEB	279,900	
Deferred inflows of resources related to OPEB	(307,742)	
Total deferred pension and OPEB items		604,813
Total Net Position of Governmental Activities		$ 55,306,563

See accompanying notes to basic financial statements.

Exhibit B-3

City and Borough of Wrangell, Alaska

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

	Major Funds					
Year Ended June 30, 2021	General	Permanent Fund Special Revenue	Secure Rural Schools Special Revenue	COVID-19 Response Special Revenue	Nonmajor Funds	Total Govern-mental Funds
Revenues						
Property taxes, penalties and interest	$ 1,903,618	$ -	$ -	$ -	$ -	$ 1,903,618
Payments in lieu of taxes	494,259	-	-	-	-	494,259
Marijuana taxes	600	-	-	-	-	600
Sales taxes, penalties and interest	2,221,497	-	-	-	1,066,597	3,288,094
Transient taxes	-	-	-	-	89,321	89,321
Intergovernmental	844,726	-	796,757	2,936,899	278,742	4,857,124
Charges for services	97,497	-	-	-	69,744	167,241
Sales and leases	108,230	-	-	-	-	108,230
Investment income (loss)	(15,829)	1,673,891	-	-	245,126	1,903,188
Land sales and improvements	-	-	-	-	72,486	72,486
Fines and forfeitures	6,920	-	-	-	-	6,920
Other	76,362	-	-	-	20,629	96,991
Total Revenues	5,737,880	1,673,891	796,757	2,936,899	1,842,645	12,988,072
Expenditures						
Current:						
General government	1,104,355	-	-	399,697	253,978	1,758,030
Public safety	1,420,316	-	-	2,732,324	-	4,152,640
Public works	1,259,574	-	-	19,363	-	1,278,937
Parks and recreation	-	-	-	4,547	542,445	546,992
Library	253,773	-	-	-	-	253,773
Community services	158,836	-	-	1,538	406,609	566,983
Education - contributions to school district	-	-	1,300,000	-	-	1,300,000
Debt service:						
Principal	-	-	-	-	260,000	260,000
Interest	-	-	-	-	6,875	6,875
Capital outlay	-	-	-	-	218,394	218,394
Total Expenditures	4,196,854	-	1,300,000	3,157,469	1,688,301	10,342,624
Excess of Revenues Over (under) Expenditures	1,541,026	1,673,891	(503,243)	(220,570)	154,344	2,645,448
Other Financing Sources (Uses)						
Transfers in	101,375	-	-	-	1,017,927	1,119,302
Transfers out	(716,552)	-	-	-	(1,124,750)	(1,841,302)
Net Other Financing Sources (Uses)	(615,177)	-	-	-	(106,823)	(722,000)
Net Change in Fund Balances	925,849	1,673,891	(503,243)	(220,570)	47,521	1,923,448
Fund Balances, beginning	8,384,563	7,946,353	2,936,428	-	6,251,560	25,518,904
Fund Balances (Deficit), ending	$ 9,310,412	$ 9,620,244	$ 2,433,185	$ (220,570)	$ 6,299,081	$ 27,442,352

See accompanying notes to basic financial statements.

Exhibit B-4

City and Borough of Wrangell, Alaska

Reconciliation of Change in Fund Balances of Governmental Funds to Statement of Activities
Year Ended June 30, 2021

Net change in fund balances - total governmental funds		$ 1,923,448
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 ($2,029,051) exceeded capital outlays ($809,731).		(1,219,320)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Decrease in other long-term receivables		(26,358)
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	$ 260,000	
Amortization of bond premium	19,616	
Decrease in accrued interest	3,271	
		282,887
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	(14,769)	
Increase in net pension liability and related accounts	(530,683)	
Increase in net OPEB liability/assets and related accounts	247,543	
		(297,909)
Change in Net Position of Governmental Activities		$ 662,748

See accompanying notes to basic financial statements.

Exhibit C-1

City and Borough of Wrangell, Alaska

Enterprise Funds
Statement of Net Position

June 30, 2021	Major Funds: Electric Utility	Major Funds: Water Utility	Major Funds: Sewer Utility	Major Funds: Port	Nonmajor Fund: Sanitation Utility	Total Enterprise Funds
Assets and Deferred Outflows of Resources						
Current Assets						
Cash and investments	$ 3,536,354	$ 491,455	$ 1,226,802	$ 2,531,602	$ 910,820	$ 8,697,033
Receivables, net of allowance for doubtful accounts:						
Accounts	356,017	80,842	48,906	153,767	49,820	689,352
Grants	-	415,080	-	-	-	415,080
Accrued interest	-	5	7	32	-	44
Inventories	186,466	-	-	-	-	186,466
Total Current Assets	4,078,837	987,382	1,275,715	2,685,401	960,640	9,987,975
Noncurrent Assets						
Restricted cash and investments	-	-	-	689,100	-	689,100
Net other postemployment benefits asset	82,593	18,849	17,587	45,203	16,378	180,610
Capital assets, net	1,441,604	4,571,054	2,457,357	37,107,438	378,456	45,955,909
Total Noncurrent Assets	1,524,197	4,589,903	2,474,944	37,841,741	394,834	46,825,619
Total Assets	5,603,034	5,577,285	3,750,659	40,527,142	1,355,474	56,813,594
Deferred Outflows of Resources						
Related to pensions	137,668	31,418	29,315	75,347	27,300	301,048
Related to other postemployment benefits	60,907	13,900	12,970	33,335	12,078	133,190
Total Deferred Outflows of Resources	198,575	45,318	42,285	108,682	39,378	434,238
Total Assets and Deferred Outflows of Resources	$ 5,801,609	$ 5,622,603	$ 3,792,944	$ 40,635,824	$ 1,394,852	$ 57,247,832

Exhibit C-1, continued

City and Borough of Wrangell, Alaska

Enterprise Funds
Statement of Net Position, continued

June 30, 2021	Major Funds: Electric Utility	Major Funds: Water Utility	Major Funds: Sewer Utility	Major Funds: Port	Nonmajor Fund: Sanitation Utility	Total Enterprise Funds
Liabilities, Deferred Inflows of Resources, and Net Position						
Current Liabilities						
Accounts payable	$ 322,457	$ 158,818	$ 42,405	$ 100,745	$ 43,477	$ 667,902
Accrued leave	33,725	25,314	23,968	28,686	17,782	129,475
Customer utility deposits	93,307	10,445	-	-	-	103,752
Accrued interest payable	-	3,326	1,717	-	-	5,043
Unearned revenue	-	-	-	689,100	-	689,100
Current portion of interfund loans	-	-	-	21,942	-	21,942
Current portion of loans	-	5,139	1,652	-	-	6,791
Total Current Liabilities	449,489	203,042	69,742	840,473	61,259	1,624,005
Long-term Liabilities, net of current portion						
USDA Rural Development loan	-	-	82,154	-	-	82,154
ADEC loan	-	46,769	-	-	-	46,769
Interfund loans payable	-	-	-	20,727	-	20,727
Net pension liability	984,959	224,783	209,736	539,074	195,320	2,153,872
Net other postemployment benefits liability	1,599	365	340	875	316	3,495
Total Long-term Liabilities	986,558	271,917	292,230	560,676	195,636	2,307,017
Total Liabilities	1,436,047	474,959	361,972	1,401,149	256,895	3,931,022
Deferred Inflows of Resources						
Related to other postemployment benefits	66,966	15,283	14,260	36,651	13,280	146,440
Total Deferred Inflows of Resources	66,966	15,283	14,260	36,651	13,280	146,440
Net Position						
Net investment in capital assets	1,441,604	4,519,146	2,373,551	37,107,438	378,456	45,820,195
Unrestricted	2,856,992	613,215	1,043,161	2,090,586	746,221	7,350,175
Total Net Position	4,298,596	5,132,361	3,416,712	39,198,024	1,124,677	53,170,370
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 5,801,609	$ 5,622,603	$ 3,792,944	$ 40,635,824	$ 1,394,852	$ 57,247,832

See accompanying notes to basic financial statements.

Exhibit C-2

City and Borough of Wrangell, Alaska

Enterprise Funds

Statement of Revenues, Expenses and Changes in Net Position

	Major Funds				Nonmajor Fund	Total
Year Ended June 30, 2021	Electric Utility	Water Utility	Sewer Utility	Port	Sanitation Utility	Enterprise Funds
Operating Revenues						
Charges for services	$ 3,961,298	$ 692,705	$ 598,144	$ 1,329,147	$ 670,479	$ 7,251,773
Operating Expenses						
Salaries and employee benefits	799,477	240,183	159,370	524,270	224,806	1,948,106
Other operating expenses	3,000,289	393,791	188,959	413,267	547,748	4,544,054
Depreciation	316,544	404,345	252,229	2,183,288	76,132	3,232,538
Total Operating Expenses	4,116,310	1,038,319	600,558	3,120,825	848,686	9,724,698
Loss from Operations	(155,012)	(345,614)	(2,414)	(1,791,678)	(178,207)	(2,472,925)
Nonoperating Revenues (Expenses)						
Investment income	-	130	446	1,190	-	1,766
Interest expense	-	(819)	(1,644)	-	-	(2,463)
State PERS relief	138,500	11,688	10,701	30,563	10,075	201,527
State fisheries business tax	-	-	-	359,288	-	359,288
Other revenues	64,914	-	-	-	-	64,914
Net Nonoperating Revenues	203,414	10,999	9,503	391,041	10,075	625,032
Income (Loss) Before Transfers and Capital Contributions	48,402	(334,615)	7,089	(1,400,637)	(168,132)	(1,847,893)
Transfers in	-	-	-	-	722,000	722,000
Capital contributions	-	541,624	-	-	-	541,624
Change in Net Position	48,402	207,009	7,089	(1,400,637)	553,868	(584,269)
Net Position, beginning	4,250,194	4,925,352	3,409,623	40,598,661	570,809	53,754,639
Net Position, ending	$ 4,298,596	$ 5,132,361	$ 3,416,712	$ 39,198,024	$ 1,124,677	$ 53,170,370

See accompanying notes to basic financial statements.

Exhibit C-3

City and Borough of Wrangell, Alaska

Enterprise Funds
Statement of Cash Flows

	Major Funds				Nonmajor Fund	Total
Year Ended June 30, 2021	Electric Utility	Water Utility	Sewer Utility	Port	Sanitation Utility	Enterprise Funds
Cash Flows from Operating Activities						
Receipts from customers and users	$ 3,934,921	$ 681,462	$ 610,954	$ 1,287,304	$ 670,121	$ 7,184,762
Payments for interfund services used	(143,830)	(89,284)	(58,783)	(49,759)	(78,293)	(419,949)
Payments to suppliers	(2,899,407)	(164,686)	(129,531)	(788,189)	(456,151)	(4,437,964)
Payments to employees	(723,221)	(184,647)	(190,864)	(542,795)	(199,727)	(1,841,254)
Net cash flows provided by (used for) operating activities	168,463	242,845	231,776	(93,439)	(64,050)	485,595
Cash Flows from Noncapital Financing Activities						
State fish taxes received	-	-	-	359,288	-	359,288
Transfers in	-	-	-	-	722,000	722,000
Net cash flows provided by noncapital financing activities	-	-	-	359,288	722,000	1,081,288
Cash Flows for Capital and Related Financing Activities						
Purchase of property, plant and equipment	(164,117)	(699,092)	(28,828)	(169,840)	-	(1,061,877)
Capital contributions received	-	126,544	-	861,591	-	988,135
Principal payments on long-term debt	-	-	(1,632)	(21,942)	-	(23,574)
Interest payments on long-term debt	-	-	(1,614)	-	-	(1,614)
Net cash flows used by capital and related financing activities	(164,117)	(572,548)	(32,074)	669,809	-	(98,930)
Cash Flows from Investing Activities						
Investment income received	-	130	446	1,190	-	1,766
Net Increase (Decrease) in Cash and Investments	4,346	(329,573)	200,148	936,848	657,950	1,469,719
Cash and Investments, beginning	3,532,008	821,028	1,026,654	2,283,854	252,870	7,916,414
Cash and Investments, ending	$ 3,536,354	$ 491,455	$ 1,226,802	$ 3,220,702	$ 910,820	$ 9,386,133
Reconciliation of Cash and Investments to Statement of Net Position						
Cash and investments:	$ 3,536,354	$ 491,455	$ 1,226,802	$ 2,531,602	$ 910,820	$ 8,697,033
Restricted cash and investments	-	-	-	689,100	-	689,100
Total Cash and Investments	$ 3,536,354	$ 491,455	$ 1,226,802	$ 3,220,702	$ 910,820	$ 9,386,133

Exhibit C-3, continued

City and Borough of Wrangell, Alaska

Enterprise Funds
Statement of Cash Flows, continued

Year Ended June 30, 2021	Major Funds: Electric Utility	Major Funds: Water Utility	Major Funds: Sewer Utility	Major Funds: Port	Nonmajor Fund: Sanitation Utility	Total Enterprise Funds
Reconciliation of Loss from Operations to Net Cash Flows from Operating Activities						
Loss from operations	$ (155,012)	$ (345,614)	$ (2,414)	$ (1,791,678)	$ (178,207)	$ (2,472,925)
Adjustments to reconcile loss from operations to net cash flows provided by (used for) operating activities:						
Depreciation	316,544	404,345	252,229	2,183,288	76,132	3,232,538
Noncash expense - PERS relief	138,500	11,688	10,701	30,563	10,075	201,527
Miscellaneous nonoperating revenues	64,913	-	-	-	-	64,913
(Increase) decrease in assets:						
Accounts receivable	(107,677)	(12,468)	12,810	(41,843)	(358)	(149,536)
Inventories	(15,381)	-	-	-	-	(15,381)
Net other postemployment benefits asset	(77,790)	(18,057)	(16,204)	(41,572)	(15,375)	(168,998)
(Increase) decrease in deferred outflows of resources:						
Related to pensions	(618)	(9,618)	918	3,507	(6,225)	(12,036)
Related to other postemployment benefits	3,880	(2,227)	7,054	18,022	2,357	29,086
Increase (decrease) in liabilities:						
Accounts payable	(27,567)	139,821	645	(415,800)	13,304	(289,597)
Accrued leave	(18,417)	5,246	111	7,438	9,031	3,409
Customer utility deposits	16,387	1,225	-	-	-	17,612
Net pension liability	28,887	68,621	(21,134)	(38,371)	31,944	69,947
Net other postemployment benefits liability	(21,565)	(6,352)	(11,178)	(18,017)	(8,075)	(65,187)
Increase (decrease) in deferred inflows of resources:						
Related to pensions	(18,869)	(3,795)	(6,788)	(7,423)	(5,163)	(42,038)
Related to other postemployment benefits	42,248	10,030	5,026	18,447	6,510	82,261
Net Cash Flows provided by (used for) Operating Activities	$ 168,463	$ 242,845	$ 231,776	$ (93,439)	$ (64,050)	$ 485,595

See accompanying notes to basic financial statements.

1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

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

Wrangell Public Schools

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

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

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

Related Organization

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

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

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, pension benefits, and other postemployment benefits are recorded only when due.

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

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.

The *Secure Rural Schools Special Revenue Fund* accounts for the funding received from U.S. Department of Agriculture through the Schools and Roads - Grants to States program, which is used to fund local public education and maintain streets and roads.

The *COVID-19 Response Special Revenue Fund* is used to account for the Borough's financial resources received and expended related to COVID-19 response. This fund does not have a legally adopted budget.

Major proprietary funds:

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

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

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

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

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

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

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 maintains 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.

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.

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 proprietary fund financial statements, deferred inflows are reported in connection with 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, net OPEB asset and liability, deferred outflows of resources, deferred inflows of resources related to pensions, other postemployment benefits expense, 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.

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.

2. Stewardship, Compliance and Accountability

Budgetary Accounting

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

Excess of Expenditures over Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations in the General Fund for the following departments: General Government by $43,031, and Library by $506.

Deficit Fund Balance

At June 30, 2021, the Borough reported a deficit in fund balance of $220,570 for the COVID-19 Response Special Revenue Fund due to COVID-19 mitigation expenses being incurred but not yet obligated for reimbursement by the Federal Emergency Management Agency. No other individual funds reported a deficit fund balance at June 30, 2021.

3. Cash and Investments

The City and Borough of Wrangell utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet as "cash and investments" or in the case of "negative cash," is included in "due to other funds." The Borough also restricts cash for unearned revenue in the Port fund.

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, 2021.

	Pooled Cash and Investments	Permanent Fund Special Revenue Fund	Totals
Bank deposits	$ 14,823,941	$ 317,746	$ 15,141,687
Investments	12,066,787	9,302,498	21,369,285
Total Cash and Investments	$ 26,890,728	$ 9,620,244	$ 36,510,972

	Government-wide Statement of Net Position
Cash and investments	$ 35,821,872
Restricted cash and investments	689,100
Total Cash and Investments	$ 36,510,972

Investment Policy

The Borough's general investment policy authorizes investments in:

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

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

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

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

Interest Rate Risk

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

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.

Investment maturities in general investments at June 30, 2021 are as follows:

		Investment Maturities (In Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More than 10 Years
Money market funds	$ 2,425,074	$ 2,425,074	$ -	$ -	$ -
Certificates of deposit	3,344,676	2,625,372	719,304	-	-
U.S. Treasuries	4,624,002	2,678,167	1,945,835	-	-
Municipal bonds	404,991	196,682	208,309	-	-
Total subject to interest rate risk	10,798,743	$ 7,925,295	$ 2,873,448	$ -	$ -
U.S. equity funds	445,178				
U.S. fixed income funds	427,971				
International fixed income funds	55,099				
International equity funds	211,057				
Infrastructure funds	54,200				
Real estate funds	29,980				
Commodities funds	44,559				
Total General Investments	$ 12,066,787				

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General investments are classified in the fair value hierarchy as follows at June 30, 2021:

Investment Type	Level 1	Level 2	Level 3	Fair Value
Certificates of deposit	$ -	$ 3,344,676	$ -	$ 3,344,676
U.S. Treasuries	4,624,002	-	-	4,624,002
Municipal bonds	-	404,991	-	404,991
U.S. fixed income funds	427,971	-	-	427,971
International fixed income funds	55,099	-	-	55,099
U.S. equity funds	445,178	-	-	445,178
International equity funds	211,057	-	-	211,057
Infrastructure funds	54,200	-	-	54,200
Real estate funds	29,980	-	-	29,980
Commodities funds	44,559	-	-	44,559
Total Investments at Fair Value	$ 5,892,046	$ 3,749,667	$ -	$ 9,641,713
Investments at amortized cost - Money market funds				$ 2,425,074
Total Investments				$ 12,066,787

The Borough has investments in money market funds that are not held at fair value, but instead are recorded at amortized cost, as of June 30, 2021.

Credit Risk

The Borough's general investments in U.S. Treasuries and U.S. government agencies were rated Aaa by Moody's. The Borough's investments in municipal bonds were rated as follows by Moody's: $142,298 rated Aaa; $185,939 rated Aa1; $76,754 rated Aa2; $0 rated Aa3. The Borough's investments in certificates of deposits, U.S fixed income funds and international fixed income funds were unrated.

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Investment maturities in Permanent Fund Special Revenue Fund investments at June 30, 2021 are as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10 Years
Money market funds	$ 534,820	$ 534,820	$ -	$ -	$ -
Total subject to interest rate risk		$ 534,820	$ -	$ -	$ -
U.S. equity funds	3,078,111				
U.S. fixed income funds	2,959,132				
International fixed income funds	380,974				
International equity funds	1,459,318				
Infrastructure funds	374,756				
Real estate funds	207,295				
Commodities funds	308,092				
Total Permanent Fund Investments	$ 9,302,498				

In addition to the investments disclosed above, the Permanent Fund Special Revenue Fund holds $317,746 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 $9,620,244.

Fair Value Measurement
Permanent fund investments are classified in the fair value hierarchy as follows at June 30, 2021:

Investment Type	Level 1	Level 2	Level 3	Fair Value
U.S. fixed income funds	$ 2,959,132	$ -	$ -	$ 2,959,132
International fixed income funds	380,974	-	-	380,974
U.S. equity funds	3,078,111	-	-	3,078,111
International equity funds	1,459,318	-	-	1,459,318
Infrastructure funds	374,756	-	-	374,756
Real estate funds	207,295	-	-	207,295
Commodities funds	308,092	-	-	308,092
Total Investments at Fair Value	$ 8,767,678	$ -	$ -	$ 8,767,678
Investments at amortized cost - Money market funds				$ 534,820
Total Investments				$ 9,302,498

Credit Risk
The Borough's Permanent Fund Special Revenue Fund investments in U.S. fixed income funds and international fixed income funds were unrated.

4. Accounts Receivable and Valuation Allowances

The Borough maintains accounts receivable balances of which a portion is reserved as an allowance for doubtful receivables. At June 30, 2021, receivables for the Borough's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

June 30, 2021	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	$ 182,597	$ -	$ 182,597
Sales taxes	463,245	365,823	829,068
Accounts	97,379	258	97,637
Total receivables	743,221	366,081	1,109,302
Less allowance for doubtful accounts	(70)	-	(70)
Net Receivables	$ 743,151	$ 366,081	$ 1,109,232

	Major Enterprise Funds				Nonmajor Enterprise Fund	
June 30, 2021	Electric Utility	Water Utility	Sewer Utility	Port	Sanitation Utility	Total Enterprise Funds
Grants	$ -	$ 415,080	$ -	$ -	$ -	$ 415,080
Accounts	388,043	80,842	48,906	183,767	49,820	751,378
Accrued interest	-	5	7	32	-	44
Total receivables	388,043	495,927	48,913	183,799	49,820	1,166,502
Less allowance for doubtful accounts	(32,026)	-	-	(30,000)	-	(62,026)
Net Receivables	$ 356,017	$ 495,927	$ 48,913	$ 153,799	$ 49,820	$ 1,104,476

5. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

Governmental Activities	Balance July 1, 2020	Additions and Reclass-ifications	Deletions and Reclass-ifications	Balance June 30, 2021
Capital assets not being depreciated:				
Land and land improvements	$ 1,186,678	$ -	$ -	$ 1,186,678
Construction in progress	498,662	-	(498,662)	-
Total capital assets not being depreciated	1,685,340	-	(498,662)	1,186,678
Capital assets being depreciated:				
Infrastructure	23,450,938	-	-	23,450,938
Buildings	48,398,906	179,854	-	48,578,760
Improvements other than buildings	6,253,302	402,491	-	6,655,793
Machinery and equipment	4,605,844	726,048	-	5,331,892
Total capital assets being depreciated	82,708,990	1,308,393	-	84,017,383
Less accumulated depreciation for:				
Infrastructure	4,876,684	632,137	-	5,508,821
Buildings	38,510,949	943,562	-	39,454,511
Improvements other than buildings	4,616,985	208,165	-	4,825,150
Machinery and equipment	3,617,447	245,187	-	3,862,634
Total accumulated depreciation	51,622,065	2,029,051	-	53,651,116
Total capital assets being depreciated, net	31,086,925	(720,658)	-	30,366,267
Governmental Activities Capital Assets, net	$ 32,772,265	$ (720,658)	$ (498,662)	$ 31,552,945

City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Business-type Activities	Balance July 1, 2020	Additions and Reclass-ifications	Deletions and Reclass-ifications	Balance June 30, 2021
Capital assets not being depreciated:				
Land and land improvements	$ 959,233	$ -	$ -	$ 959,233
Construction in progress	10,695,115	808,595	(10,296,187)	1,207,523
Total capital assets not being depreciated	11,654,348	808,595	(10,296,187)	2,166,756
Capital assets being depreciated:				
Buildings	9,220,595	151,874	-	9,372,469
Improvements other than buildings	79,621,043	10,341,883	-	89,962,926
Machinery and equipment	5,495,854	55,713	-	5,551,567
Total capital assets being depreciated	94,337,492	10,549,470	-	104,886,962
Less accumulated depreciation for:				
Buildings	7,938,313	189,108	-	8,127,421
Improvements other than buildings	45,351,254	2,740,095	-	48,091,349
Machinery and equipment	4,575,704	303,335	-	4,879,039
Total accumulated depreciation	57,865,271	3,232,538	-	61,097,809
Total capital assets being depreciated, net	36,472,221	7,316,932	-	43,789,153
Business-type Activity Capital Assets, net	$ 48,126,569	$ 8,125,527	$ (10,296,187)	$ 45,955,909

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City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Depreciation expense was charged to the functions as follows for the year ended June 30, 2021:

Governmental Activities	
General government	$ 496,139
Public safety	176,021
Public works	742,682
Parks and recreation	52,677
Community services	2,354
Library	28,509
Education	530,669
Total Depreciation Expense - Governmental Activities	$ 2,029,051

Business-type Activities	
Electric utility	$ 316,544
Water utility	404,345
Sewer utility	252,229
Sanitation utility	76,132
Port	2,183,288
Total Depreciation Expense - Business-type Activities	$ 3,232,538

6. Interfund Balances and Transfers

A schedule of interfund balances and transfers for the year ended June 30, 2021, follows:

Interfund Loans	
Due to General Fund from:	
Port Enterprise Fund for long-term capital advances	$ 42,669
Total Amount Due to General Fund	$ 42,669
Transfers	
From General Fund to nonmajor governmental funds to cover operating costs	$ 716,552
From nonmajor governmental funds to:	
General fund to cover operating costs	101,375
Nonmajor governmental funds to cover debt service costs	301,375
Nonmajor enterprise funds for Sanitation operating costs	722,000
Total transfers from nonmajor governmental funds	1,124,750
Total Transfers to Other Funds	$ 1,841,302

7. Long-term Liabilities

The following is a summary of long-term liability transactions of the Borough for the year ended June 30, 2021:

Governmental Activities	Balance July 1, 2020	Additions	Retired	Balance June 30, 2021	Due Within One Year
General Obligation Bonds:					
$1,280,000 refunding 2015A Series One bond, due in final installment of $235,000 in 2021, plus semi-annual interest payments of 2.5% per annum.	$ 235,000	$ -	$ 235,000	$ -	$ -
$220,000 2011 school bonds, due in final installment of $25,000 in 2021, plus semi-annual interest payments of 4.0% per annum	25,000	-	25,000	-	-
Accrued leave	243,484	258,253	243,484	258,253	258,253
	503,484	$ 258,253	$ 503,484	258,253	$ 258,253
Plus unamortized bond premium	19,616			-	
Total Governmental Activities	$ 523,100			$ 258,253	

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

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City and Borough of Wrangell, Alaska

Notes to Basic Financial Statements

Business-type Activities	Balance July 1, 2020	Additions	Retired	Balance June 30, 2021	Due Within One Year
Loans Payable from Direct Borrowings:					
$91,000 Sewer loan due in semi-annual installments of $1,623 including interest at 1.875% through 2057	$ 85,438	$ -	$ 1,632	$ 83,806	$ 1,652
$57,251 Water Utility loan due in annual installments of $2,475 to $3,334, including interest of 1.5% through 2038	51,908	-	-	51,908	5,139
$200,000 Port loan from the General Fund to be paid with 50% of port development fees	64,611	-	21,942	42,669*	21,942
Accrued leave	126,066	129,475	126,066	129,475	129,475
Total Business-type Activities	$ 328,023	$ 129,475	$ 149,640	$ 307,858	$ 158,208

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

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

Business-type Activities	Loans Payable from Direct Borrowings		
Year Ending June 30,	Principal	Interest	Total
2022	$ 4,232	$ 2,348	$ 6,580
2023	4,303	2,277	6,580
2024	4,373	2,207	6,580
2025	4,446	2,134	6,580
2026	12,120	7,444	19,564
2027-2031	24,488	8,412	32,900
2032-2036	26,593	6,307	32,900
2037-2041	22,162	4,070	26,232
2042-2046	13,671	2,559	16,230
2047-2051	15,008	1,222	16,230
2052-2056	4,663	87	4,750
	$ 136,059	$ 39,067	$ 175,126

8. Net Position

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

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	31,552,945	45,820,195	77,373,140
Restricted:			
Barnes Endowment	50,000	-	50,000
Economic stability	9,620,244	-	9,620,244
Schools and roads	2,433,185	-	2,433,185
Total restricted	12,103,429	-	12,103,429
Unrestricted	11,650,189	7,338,563	18,988,752
Total Net Position	55,306,563	53,158,758	108,465,321

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9. Fund Balances

Fund balances, reported in the Borough's individual major funds and nonmajor funds in the aggregate on the governmental funds balance sheet are subject to the following constraints at June 30, 2021:

	Major Governmental Funds					
	General	Permanent Fund Special Revenue	Secure Rural Schools Special Revenue	COVID-19 Response Special Revenue	Nonmajor Funds	Totals
Nonspendable:						
Interfund loans	$ 42,669	$ -	$ -	$ -	$ -	$ 42,669
Prepaid items	483	-	-	-	-	483
Inventory	-	-	-	-	55,161	55,161
Total nonspendable	43,152	-	-	-	55,161	98,313
Restricted:						
Economic stability	-	9,620,244	-	-	-	9,620,244
Schools and roads	-	-	2,433,185	-	-	2,433,185
Barnes Endowment	-	-	-	-	50,000	50,000
Total restricted	-	9,620,244	2,433,185	-	50,000	12,103,429
Committed:						
Community services	-	-	-	-	438,075	438,075
Schools and roads	-	-	-	-	1,763,599	1,741,773
Swimming pool	-	-	-	-	1,456,210	1,456,210
Land development	-	-	-	-	335,680	335,680
Total committed	-	-	-	-	3,993,564	3,993,564
Assigned:						
Projects	-	-	-	-	2,248,608	2,248,608
Debt service	-	-	-	-	7,556	7,556
Total assigned	-	-	-	-	2,256,164	2,256,164
Unassigned (deficit)	9,267,260	-	-	(220,570)	(55,808)	8,990,882
Total Fund Balances	$ 9,310,412	$ 9,620,244	$ 2,433,185	$ (220,570)	$ 6,299,081	$ 27,442,352

10. Municipal Landfill Closure and Postclosure Liability

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

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

11. Restrictions of Sales Tax Revenues

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

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

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

12. School Support

The Borough provided $1,300,000 in National Forest Receipts funding to the School District for the year ended June 30, 2021. Support provided to the School District does not include debt service payments on school facilities or capital expenditures.

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13. Retirement Plans

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/drb/pers. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

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

(a) Defined Benefit (DB) Pension Plan

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

Historical Context and Special Funding Situation

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

Alaska Statute 39.35.280 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board (ARM 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.

Employee Contribution Rates

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

Employer and Other Contribution Rates

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

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is 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.

State Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary funds 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.

Contribution rates for the year ended June 30, 2021 were determined in the June 30, 2019 actuarial valuations. The Borough's contribution rates for the 2021 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	14.57%	26.58%	8.85%
Postemployment healthcare (ARHCT)	7.43%	4.27%	-%
Total Contribution Rates	22.00%	30.85%	8.85%

In 2021, the Borough was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2019 to June 30, 2020	Borough Fiscal Year July 1, 2020 to June 30, 2021
Employer contributions (including DBUL)	$ 510,456	$ 552,368
Nonemployer contributions (on-behalf)	262,713	267,352
Total Contributions	$ 773,169	$ 819,720

In addition, employee contributions to the Plan totaled $105,863 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, 2021, 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 portion of the net pension liability that was associated with the Borough were as follows:

Borough proportionate share of NPL	$ 6,680,252
State's proportionate share of NPL associated with the Borough	2,763,265
Total Net Pension Liability	$ 9,443,517

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, 2020 measurement date, the Borough's proportion was 0.11320 percent, which was an increase of 0.006750 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Borough recognized pension expense of $ 2,008,292 and on-behalf revenue of $ 357,096 for support provided by the State. At June 30, 2021, 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	$ 21,191	$ -
Changes in assumptions	-	-
Changes in benefits	-	-
Net difference between projected and actual earnings on pension plan investments	271,887	-
Changes in proportion and differences between Borough	88,257	-
contributions and proportionate share of contributions	-	-
Borough contributions subsequent to the measurement date	552,371	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	$ 933,706	$ -

The $552,371 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, 2022. 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,	
2022	$ 114,253
2023	95,615
2024	101,062
2025	70,405
Total Amortization	$ 381,335

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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 7.75% to 2.75% based on service. For all others, increases range from 6.75% to 2.75% based on service.
Allocation methodology	Amounts for the June 30, 2020 measurement date were allocated to employers based on the present value of contributions for fiscal years 2022 to 2039 to the Plan, as determined by projections based on the June 30, 2019 valuation. The liability is expected to go to zero at 2039.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 health annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officer/firefighters, 40% of the time for all others.

The actuarial assumptions used in the June 30, 2019 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.36%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	6.24 %
Global equity (non-U.S.)	18%	6.67 %
Aggregate bonds	24%	(0.16)%
Opportunistic	8%	3.01 %
Real assets	13%	3.82 %
Private equity	11%	10.00 %
Cash equivalents	-%	(1.09)%

Discount Rate

The discount rate used to measure the total pension liability was 7.38%. The discount rate used did not change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate of 7.38%, 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 one percentage-point lower or one percentage-point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Borough's proportionate share of the net pension liability	0.11320%	$ 8,685,740	$ 6,680,252	$ 4,998,207

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 DC plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the DB plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the comprehensive annual financial report for PERS, and at the following website, as noted above. http://doa.alaska.gov/drb/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. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2021 to cover a portion of the Borough's employer match contributions. For the year ended June 30, 2021, forfeitures reduced pension expense by $8,875.

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, 2021, 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, 2021 were $105,382 and $168,611, respectively. The Borough contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

As part of its participation in PERS, the Borough participates in the following cost sharing multiple employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The RMP is self-insured. Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB

plans are included in the comprehensive annual financial report for PERS, at the following website, as noted above. http://doa.alaska.gov/drb/pers.

Employer Contribution Rate

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

Employer contribution rates for the year ended June 30, 2021 were as follows:

	Other	Police/Fire
Retiree Medical Plan	1.27%	1.27%
Occupational Death and Disability Benefits	0.31%	0.70%
Total Contribution Rates	1.58%	1.97%

In 2021, the Borough was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2019 to June 30, 2020	Borough Fiscal Year July 1, 2020 to June 30, 2021
Employer contributions - ARHCT	$ 187,978	$ 118,568
Employer contributions - RMP	27,263	26,766
Employer contributions - ODD	7,705	4,801
Total Contributions	$ 222,946	$ 150,135

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

At June 30, 2021, the Borough reported an asset for its proportionate share of the net OPEB asset (NOA) 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:

Borough's proportionate share of NOA - ARHCT	$ 512,271
Borough's proportionate share of NOA - ODD	47,890
Total Borough's Proportionate Share of Net OPEB Asset	$ 560,161
State's proportionate share of the ARHCT NOA associated with the Borough	212,422
Total Net OPEB Asset	$ 722,583

At June 30, 2021, the Borough reported a liability for its proportionate share of the net OPEB liability (NOL) associated with the Borough's participation in the RMP Plan. The amount recognized by the Borough for its proportionate share was $(10,841).

The total OPEB liabilities (asset) for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 to calculate the net OPEB liabilities (asset) as of that date. The Borough's proportion of the net OPEB liabilities (asset) is 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, 2019 Measurement Date Employer Proportion	June 30, 2020 Measurement Date Employer Proportion	Change
Borough's proportionate share of the net OPEB liabilities (asset):			
ARHCT	0.10644%	0.11312%	0.00668%
RMP	0.13726%	0.15283%	0.01557%
ODD	0.14984%	0.17568%	0.02584%

For the year ended June 30, 2021, the Borough recognized OPEB expense (benefit) of $ (206,809). Of this amount, $(136,699) was recorded for on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense (benefit) and on-behalf revenue is listed by plan in the table below:

Plan	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	$ (267,333)	$ (136,699)
RMP	53,660	-
ODD	6,864	-
Total	$ (206,809)	$ (136,699)

At June 30, 2021, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

Deferred Outflows of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	$ -	$ 56	$ -	$ 56
Changes in assumptions	-	15,224	-	15,224
Changes in benefits	-	-	-	-
Difference between projected and actual investment earnings	205,536	4,854	1,643	212,033
Changes in proportion and differences between Borough contributions and proportionate share of contributions	30,526	4,329	787	35,642
Borough contributions subsequent to the measurement date	118,568	26,766	4,801	150,135
Total Deferred Outflows of Resources Related to OPEB Plans	$ 354,630	$ 51,229	$ 7,231	$ 413,090

Deferred Inflows of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	$ (41,096)	$ (2,330)	$ (16,068)	$ (59,494)
Changes in assumptions	(357,082)	(28,025)	(701)	(385,808)
Changes in benefits	-	-	-	-
Difference between projected and actual investment earnings	-	-	-	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions	-	(608)	(8,272)	(8,880)
Total Deferred Inflows of Resources Related to OPEB Plans	$ (398,178)	$ (30,963)	$ (25,041)	$ (454,182)

Amounts reported as deferred outflows of resources related to OPEB plans resulting from Borough contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liabilities (asset) in the year ended June 30, 2022. 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,	ARHCT	RMP	ODD	Total
2022	$ (369,305)	$ (666)	$ (3,586)	$ (373,557)
2023	73,159	302	(3,196)	70,265
2024	78,553	285	(3,188)	75,650
2025	55,477	(85)	(3,318)	52,075
2026	-	(1,255)	(3,733)	(4,988)
Thereafter	-	(5,081)	(5,590)	(10,672)
Total Amortization	$ (162,116)	$ (6,500)	$ (22,611)	$ (191,227)

Actuarial Assumptions

The total OPEB liability (asset) for each plan for the measurement period ended June 30, 2020 was determined by actuarial valuations as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2020:

Actuarial cost method	Entry age normal
Amortization method	Unfunded accrued actuarial liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	Graded by service, from 7.75% to 2.75% for Peace Officer/ Firefighter. Graded by service from 6.75% to 2.75% for all others
Allocation methodology	Amounts for the June 30, 2020 measurement date were allocated to employers based on the present value of contributions for fiscal years 2022 to 2039 to the Plan, as determined by projections based on the June 30, 2019 valuation.
Investment return of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 health annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officer/firefighters, 40% of the time for all others.
Participation (ARHCT)	100% of system paid members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020.
3. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax.
4. The amounts included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.36% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	26%	6.24 %
Global equity (non-U.S.)	18%	6.67 %
Aggregate bonds	24%	(0.16)%
Opportunistic	8%	3.01 %
Real assets	13%	3.82 %
Private equity	11%	10.00 %
Cash equivalents	-%	(1.09)%

Discount Rate

The discount rate used to measure the total OPEB liability (asset) for each plan as of June 30, 2020 was 7.38%. This discount rate used did not change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position for each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset) for each plan.

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

The following presents the Borough's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.38%, as well as what the Borough's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Borough's proportionate share of the net OPEB liability (asset):				
ARHCT	0.11312%	$ 534,543	$ (512,271)	$ (1,379,341)
RMP	0.15283%	$ 67,158	$ 10,840	$ (31,789)
ODD	0.17568%	$ (45,002)	$ (47,890)	$ (50,198)

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

The following presents the Borough's proportionate share of the net OPEB liability (asset) calculated using the healthcare cost trend rates as summarized in the 2020 actuarial valuation reports as well as what the Borough's proportionate share of the respective plan's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Borough's proportionate share of the net OPEB liability (asset):				
ARHCT	0.11312%	$ (1,481,004)	$ (512,271)	$ 660,810
RMP	0.15283%	$ (38,037)	$ 10,840	$ 77,324
ODD	0.17568%	$ n/a	$ n/a	$ n/a

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plans

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

Contribution Rate

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2020, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates $2,159 per year for each full-time employee, and $1.38 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2021, the Borough contributed $74,399 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

14. Risk Management

The Borough faces a considerable number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, (c) professional liability; i.e., errors and omissions, (d) environmental damage, (e) workers' compensation; i.e., employee injuries, and (f) medical insurance costs of employees. Commercial policies, transferring the risk of loss, except for relatively small deductible amounts, are purchased for employee medical costs. The Borough is a member of Alaska Public Entity Insurance (APEI), a governmental insurance pool. APEI provides insurance coverage for property and contents damage, torts, general and automobile liability, public officials and employees' liability, law enforcement professional liability and workers' compensation. The Borough has no coverage for potential losses from environmental damages. APEI is a public entity risk pool organized to share risks among its members. The Association's bylaws provide for the assessment of supplemental contributions from members in the event that losses and expenses for any coverage year exceed the annual contributions and income earned on such contributions for the year. Such supplemental contributions shall be based upon each member's annual deposit contribution in comparison to the aggregate annual deposit contributions of all members. The Association made no supplemental assessments during the year ended June 30, 2021. Coverage limits and the deductibles on the policies have stayed relatively constant for the last several years.

15. Contingencies

Grants

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

Environmental Remediation

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

16. Subsequent Events

In preparing these financial statements, the Borough has evaluated all other events and transactions for potential recognition or disclosure through December 7, 2022, the date the financial statements were issued.

17. Coronavirus Pandemic

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

The Borough's operations are heavily dependent upon the ability to collect sales taxes and assess fees for services. Additionally, the Borough also receives significant grant funding from the federal government and State of Alaska. The coronavirus pandemic has adversely impacted economic and financial market conditions, both globally and locally. It is possible that the coronavirus pandemic will adversely impact the Borough's tax revenue base, demand for services, access to federal and state grant funding, as well as depress the value of the Borough's investments in marketable securities. It is also possible the Borough will incur additional, previously unbudgeted expenditures as a result of the pandemic. Furthermore, it is possible that the coronavirus pandemic may adversely impact the Borough's operations by limiting or restricting the Borough's ability to deploy its workforce effectively.

Management has and is continuing to evaluate the impact of COVID-19. The full impact of COVID-19 and the scope of any adverse impact on the Borough's financial condition, results from operations and liquidity cannot be fully determined at this time.

18. Economic Relief Legislation

On March 27, 2020, the "Coronavirus Aid, Relief and Economic Security (CARES) Act" was signed into law. The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. The Borough received $2,061,747 in payments from the Coronavirus Relief Fund (CRF), passed through the State of Alaska, for the year ended June 30, 2020. The Borough applied $826,272 in CRF funding toward eligible expenditures in fiscal year 2020. Subsequent to year end, the Borough received an additional $1,789,356 through the CRF. The Borough continues to examine the impact that the CARES Act may have. In addition, the Consolidated Appropriations Act, 2021 and the American Rescue Plan Act of 2021 were signed into law on December 27, 2020 and March 11, 2021, respectively. Both Acts appropriated funds for States and certain local governments. Currently, the Borough is unable to determine the full impact the economic relief legislation will have on the Borough's financial condition, results of operations, or liquidity.

19. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance). The following new accounting standards were implemented by the Borough for 2021 reporting:

GASB Statement No. 84 - Fiduciary Activities - Effective for year-end June 30, 2021. This Statement addresses criteria for identifying and reporting fiduciary activities. There is no change for the Borough for the year ended June 30, 2021 from implementation of this Statement.

GASB Statement No. 90 - Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61 - Effective for year-end June 30, 2021. 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. There is no change for the Borough for the year ended June 30, 2021 from implementation of this Statement.

GASB Statement No. 98 - The Annual Comprehensive Financial Report - Effective for year-end June 30, 2022. Earlier application is encouraged. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The Borough has early implemented this Statement; however, the Borough does not issue an Annual Comprehensive Financial Report.

The Governmental Accounting Standards Board has issued several new accounting standards with upcoming implementation dates (effective dates adjusted for the issuance of GASB 95). Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB Statement No. 87 - Leases - Effective for year-end June 30, 2022, 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 Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - Effective for year-end June 30, 2022. 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 Statement No. 91 - Conduit Debt Obligations - Effective for year-end June 30, 2023. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This Statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

GASB Statement No. 92 - Omnibus 2020 - Provisions of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The effective date for all other provisions of the Statement are to be implemented for year-end June 30, 2022. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments.

GASB Statement No. 93 - Replacement of Interbank Offered Rates - The provisions of this Statement, except for paragraph 11b, 13 and 14, are required to be implemented for year-end June 30, 2021. The requirements in paragraph 11b, 13 and 14 are required to be implemented for year-end June 30, 2022. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR).

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements - Effective for year-end June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA).

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements - Effective for year-end June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

GASB Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - Effective for year-end June 30, 2022, except the portion of the pronouncement related to component unit criteria, which is effective for year-end June 30, 2020. This Statement modifies certain guidance contained in Statement No. 84 and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Required Supplementary Information

Exhibit D-1

City and Borough of Wrangell, Alaska

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

Year Ended June 30, 2021	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	$ 3,194,216	$ 3,654,216	$ 4,619,974	$ 965,758
Intergovernmental	1,038,498	950,498	844,726	(105,772)
Charges for services	526,500	152,500	97,497	(55,003)
Sales and leases	130,500	130,500	108,230	(22,270)
Fines and forfeitures	17,000	17,000	6,920	(10,080)
Investment income (loss)	35,000	35,000	(15,829)	(50,829)
Other	11,000	13,000	76,362	63,362
Total Revenues	4,952,714	4,952,714	5,737,880	785,166
Expenditures				
General government	1,030,227	1,061,324	1,104,355	(43,031)
Public safety	1,851,501	2,356,445	1,420,316	936,129
Public works	1,728,351	1,317,106	1,259,574	57,532
Library	253,853	253,267	253,773	(506)
Community services	43,000	190,526	158,836	31,690
Total Expenditures	4,906,932	5,178,668	4,196,854	981,814
Excess of Revenues Over (Under) Expenditures	45,782	(225,954)	1,541,026	1,766,980
Other Financing Sources (Uses)				
Transfers in	1,352,314	-	101,375	101,375
Transfers out	(961,459)	-	(716,552)	(716,552)
Net Other Financing Sources (Uses)	390,855	-	(615,177)	(615,177)
Net Change in Fund Balance	$ 436,637	$ (225,954)	925,849	$ 1,151,803
Fund Balance, beginning			8,384,563	
Fund Balance, ending			$ 9,310,412	

See accompanying notes to Required Supplementary Information.

Exhibit D-2

City and Borough of Wrangell, Alaska

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

Year Ended June 30, 2021	Original and Final Budget	Actual	Variance with Budget
Revenues			
Investment income	$ 233,560	$ 1,673,891	$ 1,440,331
Lease revenue	16,440	-	(16,440)
Total Revenues	250,000	1,673,891	1,423,891
Excess of Revenues Over Expenditures	250,000	1,673,891	1,423,891
Other Financing Uses - transfers out	(280,000)	-	280,000
Net Change in Fund Balance	$ (30,000)	1,673,891	$ 1,703,891
Fund Balance, beginning		7,946,353	
Fund Balance, ending		$ 9,620,244	

See accompanying notes to Required Supplementary Information.

Exhibit D-3

City and Borough of Wrangell, Alaska

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

Years Ended June 30, 2021	Original and Final Budget	Actual	Variance with Budget
Revenues			
Intergovernmental - national forest receipts	$ 880,000	$ 796,757	$ (83,243)
Investment income	7,500	-	(7,500)
Total Revenues	887,500	796,757	(90,743)
Expenditures			
Education - contributions to school district	1,455,000	1,300,000	155,000
Excess of Revenues Over (Under) Expenditures	(567,500)	(503,243)	64,257
Other Financing Uses - transfers out	(112,214)	-	112,214
Net Change in Fund Balance	$ (679,714)	(503,243)	$ 176,471
Fund Balance, beginning		2,936,428	
Fund Balance, ending		$2,433,185	

See accompanying notes to Required Supplementary Information.

Exhibit E-1

City and Borough of Wrangell, Alaska

Public Employees' Retirement System - Pension Plan

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

Years Ended June 30,	2021	2020	2019	2018	2017	2016	2015
Borough's Proportion of the Net Pension Liability	0.11320%	0.10645%	0.11124%	0.10179%	0.12813%	0.12944%	0.09481%
Borough's Proportionate Share of the Net Pension Liability	$ 6,680,252	$ 5,827,496	$ 5,527,598	$ 5,261,718	$ 7,161,690	$ 6,277,982	$ 4,421,796
State of Alaska Proportionate Share of the Net Pension Liability	2,763,265	2,319,355	1,601,473	1,960,717	901,438	1,682,286	3,807,733
Total Net Pension Liability	$ 9,443,517	$ 8,146,851	$ 7,129,071	$ 7,222,435	$ 8,063,128	$ 7,960,268	$ 8,229,529
Borough's Covered Payroll	$ 3,782,294	3,516,156	3,289,940	3,185,949	3,146,642	3,219,425	3,598,834
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	176.62%	165.73%	168.02%	165.15%	227.60%	195.00%	122.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	62.37%

Schedule of Borough Contributions

Years Ended June 30,	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	$ 552,368	$ 510,456	$ 508,139	$ 525,495	$ 537,369	$ 343,399	$ 340,908
Contributions Relative to the Contractually Required Contribution	552,368	510,456	508,139	525,495	537,369	343,399	340,908
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Borough's Covered Payroll	$ 3,638,702	$ 3,782,294	$ 3,516,156	$ 3,289,940	$ 3,185,949	$ 3,146,642	$ 3,219,425
Contributions as a Percentage of Covered Payroll	15.18%	13.50%	14.45%	15.97%	16.87%	10.91%	10.59%

See accompanying notes to Required Supplementary Information.

Exhibit E-2

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

Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)

	ARHCT				RMP				ODD			
Years Ended June 30,	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.11312%	0.10664%	0.11123%	0.10186%	0.15283%	0.13726%	0.10645%	0.10277%	0.17568%	0.14984%	0.10645%	0.10277%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	$ (512,271)	$ 158,227	$1,141,549	$ 860,457	$ 10,841	$ 32,838	$ 13,546	$ 5,359	$ (47,890)	$ (36,328)	$ (20,674)	$ (14,582)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(212,422)	62,826	332,145	320,648	-	-	-	-	-	-	-	-
Total Net OPEB Liability (Asset)	$ (724,693)	$ 221,053	$1,473,694	$1,181,105	$ 10,841	$ 32,838	$ 13,546	$ 5,359	$ (47,890)	$ (36,328)	$ (20,674)	$ (14,582)
Borough's Covered Payroll	$1,717,381	2,228,533	2,085,158	3,185,949	2,064,913	1,287,623	1,204,782	3,185,949	2,064,913	1,287,623	1,204,782	3,185,949
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-29.83%	7.10%	54.75%	27.01%	0.53%	2.55%	1.12%	0.17%	-2.32%	-2.82%	-1.72%	-0.46%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	106.15%	98.13%	88.12%	89.68%	0.00%	83.17%	88.71%	93.98%	0.00%	297.43%	270.62%	212.97%

Schedule of Borough Contributions

	ARHCT				RMP				ODD			
Years Ended June 30,	2021	2020	2019	2018	2021	2020	2019	2018	2021	2020	2019	2018
Contractually Required Contributions	$ 118,568	$ 187,978	$ 165,982	$ 136,960	$ 26,766	$ 27,263	$ 16,108	$ 12,409	$ 4,801	$ 7,705	$ 6,118	$ 2,473
Contributions Relative to the Contractually Required Contributions	118,568	187,978	165,982	136,960	26,766	27,263	16,108	12,409	4,801	7,705	6,118	2,473
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Borough's Covered Payroll	1,529,297	1,717,381	2,228,533	2,085,158	2,109,405	2,064,913	1,287,623	1,204,782	2,109,405	2,064,913	1,287,623	1,204,782
Contributions as a Percentage of Covered Payroll	7.75%	10.95%	7.45%	6.57%	1.27%	1.32%	1.25%	1.03%	0.23%	0.37%	0.17%	0.21%

See accompanying notes to Required Supplementary Information.

City and Borough of Wrangell, Alaska

Notes to Required Supplementary Information
June 30, 2021

1. Budgetary Comparison Schedules

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

2. Public Employees' Retirement System Pension Plan

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

This table is presented based on the Plan measurement date. For June 30, 2021, the Plan measurement date is June 30, 2020.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2019 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

In 2020, the discount rate was lowered from 8% to 7.38%.

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

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

Schedule of Borough Contributions

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

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

3. Public Employees' Retirement System OPEB Plans

Schedule of the Borough's Proportionate Share of the Net OPEB Asset and Liability

This table is presented based on the Plan measurement date. For June 30, 2021, the Plan measurement date is June 30, 2020.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2018 actuarial valuation to better reflect expected future experience. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation with the following exceptions:

5. Per capita claims costs were updated to reflect recent experience.
6. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10% decrease from 2019 to 2020.
7. The Further Consolidated Appropriations Act, 2020 that was signed in December 2019 made several changes, including the repeal of the Cadillac Tax.
8. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

In 2020, the discount rate was lowered from 8% to 7.38%.

In 2020, an Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.

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

Schedule of Borough Contributions

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

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

Supplementary Information

Exhibit F-1

City and Borough of Wrangell, Alaska

Nonmajor Governmental Funds
Combining Balance Sheet

	Special Revenue Funds					Capital Project Funds				
June 30, 2021	Transient Tax	Sales Tax	Parks and Recreation	Nolan Center	Debt Service Fund	Residential Construc-tion	Industrial Construc-tion	Economic Recovery	Misc-ellaneous	Total Nonmajor Govern-mental Funds
Assets										
Cash and investments	$ 381,796	$ 1,456,694	$ 1,521,546	$ 14,570	$ 10,286	$ 51,916	$ 345,810	$ 1,353,445	$ 920,443	$ 6,056,506
Receivables:										
Sales taxes	58,918	306,905	-	-	-	-	-	-	-	365,823
Accounts	-	-	-	-	-	-	-	-	258	258
Inventory	-	-	-	55,161	-	-	-	-	-	55,161
Total Assets	$ 440,714	$ 1,763,599	$ 1,521,546	$ 69,731	$ 10,286	$ 51,916	$ 345,810	$ 1,353,445	$ 920,701	$ 6,477,748
Liabilities and Fund Balances										
Liabilities										
Accounts payable	$ 2,639	$ -	$ 5,576	$ 10,028	$ -	$ 5,144	$ 10,130	$ -	$ 800	$ 34,317
Unearned revenue	-	-	59,760	10,350	2,730	-	-	-	71,510	144,350
Due to other funds	-	-	-	-	-	-	-	-	-	-
Total Liabilities	2,639	-	65,336	20,378	2,730	5,144	10,130	-	72,310	178,667
Fund Balances										
Nonspendable - inventory	-	-	-	55,161	-	-	-	-	-	55,161
Restricted - Barnes Endowment	-	-	-	50,000	-	-	-	-	-	50,000
Committed:										
Schools and roads	-	1,763,599	-	-	-	-	-	-	-	1,763,599
Community services	438,075		-	-	-	-	-	-	-	438,075
Swimming pool	-	-	1,456,210	-	-	-	-	-	-	1,456,210
Land development	-	-	-	-	-	-	335,680	-	-	335,680
Assigned:										
Projects	-	-	-	-	-	46,772	-	1,353,445	848,391	2,248,608
Debt service	-	-	-	-	7,556	-	-	-	-	7,556
Unassigned (deficit)	-	-	-	(55,808)	-	-	-	-	-	(55,808)
Total Fund Balances	438,075	1,763,599	1,456,210	49,353	7,556	46,772	335,680	1,353,445	848,391	6,299,081
Total Liabilities and Fund Balances	$ 440,714	$ 1,763,599	$ 1,521,546	$ 69,731	$ 10,286	$ 51,916	$ 345,810	$ 1,353,445	$ 920,701	$ 6,477,748

Exhibit F-2

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
Year Ended June 30, 2021	Transient Tax	Sales Tax	Parks and Recreation	Nolan Center	Debt Service Fund	Residential Construc-tion	Industrial Construc-tion	Economic Recovery	Misc-ellaneous	Nonmajor Governmental Funds
Revenues										
Taxes	$ 89,321	$ 1,066,597	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,155,918
Intergovernmental	9,565	-	10,762	8,191	-	-	-	-	250,224	278,742
Charges for services	-	-	31,285	38,459	-	-	-	-	-	69,744
Investment income	-	-	242,090	521	-	-	2,515	-	-	245,126
Land sales and improvements	-	-	-	-	-	55,095	17,391	-	-	72,486
Other	6,561	-	9,741	2,947	-	-	1,380	-	-	20,629
Total Revenues	105,447	1,066,597	293,878	50,118	-	55,095	21,286	-	250,224	1,842,645
Expenditures										
General government	-	-	-	-	-	-	-	-	253,978	253,978
Parks and recreation	-	-	542,445	-	-	-	-	-	-	542,445
Community services	37,508	-	-	369,101	-	-	-	-	-	406,609
Debt service:		-								
Principal	-	-	-	-	260,000	-	-	-	-	260,000
Interest	-	-	-	-	6,875	-	-	-	-	6,875
Capital outlay	-	-	51,685	-	-	122,540	20,173	-	23,996	218,394
Total Expenditures	37,508	-	594,130	369,101	266,875	122,540	20,173	-	277,974	1,688,301
Excess of Revenues Over (Under) Expenditures	67,939	1,066,597	(300,252)	(318,983)	(266,875)	(67,445)	1,113	-	(27,750)	154,344
Other Financing Sources (Uses)										
Transfers in	-	-	477,177	268,000	272,750	-	-	-	-	1,017,927
Transfers out	-	(1,124,750)	-	-	-	-	-	-	-	(1,124,750)
Net Other Financing Sources (Uses)	-	(1,124,750)	477,177	268,000	272,750	-	-	-	-	(106,823)
Net Change in Fund Balances	67,939	(58,153)	176,925	(50,983)	5,875	(67,445)	1,113	-	(27,750)	47,521
Fund Balances, beginning	370,136	1,821,752	1,279,285	100,336	1,681	114,217	334,567	1,353,445	876,141	6,251,560
Fund Balances, ending	$ 438,075	$ 1,763,599	$ 1,456,210	$ 49,353	$ 7,556	$ 46,772	$ 335,680	$ 1,353,445	$ 848,391	$ 6,299,081

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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.

Exhibit G-1

City and Borough of Wrangell, Alaska

General Fund
Balance Sheet

June 30,	2021	2020
Assets		
Cash and investments	$ 9,014,904	$ 7,777,810
Prepaid items	483	78,351
Receivables:		
Property taxes	182,597	134,081
Sales taxes	463,245	463,245
Accounts	97,379	50,385
Accrued interest	-	44,422
Grants and shared revenues	-	33,750
Total receivables	743,221	725,883
Less allowance for doubtful accounts	(70)	(70)
Net receivables	743,151	725,813
Due from other funds	87,351	-
Interfund loan receivable	42,669	64,611
Total Assets	$ 9,888,558	$ 8,646,585
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
Accounts payable	$ 446,897	$ 153,603
Unearned revenue	12,368	12,247
Total Liabilities	459,265	165,850
Deferred Inflows of Resources		
Delinquent property taxes	118,881	96,172
Total Liabilities and Deferred Inflows of Resources	578,146	262,022
Fund Balance		
Nonspendable:		
Prepaid items	483	78,351
Interfund loan receivable	42,669	64,611
Unassigned	9,267,260	8,241,601
Total Fund Balance	9,310,412	8,384,563
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 9,888,558	$ 8,646,585

Exhibit G-2

City and Borough of Wrangell, Alaska

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Revenues				
Taxes:				
Real property taxes	$ 1,889,516	$ 1,875,325	$ (14,191)	$ 1,755,703
Property tax penalties and interest	20,000	28,293	8,293	27,380
Payments in lieu of taxes	460,000	494,259	34,259	503,436
Marijuana taxes	5,500	600	(4,900)	1,925
Sales taxes	1,249,200	2,219,997	970,797	2,026,614
Sales tax penalties and interest	30,000	1,500	(28,500)	33,538
Total taxes	3,654,216	4,619,974	965,758	4,348,596
Intergovernmental:				
State of Alaska:				
Jail contract	372,000	278,981	(93,019)	371,975
Community assistance	375,363	375,807	444	409,356
Library grants	-	7,000	7,000	8,000
State PERS relief	194,935	166,506	(28,429)	163,407
CBDG fire truck grant	-	-	-	337,500
Other	8,200	2,385	(5,815)	-
Total State of Alaska	950,498	830,679	(119,819)	1,290,238
Federal government - Library grants	-	14,047	14,047	10,000
Total intergovernmental	950,498	844,726	(105,772)	1,300,238
Charges for services:				
Cemetery services	2,500	1,890	(610)	2,431
Police services	100,000	45,974	(54,026)	75,396
911 surcharge	50,000	49,633	(367)	50,282
Total charges for services	152,500	97,497	(55,003)	128,109
Sales and leases:				
Court rental	62,400	57,200	(5,200)	57,200
Tideland leases	50,000	50,174	174	56,045
Material sales	-	268	268	809
Leases	15,600	-	(15,600)	10,400
Cemetery plot sales	2,500	588	(1,912)	1,773
Total sales and leases	130,500	108,230	(22,270)	126,227
Fines and forfeitures	17,000	6,920	(10,080)	4,302
Investment income (loss)	35,000	(15,829)	(50,829)	336,128
Other revenues:				
Licenses and permits	1,000	1,402	402	1,896
Copies	2,000	439	(1,561)	1,216
Library grants	-	9,802	9,802	8,210
Allocated public works labor	-	307	307	-
Miscellaneous	10,000	64,412	54,412	262,645
Total other revenues	13,000	76,362	63,362	273,967
Total Revenues	4,952,714	5,737,880	785,166	6,517,567

Exhibit G-2, continued

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,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Expenditures				
General government:				
Finance:				
Personnel services:				
Salaries	$ 243,264	$ 195,448	$ 47,816	$ 250,854
Overtime salaries	-	12,363	(12,363)	6,683
Employee benefits	147,343	104,872	42,471	172,251
Total personnel services	390,607	312,683	77,924	429,788
Contractual services:				
Auditor	60,000	16,750	43,250	69,597
Assessor	75,000	(32)	75,032	40,975
Attorney	-	72,441	(72,441)	3,379
Telephone and internet	12,000	13,953	(1,953)	12,185
Travel and training	-	-	-	12,598
Utilities	5,424	16,385	(10,961)	13,177
Equipment rental and& repair	3,000	6,235	(3,235)	4,913
Programming	74,640	105,355	(30,715)	41,140
Insurance	32,300	6,425	25,875	3,645
Bank and credit card	45,000	74,977	(29,977)	77,684
Collection charges	-	869	(869)	20,297
Total contractual services	307,364	313,358	(5,994)	299,590
Commodities:				
Materials and supplies	8,550	8,650	(100)	14,442
Custodial supplies	-	-	-	1,471
Postage	12,000	9,538	2,462	10,621
Facility repairs and maintenance	3,000	3,345	(345)	9,443
Equipment repairs and maintenance	3,000	467	2,533	11,941
Capital outlay	36,847	11,766	25,081	53,328
Publications and advertising	-	1,131	(1,131)	1,442
Other	-	54,651	(54,651)	6,511
Total commodities	63,397	89,548	(26,151)	109,199
Total finance	761,368	715,589	45,779	838,577
Less charges to other funds	(256,726)	(171,897)	(84,829)	(170,004)
Net finance	504,642	543,692	(39,050)	668,573
Administration:				
Personnel services:				
Salaries	125,000	127,050	(2,050)	185,078
Employee benefits	50,390	61,782	(11,392)	82,374
Total personnel services	175,390	188,832	(13,442)	267,452

Exhibit G-2, continued

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,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
General government, continued:				
Administration, continued:				
Contractual services:				
Attorney	$ 95,000	$ 69,324	$ 25,676	$ 111,672
Professional services	5,278	1,841	3,437	13,762
Telephone and internet	4,130	4,572	(442)	2,170
Administration travel and training	-	-	-	13,731
Publications and advertising	-	-	-	135
Lobbying	66,000	64,200	1,800	67,200
Wrangell medical center legacy	-	-	-	2,429
Tourism program	3,000	3,616	(616)	10,120
Total contractual services	173,408	143,553	29,855	221,219
Commodities:				
Materials and supplies	2,500	1,935	565	1,610
Memberships and dues	1,265	1,690	(425)	5,389
Total commodities	3,765	3,625	140	6,999
Promotions	-	-	-	6,258
General insurance	11,767	45,380	(33,613)	23,105
Total administration	364,330	381,390	(17,060)	525,033
Clerk and assembly:				
Personnel services:				
Salaries	87,000	79,916	7,084	62,964
Overtime salaries	-	177	(177)	-
Employee benefits	62,787	57,688	5,099	69,310
Total personnel services	149,787	137,781	12,006	132,274
Contractual services:				
Information technology	7,485	7,544	(59)	3,498
Clerk travel and training	-	-	-	19,312
Recorder fees	400	351	49	283
Total contractual services	7,885	7,895	(10)	23,093
Commodities:				
Materials and supplies	7,000	5,114	1,886	2,433
Publications	19,120	19,958	(838)	19,450
Membership and dues	5,560	6,038	(478)	9,835
Election supplies	-	-	-	5,305
Republishing WMC	3,000	2,487	513	3,711
Total commodities	34,680	33,597	1,083	40,734
Total clerk and assembly	192,352	179,273	13,079	196,101
Total general government	1,061,324	1,104,355	(43,031)	1,389,707

Exhibit G-2, continued

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,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public safety:				
Fire department:				
Personnel services:				
Salaries	$ 103,185	$ 4,440	$ 98,745	$ 61,694
Overtime salaries	-	-	-	12,392
Employee benefits	80,333	12,959	67,374	78,209
Contributions for fire calls	6,500	6,500	-	5,500
Total personnel services	190,018	23,899	166,119	157,795
Contractual services:				
Telephone and internet	8,994	5,530	3,464	7,095
Travel and training	-	-	-	6,778
Fire charges from capital facilities	2,000	3,183	(1,183)	870
Fire prevention and education	1,000	982	18	175
Insurance	32,197	30,280	1,917	9,209
Capital outlay	52,000	14,219	37,781	426,019
Total contractual services	96,191	54,194	41,997	450,146
Commodities:				
Materials and supplies	15,500	5,451	10,049	2,869
Fire substation costs	17,500	10,963	6,537	15,891
Vehicle maintenance	37,200	16,373	20,827	32,905
Charges from garage	10,000	6,941	3,059	7,677
Turn out gear	10,125	4,539	5,586	8,653
Total commodities	90,325	44,267	46,058	67,995
Total fire department	376,534	122,360	254,174	675,936
Police department:				
Personnel services:				
Salaries	540,007	238,001	302,006	265,447
Overtime salaries	-	19,366	(19,366)	87,230
Employee benefits	286,276	180,980	105,296	307,516
Uniform allowances	10,000	9,073	927	3,250
Total personnel services	836,283	447,420	388,863	663,443
Contractual services:				
Telephone and internet	16,424	17,548	(1,124)	17,032
Information technology	8,000	4,499	3,501	879
Insurance	25,745	38,233	(12,488)	31,448
Travel and training	9,573	11,474	(1,901)	36,605
Capital outlay	-	16,100	(16,100)	79,081
Animal control	2,500	209	2,291	314
State portion of driver licenses	66,500	30,124	36,376	46,104
Professional services	43,000	33,988	9,012	128
State portion of citations	1,200	629	571	260
Other	2,000	1,836	164	-
Total contractual services	174,942	154,640	20,302	211,851

Exhibit G-2, continued

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,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public safety, continued:				
Police department, continued:				
Commodities:				
Materials and supplies	$ 11,000	$ 6,079	$ 4,921	$ 12,607
Boat expenditures	5,000	100	4,900	4,357
Publications	500	80	420	2,080
Ammunition	7,500	7,258	242	5,470
Special investigations	2,500	6,551	(4,051)	1,585
Equipment repairs and maintenance	16,000	11,876	4,124	24,052
Health and safety permits	-	12	(12)	816
Charges from garage	4,800	7,571	(2,771)	11,500
Membership and dues	-	525	(525)	26
Total commodities	47,300	40,052	7,248	62,493
Total police department	1,058,525	642,112	416,413	937,787
Police corrections department:				
Personnel services:				
Salaries	272,717	118,639	154,078	231,821
Overtime salaries	-	12,390	(12,390)	30,369
Employee benefits	171,926	100,773	71,153	71,731
Total personnel services	444,643	231,802	212,841	333,921
Contractual services:				
Telephone and internet	1,500	1,209	291	94
Information technology	-	4,000	(4,000)	-
Travel and training	-	-	-	584
Total contractual services	1,500	5,209	(3,709)	678
Commodities:				
Materials and supplies	3,500	1,673	1,827	77
Prisoner meals	10,000	4,308	5,692	11,455
Reimbursement of prisoner costs	-	-	-	(257)
Total commodities	13,500	5,981	7,519	11,275
Total police corrections department	459,643	242,992	216,651	345,874
Public safety building department:				
Personnel services:				
Salaries	-	913	(913)	-
Overtime salaries	-	10,275	(10,275)	-
Employee benefits	-	7,253	(7,253)	-
Total personnel services	-	18,441	(18,441)	-
Contractual services:				
Telephone and internet	1,980	2,599	(619)	794
Insurance	14,079	-	14,079	-
Engineering	209,223	157,063	52,160	7,070
Utilities	110,000	102,709	7,291	106,357
Capital outlay	-	(4,240)	4,240	-
Total contractual services	335,282	258,131	77,151	114,221

Exhibit G-2, continued

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,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public safety, continued:				
Public safety building, continued:				
Commodities:				
Materials and supplies	$ -	$ 938	$ (938)	$ 3,453
Custodial supplies	2,500	790	1,710	1,582
Capital outlay	-	-	-	11,554
Vehicle maintenance and repair	-	-	-	118
Facility repair and maintenance	123,961	134,552	(10,591)	139,793
Total commodities	126,461	136,280	(9,819)	156,500
Total public safety building	461,743	412,852	48,891	270,721
Total public safety	2,356,445	1,420,316	936,129	2,230,318
Public works:				
Garage:				
Personnel services:				
Salaries	123,228	24,723	98,505	119,820
Overtime salaries	-	198	(198)	2,891
Employee benefits	97,156	136,403	(39,247)	105,702
Total personnel services	220,384	161,324	59,060	228,413
Contractual services:				
Utilities	23,000	22,995	5	21,271
Insurance	3,044	2,494	550	1,155
Telephone and internet	-	443	(443)	39
Information technology	-	606	(606)	1,688
Professional services	-	453	(453)	140
Vehicle maintenance	1,000	321	679	354
Software programming and licensing	7,075	4,621	2,454	2,383
Allocated public works labor	1,300	923	377	3,667
Travel and training	-	-	-	3,360
Total contractual services	35,419	32,856	2,563	34,057
Commodities:				
Materials and supplies	8,600	7,894	706	13,895
Fuel oil	5,000	2,529	2,471	4,083
Fuel and lubrication	65,000	62,856	2,144	67,356
Health and safety permits, inspections, and compliance	1,500	1,862	(362)	584
Facility repair and maintenance	5,000	3,285	1,715	10,957
Capital outlay	7,500	5,199	2,301	26,932
Expendable tools	3,000	1,909	1,091	2,003
Total commodities	95,600	85,534	10,066	125,810
Total garage	351,403	279,714	71,689	388,280
Less charges to other departments and funds	(107,275)	(71,414)	(35,861)	(122,036)
Net garage	244,128	208,300	35,828	266,244

Exhibit G-2, continued

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,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public works, continued:				
General:				
Personnel services:				
Salaries	$ 619,531	$ 350,258	$ 269,273	$ 508,719
Overtime salaries	-	18,483	(18,483)	15,716
Uniform allowances	3,000	875	2,125	880
Employee benefits	405,098	609,355	(204,257)	376,205
Total personnel services	1,027,629	978,971	48,658	901,520
Contractual services:				
Telephone	14,103	16,630	(2,527)	15,301
Utilities	-	350	(350)	-
Publications and advertising	-	399	(399)	160
Vehicle maintenance	6,740	3,412	3,328	2,966
Professional services	-	41	(41)	115
Insurance	29,139	29,704	(565)	20,203
Travel and training	1,325	463	862	4,048
Total contractual services	51,307	50,999	308	42,793
Commodities:				
Materials and supplies	11,900	6,865	5,035	(12,017)
Vehicle maintenance	5,000	258	4,742	5,165
Professional services	-	748	(748)	279
Capital outlay	-	-	-	96,491
Gear	2,300	434	1,866	760
Other	3,500	1,063	2,437	-
Building repairs and maintenance	(195,808)	(95,274)	(100,534)	11,814
Total commodities	(173,108)	(85,906)	(87,202)	102,492
Total general	905,828	944,064	(38,236)	1,046,805
Less charges to other departments and funds	(216,850)	(128,826)	(88,024)	(291,155)
Net general	688,978	815,238	(126,260)	755,650
Streets:				
Personnel services:				
Salaries	-	-	-	44,894
Overtime salaries	-	-	-	1,331
Employee benefits	(85,000)	(71,705)	(13,295)	45,306
Allocated public works labor	85,000	71,758	13,242	89,356
Total personnel services	-	53	(53)	180,887
Contractual services:				
Rock quarry electricity	21,000	28,835	(7,835)	25,041
Allocated - public works labor	130,000	56,632	73,368	99,101
Sanding and snow removal	100,000	71,758	28,242	2,055
Total contractual services	251,000	157,225	93,775	126,197

Exhibit G-2, continued

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,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Public works, continued:				
Streets, continued:				
Commodities:				
Materials and supplies	$ 133,000	$ 76,160	$ 56,840	$ 73,980
Equipment repairs and maintenance	-	2,289	(2,289)	142
Street repairs and maintenance	-	309	(309)	280
Total commodities	133,000	78,758	54,242	74,402
Total streets	384,000	236,036	147,964	381,486
Total public works	1,317,106	1,259,574	57,532	1,403,380
Library:				
Personnel services:				
Salaries	108,144	102,376	5,768	108,398
Employee benefits	73,254	75,150	(1,896)	90,513
Total personnel services	181,398	177,526	3,872	198,911
Contractual services:				
Telephone and internet	2,592	2,650	(58)	2,661
Insurance	7,162	7,014	148	5,145
Utilities	9,000	9,293	(293)	9,121
Total contractual services	18,754	18,957	(203)	16,927
Commodities:				
Materials and supplies	5,000	14,490	(9,490)	8,242
Custodian supplies	700	322	378	414
Books, subscriptions and dues	19,415	22,850	(3,435)	31,092
Postage	1,000	233	767	494
Building repairs and maintenance	17,000	10,559	6,441	4,753
Computer repairs and maintenance	10,000	8,836	1,164	9,822
Total commodities	53,115	57,290	(4,175)	54,817
Total library	253,267	253,773	(506)	270,655
Community services:				
Community development:				
Personnel services:				
Salaries	137,471	72,302	65,169	-
Capital outlay	-	96	(96)	3,301
Total personnel services	137,471	72,398	65,073	3,301
Contractual services - allocated public works labor	-	-	-	3,492

Exhibit G-2, continued

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,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Expenditures, continued				
Community services, continued:				
Contributions:				
Senior citizens program	$ 11,500	$ 11,500	$ -	$ 11,500
Community promotion	-	-	-	504
Chamber of Commerce	23,000	23,000	-	23,000
Local radio	8,500	8,500	-	8,500
Volunteer fire department	-	-	-	4,000
Total contributions	43,000	43,000	-	47,504
Total community development	180,471	115,398	65,073	54,297
Planning and zoning:				
Personnel services:				
Salaries	-	4,440	(4,440)	26,816
Employee benefits	-	36,266	(36,266)	-
Total personnel services	-	40,706	(40,706)	26,816
Contractual services - information technology	2,130	1,516	614	1,579
Commodities:				
Materials and supplies	1,725	1,260	465	1,165
Publications	600	294	306	115
Postage	600	-	600	-
Mapping upgrade	-	-	-	1,321
Total commodities	2,925	1,554	1,371	2,601
Total planning and zoning	5,055	43,776	(38,721)	30,996
Cemetery:				
Personnel services - allocated salaries - public works	3,000	(600)	3,600	1,099
Commodities - materials and supplies	2,000	262	1,738	400
Total cemetery	5,000	(338)	5,338	1,499
Total community services	190,526	158,836	31,690	86,792
Total Expenditures	5,178,668	4,196,854	981,814	5,380,852
Excess of Revenues Over (Under) Expenditures	(225,954)	1,541,026	1,766,980	1,136,715
Other Financing Sources (Uses):				
Transfers in	-	101,375	101,375	256,083
Transfers out	-	(716,552)	(716,552)	(942,568)
Net Other Financing Sources (Uses)	-	(615,177)	(615,177)	(686,485)
Net Change in Fund Balance	$ (225,954)	925,849	$ 1,151,803	450,230
Fund Balance, beginning		8,384,563		7,934,333
Fund Balance, ending		$ 9,310,412		$ 8,384,563

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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.

COVID-19 CARES Act
This fund is used to account for the Borough's financial resources received and expended related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Exhibit H-1

City and Borough of Wrangell, Alaska

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Revenues				
Transient and excise taxes	$ 30,000	$ 89,321	$ 59,321	$ 55,061
Advertising and promotion	5,000	6,561	1,561	5,172
Intergovernmental	-	9,565	9,565	63,911
Total Revenues	35,000	105,447	70,447	124,144
Expenditures - community services:				
Travel and training	17,765	-	17,765	10,696
Materials and supplies	520	92	428	563
Telephone and internet	1,200	845	355	923
Postage	2,200	4,461	(2,261)	299
Promotional	11,950	18,073	(6,123)	2,893
Web hosting	1,836	420	1,416	2,241
Dues	2,400	2,050	350	5,525
Publications	11,245	7,093	4,152	15,018
Contributions	12,000	-	12,000	-
Other	18,165	3,014	15,151	21,311
CPV expenditures	26,500	1,460	25,040	88,580
Total Expenditures	105,781	37,508	68,273	148,049
Net Change in Fund Balance	$ (70,781)	67,939	$ 138,720	(23,905)
Fund Balance, beginning		370,136		394,041
Fund Balance, ending		$ 438,075		$ 370,136

Exhibit H-2

City and Borough of Wrangell, Alaska

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

Years Ended June 30,	2021					2020
		Actual				
		Restricted				
	Budget	28%	4%	Total	Variance with Budget	Actual
Revenues						
Sales taxes	$ 1,893,000	$ 936,001	$ 130,596	$ 1,066,597	$ (826,403)	$ 969,484
Expenditures						
Contributions to school district	105,000	-	-	-	105,000	-
Excess of Revenues Over Expenditures	1,788,000	936,001	130,596	1,066,597	(721,403)	969,484
Other Financing Uses						
Transfers out	(1,676,590)	(1,024,750)	(100,000)	(1,124,750)	551,840	(232,514)
Net Change in Fund Balance	$ 111,410	(88,749)	30,596	(58,153)	$ (169,563)	736,970
Fund Balance, beginning		1,803,740	18,012	1,821,752		1,084,782
Fund Balance, ending		$ 1,714,991	$ 48,608	$ 1,763,599		$ 1,821,752

Exhibit H-3

City and Borough of Wrangell, Alaska

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

Years Ended June 30,	2021									2020
		Actual								
	Budget	Swimming Pool	Recreational Activity	Parks	Helping our Parks	Fee Assistance	Walker Foundation	Total	Variance with Budget	Actual
Revenues										
User fees	$ 55,200	$ 27,957	$ 1,848	$ 1,180	$ -	$ 300	$ -	$ 31,285	$ (23,915)	$ 64,468
Investment income	30,176	242,090	-	-	-	-	-	242,090	211,914	109,896
Donations	-	-	-	-	-	-	-	-	-	90
Other	16,500	8,035	1,540	211	(45)	-	-	9,741	(6,759)	12,683
State PERS relief	12,238	10,504	-	-	-	-	258	10,762	(1,476)	10,093
Total Revenues	114,114	288,586	3,388	1,391	(45)	300	258	293,878	179,764	197,230
Expenditures - parks and recreation:										
Personnel services:										
Salaries	352,725	81,950	59,276	342	-	-	-	141,568	211,157	144,228
Casual labor	-	56,915	1,429	25,095	-	-	-	83,439	(83,439)	99,067
Allocated salaries - public works	-	-	-	-	-	-	-	-	-	145
Employee benefits	29,534	66,866	36,636	4,275	-	-	-	107,777	(78,243)	118,259
Total personnel services	382,259	205,731	97,341	29,712	-	-	-	332,784	49,475	361,699
Contractual services:										
Telephone and internet	16,145	6,339	1,979	-	-	-	-	8,318	7,827	14,721
Utilities	144,000	71,449	7,861	13,302	-	-	-	92,612	51,388	167,205
Professional services	1,625	-	-	-	-	-	-	-	1,625	6,688
Travel and training	9,340	6,257	-	-	-	-	-	6,257	3,083	6,797
Insurance	20,241	13,833	-	19,318	-	-	-	33,151	(12,910)	12,528
Total contractual services	191,351	97,878	9,840	32,620	-	-	-	140,338	51,013	207,939

Exhibit H-3, continued

City and Borough of Wrangell, Alaska

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

Years Ended June 30,	2021									2020
		Actual								
	Budget	Swimming Pool	Recreational Activity	Parks	Helping our Parks	Fee Assistance	Walker Foundation	Total	Variance with Budget	Actual
Expenditures - parks and recreation continued:										
Commodities:										
Materials and supplies	$ 27,190	$ 3,081	$ 2,432	$ 5,889	$ -	$ -	$ 195	$ 11,597	$ 15,593	$ 28,996
Vehicle maintenance	17,500	-	-	4,230	-	-	-	4,230	13,270	7,582
Equipment	15,000	1,638	38	-	-	-	-	1,676	13,324	22,178
Equipment repair and maintenance	22,500	239	-	-	-	-	-	239	22,261	933
Chemicals	15,000	18,245	-	-	-	-	-	18,245	(3,245)	14,014
Health reports and permits	3,500	1,215	703	-	-	-	-	1,918	1,582	7,127
Publications	1,750	463	60	448	-	-	-	971	779	2,890
Capital outlay	-	-	416	-	-	-	51,269	51,685	(51,685)	6,090
Facility repair and maintenance	94,300	8,610	2,981	18,856	-	-	-	30,447	63,853	34,249
Total commodities	196,740	33,491	6,630	29,423	-	-	51,464	121,008	75,732	124,059
Total Expenditures	770,350	337,100	113,811	91,755	-	-	51,464	594,130	176,220	693,697
Excess of Revenues Over (Under) Expenditures	(656,236)	(48,514)	(110,423)	(90,364)	(45)	300	(51,206)	(300,252)	355,984	(496,467)
Other Financing Sources - transfers in	656,236	477,177	-	-	-	-	-	477,177	(179,059)	817,758
Net Change in Fund Balance	$ -	$428,663	$ (110,423)	$ (90,364)	$ (45)	$ 300	$ (51,206)	$ 176,925	$176,925	$ 321,291
Fund Balance, beginning								1,279,285		957,994
Fund Balance, ending								$1,456,210		$1,279,285

Exhibit H-4

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,	2021								2020
		Actual						Variance with	
	Budget	Museum	Civic Center	Theater	Nolan Center	Barnes	Total	Budget	Actual
Revenues									
Admissions	$ 55,000	$ 1,224	$ -	$ 3,860	$ -	$ -	$ 5,084	$ (49,916)	$ 56,665
Concessions	85,000	23,972	-	9,403	-	-	33,375	(51,625)	38,310
Museum gift store revenue	-	-	-	-	-	-	-	-	60,954
Donations and contributions	-	-	-	-	-	-	-	-	100,000
Rental revenue	10,000	-	2,947	-	-	-	2,947	(7,053)	21,709
Investment income	-	-	-	-	-	521	521	521	422
State PERS relief	-	-	-	-	5,996	-	5,996	5,996	5,241
Other grant revenue	4,000	2,195	-	-	-	-	2,195	(1,805)	4,800
Total Revenues	154,000	27,391	2,947	13,263	5,996	521	50,118	(103,882)	288,101
Expenditures - community services:									
Personnel services:									
Salaries	174,933	13,900	70,445	8,670	(23)	-	92,992	81,941	147,609
Casual labor	-	1,994	2,639	-	73	-	4,706	(4,706)	39,321
Employee benefits	-	4,677	30,589	-	-	-	35,266	(35,266)	52,076
Total personnel services	174,933	20,571	103,673	8,670	50	-	132,964	41,969	239,006
Contractual services:									
Travel and training	-	-	-	-	-	-	-	-	4,046
Building maintenance and utilities	179,066	150	4,661	4	176,545	-	181,360	(2,294)	208,894
Credit card costs	1,000	560	-	-	-	-	560	440	1,992
Total contractual services	180,066	710	4,661	4	176,545	-	181,920	(1,854)	214,932

Exhibit H-4, continued

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,	2021								2020
		Actual						Variance	
	Budget	Museum	Civic Center	Theater	Nolan Center	Barnes	Total	with Budget	Actual
Expenditures, continued									
Commodities:									
Materials and supplies	$ 1,000	$ 3,934	$ 3,846	$ 291	$ 757	$ -	$ 8,828	$ (7,828)	$ 19,366
Books, subscriptions and dues	26,500	25,644	1,374	-	-	-	27,018	(518)	48,227
Publications and advertising	4,000	528	1,251	806	-	-	2,585	1,415	8,879
Concessions	15,000	-	-	2,113	-	-	2,113	12,887	11,195
Film costs	-	-	-	4,373	-	-	4,373	(4,373)	17,245
Postage	500	95	-	-	13	-	108	392	492
Membership and dues	-	-	-	30	-	-	30	(30)	-
Miscellaneous	-	742	-	153	-	-	895	(895)	-
Total commodities	47,000	30,943	6,471	7,766	770	-	45,950	1,050	105,404
Police department:									
Contractual services	-	-	-	-	7,687	-	7,687	(7,687)	-
Commodities	-	-	580	-	-	-	580	(580)	-
Total police department	-	-	580	-	7,687	-	8,267	(8,267)	-
Total Expenditures	401,999	52,224	115,385	16,440	185,052	-	369,101	32,898	559,342
Excess of Revenues Over (Under) Expenditures	(247,999)	(24,833)	(112,438)	(3,177)	(179,056)	521	(318,983)	(70,984)	(271,241)
Other Financing Sources - transfers in	268,000	23,420	112,438	3,177	128,965	-	268,000	-	168,210
Net Change in Fund Balance	$ 20,001	$ (1,413)	$ -	$ -	$ (50,091)	$ 521	(50,983)	$ (70,984)	(103,031)
Fund Balance, beginning							100,336		203,367
Fund Balance, ending							$ 49,353		$ 100,336

Exhibit H-5

City and Borough of Wrangell, Alaska

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Revenues				
Investment income	$ 233,560	$ 1,673,891	$ 1,440,331	$ 190,219
Lease revenue	16,440	-	(16,440)	-
Total Revenues	250,000	1,673,891	1,423,891	190,219
Expenditures - general government - contractual services	-	-	-	13,255
Excess of Revenues Over Expenditures	250,000	1,673,891	1,423,891	176,964
Other Financing Uses - transfers out	(280,000)	-	280,000	(250,000)
Net Change in Fund Balance	$ (30,000)	1,673,891	$ 1,703,891	(73,036)
Fund Balance, beginning		7,946,353		8,019,389
Fund Balance, ending		$ 9,620,244		$ 7,946,353

Exhibit H-6

City and Borough of Wrangell, Alaska

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Revenues				
Intergovernmental - national forest receipts	$ 880,000	$ 796,757	$ (83,243)	$ 883,647
Investment income	7,500	-	(7,500)	-
Total Revenues	887,500	796,757	(90,743)	883,647
Expenditures - education - contributions to school district	1,455,000	1,300,000	155,000	1,300,000
Excess of Revenues Over (Under) Expenditures	(567,500)	(503,243)	64,257	(416,353)
Other Financing Uses - transfers out	(112,214)	-	112,214	(6,083)
Net Change in Fund Balance	$ (679,714)	(503,243)	$ 176,471	(422,436)
Fund Balance, beginning		2,936,428		3,358,864
Fund Balance, ending		$ 2,433,185		$ 2,936,428

Exhibit H-7

City and Borough of Wrangell, Alaska

COVID-19 Response Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

June 30,	2021	2020
Revenues -		
Intergovernmental	$ 2,936,899	$ 834,216
Expenditures		
General government:		
Administration:		
Personnel services	231,008	56,075
Contractual services	113,264	16,265
Total administration	344,272	72,340
Finance:		
Contractual services	15,631	12,464
Materials and supplies	-	459
Commodities	663	-
Personnel services	27,539	-
Total finance	43,833	12,923
Clerk and assembly - personnel services	11,592	24,970
Total general government	399,697	110,233
Public safety:		
Fire department:		
Personnel services	338,626	88,488
Contractual services	-	427
Materials and supplies	257	8,373
Total fire department	338,883	97,288
Pandemic response:		
Contractual services	113,090	16,819
Materials and supplies	715,682	229,375
Total pandemic response	828,772	246,194
Police department:		
Personnel services	328,737	232,081
Contractual services	1,116,174	-
Total police department	1,444,911	232,081
Corrects and dispatch - personnel services	119,758	92,465
Total public safety	2,732,324	668,028

Exhibit H-7, continued

City and Borough of Wrangell, Alaska

COVID-19 CARES Act Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance, continued

June 30,	2021	2020
Expenditures, continued		
Public works:		
Capital facilities:		
Personnel services	$ 8,248	$ 11,905
Contractual services	-	2,477
Materials and supplies	-	4,237
Total capital facilities	8,248	18,619
General - personnel services	7,748	6,500
Streets - personnel services	3,367	1,494
Total public works	19,363	26,613
Community services:		
Theater:		
Personnel services	-	2,477
Materials and supplies	-	141
Total theater	-	2,618
Museum:		
Personnel services	1,538	3,288
Materials and supplies	-	653
Total museum	1,538	3,941
Total community services	1,538	6,559
Parks and recreation - general - personnel services	4,547	22,783
Total Expenditures	3,157,469	834,216
Net Change in Fund Balance	(220,570)	-
Fund Balance, beginning	-	-
Fund Balance (Deficit), ending	$ (220,570)	$ -

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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.

Exhibit I-1

City and Borough of Wrangell, Alaska

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

Years Ended June 30,	2021			2020
	Budget	Actual	Variance with Budget	Actual
Revenues				
Intergovernmental - State of Alaska	$ -	$ -	$ -	$ 79,136
Expenditures				
Debt service:				
Principal	260,000	260,000	-	250,000
Interest	12,750	6,875	5,875	18,250
Total Expenditures	272,750	266,875	5,875	268,250
Excess of Revenues Over (Under) Expenditures	(272,750)	(266,875)	(5,875)	(189,114)
Other Financing Sources				
Transfers in	272,750	272,750	-	189,114
Net Change in Fund Balance	$ -	5,875	$ 5,875	-
Fund Balance, beginning		1,681		1,681
Fund Balance, ending		$ 7,556		$ 1,681

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.

Economic Recovery
This fund accounts for the funding and interest earnings associated with a U.S. Department of Agriculture grant for the purpose of economic assistance within the Borough.

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.

Exhibit J-1

City and Borough of Wrangell, Alaska

Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2021	Residential Construction	Industrial Construction	Economic Recovery	Miscellaneous	Totals
Revenues					
Land sales and improvements	$ 55,095	$ 17,391	$ -	$ -	$ 72,486
Intergovernmental	-	-	-	250,224	250,224
Investment income	-	2,515	-	-	2,515
Miscellaneous reimbursement	-	1,380	-	-	1,380
Total Revenues	55,095	21,286	-	250,224	326,605
Expenditures					
Capital outlay:					
Miscellaneous capital projects	121,172	-	-	23,996	145,168
Compliance testing and other	-	4,788	-	-	4,788
General government - professional services	1,368	15,385	-	253,978	270,731
Total Expenditures	122,540	20,173	-	277,974	420,687
Net Change in Fund Balances	(67,445)	1,113	-	(27,750)	(94,082)
Fund Balances, beginning	114,217	334,567	1,353,445	876,141	2,678,370
Fund Balances, ending	$ 46,772	$ 335,680	$ 1,353,445	$ 848,391	$ 2,584,288

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.

Exhibit K-1

City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund
Statement of Net Position

June 30,	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	$ 3,536,354	$ 3,532,008
Receivables:		
Accounts	388,043	280,366
Less allowance for doubtful accounts	(32,026)	(32,026)
Net receivables	356,017	248,340
Inventories	186,466	171,085
Total Current Assets	4,078,837	3,951,433
Noncurrent Assets		
Net other postemployment benefits asset	82,593	4,803
Capital assets:		
Land	10,900	10,900
Buildings	805,351	653,480
Improvements other than buildings	2,297,735	2,297,735
Equipment	4,267,314	4,255,068
Construction in progress	430,280	430,280
Total capital assets	7,811,580	7,647,463
Less accumulated depreciation	(6,369,976)	(6,053,433)
Net capital assets	1,441,604	1,594,030
Total Noncurrent Assets	1,524,197	1,598,833
Total Assets	5,603,034	5,550,266
Deferred Outflows of Resources		
Related to pensions	137,668	137,050
Related to other postemployment benefits	60,907	64,787
Total Deferred Outflows of Resources	198,575	201,837
Total Assets and Deferred Outflows of Resources	$ 5,801,609	$ 5,752,103

Exhibit K-1, continued

City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund
Statement of Net Position, continued

June 30,	2021	2020
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	$ 322,457	$ 350,024
Accrued leave	33,725	52,142
Customer utility deposits	93,307	76,920
Total Current Liabilities	449,489	479,086
Long-term Liabilities		
Net pension liability	984,959	956,072
Net other postemployment benefits liability	1,599	23,164
Total Long-term Liabilities	986,558	979,236
Total Liabilities	1,436,047	1,458,322
Deferred Inflows of Resources		
Related to pensions	-	18,869
Related to other postemployment benefits	66,966	24,718
Total Deferred Inflows of Resources	66,966	43,587
Net Position		
Net investment in capital assets	1,441,604	1,594,030
Unrestricted	2,856,992	2,656,164
Total Net Position	4,298,596	4,250,194
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 5,801,609	$ 5,752,103

Exhibit K-2

City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30,	2021	2020
Operating Revenues		
Residential	$ 1,768,535	$ 1,739,707
Commercial	2,077,147	2,153,108
Fuel surcharge	67,860	65,689
Labor charges	20,632	-
Other	27,124	19,882
Total Operating Revenues	3,961,298	3,978,386
Operating Expenses		
Generation	3,148,396	2,946,552
Distribution	453,155	531,759
General and administrative	198,215	302,281
Depreciation	316,544	304,402
Total Operating Expenses	4,116,310	4,084,994
Loss from Operations	(155,012)	(106,608)
Nonoperating Revenues (Expenses)		
Equipment and pole rental	29,645	45,155
Late fees	13,193	8,841
Material sales	22,076	2,516
Interest expense	-	(15,661)
State PERS relief	138,500	41,649
Net Nonoperating Revenues	203,414	82,500
Change in Net Position	48,402	(24,108)
Net Position, beginning	4,250,194	4,274,302
Net Position, ending	$ 4,298,596	$ 4,250,194

Exhibit K-3

City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund
Statement of Cash Flows

Years Ended June 30,	2021	2020
Cash Flows from (for) Operating Activities		
Receipts from customers and users	$ 3,934,921	$ 4,060,252
Payments for interfund services used	(143,830)	(238,594)
Payments to suppliers	(2,899,407)	(3,016,261)
Payments to employees	(723,221)	(823,263)
Net cash flows from (for) operating activities	168,463	(17,866)
Cash Flows for Capital and Related Financing Activities		
Purchase of property, plant and equipment	(164,117)	(524,261)
Interest paid on long-term debt	-	(15,661)
Net cash flows for capital and related financing activities	(164,117)	(539,922)
Net Increase (Decrease) in Cash and Investments	4,346	(557,788)
Cash and Investments, beginning	3,532,008	4,089,796
Cash and Investments, ending	$ 3,536,354	$ 3,532,008
Reconciliation of Loss from Operations to Net Cash Flows from (for) Operating Activities		
Loss from operations	$ (155,012)	$ (106,608)
Adjustments to reconcile loss from operations to net cash flows from (for) operating activities:		
Depreciation	316,544	304,402
Noncash expense - PERS relief	138,500	41,649
Increase (decrease) in allowance for doubtful accounts	-	15,645
Miscellaneous nonoperating revenues	64,913	56,512
(Increase) decrease in assets:		
Accounts receivable	(107,677)	3,707
Inventories	(15,381)	(741)
Net other postemployment benefits asset	(77,790)	(4,803)
(Increase) decrease in deferred outflows of resources:		
Related to pensions	(618)	13,629
Related to other postemployment benefits	3,880	(3,793)
Increase (decrease) in liabilities:		
Accounts payable	(27,567)	(225,657)
Accrued leave	(18,417)	(4,314)
Customer utility deposits	16,387	6,002
Net pension liability	28,887	39,643
Net other postemployment benefits liability	(21,565)	(124,700)
Increase (decrease) in deferred inflows of resources:		
Related to pensions	(18,869)	818
Related to other postemployment benefits	42,248	(29,257)
Net Cash Flows from (for) Operating Activities	$ 168,463	$ (17,866)

Exhibit K-4

City and Borough of Wrangell, Alaska

Electric Utility Enterprise Fund
Schedule of Operating Expenses

Years Ended June 30,	2021	2020
Generation		
Salaries	$ 195,712	$ 214,499
Overtime salaries	6,168	9,405
Employee benefits	161,870	74,979
Telephone	16,066	6,045
Utilities	2,280	2,280
Travel and training	-	2,623
Materials and supplies	21,546	21,631
Gas and oil	230,430	129,602
Diesel fuel	638	18,853
Tyee hydro power purchases	2,461,045	2,429,842
Repairs and maintenance	8,532	16,024
Capital outlay	10,537	-
O.S.H.A. requirements	33,572	20,769
Total Generation	3,148,396	2,946,552
Distribution		
Salaries	270,416	265,291
Overtime salaries	14,096	7,765
Employee benefits	151,215	180,196
Telephone	63	610
Allocated salaries - public works	-	1,173
Utilities	1,017	1,017
Travel and training	897	200
Materials and supplies	5,929	16,946
Meters	-	12,545
Repairs and maintenance	-	30,362
Transformers	2,033	3,521
Allocated vehicle charges - garage	7,489	12,133
Total Distribution	453,155	531,759
General and Administrative		
Allocated overhead - finance	54,612	224,947
Allocated salaries - public works	81,729	341
Professional services	1,844	23,229
Travel and training	-	8,055
Insurance	55,866	45,754
Credit card expense	4,164	(45)
Total General and Administrative	198,215	302,281
Depreciation	316,544	304,402
Total Operating Expenses	$ 4,116,310	$ 4,084,994

Exhibit K-5

City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund
Statement of Net Position

June 30,	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	$ 491,455	$ 821,028
Receivables:		
Grants	415,080	-
Accounts	80,842	68,374
Accrued interest	5	5
Total receivables	495,927	68,379
Total Current Assets	987,382	889,407
Noncurrent Assets		
Net other postemployment benefits asset	18,849	792
Capital assets:		
Buildings	5,128,436	5,128,436
Improvements other than buildings	11,956,632	11,956,632
Equipment	145,024	145,024
Construction in progress	754,493	55,401
Total capital assets	17,984,585	17,285,493
Less accumulated depreciation	(13,413,531)	(13,009,186)
Net capital assets	4,571,054	4,276,307
Total Noncurrent Assets	4,589,903	4,277,099
Total Assets	5,577,285	5,166,506
Deferred Outflows of Resources		
Related to pensions	31,418	21,800
Related to other postemployment benefits	13,900	11,673
Total Deferred Outflows of Resources	45,318	33,473
Total Assets and Deferred Outflows of Resources	$ 5,622,603	$ 5,199,979

Exhibit K-5, continued

City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund
Statement of Net Position, continued

June 30,	2020	2020
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	$ 158,818	$ 18,997
Accrued leave	25,314	20,068
Customer utility deposits	10,445	9,220
Accrued interest payable	3,326	2,507
Current portion - ADEC loan	5,139	2,550
Total Current Liabilities	203,042	53,342
Long-term Liabilities		
ADEC loan, net of current portion	46,769	49,358
Net pension liability	224,783	156,162
Net other postemployment benefits liability	365	6,717
Total Long-term Liabilities	271,917	212,237
Total Liabilities	474,959	265,579
Deferred Inflows of Resources		
Related to pensions	-	3,795
Related to other postemployment benefits	15,283	5,253
Total Deferred Inflows of Resources	15,283	9,048
Net Position		
Net investment in capital assets	4,519,146	4,224,399
Unrestricted	613,215	700,953
Total Net Position	5,132,361	4,925,352
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 5,622,603	$ 5,199,979

Exhibit K-6

City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30,	2021	2020
Operating Revenues		
Water sales	$ 692,705	$ 708,360
Operating Expenses		
General and administrative	633,974	551,885
Depreciation	404,345	646,215
Total Operating Expenses	1,038,319	1,198,100
Loss from Operations	(345,614)	(489,740)
Nonoperating Revenues (Expenses)		
Investment income	130	124
Material sales	-	294
Interest expense	(819)	(592)
State PERS relief	11,688	6,873
Net Nonoperating Revenues	10,999	6,699
Loss before Capital Contributions	(334,615)	(483,041)
Capital contributions	541,624	-
Change in Net Position	207,009	(483,041)
Net Position, beginning	4,925,352	5,408,393
Net Position, ending	$ 5,132,361	$ 4,925,352

Exhibit K-7

City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund
Statement of Cash Flows

Years Ended June 30,	2021	2020
Cash Flows from Operating Activities		
Receipts from customers and users	$ 681,462	$ 681,921
Payments for interfund services used	(89,284)	(70,658)
Payments to suppliers	(164,686)	(223,152)
Payments to employees	(184,647)	(254,251)
Net cash flows from operating activities	242,845	133,860
Cash Flows for Capital and Related Financing Activities		
Purchase of property, plant and equipment	(699,092)	(93,646)
Capital contributions received	126,544	-
Principal payments on loan	-	(2,858)
Interest payments on loan	-	(592)
Net cash flows for capital and related financing activities	(572,548)	(97,096)
Cash Flows from Investing Activities		
Investment income received	130	124
Net Increase (Decrease) in Cash and Investments	(329,573)	36,888
Cash and Investments, beginning	821,028	784,140
Cash and Investments, ending	$ 491,455	$ 821,028

Exhibit K-7, continued

City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund
Statement of Cash Flows, continued

Years Ended June 30,	2021	2020
Reconciliation of Loss from Operations to Net Cash Flows from Operating Activities		
Loss from operations	$ (345,614)	$ (489,740)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	404,345	646,215
Noncash expense - PERS relief	11,688	6,873
Miscellaneous nonoperating revenues	-	294
Increase in assets:		
Accounts receivable	(12,468)	(27,658)
Net other postemployment benefits asset	(18,057)	(792)
(Increase) decrease in deferred outflows of resources:		
Related to pensions	(9,618)	2,249
Related to other postemployment benefits	(2,227)	(626)
Increase (decrease) in liabilities:		
Accounts payable	139,821	14,613
Accrued leave	5,246	237
Customer utility deposits	1,225	925
Net pension liability	68,621	6,542
Net other postemployment benefits liability	(6,352)	(20,579)
Increase (decrease) in deferred inflows of resources:		
Related to pensions	(3,795)	135
Related to other postemployment benefits	10,030	(4,828)
Net Cash Flows from Operating Activities	$ 242,845	$ 133,860

Exhibit K-8

City and Borough of Wrangell, Alaska

Water Utility Enterprise Fund
Schedule of Operating Expenses

Years Ended June 30,	2021	2020
General and Administrative		
Salaries	$ 109,345	$ 158,651
Overtime salaries	15,316	14,504
Employee benefits	115,522	70,307
Allocated salaries - public works	49,002	46,523
Allocated overhead - finance	39,161	23,004
Telephone	3,645	3,175
Travel and training	591	2,450
Materials and supplies	87,969	30,674
Chlorination - electricity	131,701	125,808
Repairs and maintenance	58,421	67,800
Allocated vehicle charges - garage	1,121	1,131
Professional services	6,052	1,144
Insurance	15,370	6,714
Credit card expense	758	-
Total General and Administrative	633,974	551,885
Depreciation	404,345	646,215
Total Operating Expenses	$ 1,038,319	$ 1,198,100

Exhibit K-9

City and Borough of Wrangell, Alaska

Port Enterprise Fund
Statement of Net Position

June 30,	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	$ 2,531,602	$ 1,593,129
Receivables:		
Accounts	183,767	141,924
Grants	-	861,591
Accrued interest	32	32
Less allowance for doubtful accounts	(30,000)	(30,000)
Net receivables	153,799	973,547
Total Current Assets	2,685,401	2,566,676
Noncurrent Assets		
Restricted cash and investments - harbor improvements	689,100	690,725
Net other postemployment benefits asset	45,203	3,631
Capital assets:		
Land	948,333	948,333
Harbor floats, docks and improvements	44,479,718	34,166,661
Travel lift	18,391,507	18,391,507
Gridiron	154,636	154,636
Buildings	222,466	222,466
Equipment	391,826	348,359
Paving	2,530,923	2,530,923
Construction in progress	22,750	10,209,434
Total capital assets	67,142,159	66,972,319
Less accumulated depreciation	(30,034,721)	(27,851,433)
Net capital assets	37,107,438	39,120,886
Total Noncurrent Assets	37,841,741	39,815,242
Total Assets	40,527,142	42,381,918
Deferred Outflows of Resources		
Related to pensions	75,347	78,854
Related to other postemployment benefits	33,335	51,357
Total Deferred Outflows of Resources	108,682	130,211
Total Assets and Deferred Outflows of Resources	$ 40,635,824	$ 42,512,129

Exhibit K-9, continued

City and Borough of Wrangell, Alaska

Port Enterprise Fund
Statement of Net Position, continued

June 30,	2021	2020
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	$ 100,745	$ 516,545
Accrued leave	28,686	21,248
Unearned revenue	689,100	689,100
Interfund loans	21,942	21,942
Total Current Liabilities	840,473	1,248,835
Long-term Liabilities		
Interfund loans, net of current portion	20,727	42,669
Net pension liability	539,074	577,445
Net other postemployment benefits liability	875	18,892
Total Long-term Liabilities	560,676	639,006
Total Liabilities	1,401,149	1,887,841
Deferred Inflows of Resources		
Related to pensions	-	7,423
Related to other postemployment benefits	36,651	18,204
Total Deferred Inflows of Resources	36,651	25,627
Net Position		
Net investment in capital assets	37,107,438	39,120,886
Restricted	-	1,625
Unrestricted	2,090,586	1,476,150
Total Net Position	39,198,024	40,598,661
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 40,635,824	$ 42,512,129

Exhibit K-10

City and Borough of Wrangell, Alaska

Port Enterprise Fund

Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30,	2021	2020
Operating Revenues		
Municipal dock:		
Storage fees	$ 9,511	$ -
Wharfage fees	25,863	42,776
Dockage fees	27,942	68,730
Port development fees	2,460	43,884
Total municipal dock	65,776	155,390
Small boat harbor:		
Stall rentals and transient fees	744,052	781,925
Penalties and late fees	7,534	10,787
Materials sales	(2,193)	8,500
Other revenues	5,819	694,485
Total small boat harbor	755,212	1,495,697
Travel lift:		
Lift fees	201,349	136,504
Storage fees	294,502	304,641
Electric revenues	12,308	13,940
Total travel lift	508,159	455,085
Total Operating Revenues	1,329,147	2,106,172
Operating Expenses		
Municipal dock	101,844	85,919
Small boat harbor	309,549	364,891
Travel lift	343,731	369,777
General and administrative	182,413	136,596
Depreciation	2,183,288	1,916,170
Total Operating Expenses	3,120,825	2,873,353
Loss from Operations	(1,791,678)	(767,181)
Nonoperating Revenues		
Investment income	1,190	1,236
State PERS relief	30,563	31,489
State raw fish tax	-	284,469
State fisheries business tax	359,288	5,250
Total Nonoperating Revenues	391,041	322,444
Loss before capital contributions	(1,400,637)	(444,737)
Capital contributions	-	460,353
Change in Net Position	(1,400,637)	15,616
Net Position, beginning	40,598,661	40,583,045
Net Position, ending	$ 39,198,024	$ 40,598,661

Exhibit K-11

City and Borough of Wrangell, Alaska

Port Enterprise Fund
Statement of Cash Flows

Years Ended June 30,	2021	2020
Cash Flows from (for) Operating Activities		
Receipts from customers and users	$ 1,287,304	$ 1,445,836
Payments for interfund services used	(49,759)	(59,088)
Payments to suppliers	(788,189)	(291,694)
Payments to employees	(542,795)	(611,875)
Net cash flows provided by (used for) operating activities	(93,439)	483,179
Cash Flows from (for) Noncapital Financing Activities		
State fish taxes received	359,288	289,719
Cash Flows from (for) Capital and Related Financing Activities		
Purchase of property, plant and equipment	(169,840)	(1,615,537)
Principal payments on loan payable to other fund	(21,942)	(21,942)
Capital contributions received	861,591	-
Net cash flows from (for) capital and related financing activities	669,809	(1,637,479)
Cash Flows from Investing Activities		
Investment income received	1,190	1,304
Net Increase (Decrease) in Cash and Investments	936,848	(863,277)
Cash and Investments, beginning	2,283,854	3,147,131
Cash and Investments, ending	$ 3,220,702	$ 2,283,854
Reconciliation of Cash and Investments to Statement of Net Position		
Cash and investments	$ 2,531,602	$ 1,593,129
Restricted cash and investments	689,100	690,725
Total Cash and Investments	$ 3,220,702	$ 2,283,854
Reconciliation of Loss from Operations to Net Cash Flows from Operating Activities		
Loss from operations	$ (1,791,678)	$ (767,181)
Adjustments to reconcile loss from operations to net cash flows from (for) operating activities:		
Depreciation	2,183,288	1,916,170
Noncash expense - PERS relief	30,563	31,489
(Increase) decrease in assets:		
Accounts receivable	(41,843)	23,163
Net other postemployment benefits asset	(41,572)	(3,631)
(Increase) decrease in deferred outflows of resources:		
Related to pensions	3,507	10,305
Related to other postemployment benefits	18,022	(2,868)
Increase (decrease) in liabilities:		
Accounts payable	(415,800)	40,080
Accrued leave	7,438	4,960
Unearned revenue	-	(683,499)
Net pension liability	(38,371)	29,972
Net other postemployment benefits liability	(18,017)	(94,280)
Increase (decrease) in deferred inflows of resources:		
Related to pensions	(7,423)	618
Related to other postemployment benefits	18,447	(22,119)
Net Cash Flows from (for) Operating Activities	$ (93,439)	$ 483,179

Exhibit K-12

City and Borough of Wrangell, Alaska

Port Enterprise Fund
Schedule of Operating Expenses

Years Ended June 30,	2021	2020
Municipal Dock		
Salaries	$ 30,391	$ 42,218
Employee benefits	17,213	22,164
Materials and supplies	2,190	754
Utilities	5,517	5,470
Allocated vehicle charges - garage	20	1
Repairs and maintenance	46,513	15,312
Total Municipal Dock	101,844	85,919
Small Boat Harbor		
Salaries	136,260	136,203
Employee benefits	56,526	54,747
Allocated salaries - public works	180	307
Materials and supplies	5,756	8,329
Utilities	74,318	85,009
Repairs and maintenance	13,276	66,168
Allocated vehicle charges - garage	4,878	2,172
Publications	578	-
Miscellaneous expense	17,777	11,956
Total Small Boat Harbor	309,549	364,891
Travel Lift		
Salaries	191,984	194,720
Overtime salaries	12,132	13,438
Employee benefits	70,883	102,831
Materials and supplies	21,449	4,796
Utilities	21,700	19,338
Allocated vehicle charges - garage	1,847	230
Publications	-	1,565
Repairs and maintenance	23,736	32,859
Total Travel Lift	343,731	369,777
General and Administrative		
Salaries	8,881	2,354
Allocated overhead - finance	26,794	24,263
Travel and training	-	4,385
Professional services	36,866	7,720
Telephone	8,896	7,090
Materials and supplies	5,772	6,438
Allocated vehicle charges - garage	16,040	32,115
Insurance	62,426	23,343
Repairs and maintenance	1,247	1,936
Utilities	-	13
Credit card expense	10,947	15,174
Publications	4,544	11,765
Total General and Administrative	182,413	136,596
Depreciation	2,183,288	1,916,170
Total Operating Expenses	$ 3,120,825	$ 2,873,353

Exhibit K-13

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund
Statement of Net Position

June 30,	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	$ 1,226,802	$ 951,342
Receivables:		
Accounts	48,906	61,716
Accrued interest	7	7
Total receivables	48,913	61,723
Total Current Assets	1,275,715	1,013,065
Noncurrent Assets		
Bond redemption reserve	-	75,312
Net other postemployment benefits asset	17,587	1,383
Capital assets:		
Buildings	2,233,579	2,233,579
Improvements other than buildings	10,151,774	10,122,946
Equipment	195,001	195,001
Total capital assets	12,580,354	12,551,526
Less accumulated depreciation	(10,122,997)	(9,870,768)
Net capital assets	2,457,357	2,680,758
Total Noncurrent Assets	2,474,944	2,757,453
Total Assets	3,750,659	3,770,518
Deferred Outflows of Resources		
Related to pensions	29,315	30,233
Related to other postemployment benefits	12,970	20,024
Total Deferred Outflows of Resources	42,285	50,257
Total Assets and Deferred Outflows of Resources	$ 3,792,944	$ 3,820,775

Exhibit K-13, continued

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund
Statement of Net Position, continued

June 30,	2021	2020
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	$ 42,405	$ 41,760
Accrued leave	23,968	23,857
Accrued interest payable	1,717	1,687
Current portion - USDA Rural Development loan	1,652	1,651
Total Current Liabilities	69,742	68,955
Long-term Liabilities		
USDA Rural Development loan, net of current portion	82,154	83,787
Net pension liability	209,736	230,870
Net other postemployment benefits liability	340	11,518
Total Long-term Liabilities	292,230	326,175
Total Liabilities	361,972	395,130
Deferred Inflows of Resources		
Related to pensions	-	6,788
Related to other postemployment benefits	14,260	9,234
Total Deferred Inflows of Resources	14,260	16,022
Net Position		
Net investment in capital assets	2,373,551	2,595,320
Unrestricted	1,043,161	814,303
Total Net Position	3,416,712	3,409,623
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 3,792,944	$ 3,820,775

Exhibit K-14

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30,	2021	2020
Operating Revenues		
Sewer charges	$ 598,144	$ 595,479
Operating Expenses		
Collection and treatment	299,461	367,495
General and administrative	48,868	26,732
Depreciation	252,229	259,560
Total Operating Expenses	600,558	653,787
Loss from Operations	(2,414)	(58,308)
Nonoperating Revenues (Expenses)		
Investment income	446	437
State PERS relief	10,701	11,994
Interest expense	(1,644)	(1,615)
Net Nonoperating Revenues	9,503	10,816
Change in Net Position	7,089	(47,492)
Net Position, beginning	3,409,623	3,457,115
Net Position, ending	$ 3,416,712	$ 3,409,623

Exhibit K-15

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund
Statement of Cash Flows

Years Ended June 30,	2021	2020
Cash Flows from Operating Activities		
Receipts from customers and users	$ 610,954	$ 568,804
Payments for interfund services used	(58,783)	(25,492)
Payments to suppliers	(129,531)	(175,960)
Payments to employees	(190,864)	(219,102)
Net cash flows from operating activities	231,776	148,250
Cash Flows for Capital and Related Financing Activities		
Purchase of property, plant and equipment	(28,828)	-
Principal payments on USDA Rural Development loan	(1,632)	(1,631)
Interest payments on long-term debt	(1,614)	(1,615)
Net cash flows for capital and related financing activities	(32,074)	(3,246)
Cash Flows from Investing Activities		
Investment income received	446	436
Net Increase in Cash and Investments	200,148	145,440
Cash and Investments, beginning	1,026,654	881,214
Cash and Investments, ending	$ 1,226,802	$ 1,026,654
Reconciliation of Cash and Investments to Statement of Net Position		
Cash and investments	$ 1,226,802	$ 951,342
Restricted cash and investments	-	75,312
Total Cash and Investments	$ 1,226,802	$ 1,026,654

Exhibit K-15, continued

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund
Statement of Cash Flows, continued

Years Ended June 30,	2021	2020
Reconciliation of Loss from Operations to Net Cash Flows from Operating Activities		
Loss from operations	$ (2,414)	$ (58,308)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	252,229	259,560
Noncash expense - PERS relief	10,701	11,994
(Increase) decrease in assets:		
Accounts receivable	12,810	(26,675)
Net other postemployment benefits asset	(16,204)	(1,383)
(Increase) decrease in deferred outflows of resources:		
Related to pensions	918	3,925
Related to other postemployment benefits	7,054	(1,092)
Increase (decrease) in liabilities:		
Accounts payable	645	(9,351)
Accrued leave	111	2,266
Net pension liability	(21,134)	11,417
Net other postemployment benefits liability	(11,178)	(35,913)
Increase (decrease) in deferred inflows of resources:		
Related to pensions	(6,788)	236
Related to other postemployment benefits	5,026	(8,426)
Net Cash Flows from Operating Activities	$ 231,776	$ 148,250

Exhibit K-16

City and Borough of Wrangell, Alaska

Sewer Utility Enterprise Fund
Schedule of Operating Expenses

Years Ended June 30,	2021	2020
Collection and Treatment		
Salaries	$ 112,972	$ 144,466
Overtime salaries	8,809	4,744
Employee benefits	37,589	52,916
Allocated salaries - public works	15,704	(2,202)
Telephone	3,568	3,465
Utilities	58,159	56,948
Travel and training	100	392
Materials and supplies	6,804	16,701
Facilities repairs and maintenance	10,993	4,761
Systems repairs and maintenance	25,706	62,834
Allocated vehicle charges - garage	2,085	6,694
Compliance testing	16,972	15,776
Total Collection and Treatment	299,461	367,495
General and Administrative		
Allocated overhead - finance	40,994	21,000
Travel and training	133	-
Insurance	6,490	5,732
Credit card expense	1,251	-
Total General and Administrative	48,868	26,732
Depreciation	252,229	259,560
Total Operating Expenses	$ 600,558	$ 653,787

Exhibit K-17

City and Borough of Wrangell, Alaska

Sanitation Utility Enterprise Fund
Statement of Net Position

June 30,	2021	2020
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	$ 910,820	$ 252,870
Accounts receivable	49,820	49,462
Total Current Assets	960,640	302,332
Noncurrent Assets		
Net other postemployment benefits asset	16,378	1,003
Capital assets:		
Buildings	982,637	982,637
Equipment	552,402	552,402
Total capital assets	1,535,039	1,535,039
Less accumulated depreciation	(1,156,583)	(1,080,451)
Net capital assets	378,456	454,588
Total Noncurrent Assets	394,834	455,591
Total Assets	1,355,474	757,923
Deferred Outflows of Resources		
Related to pensions	27,300	21,075
Related to other postemployment benefits	12,078	14,435
Total Deferred Outflows of Resources	39,378	35,510
Total Assets and Deferred Outflows of Resources	$ 1,394,852	$ 793,433
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	$ 43,477	$ 30,173
Accrued leave	17,782	8,751
Total Current Liabilities	61,259	38,924
Long-term Liabilities		
Net pension liability	195,320	163,376
Net other postemployment benefits liability	316	8,391
Total Long-term Liabilities	195,636	171,767
Total Liabilities	256,895	210,691
Deferred Inflows of Resources		
Related to pensions	-	5,163
Related to other postemployment benefits	13,280	6,770
Total Deferred Inflows of Resources	13,280	11,933
Net Position		
Net investment in capital assets	378,456	454,588
Unrestricted	746,221	116,221
Total Net Position	1,124,677	570,809
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 1,394,852	$ 793,433

Exhibit K-18

City and Borough of Wrangell, Alaska

Sanitation Utility Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30,	2021	2020
Operating Revenues		
User fees	$ 670,479	$ 626,355
Operating Expenses		
Collection	174,560	125,450
Landfill	549,437	431,021
General and administrative	48,557	15,023
Depreciation	76,132	76,132
Total Operating Expenses	848,686	647,626
Loss from Operations	(178,207)	(21,271)
Nonoperating Revenues		
State PERS relief	10,075	8,702
Transfers in	722,000	-
Change in Net Position	553,868	(12,569)
Net Position, beginning	570,809	583,378
Net Position, ending	$ 1,124,677	$ 570,809

Exhibit K-19

City and Borough of Wrangell, Alaska

Sanitation Utility Enterprise Fund
Statement of Cash Flows

Years Ended June 30,	2021	2020
Cash Flows from (for) Operating Activities		
Receipts from customers and users	$ 670,121	$ 617,483
Payments for interfund services used	(78,293)	(55,127)
Payments to suppliers	(456,151)	(314,273)
Payments to employees	(199,727)	(204,698)
Net cash flows from (for) operating activities	(64,050)	43,385
Cash Flows from Capital and Related Financing Activities - transfers in	722,000	-
Net Increase in Cash and Investments	657,950	43,385
Cash and Investments, beginning	252,870	209,485
Cash and Investments, ending	$ 910,820	$ 252,870
Reconciliation of Loss from Operations to Net Cash Flows from (for) Operating Activities		
Loss from operations	$ (178,207)	$ (21,271)
Adjustments to reconcile loss from operations to net cash flows from (for) operating activities:		
Depreciation	76,132	76,132
Noncash expense - PERS relief	10,075	8,702
Increase in assets:		
Accounts receivable	(358)	(8,872)
Net other postemployment benefits asset	(15,375)	(1,003)
(Increase) decrease in deferred outflows of resources:		
Related to pensions	(6,225)	2,848
Related to other postemployment benefits	2,357	(792)
Increase (decrease) in liabilities:		
Accounts payable	13,304	9,888
Accrued leave	9,031	1,466
Net pension liability	31,944	8,283
Net other postemployment benefits liability	(8,075)	(26,054)
Increase (decrease) in deferred inflows of resources:		
Related to pensions	(5,163)	171
Related to other postemployment benefits	6,510	(6,113)
Net Cash Flows from (for) Operating Activities	$ (64,050)	$ 43,385

Exhibit K-20

City and Borough of Wrangell, Alaska

Sanitation Utility Enterprise Fund
Schedule of Operating Expenses

Years Ended June 30,	2021	2020
Collection		
Salaries	$ 56,396	$ 60,710
Overtime salaries	7,321	974
Employee benefits	57,308	31,121
Allocated salaries - public works	6,301	1,169
Materials and supplies	16,217	2,310
Allocated vehicle charges - garage	31,017	29,166
Total Collection	174,560	125,450
Landfill		
Salaries	56,047	50,536
Overtime salaries	5,823	7,231
Employee benefits	41,911	41,634
Allocated salaries - public works	180	10,701
Telephone	1,244	1,239
Utilities	5,718	6,866
Monitoring and testing	1,452	-
Disposal costs	308,224	271,837
Hazardous waste	20,215	19,401
Materials and supplies	2,782	6,735
Repairs and maintenance	2,961	7,768
Professional services	99,490	880
Allocated vehicle charges - garage	3,390	6,193
Total Landfill	549,437	431,021
General and Administrative		
Allocated overhead - finance	37,179	7,898
Insurance	11,152	7,125
Credit card expense	226	-
Total General and Administrative	48,557	15,023
Depreciation	76,132	76,132
Total Operating Expenses	$ 848,686	$ 647,626

Exhibit L-1

City and Borough of Wrangell, Alaska

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subre - cipients	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	$1,300,000	$ 1,300,000
School and Roads - Grants to States - Birdfest	10.665		-	9,565
Total Assistance Listing Number 10.665			1,300,000	1,309,565
Department of the Interior				
Payments in Lieu of Taxes	15.226		-	483,502
Department of Treasury				
Passed through State of Alaska Department of Commerce, Community, and Economic Development: COVID-19 - Coronavirus Relief Fund	21.019	20-CRF-227	-	2,936,899
Funding Program	21.019	ILC21-035	-	4,497
Total Assistance Listing Number 21.019			-	2,941,396
Institute of Museum and Library Services				
Passed through Wrangell Cooperative Association - Native American and Native Hawaiian Library Services - IMLS Library Grant	45.311	NG-01-13-0078-13	-	9,550
Total Expenditures of Federal Awards			$1,300,000	$ 4,744,013

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

City and Borough of Wrangell, Alaska

Notes to Schedule of Expenditures and Federal Awards
Year Ended June 30, 2021

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, 2021. 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, 2021, there were no unspent interest earnings and unspent grant funds were $2,433,185.

Exhibit M-1

City and Borough of Wrangell, Alaska

Schedule of State Financial Assistance
Year Ended June 30, 2021

State Agency/Program Title	Award Number	Total Award	Passed Through Subre-cipients	State Expenditures
Department of Commerce, Community and Economic Development				
*Community Assistance Program	FY 21	$ 375,000	$ -	$ 375,000
Hospital Replacement Project	13-DC-494	1,800,000	-	250,224
Connection to Upper Reservoir	15-DC-162	615,000	-	126,554
Shared Fisheries Tax	FY 21	1,776	-	1,776
Total Department of Commerce, Community and Economic Development			-	753,554
Department of Revenue				
Community Passenger Vessel Excise Taxes	FY 21	58,660	-	58,660
*Fisheries Resource Landing Taxes	FY 21	203,246	-	203,246
Total Department of Revenue			-	261,906
Department of Transportation and Public Facilities				
*Shoemaker Bay Harbor Replacement	18-HG-001	4,463,996	-	156,042
Department of Education and Early Development				
Public Library Assistance		7,000	-	7,000
Department of Environmental Conservation				
*Municipal Grants Program - Water Main Replacement	MMG 91722	696,415	-	415,080
Department of Administration				
*PERS On-behalf	FY 21	267,353	-	267,353
Total State Financial Assistance			$ -	$ 1,860,935

* Denotes a major program

See accompanying notes to the Schedule of State Financial Assistance.

City and Borough of Wrangell, Alaska

Notes to Schedule State and Financial Assistance
Year Ended June 30, 2021

1. Basis of Presentation

The accompanying Schedule of State Financial Assistance (the "Schedule") includes the state grant activity of the City and Borough of Wrangell, Alaska under programs of the State of Alaska for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of City and Borough of Wrangell, Alaska, it is not intended to and does not present the financial position, changes in net position or cash flows of City and Borough of Wrangell, Alaska.

2. Summary of Significant Accounting Policies

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

3. PERS On-behalf

The City and Borough of Wrangell, Alaska has recorded $267,353 in PERS On-behalf payments in the Schedule of State Financial Assistance. This represents the PERS relief payments appropriated and transferred into the plan during FY2021.

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

As a result of these perspective and timing differences, amounts reported on the financial statements do not agree to the amount reported on the Schedule of State Financial Assistance. In FY2021, the City and Borough of Wrangell, Alaska reported $121,984 in PERS on-behalf revenue and expenses in the Statement of Activities.

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Single Audit Reports

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City and Borough of Wrangell (the Borough) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated December 7, 2022. Our report included a reference to other auditors who audited the financial statements of Wrangell Public Schools, as described in our report on the Borough's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing 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 the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 to be material weaknesses.

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A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-003 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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 financial statements. 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 Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
December 7, 2022

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3601 C Street, Suite 600
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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

Opinion on Each Major Federal Program

We have audited City and Borough of Wrangell's (the Borough) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended June 30, 2021. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

In our opinion, the Borough complied, in all material respects, with the 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, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Borough's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-004, 2021-005, and 2021-006 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other 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

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December 7, 2022

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3601 C Street, Suite 600
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Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited City and Borough of Wrangell's (the Borough) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the Borough's major state programs for the year ended June 30, 2021. The Borough's major state programs are identified in the accompanying Schedule of State Financial Assistance.

The Borough's basic financial statements include the operations of the Wrangell Public Schools, a discretely presented component unit, which expended $3,848,526 in state awards which is not included in the Borough's schedule of state financial assistance during the year ended June 30, 2021. Our audit, described below, did not include the operations of Wrangell Public Schools because they were subjected to separate audits.

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Our responsibilities under those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Borough's compliance with the types of compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of the state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the *State of Alaska Single Audit Guide and Compliance Supplement* and which are described in the accompanying schedule of findings and questioned costs as items 2021-007 and 2021-008. Our opinion on each major sate program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Borough's is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Borough's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion in it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 state 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 state 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 state 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-007 and 2021-008 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Borough's is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Borough's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion in it.

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

BDO USA, LLP

Anchorage, Alaska
December 7, 2022

City and Borough of Wrangell, Alaska

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:
Material weakness(es) identified? _X_ yes ___ no
Significant deficiency(ies) identified? _X_ yes ___ no (none reported)

Noncompliance material to financial statements noted? ___ yes _X_ no

Federal Awards

Internal control over major federal programs:
Material weakness(es) identified? ___ yes _X_ no
Significant deficiency(ies) identified? _X_ yes ___ no (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:

Assistance Listing Number	*Name of Federal Program or Cluster*	*Agency*
21.019	Coronavirus Relief Fund	Department of the Treasury

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

Auditee qualified as low-risk auditee? ___ yes _X_ no

State Financial Assistance

Internal control over major state programs:
Material weakness(es) identified? ___ yes _X_ no
Significant deficiency(ies) identified? _X_ yes ___ no (none reported)

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

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

City and Borough of Wrangell, Alaska

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2021

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

Finding 2021-001 **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 The Borough's internal control over financial reporting did not prevent, or detect and correct, errors in certain account balances. During our audit, we identified adjustments that were necessary in order to present the financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Specifically, adjustments were required to properly state opening net position, cash, and fund balance.

Cause The Borough's general ledger reconciliation and preparation of the trial balance for external financial reporting purposes lacked an appropriate level of precision to ensure balances were materially correct.

Effect or Potential Effect Individual accounts were misstated, requiring entries to be made to correct year-end balances for proper reporting in accordance with GAAP. Misstatements may exist and go undetected in the general ledger and financial statements.

Recommendation The Borough should consider adding procedures to ensure activity is recorded in accordance with GAAP. Specifically, the Borough should add procedures to reconcile opening balances to prior year-end balances, and consider developing an end-of-the-year checklist to ensure closing adjustments are made in a timely manner.

Views of Responsible Officials Management concurs with the finding. Management will implement a more thorough review process and improvements to the year-end close and audit preparation process. Management will identify the more complex financial statement accounts and areas and will implement additional levels of internal review.

City and Borough of Wrangell, Alaska

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2021

Finding 2021-002 **Journal Entry Review and Approval, and Support - 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

The Borough's internal controls over financial reporting do not ensure proper review and approval of manual journal entries, or the retention of appropriate supporting documentation. Furthermore, within the Borough's IT environment there is a lack of appropriate segregation of duties restricting access for management personnel. These conditions give rise to a heightened risk of management override through the use of manual adjustments.

Cause

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

Effect or Potential Effect

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

Recommendation

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

Views of Responsible Officials

Management concurs with the finding. Management will revise internal processes and procedures to require all manual journal entries be reviewed and approved by a separate individual besides the preparer prior to posting to the general ledger. The Borough's revised internal processes and procedures will require relevant supporting documentation be attached to all manual journal entries and retained after posting to support contents of the journal entry.

City and Borough of Wrangell, Alaska

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2021

Finding 2021-003	**Bank Reconciliation Review and Approval - Internal Control Over Financial Reporting - Significant Deficiency**
Criteria	*Government Accounting Standards* states management is responsible for establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; using resources efficiently; economically, effectively, and equitably, and safeguarding resources; following laws and regulations; and ensuring that financial information is reliable and properly reported. Internal controls over financial reporting should allow management to prevent or detect and correct misstatements on a timely basis.
Condition	The Borough's internal controls over financial reporting do not ensure proper review and approval of bank reconciliations.
Cause	The Borough's internal controls related to bank reconciliations were not enforced throughout the period. Bank reconciliation testing identified multiple discrepancies between the bank reconciliation and the ending cash balance for fiscal year 2021 which resulted in significant adjustments to book cash.
Effect or Potential Effect	A discrepancy was identified between the ending reconciled cash balance on the June 2021 bank rec and year end cash per the general ledger. Further investigation identified activity that was not identified or captured on the bank reconciliation which resulted in significant adjustments to the trial balance.
Recommendation	The Borough should create a formal bank reconciliation process that stipulates an individual besides the preparer review and approve bank reconciliations. Additionally, the Borough should require that relevant supporting documentation be attached and retained with the bank reconciliation to ensure agreement with the general ledger.
Views of Responsible Officials	Management concurs with the finding. Management will revise internal processes and procedures to require bank reconciliations to be reviewed and reconciled to the general ledger.

City and Borough of Wrangell, Alaska

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2021

Section III - Federal Award Findings and Questioned Costs

Finding 2021-004	**Activities Allowed and Unallowed, Allowable Costs, Period of Performance - Internal Control Over Compliance - Significant Deficiency**
Agency	Department of the Treasury
ALN	21.019
Program Name	Coronavirus Relief Fund
Award Year	FY 2021
Pass-Through Agency	State of Alaska Department of Commerce, Community, and Economic Development
Pass-Through Entity Identifying Number	20-CRF-227
Criteria	Management is responsible to provide reasonable assurance that the costs paid for by federal funds are allowable and in accordance with the types of activities allowed per the compliance supplement and incurred within the stated period of performance.
Condition	We identified nonpayroll expenditure transactions without sufficient documentation of review and approval prior to posting to the general ledger.
Cause	The Borough's internal controls over nonpayroll expenditures lack appropriate safeguards ensuring all transactions are reviewed and approved by a knowledgeable individual prior to posting to the general ledger.
Effect or Potential Effect	Federal funds could potentially be expended on unallowed activities and for unallowed costs, and outside the period of performance.
Questioned costs	None.
Context	A sample of 27 nonpayroll expenditure transactions were tested specific to the major program. 15 of the transactions tested lacked evidence of review and approval prior to being charged to the program.
Identification as a repeat finding	Yes, a similar finding was reported in the prior year as finding number 2020-004.
Recommendation	The Borough should consider adopting a transactional-level review process that ensures all transactions are reviewed and approved by a knowledgeable individual besides the individual who initiated the transaction. The Borough should consider adopting a policy that requires supporting evidence of such review be retained for future examination.
Views of Responsible Officials	Management concurs with the finding. Borough staff and management will revise internal processes and procedures to require supporting documentation for all expenditure transactions be retained and for said documentation to include evidence of management review and approval prior to posting.

City and Borough of Wrangell, Alaska

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2021

Finding 2021-005	**Activities Allowed and Unallowed, Allowable Costs, Period of Performance - Internal Control Over Compliance - Significant Deficiency**
Agency	Department of the Treasury
ALN	21.019
Program Name	Coronavirus Relief Fund
Award Year	FY 2021
Pass-Through Agency	State of Alaska Department of Commerce, Community, and Economic Development
Pass-Through Entity Identifying Number	20-CRF-227
Criteria	Management is responsible to provide reasonable assurance that the costs paid for by federal funds are allowable and in accordance with the types of activities allowed per the compliance supplement and incurred within the stated period of performance.
Condition	We identified payroll expenditure transactions for which the underlying transactions were not supported by documented approved pay rates.
Cause	Internal controls were not operating effectively throughout the entire fiscal year to ensure that all employees have approved pay rates included in the personnel files.
Effect or Potential Effect	Federal funds could potentially be expended on unallowed activities and for unallowed costs, and outside the period of performance.
Questioned costs	None
Context	A sample of 25 payroll expenditure transactions were tested specific to the major program. 1 of the transactions tested lacked supporting documentation for review and approval of pay rates prior to being charged to the program.
Identification as a repeat finding	No
Recommendation	We recommend management enforce written policies requiring signed and approved pay rates be kept on file for all employees
Views of Responsible Officials	Management concurs with the finding and will adhere to the corrective action plan included in this report.

City and Borough of Wrangell, Alaska

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2021

Finding 2021-006	**Reporting - Internal Control Over Compliance - Significant Deficiency**
Agency	Department of the Treasury
ALN	21.019
Program Name	Coronavirus Relief Fund
Award Year	FY 2021
Pass-Through Agency	State of Alaska Department of Commerce, Community, and Economic Development
Pass-Through Entity Identifying Number	20-CRF-227
Criteria	Recipients of federal awards must establish verifiable controls over reports that are prepared and submitted.
Condition	Reports underwent significant modification after initial submission. Evidence of secondary review and approval was not always present.
Cause	The Borough's internal controls over reporting are not designed appropriately to ensure timely and accurate reporting.
Effect or Potential Effect	Information submitted to the granting agency might be incomplete or inaccurate.
Questioned costs	None
Context	A sample of 4 monthly reports were tested specific to the major program. All 4 reports were substantially modified after initial submission. Review process was not appropriately designed to identify errors.
Identification as a repeat finding	No
Recommendation	A policy should be established and enforced to ensure that grant reports contain accurate data prior to submission, and to ensure evidence of controls performed over applicable compliance requirements is maintained. Review process should also be established to ensure accurate reporting.
Views of Responsible Officials	Management agrees with this finding. Refer to the corrective action plan.

City and Borough of Wrangell, Alaska

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2021

Section IV - State Award Findings and Questioned Costs

Finding 2021-007	**Reporting - Noncompliance and Significant Deficiency in Internal Control Over Compliance**
State Agency	State of Alaska Department of Commerce, Community, and Economic Development; State of Alaska Department of Environmental Conservation.
Grant Name and Award Number	Designated Legislative Grant Program 13-DC-494/ Municipal Grants Program MMG 91722
Award Year	FY 2021
Criteria	State of Alaska Department of Commerce, Community, and Economic Development requires submission of certain financial reports and narrative (or progress reports) on a monthly basis within 15 days of month-end.
Condition	Multiple instances were identified where reports were not filed with the awarding agency as required, or were filed after the deadline.
Questioned costs	None
Context	During our testwork of the reporting requirements, of the 4 reports selected for testing for 13-DC-494, we noted 1 financial report was submitted after the reporting deadline. For MMG 91722 no awards were submitted as required.
Effect	Failure to submit reports timely makes the City and Borough of Wrangell out of compliance with grant requirements.
Cause	Resource constraints due to the number of reports required to be filed for this and other programs, in conjunction with personnel turnover.
Repeat Finding	No
Recommendation	Adequate personnel resources should be trained and available to ascertain that all the financial reporting is done in a timely manner.

City and Borough of Wrangell, Alaska

Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2021

Finding 2021-008	**Reporting - Noncompliance and Significant Deficiency in Internal Control Over Compliance**
State Agency	State of Alaska Department of Commerce, Community, and Economic Development.
Grant Name and Award Number	Community Assistance Program FY21 Award Year FY21
Award Year	FY 2021
Criteria	State of Alaska Department of Commerce, Community, and Economic Development requires municipalities which levy and collect property tax to provide notice to taxpayers pursuant to AS 29.45.020 showing a) the amount of financial assistance received from the State and b) the equivalent mill rate needed to raise that amount in the municipality.
Condition	Notification was not provided to taxpayers as required.
Questioned costs	None
Context	During our testwork of the reporting requirements, it was determined that no notification was made to taxpayers during fiscal year 2021 as required.
Effect	Failure to notify taxpayers as required under AS 29.45.020 makes the City and Borough of Wrangell out of compliance with grant requirements.
Cause	Lack of internal policies and controls to ensure that reporting pursuant to AS 29.45.020.
Repeat Finding	No
Recommendation	The Borough should develop internal policies to ensure that reporting pursuant to AS 29.45.020 takes place as required each fiscal year.

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City and Borough of Wrangell Single Audit Responses (Unaudited)

CITY AND BOROUGH OF WRANGELL
INCORPORATED MAY 30, 2008

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

City and Borough of Wrangell, Alaska

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

Financial Statement Findings

Finding 2020-001 **General Ledger Reconciliation and External Financial Reporting - Internal Control over Financial Reporting - Material Weakness**

Finding The Borough's internal control over financial reporting did not prevent, or detect and correct, errors in certain account balances. During our audit, we identified adjustments that were necessary in order to present the financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Specifically, adjustments were required to properly state opening net position and fund balance, ending capital assets, depreciation expense, interfund balances, transfers, deferred inflows of resources and tax revenue.

Status Finding not resolved in 2021, see 2021-001.

Finding 2020-002 **Journal Entry Review and Approval, and Support- Internal Control over Financial Reporting - Material Weakness**

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

Status Finding not resolved in 2021, see 2021-002.

Finding 2020-003 **Completeness and Accuracy of Schedule of Expenditures of Federal Awards Internal Control Over Financial Reporting - Significant Deficiency**

Finding Material adjustments were necessary to correct the SEFA to properly recognize federal expenditures incurred related to the Community Development Block Grant program. Specifically, the program was mislabeled as state financial assistance and was incorrectly excluded from the SEFA.

Status Finding resolved in 2021

CITY AND BOROUGH
OF WRANGELL
INCORPORATED MAY 30, 2008

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City and Borough of Wrangell, Alaska

Summary Schedule of Prior Audit Findings, continued
Year Ended June 30, 2021

Finding 2020-004	**Activities Allowed and Unallowed, Allowable Costs, Period of Performance - Internal Control Over Compliance - Significant Deficiency**
Information on Federal Program	Coronavirus Relief Fund Assistance Listing 21.019
Finding	During testing, multiple instances were identified where expenditures to federal programs were not properly reviewed and approved. The Borough's internal controls over nonpayroll expenditures lack appropriate safeguards ensuring all transactions are reviewed and approved by a knowledgeable individual prior to posting to the general ledger.
Status	Finding not resolved in 2021, see 2021-004.

CITY AND BOROUGH OF WRANGELL
INCORPORATED MAY 30, 2008

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City and Borough of Wrangell, Alaska

Corrective Action Plan
Year Ended June 30, 2021

Name of Contact Person: Mason F. Villarma
Finance Director
mvillarma@wrangell.com
907 - 874- 2381

Finding 2021-001 - General Ledger Reconciliation and External Financial Reporting - Internal Control over Financial Reporting - Material Weakness

Corrective Action Plan

At the transaction-level and at the fiscal year-end reporting stage, the Borough will implement specific procedure to ensure compliance with U.S GAAP. Specifically, the Borough will perform an opening balance reconciliation to prior year-end balances. Additionally, the Borough will create a year-end close-out checklist to verify closing adjustments are made in a timely fashion. All manual adjustments will be accompanied by a log demonstrating segregation of duties in the process.

Expected Completion Date:
Fiscal year 2023

Finding 2021-002 - Journal Entry Review and Approval, and Support - Internal Control Over Financial Reporting - Material Weakness

Corrective Action Plan

In order to create a stronger set of internal controls, the Borough will adopt a journal entry preparation and review process whereby the preparer of the entry stamps/signs and dates the entry made. Subsequently, the entry will be printed off-and reviewed by the *Finance Director*. The *Finance Director* will sign and date the journal entry "approved" and place it in the current fiscal year journal entry file. The Borough will verify proper segregation of duties has been followed throughout this process.

Expected Completion Date:
Fiscal year 2023

CITY AND BOROUGH OF WRANGELL
INCORPORATED MAY 30, 2008

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

City and Borough of Wrangell, Alaska

Corrective Action Plan, continued
Year Ended June 30, 2021

Finding 2021-003 - Bank Reconciliation Review and Approval - Internal Control Over Financial Reporting - Significant Deficiency

Corrective Action Plan

The Borough will ensure to thoroughly review each transaction that requires the use of federal funds and verify expenses meet all eligibility requirements. Specifically, the responsible department director will send supporting documentation or a requisition form encapsulating the proposed expense to the *Finance Director* and *Borough Manager* for review. Once the expense is approved, the responsible department director will send out the purchase order. Once the expense is made, an invoice copy will be signed by the appropriate department director and then a copy of the invoice will be sent to the *Finance Director* for review. The copy of the invoice and payment support will then be kept in the federal fund/grant awards file for that specific source of funds.

Expected Completion Date:
Fiscal year 2023

Finding 2021-004 - Activities Allowed and Unallowed, Allowable Costs, Period of Performance - Internal Control Over Compliance - Significant Deficiency

Corrective Action Plan

The Borough will ensure to implement a control whereby the Borough Manager and the Finance Director review and submit each federal and state grant progress report together on the 1st week of the new quarter or month (depending on the reporting frequency). Each report will be reconciled to the project managers CIP report and the underlying transaction support (i.e., invoice, purchase order, payment support, and bank statement).

Expected Completion Date:
Fiscal year 2023

CITY AND BOROUGH OF WRANGELL
INCORPORATED MAY 30, 2008

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

City and Borough of Wrangell, Alaska

Corrective Action Plan, continued
Year Ended June 30, 2021

Finding 2021-005 - Activities Allowed and Unallowed, Allowable Costs, Period of Performance - Internal Control Over Compliance - Significant Deficiency

Corrective Action Plan

The Finance Director will execute all grant reports instead of the project manager and will maintain a log indicating when reports are due, and the grant administrators contact information. The Borough Manager will review each report for completeness and accuracy. Once reviewed, the Finance Director will submit the report. The grant log will be directly tied into Outlook email reminders to ensure that reports are filed timely.

Expected Completion Date:
Fiscal year 2023

Finding 2021-006 - Reporting - Internal Control Over Compliance - Significant Deficiency

Corrective Action Plan

The Finance Director will issue a taxpayer notice to all Borough property owners including pertinent details of the community assistance payments. Specifically, the notice will show the amounts received from the State of Alaska, the budgeted distribution, and the actual dollar-value spent with respect to each budgeted caption. In addition, the Finance Director and Capital Facilities Director will scan through each grant agreement and/or amendment at the beginning of each fiscal period to ensure all compliance items are effectively addressed through existing process level controls.

Expected Completion Date:
Fiscal year 2023

CITY AND BOROUGH OF WRANGELL
INCORPORATED MAY 30, 2008

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

City and Borough of Wrangell, Alaska

Corrective Action Plan, continued
Year Ended June 30, 2021

Finding 2021-007 - Reporting - Noncompliance and Significant Deficiency in Internal Control Over Compliance

Corrective Action Plan

The Finance Director will execute all grant reports instead of the project manager and will maintain a log indicating when reports are due, and the grant administrators contact information. The Borough Manager will review each report for completeness and accuracy. Once reviewed, the Finance Director will submit the report. The grant log will be directly tied into Outlook email reminders to ensure that reports are filed in a timely manner.

Finding 2021-008 - Reporting - Noncompliance and Significant Deficiency in Internal Control Over Compliance

Corrective Action Plan

The Finance Director will issue a taxpayer notice to all Borough property owners including pertinent details of the community assistance payments. Specifically, the notice will show the amounts received from the State of Alaska, the budgeted distribution, and the actual dollar-value spent with respect to each budgeted caption. In addition, the Finance Director and Capital Facilities Director will scan through each grant agreement and/or amendment at the beginning of each fiscal period to ensure all compliance items are effectively addressed through existing process level controls.

Expected Completion Date:
Fiscal year 2022.

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**6**

Final Plat approval of the GPV Tidelands Replat, a replat of Lot A, Block 84, GPV Replat (Plat No. 2022-12), and Lots 6 and 7, Block 84D, Wrangell Tidelands Addition (Plat 65-87), creating Lot A-1 and Lot 6-1, zoned Waterfront Development, requested by Micony, LLC.

SUBMITTED BY:
Carol Rushmore, Economic Development Director

Reviews/Approvals/Recommendations	
■	Commission, Board or Committee
Name(s)	Planning and Zoning Commission
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 21: $	FY 22: $	FY23: $
Amount Budgeted:		
	FY22 $XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	$XXX	

ATTACHMENTS: 1. Final Plat 2. Aerial

This item is being considered under the Consent Agenda. Matters listed under the consent agenda are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion on these items. If the Mayor, and Assembly Member, the Manager or Clerk requests discussion and/or consideration on an item under the Consent Agenda, that item will be removed from the Consent Agenda and will be considered under Unfinished Business.

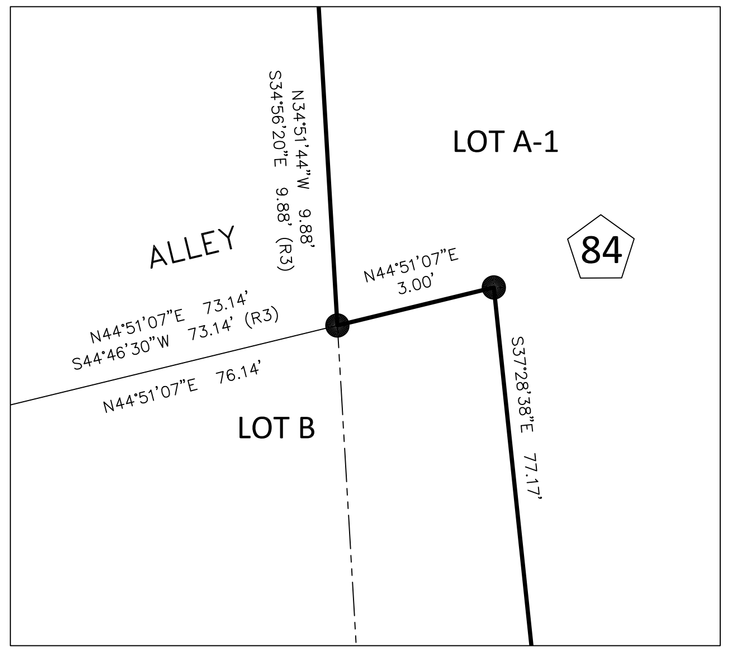
RECOMMENDATION MOTION:
Move to Approve the final plat of the GPV Tidelands Replat

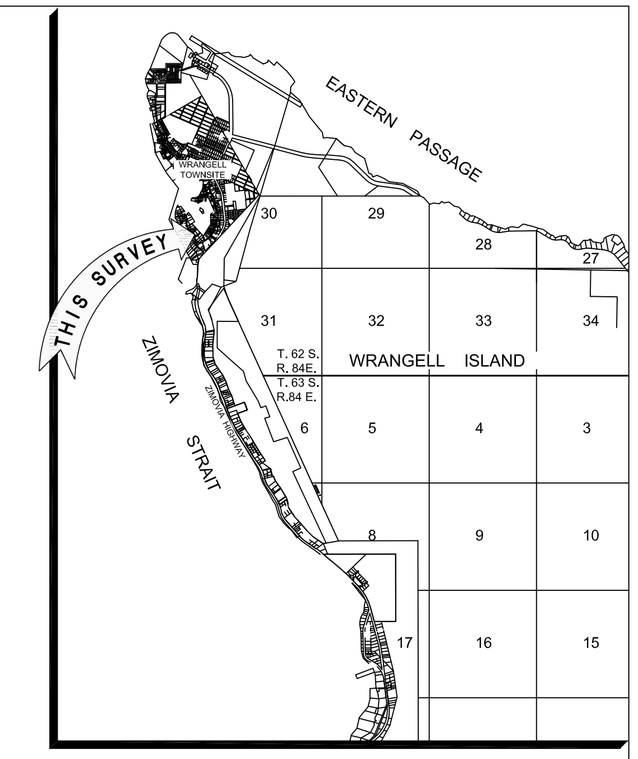
SUMMARY STATEMENT:

The Planning and Zoning Commission approved the final plat at a special meeting on December 13, 2022. This proposed plat is removing all lot lines between the upland parcel already owned by Micony LLC and between the tideland parcels they are requesting to purchase. Since the Borough currently owns the tidelands, the lot lines cannot be removed until they own all property. They are trying to complete the sale prior to the end of the year, and thus Planning and Zoning approvals are on parallel tracks with the Assembly approval of deed conveyance that will likely occur on the December 20, 2022 meeting. The Commission approval of the final plat is dependent on the Assembly moving forward with approving conveyance of the deed and the final plat. The Deed of sale will be for a portion of Lot 6 and Lot 7 Block 84D, and will be recorded prior the plat, so that the plat as currently presented will reflect accurately that Micony LLC owns all of the property.

Should the Assembly vote to not convey a deed for these tidelands, then the plat is irrelevant and will not be recorded.

DETAIL A
SCALE: 1" = 2'





VICINITY MAP
1" = 1 MILE

OWNERSHIP STATUS

1. LOT A, GPV REPLAT (MICONY, LLC)
2. PORTION OF LOT 6, WITHIN BLOCK 84D, A.T.S. 83 (MICONY, LLC)
3. LOT 7, WITHIN BLOCK 84D, A.T.S. 83 (MICONY, LLC)

PROPOSED OWNERSHIP

1. LOT A-1, GPV TIDELANDS REPLAT (MICONY, LLC)

PREVIOUS LOT AREAS

1. LOT A, GPV REPLAT (40,485 SQ. FT)(0.929 ACRES)
2. PORTION OF LOT 6, WITHIN BLOCK 84D, A.T.S. 83 (26,971 SQ. FT)(0.619 ACRES)
3. LOT 7, WITHIN BLOCK 84D, A.T.S. 83 (8,769 SQ. FT)(0.201 ACRES)

NEW LOT AREAS

1. LOT A-1, GPV TIDELANDS REPLAT (76,224 SQ. FT)(1.750 ACRES)

PREVIOUS LOT ZONING

1. LOT A, GPV REPLAT (WATERFRONT DEVELOPMENT)
2. PORTION OF LOT 6, WITHIN BLOCK 84D, A.T.S. 83 (WATERFRONT DEVELOPMENT)
3. LOT 7, WITHIN BLOCK 84D, A.T.S. 83 (WATERFRONT DEVELOPMENT)

NEW LOT ZONING

1. LOT A-1, GPV TIDELANDS REPLAT (WATERFRONT DEVELOPMENT)

NOTES

1. THE ERROR OF CLOSURE OF THIS SURVEY DOES NOT EXCEED 1:5000.
2. ALL BEARINGS SHOWN ARE TRUE BEARINGS AS ORIENTED TO THE BASIS OF BEARING AND DISTANCES SHOWN ARE REDUCED TO HORIZONTAL FIELD DISTANCES.
3. REFERENCE AK. ESCROW AND TITLE INSURANCE AGENCY CERTIFICATE TO PLAT FILE NO. 64832.
4. REFERENCE THE FOLLOWING WITHIN THE WRANGELL RECORDING DISTRICT:
   - USS No. 1119 (WRANGELL TOWNSITE)
   - USS No. 1815
   - ATS 83
   - PLAT 65-87 (WRANGELL TIDELANDS ADDITION)
   - PLAT 94-10 (PENINSULA STREET R.O.W.)
   - DEED 1986-000323-0 (LOT 11)
   - DEED 1986-000325-0 (LOT 12)
   - DEED 1994-000403-0 (LOT 13)
   - DEED 1994-000691-0 (PARCEL 7)
   - DEED 1994-000697-0 (PARCEL 11)
   - DEED 1996-000351-0 (PTN LOT 14)
   - DEED 1996-000352-0 (PTN LOT 14)
   - DEED 1996-000354-0 (PTN LOT 14)
   - DEED 1996-000358-0 (PTN LOT 14)
   - DEED 1996-000359-0 (PTN LOT 14)
   - SEWER EASEMENT 1977-000368-0 (LOT 14)
   - SEWER EASEMENT VACATION 1978-000156-0 (LOT 14)
   - DEED 2022-000211-0
   - PLAT 2022-12 (GPV REPLAT)
   - DEED 2022-000241-0
5. BEFORE THE RECORDING OF THIS PLAT, A DEED WAS RECORDED UNDER DOCUMENT #_____ TRANSFERRING OWNERSHIP OF THAT PORTION OF LOT 6 TO BE PART OF THIS PLAT, FROM THE CITY & BOROUGH OF WRANGELL (GRANTOR) TO MICONY, LLC (GRANTEE).

LEGEND

(1)	BLOCK NUMBER
●	SECONDARY MONUMENT SET THIS SURVEY
○	SECONDARY MONUMENT RECOVERED
◐	PRIMARY MONUMENT RECOVERED
– – – – –	UNSURVYED
————	SURVEYED
—— - - ——	ROW CENTERLINE
— – – – —	PROPERTY LINE DELETED BY THIS PLAT
XX	MEASURED DATA
(R1)	RECORD PER U.S.S. 1119 (WRANGELL TOWNSITE)
(R2)	RECORD PER U.S.S. 1815
(R3)	RECORD PER PLAT 94-10 (PENINSULA STREET R.O.W.)
(R4)	RECORD PER PLAT 65-87 (WRANGELL TIDELANDS ADDITION)

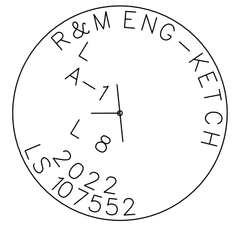
BASIS OF BEARING

BEARINGS SHOWN ARE NAD_83(2011)(EPOCH:2010) GEODETIC BEARINGS BASED ON HIGH PRECISION GLOBAL NAVIGATION SATELLITE SYSTEM TECHNOLOGY, USING TRIMBLE (R8-3 & R10) RECEIVERS, DIFFERENTIALLY CORRECTED AND PROCESSED USING TRIMBLE BUSINESS CENTER VERSION 4.1 SOFTWARE. LOCAL PLANE BEARINGS ARE ORIENTED TO TRUE GEODETIC NORTH AT LAT: N56°25'1.16602 LONG: W132°20'55.74019. DISTANCES SHOWN ARE REDUCED TO HORIZONTAL FIELD DISTANCES.

CURVE TABLE

CURVE	DELTA	RADIUS (FT)	ARC (FT)	CHORD (FT)	CH. BEARING
C1	0°59'31"	2093.68	36.25	36.25	N32° 12' 08"W
C1 (R3)	*0°59'31"*	*2093.68*	*36.25*	*36.25*	*S32° 16' 46"E*

TYPICAL SECONDARY MONUMENT
SET THIS SURVEY



SET 5/8" X 30" LONG REBAR
(UNLESS OTHERWISE NOTED) AND
2" ALUMINUM CAP WITH PLASTIC
INSERT

SCALE 1"=20'

THIS DRAWING MAY BE REDUCED, VERIFY SCALE BEFORE USING

0 10 20 40 60 80 FEET
0 5 10 15 20 25 METERS

1 METER = 3.2808333 U.S. SURVEY FEET
1 U.S. ACRE = 0.4047 HECTARES

SHEET 1 OF 2

R&M ENGINEERING-KETCHIKAN, INC.
7180 REVILLA ROAD, SUITE 300
KETCHIKAN, AK 99901
Phone: (907) 225-7917
Fax: (907) 225-3441

WRANGELL OFFICE
P.O. BOX 2286
WRANGELL, AK 99929
Phone: (907) 305-0820

CERTIFICATE OF AUTHORIZATION #: C576

GPV TIDELANDS REPLAT

A REPLAT OF
LOT A, WITHIN BLOCK 84, GPV REPLAT, ACCORDING TO PLAT 2022-12; AND
A PORTION OF LOT 6, AND LOT 7, WITHIN BLOCK 84D, OF WRANGELL
TIDELANDS ADDITION, ACCORDING TO PLAT 65-87

CREATING

LOT "A-1", GPV TIDELANDS REPLAT
CONTAINING 1.796 ACRES MORE OR LESS

LOCATED WITHIN
WRANGELL TOWNSITE (U.S.S. 1119)
& WRANGELL TIDELANDS ADDITION (PLAT 65-87)
WRANGELL, ALASKA 99929
WRANGELL RECORDING DISTRICT

STATE OF ALASKA 49TH
CHRISTOPHER G. PIBURN
No. 107552
REGISTERED PROFESSIONAL LAND SURVEYOR

SURVEYED BY: MCH DATE: NOV 2022 - DEC 2022		DRAWN BY: MCH DATE: NOV 2022 - DEC 2022
SCALE: 1"=20'	CHECKED: CGP	R&M PROJECT NO: 222723

CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE_____ _____
MICONY, LLC

DATE_____ _____
PRINTED NAME AND TITLE

NOTARY'S ACKNOWLEDGMENT

U.S. OF AMERICA
STATE OF ALASKA
CITY AND BOROUGH OF WRANGELL

THIS IS TO CERTIFY THAT ON THIS____ DAY OF_____, 20_____, BEFORE ME, THE UNDERSIGNED A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED
TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND_____ ACKNOWLEDGED TO ME THAT_____ SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

_____
NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

MY COMMISSION EXPIRES_____.

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF WRANGELL ASSEMBLY AS RECORDED IN MINUTE BOOK_____ PAGE_____ DATED_____ 20____, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, WRANGELL, ALASKA.

_____ _____
DATE MAYOR, CITY AND BOROUGH OF WRANGELL
ATTEST:

_____
CITY CLERK

CERTIFICATE OF APPROVAL BY THE PLANNING COMMISSION

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF WRANGELL PLANNING COMMISSION, AND THAT SAID PLAT HAS BEEN APPROVED BY THE COMMISSION BY PLAT RESOLUTION NO_____ DATED_____ 20____, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, WRANGELL, ALASKA.

_____ _____
DATE CHAIRMAN, PLANNING COMMISSION

_____
SECRETARY

CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)ss

I THE UNDERSIGNED, AS THE PROPERTY TAX CLERK FOR THE CITY AND BOROUGH OF WRANGELL, HEREBY CERTIFY, THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY AND BOROUGH OF WRANGELL, IN THE NAME OF
_____
AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS ARE PAID IN FULL; THAT CURRENT TAXES FOR THE YEAR 20_____ WILL BE DUE ON OR BEFORE OCTOBER 15, 20____ DATED THIS____ DAY OF_____.

_____
ASSESSOR CITY AND BOROUGH OF WRANGELL

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA, THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION, THAT THE MONUMENTS SHOWN HEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.

_____
DATE

_____
CHRISTOPHER G. PIBURN, PLS # 107552

STATE OF ALASKA
49 TH
CHRISTOPHER G. PIBURN
No. 107552
REGISTERED PROFESSIONAL LAND SURVEYOR

SHEET 2 OF 2

R&M ENGINEERING-KETCHIKAN, INC.
7180 REVILLA ROAD, SUITE 300
KETCHIKAN, AK 99901
Phone: (907) 225-7917
Fax: (907) 225-3441

WRANGELL OFFICE
P.O. BOX 2286
WRANGELL, AK 99929
Phone: (907) 305-0820

CERTIFICATE OF AUTHORIZATION #: C576

GPV TIDELANDS REPLAT

A REPLAT OF
LOT A, WITHIN BLOCK 84, GPV REPLAT, ACCORDING TO PLAT 2022-12; AND A PORTION OF LOT 6, AND LOT 7, WITHIN BLOCK 84D, OF WRANGELL TIDELANDS ADDITION, ACCORDING TO PLAT 65-87

CREATING

LOT "A-1", GPV TIDELANDS REPLAT
CONTAINING 1.796 ACRES MORE OR LESS

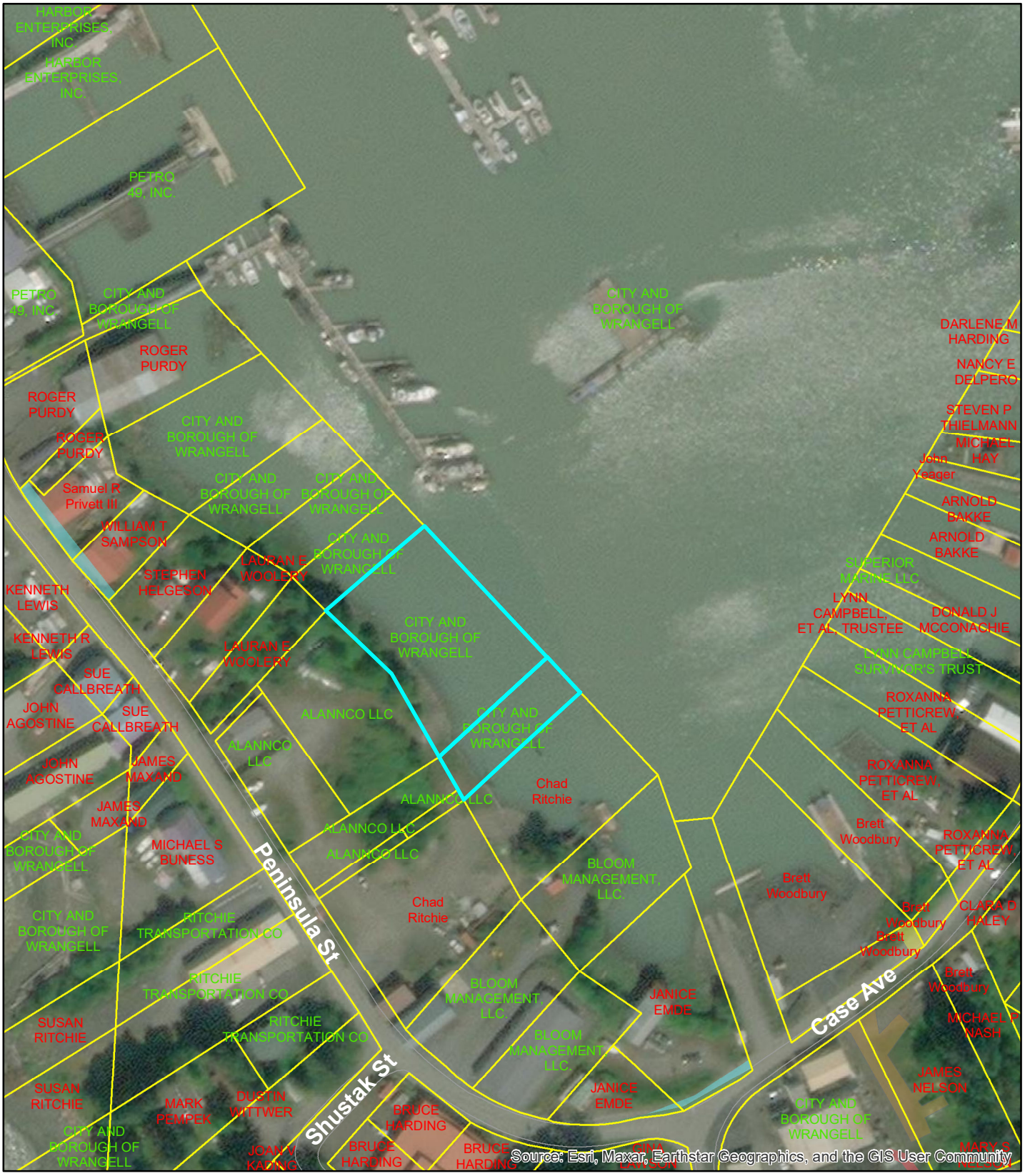
LOCATED WITHIN
WRANGELL TOWNSITE (U.S.S. 1119)
& WRANGELL TIDELANDS ADDITION (PLAT 65-87)
WRANGELL, ALASKA 99929
WRANGELL RECORDING DISTRICT

SURVEYED BY: MCH DATE: NOV 2022 - DEC 2022	DRAWN BY: MCH DATE: NOV 2022 - DEC 2022

SCALE:	CHECKED:	R&M PROJECT NO:
1"=20'	CGP	222723

CITY AND BOROUGH OF WRANGELL, ALASKA

Item d.



N

1 inch = 150 feet

Date: 10/28/2022

Public Map

DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY. PROPERTY LINES ARE APPROXIMATE. AERIAL 2002.

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**6**

Final Plat approval of the Massin Replat, a replat of Lot B, Block 67, Edgley-Massin Subdivision (Plat No. 2015-7) and Lot AA, Block 67 of the Good/Edgley Subdivision (Plat 2018-4) creating Lots A-1 and B-1 zoned Single Family Residential, requested and owned by Michelle Massin and owned by Chloe Edgley

SUBMITTED BY:
Carol Rushmore, Economic Development Director

Reviews/Approvals/Recommendations	
■	Commission, Board or Committee
Name(s)	Planning and Zoning Commission
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 21: $	FY 22: $	FY23: $
Amount Budgeted:		
	FY22 $XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	$XXX	

ATTACHMENTS: 1. Final Plat 2. Aerial

This item is being considered under the Consent Agenda. Matters listed under the consent agenda are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion on these items. If the Mayor, and Assembly Member, the Manager or Clerk requests discussion and/or consideration on an item under the Consent Agenda, that item will be removed from the Consent Agenda and will be considered under Unfinished Business.

RECOMMENDATION MOTION:
Move to Approve the final plat of the Massin Replat

SUMMARY STATEMENT:

The Planning and Zoning Commission approved the final plat at their regular meeting of December 8, 2022. Shelley Massin is adjusting an internal lot line to add additional property currently owned by Chloe Edgeley to her existing parcel.

CERTIFICATE OF OWNERSHIP AND DEDICATION

I HEREBY CERTIFY THAT I AM THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT I HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH MY FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE_____ _____
MICHELLE C. MASSIN - DAVIS
OR MICHELLE C. MASSIN

NOTARY'S ACKNOWLEDGMENT

U.S. OF AMERICA
STATE OF ALASKA
CITY AND BOROUGH OF WRANGELL

THIS IS TO CERTIFY THAT ON THIS____DAY OF_____, 20____, BEFORE ME, THE UNDERSIGNED A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED_____
TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND_____ ACKNOWLEDGED TO ME THAT_____SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

_____
NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

MY COMMISSION EXPIRES_____.

CERTIFICATE OF OWNERSHIP AND DEDICATION

I HEREBY CERTIFY THAT I AM THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT I HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH MY FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE_____ _____
CHLOE EDGLEY

DATE_____ _____
RYAN EDGLEY
AS ATTORNEY IN FACT FOR CHLOE EDGLEY

NOTARY'S ACKNOWLEDGMENT

U.S. OF AMERICA
STATE OF ALASKA
CITY AND BOROUGH OF WRANGELL

THIS IS TO CERTIFY THAT ON THIS____DAY OF_____, 20____, BEFORE ME, THE UNDERSIGNED A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED_____
TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND_____ ACKNOWLEDGED TO ME THAT_____SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

_____
NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

MY COMMISSION EXPIRES_____.

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF WRANGELL ASSEMBLY AS RECORDED IN MINUTE BOOK_____PAGE_____DATED_____20____, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, WRANGELL, ALASKA.

_____ _____
DATE MAYOR, CITY AND BOROUGH OF WRANGELL
ATTEST:

_____
CITY CLERK

CERTIFICATE OF APPROVAL BY THE PLANNING COMMISSION

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF WRANGELL PLANNING COMMISSION, AND THAT SAID PLAT HAS BEEN APPROVED BY THE COMMISSION BY PLAT RESOLUTION NO_____DATED_____20____, AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, WRANGELL, ALASKA.

_____ _____
DATE CHAIRMAN, PLANNING COMMISSION

_____
SECRETARY

CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)ss

I THE UNDERSIGNED, AS THE PROPERTY TAX CLERK FOR THE CITY AND BOROUGH OF WRANGELL, HEREBY CERTIFY, THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY AND BOROUGH OF WRANGELL, IN THE NAME OF
_____
AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS ARE PAID IN FULL; THAT CURRENT TAXES FOR THE YEAR 20_____ WILL BE DUE ON OR BEFORE OCTOBER 15, 20____ DATED THIS____ DAY OF_____.

_____
ASSESSOR CITY AND BOROUGH OF WRANGELL

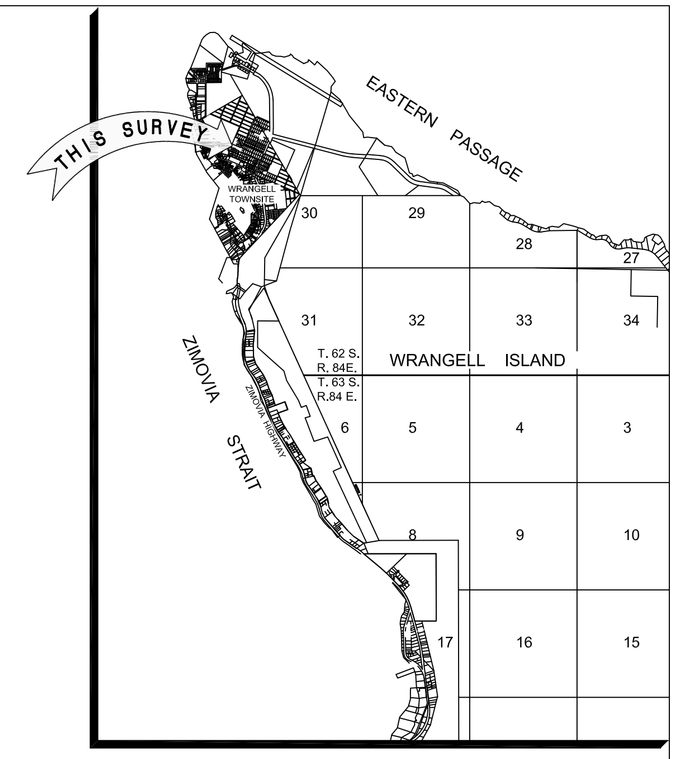
SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA, THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION, THAT THE MONUMENTS SHOWN HEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.

STATE OF ALASKA 49TH CHRISTOPHER G. PIBURN No. 107552 REGISTERED PROFESSIONAL LAND SURVEYOR

_____
DATE

_____
CHRISTOPHER G. PIBURN, PLS # 107552



VICINITY MAP
1" = 1 MILE

OWNERSHIP STATUS
1. PORTION OF LOT AA, HENSON/MOLITOR REPLAT (CHLOE C. EDGLEY)
2. LOT B, HENSON/MOLITOR REPLAT (MICHELLE C. MASSIN - DAVIS)
3. PORTION OF LOT AA ACCORDING TO DEED 2022-000215-0 (MICHELLE C. MASSIN - DAVIS)

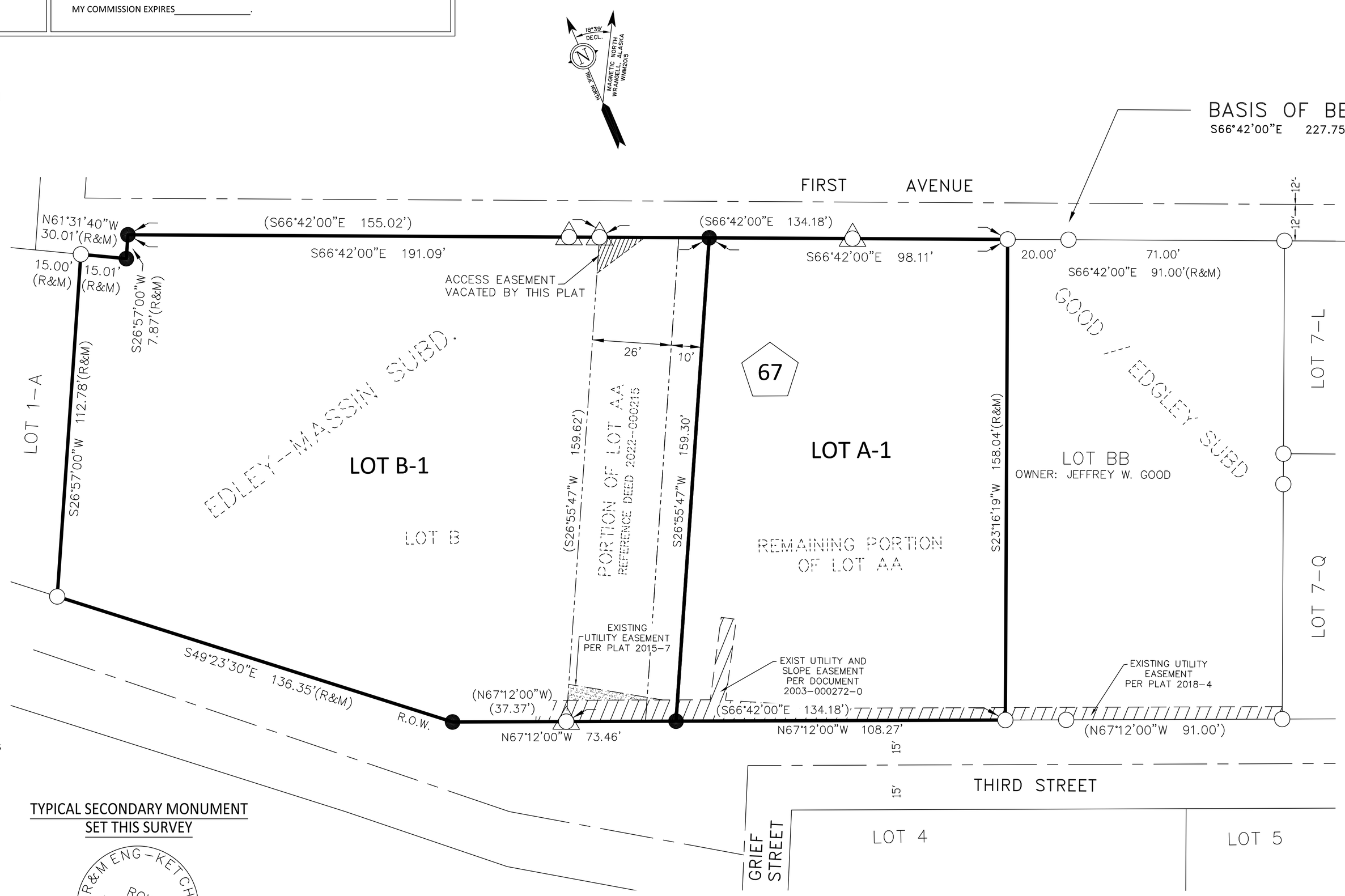
PROPOSED OWNERSHIP
1. LOT A-1, MASSIN REPLAT (CHLOE C. EDGLEY)
2. LOT B-1, MASSIN REPLAT (MICHELLE C. MASSIN - DAVIS)

PREVIOUS LOT AREAS
1. PORTION OF LOT AA (17,947 SQ. FT)(0.412 ACRES)
2. LOT B (24,342 SQ. FT)(0.559 ACRES)
3. PORTION OF LOT AA ACCORDING TO DEED 2022-000215-0 (4,147 SQ. FT)(0.095 ACRES)

NEW LOT AREAS
1. LOT A-1, MASSIN REPLAT (16,354 SQ. FT)(0.375 ACRES)
2. LOT B-1, MASSIN REPLAT (30,082 SQ. FT)(0.691 ACRES)

PREVIOUS LOT ZONING
1. PORTION OF LOT AA, HENSON/MOLITOR REPLAT (SINGLE FAMILY RESIDENTIAL)
2. LOT B, HENSON/MOLITOR REPLAT (SINGLE FAMILY RESIDENTIAL)
3. PORTION OF LOT AA ACCORDING TO DEED 2022-000215-0 (SINGLE FAMILY RESIDENTIAL)

NEW LOT ZONING
1. LOT A-1, MASSIN REPLAT (SINGLE FAMILY RESIDENTIAL)
2. LOT B-1, MASSIN REPLAT (SINGLE FAMILY RESIDENTIAL)



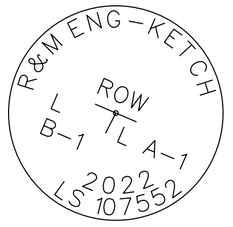
NOTES

1. THE ERROR OF CLOSURE OF THIS SURVEY DOES NOT EXCEED 1:5000.
2. ALL BEARINGS SHOWN ARE TRUE BEARINGS AS ORIENTED TO THE BASIS OF BEARING AND DISTANCES SHOWN ARE REDUCED TO HORIZONTAL FIELD DISTANCES.
3. REFERENCE ALASKA ESCROW AND TITLE INSURANCE AGENCY CERTIFICATE TO PLAT #65572.
4. REFERENCE THE FOLLOWING WITHIN THE WRANGELL RECORDING DISTRICT:
   - PLAT 82-09 (ROBERT AND MASSIN SUBDIVISION)
   - PLAT 93-10 (MT DEWY FARM ADDITION RESUBDIVISION)
   - EASEMENT 2003-000272-0 (UTILITY & SLOPE EASEMENT)
   - DEED 2009-000090-0
   - DEED 2013-000199-0
   - PLAT 2015-7 (EDGLEY - MASSIN SUBDIVISION)
   - PLAT 2018-4 (GOOD / EDGLEY SUBDIVISION)
   - DEED 2018-000376-0
   - DEED 2022-000215-0
5. THE PURPOSE OF THIS PLAT IS TO PROPERLY REPLAT LOTS AA AND LOT B IN ACCORDANCE WITH ALASKA STATUTES. DEED 2022-000215-0 ATTEMPTED TO DEED A PORTION OF LOT AA TO LOT B, IT IS THIS COMPANIES OPINION THAT THE USE OF OUTDATED LEGAL DESCRIPTIONS CREATED A CLOUD OVER THE SHARED LINE THAT WE INTEND TO CORRECT BY THIS PLATTING ACTION.

LEGEND

●	SECONDARY MONUMENT SET THIS SURVEY
○	SECONDARY MONUMENT RECOVERED
△	SECONDARY MONUMENT RECOVERED AND PULLED
- - - - - -	UNSURVYED
———	SURVEYED
—— - ——	ROW CENTERLINE
— — — —	PREVIOUS PROPERTY LINE
XX	MEASURED DATA
(XX)	RECORD DATA
(R&M)	RECORD AND MEASURED DATA

TYPICAL SECONDARY MONUMENT SET THIS SURVEY



SET 5/8" X 30" LONG REBAR (UNLESS OTHERWISE NOTED) AND 2" ALUMINUM CAP WITH PLASTIC INSERT

SCALE 1"=20'

THIS DRAWING MAY BE REDUCED, VERIFY SCALE BEFORE USING

0 10 20 40 60 80 FEET
0 5 10 15 20 25 METERS

1 METER = 3.2808333 U.S. SURVEY FEET
1 U.S. ACRE = 0.4047 HECTARES

SHEET 1 OF 1

R&M ENGINEERING-KETCHIKAN, INC.
7180 REVILLA ROAD, SUITE 300
KETCHIKAN, AK 99901
Phone: (907) 225-7917
Fax: (907) 225-3441

WRANGELL OFFICE
P.O. BOX 2286
WRANGELL, AK 99929
Phone: (907) 305-0820

CERTIFICATE OF AUTHORIZATION #: C576

MASSIN REPLAT

A REPLAT OF
LOT "B", BLOCK 67, OF EDGLEY-MASSIN SUBDIVISION,
ACCORDING TO PLAT 2015-7; AND LOT "AA", BLOCK 67, OF GOOD / EDGLEY SUBDIVISION, ACCORDING TO PLAT 2018-4;

CREATING

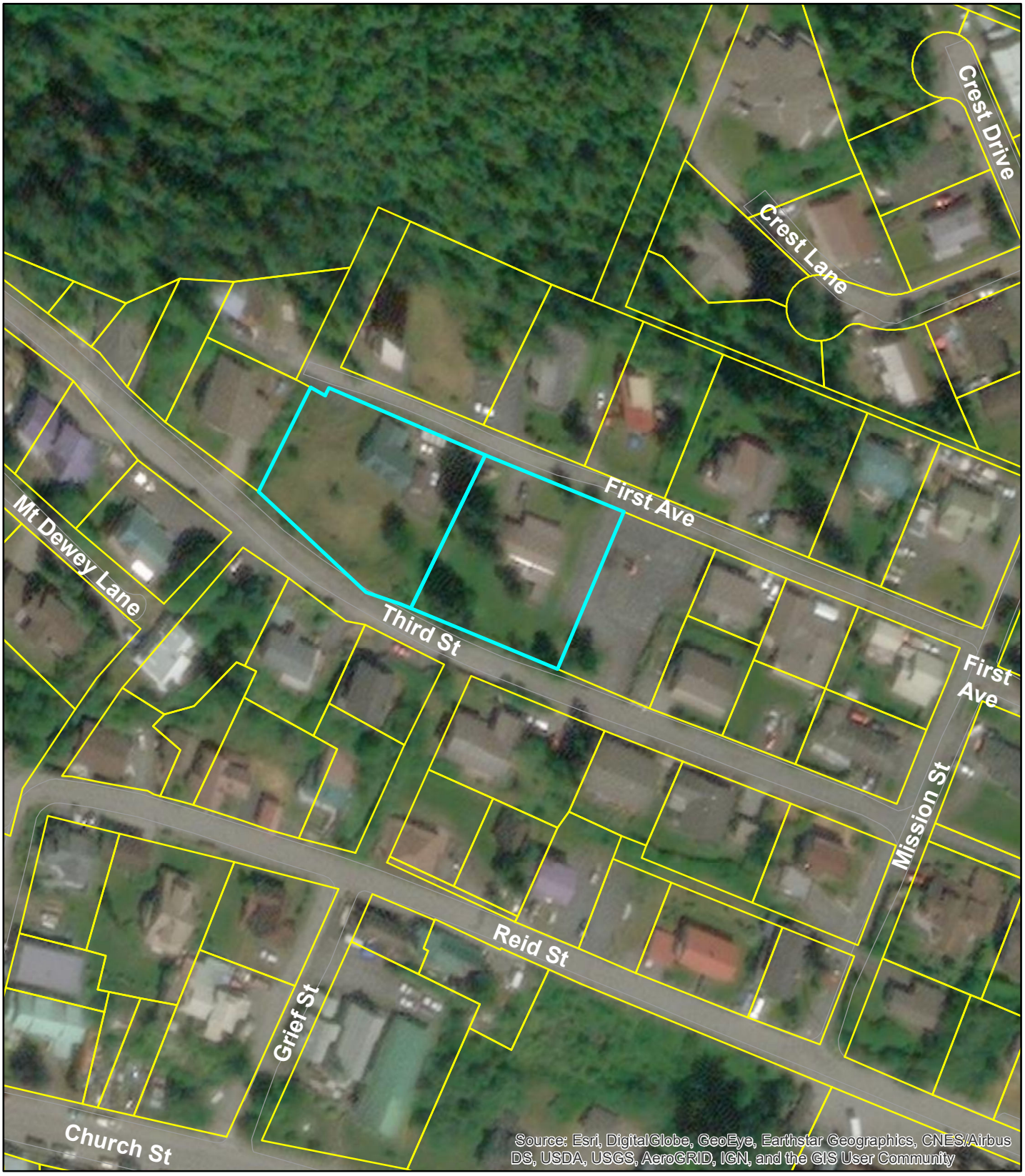
LOTS "A-1" AND "B-1", MASSIN REPLAT
CONTAINING 0.775 ACRES MORE OR LESS

LOCATED WITHIN
BLOCK 67, WRANGELL TOWNSITE, U.S. SURVEY 1119
WRANGELL, ALASKA 99929
WRANGELL RECORDING DISTRICT

SURVEYED BY: MCH DATE: NOV 2022 - DEC 2022		DRAWN BY: MCH DATE: NOV 2022 - DEC 2022
SCALE: 1"=20'	CHECKED: CGP	R&M PROJECT NO: 222785

CITY AND BOROUGH OF WRANGELL, ALASKA

Item e.



N

Public Map

ch = 125 feet
e: 12/3/2022

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

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**6**

RESOLUTION No. 12-22-1742 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE FINANCE DIRECTOR AND BOROUGH MANAGER TO BE SIGNERS OF THE KEYBANC CAPITAL MARKETS BROKERAGE ACCOUNT AND FURTHER AUTHORIZING THEM TO SIGN THE NON-CORPORATE RESOLUTION AND STANDING LETTER OF AUTHORIZATION FOR REQUESTING MONEY WIRES OR TRANSFERING POSITIONS FROM THE KEYBANC CAPITAL MARKETS ACCOUNT TO THE KEYBANK AMLIP ACCOUNT

SUBMITTED BY:
Mason Villarma, *Finance Director*

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 21: $0	FY 22: $0	FY23: $0
Amount Budgeted:		
	FY22 $0	
Account Number(s):		
	N/A	
Account Name(s):		
	N/A	
Unencumbered Balance(s) (prior to expenditure):		
	N/A	

ATTACHMENTS: 1. Res 12-22-1742 2. Exhibit A Non-corporate resolution and standing letter of authorization

This item is being considered under the Consent Agenda. Matters listed under the consent agenda are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion on these items. If the Mayor, an Assembly Member, the Manager or Clerk requests discussion and/or consideration on an item under the Consent Agenda, that item will be removed from the Consent Agenda and will be considered under Unfinished Business.

RECOMMENDATION MOTION:

Move to Approve resolution 12-22-1742.

SUMMARY STATEMENT:

This is an investment maintenance item that authorizes the Finance Director and Borough Manager to enter into a standing letter of authorization agreement for requesting money wires or transferring positions from the KeyBanc Capital Markets brokerage account to the Key Bank-AMLIP account. Effectively, this authorization allows for mature positions in the brokerage account to be transferred directly to the Key Bank-AMLIP account so that money is invested on a timely basis and is not sitting at idle with no investment income potential.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 12-22-1742

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE FINANCE DIRECTOR AND BOROUGH MANAGER TO BE SIGNERS OF THE KEYBANC CAPITAL MARKETS BROKERAGE ACCOUNT AND FURTHER AUTHORIZING THEM TO SIGN THE NON-CORPORATE RESOLUTION AND STANDING LETTER OF AUTHORIZATION FOR REQUESTING MONEY WIRES OR TRANSFERING POSITIONS FROM THE KEYBANC CAPITAL MARKETS ACCOUNT TO THE KEYBANK AMLIP ACCOUNT

WHEREAS, the City and Borough of Wrangell established a Key Bank-AMLIP account in FY22; and

WHEREAS, with the rise in U.S. treasury yields also prompted the Borough to create a KeyBanc Capital Markets brokerage account to invest in U.S treasury instruments and avoid investment manager fees; and

WHEREAS, upon maturity of the securities harbored in the KeyBanc Capital Markets account, the Borough wishes to return the original investment and corresponding investment income back to the Key Bank-AMLIP account; and

WHEREAS, the Non-Corporate Resolution and Standing Letter of Authorization (Exhibit A) attached to this resolution requires authorization from the assembly in the form of designating signers and approving the standing letter of authorization for requesting money wires or transferring positions from the KeyBanc Capital Markets account to the Key Bank-AMLIP account.

WHEREAS, the Borough has developed a cost and revenue sharing methodology whereby additional costs incurred and/or proceeds generated from land sales should be allocated on a prorated basis (based on initial investment).

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

Section 1. The following individuals are hereby authorized signers of the KeyBanc Capital Market accounts and are further authorized to sign the Non-Corporate Resolution and Standing Letter of Authorization for requesting money wires or transferring positions KeyBanc Capital Markets brokerage account to the Key Bank-AMLIP account:

Mason Villarma, Finance Director
Jeffrey Good, Borough Manager

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 20th DAY OF DECEMBER, 2022.

CITY & BOROUGH OF WRANGELL, ALASKA

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

KeyBanc Capital Markets

ATTENTION – Money Wire and Postion Transfers

Please complete the Non-Corporate Resolution and Standing Letter of Authorization for requesting money wires or transfering positions from your account.

Note: The Standing Letter of Authorization must be signed by one of the individuals listed on the Corporate Resolution.

Please contact KBCM Client Support if you have any questions at 877-539-5399.

KeyBanc Capital Markets is a trade name under which corporate and investment banking products and services of KeyCorp and its subsidiaries, KeyBanc Capital Markets Inc., Member FINRA/SIPC, and KeyBank National Association ("KeyBank N.A."), are marketed. Securities products and services are offered by KeyBanc Capital Markets Inc. and its licensed securities representatives, who may also be employees of KeyBank N.A. Banking products and services are offered by KeyBank N.A.

NON-CORPORATE RESOLUTION FORM

I. IDENTIFICATION OF QUALIFIED INTERMEDIARY / WITHHOLDING ENTITY

LEGAL NAME OF ORGANIZATION: City and Borough of Wrangell

TYPE OF ORGANIZATION: Local Government/Municipality

ACCOUNT NUMBER (IF ASSIGNED):

Be it resolved that each of the following has been duly elected or appointed and is now legally holding the title set opposite his/her name.

(Name of Authorized Person)	(Title)
Mason Villarma	Finance Director
Jeffrey Good	Borough Manager

II. CERTIFICATION

I, Finance Director of
(Name of Title of Officer or Partner signing this Non-Corporate Resolution)

the City and Borough of Wrangell hereby certify that said organization is duly and legally
(Name of Organization)

organized and existing and that a quorum of the Borough Assembly
(Name of Governing Body of Organization)

of said Organization attended a meeting duly held on the 20th day of December , 2022

at which the following resolutions were duly adopted, and that such resolutions are in full force and effect on this date and

do not conflict with the Wrangell Municipal Code and Charter of said organization.
(Name of Governing Rules)

I further certify that I have the authority to execute this Non-Corporate Resolution on behalf of said Organization, and that

the Borough Assembly of the Organization which took the action called for by the
(Name of Governing Body of Organization)

resolutions annexed hereto has the power to take such action.

III. SIGNATURE

SIGNATURE: _____ **DATE:** 12/20/2022

TITLE: Finance Director

LLC, a subsidiary of The Bank of New York Mellon Corporation
FINRA, SIPC, Trademark(s) belong to their respective owners

IV. RESOLUTIONS

Certified Copy Of Certain Resolutions by the Governing Body of Said Organization Whereby the Establishment and Maintenance of Accounts Have Been Authorized.

RESOLVED X—

FIRST: That the named Authorized Persons of this organization or Mason Villarma or Jeffrey Good be and they hereby are, and each of them is, authorized and empowered, for and on behalf of this organization (herein called the "Organization"), to establish and maintain one or more accounts with KeyBanc Capital Markets (herein called the "Brokers") and Pershing LLC, its successors or assigns, and for the purpose of purchasing, investing in, or otherwise acquiring, selling, possessing, transferring, exchanging, pledging, or otherwise disposing of or realizing upon, and generally dealing in and with;

(a) THIS PARAGRAPH PERMITS CASH TRANSACTIONS IN SECURITIES

any and all forms of securities including, but not by way of limitation, shares, stocks, options, stock options, stock index options, foreign currency options and debt instrument options, bonds, debentures, notes, scrip, participation certificates, rights to subscribe, warrants, certificates of deposit, mortgages, chooses in action, evidence of indebtedness, commercial paper, certificates of indebtedness and certificates of interest of any and every kind and nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise;

(b) THIS PARAGRAPH PERMITS CASH AND MARGIN TRANSACTIONS IN SECURITIES

any and all forms of securities including, but not by way of limitation, shares, stocks, options, stock options, stock index options, foreign currency options and debt instrument options, bonds, debentures, notes, scrip, participation certificates, rights to subscribe, warrants, certificates of deposit, mortgages, chooses in action, evidence of indebtedness, commercial paper, certificates of indebtedness and certificates of interest of any and every kind and nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise; and margin transactions, including short sales;

(c) THIS PARAGRAPH PERMITS THE ESTABLISHMENT AND MAINTENANCE OF AN ASSET MANAGEMENT ACCOUNT

the creation of a debit card and checkwriting, from which account funds are directly spent, the responsibility for which is entirely that of the Organization, such that checkwriting and debit card privileges will be limited to the following persons designated by the Organization:

Mason Villarma	
(Print Name)	(Signature)
Jeffrey Good	
(Print Name)	(Signature)
(Print Name)	(Signature)

LLC, a subsidiary of The Bank of New York Mellon Corporation
FINRA, SIPC, Trademark(s) belong to their respective owners

The fullest authority at all' times with respect to any such commitment or with respect to any transaction deemed by any of the said Authorized Persons and/or agents to be proper in connection therewith is hereby conferred, including authority (without limiting the generality of the foregoing) to give written or oral instructions to the Brokers with respect to said transactions; to bind and obligate the Organization to and for the carrying out of any contract, arrangement, or transaction, which shall be entered into by any such Authorized Persons and/or drafts drawn upon the funds of the Organization such sums as may be necessary in connection with any of the said accounts to deposit funds with the Brokers; to deliver securities and/or contracts to the Brokers; to order the transfer or delivery thereof to any other person whatsoever, and/or to order the transfer record of any securities, or contracts, or titles, to any name selected by any of the said Authorized Persons or agents; to affix the Organization's seal to any documents or agreements, or otherwise; to endorse any securities and/or contracts in order to pass title thereto; to direct the sale or exercise of any rights with respect to any securities; to sign for the Organization all releases, powers of attorney and/or other documents in connection with any such account, and to agree to any terms or conditions to control any such account; to direct the Brokers to surrender any securities to the proper agent or party for the purpose of effecting any exchange or conversion, or for the purpose of deposit with any protective or similar committee, or otherwise; to accept delivery of any securities, to borrow money and securities, if applicable, and to secure repayment thereof with the property of the Organization; to appoint any other person or persons to do any and all things which any and all things which any of the said Authorized Persons and/or agents is hereby empowered to do, and generally to do and take all action necessary in connection with the account, or considered desirable by such Authorized Persons and/or agents with respect thereto.

SECOND: That the Brokers may deal with any and all of the persons directly or indirectly by the foregoing resolution empowered, as though they were dealing with the Organization directly, except as provided in paragraph FIRST, sub-section (c).

THIRD: That the person signing this Non-corporate Resolution on behalf of the Organization be and hereby is authorized, empowered and directed to certify to the Brokers:

(a) a true copy of these resolutions;

(b) specimen signatures of each and every person by these resolutions empowered;

(c) a certificate (which, if required by brokers, shall be supported by an opinion of the general counsel of the Organization, or other counsel satisfactory to the Brokers) that the Organization is duly organized and existing, that its governing rules empower it to transact the business by these resolutions defined, and that no limitation has been imposed upon such rowers by the governing rules of the Organization or otherwise.

FOURTH: That the Brokers may rely upon the certified copy of the resolutions, specimen signatures, and certificate, as continuing fully effective unless and until the Brokers shall receive due written notice of change or rescission, and the dispatch or receipt of any other form of notice shall not constitute a waiver of this provision. nor shall the fact that any person hereby empowered ceases to be an Authorized Person of the Organization or becomes an Authorized Person under some title, in any way affect the rowers hereby conferred, but the failure to supply any specimen signature shall not invalidate any transaction where the party authorizing the same has been actually empowered thereto by or in conformity with these resolutions.

FIFTH: That in the event of any change in the office of powers of persons hereby empowered, an Authorized Person shall certify such changes to the Brokers in writing in the manner herein above provided, which notification, when received, shall be adequate both to terminate the powers of the persons therefore authorized, and to empower the persons thereby substituted.

SIXTH: That the Authorized Persons of the Organization be, and hereby is, authorized and empowered to countersign items as aforesaid, except as provided in paragraph FIRST, sub-section (c).

SEVENTH: That the foregoing resolutions and the certificates actually furnished to the Brokers by the Authorized Person of pursuant thereto, be and they hereby are made irrevocable until written notice of the revocation thereof shall have been received by the Brokers.

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	12/20/2022
	Agenda Section	**6**

RESOLUTION 12-22-1743 OF THE CITY AND BOROUGH OF WRANGELL ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY23 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 18: CENTRAL SOUTHEAST AREA

SUBMITTED BY:
Mason Villarma, Finance Director

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 21: $0	FY 22: $0	FY23: $0
Amount Budgeted:		
	FY22 $0	
Account Number(s):		
	N/A	
Account Name(s):		
	N/A	
Unencumbered Balance(s) (prior to expenditure):		
	$0	

ATTACHMENTS: 1. Res 12-22-1743 2. FY23 Shared Fisheries Business Tax Program Application

This item is being considered under the Consent Agenda. Matters listed under the consent agenda are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion on these items. If the Mayor, an Assembly Member, the Manager or Clerk requests discussion and/or consideration on an item under the Consent Agenda, that item will be removed from the Consent Agenda and will be considered under Unfinished Business.

RECOMMENDATION MOTION:
Move to Approve Resolution 12-22-1743.

SUMMARY STATEMENT:

The purpose of the Shared Fisheries Business Tax Program is to provide for an annual sharing of fish tax collected outside municipal boundaries to municipalities that can demonstrate they suffered significant effects from fisheries business activities. This program is administered separately from the state fish tax sharing program administered by the Department of Revenue which shares fix tax revenues collected inside municipal boundaries.

The City and Borough of Wrangell along with the other municipalities included in FMA 18, have historically elected to use the alternative method to distribute shared fisheries business tax collections. The total amount allocated to FMA 18 has been distributed to the Borough whereby municipalities share equally 50% of allocation; all municipalities share remaining 50% on a per capita basis. Borough administration recommends keeping the formula as is an applying with our fellow FMA 18 municipalities in a unified fashion under the alternative method for FY23.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 12-22-1743

A RESOLUTION OF THE CITY AND BOROUGH OF WRANGELL ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY23 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 18: CENTRAL SOUTHEAST AREA

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 23 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2021 from fisheries business activities; and,

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and,

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and,

WHEREAS, The City and Borough of Wrangell proposes to use an alternative allocation method for allocation of FY23 funding available within the FMA 18: CENTRAL SOUTHEAST AREA in agreement with all other municipalities in this area participating in the FY23 Shared Fisheries Business Tax Program.

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

Section 1. The Borough certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2021 of fisheries business activity in FMA 18: CENTRAL SOUTHEAST AREA.

Section 2. The borough adopts the alternative method formula of FMA 18 stating all municipalities share equally 50% of allocation; all municipalities share remaining 50% on a per capita basis.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THIS 20TH DAY OF DECEMBER, 2022.

CITY & BOROUGH OF WRANGELL

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, Borough Clerk

DCCED
Shared Fisheries Business Tax Program
FY 23 Long-Form Application
For
FMA 18: CENTRAL SOUTHEAST AREA

APPLICATION MUST BE SUBMITTED TO DCCED NO LATER THAN FEBRUARY 15, 2023

State of Alaska
Mike Dunleavy, Governor

Department of Commerce, Community, and Economic Development
Julie Sande, Commissioner

Division of Community and Regional Affairs
Sandra Moller, Director

FY 23 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

The purpose of the Shared Fisheries Business Tax Program is to provide for an annual sharing of fish tax collected outside municipal boundaries to municipalities that can demonstrate they suffered significant effects from fisheries business activities. This program is administered separately from the state fish tax sharing program administered by the Department of Revenue which shares fish tax revenues collected inside municipal boundaries.

Program Eligibility

To be eligible for an allocation under this program, applicants must:

1. Be a municipality (city or borough); and
2. Demonstrate the municipality suffered significant effects as a result of fisheries business activity that occurred within its respective fisheries management area(s).

Program Funding

The funding available for the program this year is equal to half the amount of state fisheries business tax revenues collected outside of municipal boundaries during calendar year 2021.

Program funding is allocated in two stages:

1st Stage: Nineteen Fisheries Management Areas (FMAs) were established using existing commercial fishing area boundaries. The available funding is allocated among these 19 FMAs based on the pounds of fish and shellfish processed in the whole state during the 2021 calendar year. For example, if an area processed 10% of all the fish and shellfish processed in the whole state during 2021, then that area would receive 10% of the funding available for the program this year. These allocations are calculated based on Fisheries Business Tax Return information for calendar year 2021.

2nd Stage: The funding available within each FMA will be allocated among the municipalities in that area based on the level of fishing industry significant effects suffered by each municipality compared to the level of effects experienced by the other municipalities in that FMA.

Some municipalities, because of their extensive area, are included in more than one fisheries management area. In these cases, the municipality must submit a separate program application for each area.

FY 23 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

There are two possible application methods: Standard and Alternative

Standard Method: In the Standard Method, established by the department, each municipality in the FMA must determine and document the cost of fisheries business impacts experienced by the community in 2021. These impacts are submitted by each municipality in their applications. The department will review the applications and determine if the impacts submitted are valid. Once the impacts have been established for each of the municipalities in the FMA, the department will calculate the allocation for each municipality using the following formula:

> One half of the funding available within an FMA is divided up among participating municipalities on the basis of the relative dollar amount of impact in each municipality. The other half of the funding available to that area is divided equally among all eligible municipalities.

Alternative Method: Alternative allocation methods may be proposed by the municipalities within the FMA. The department will consider approving the use of a proposed alternative method only if all the municipalities in the area agree to use the method, and if the method includes some measure of the relative effects of the fishing industry on the respective municipalities in the area.

This application packet contains the instructions and forms applying under:

- STANDARD METHOD
- ALTERNATIVE METHOD

The chart on the following page summarizes the process for these two methods.

FY 23 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

PROCESS FOR METHODS

November 15

Commerce mails program applications to municipalities

STANDARD METHOD

No later than February 15

Each municipality determines and documents the cost of fisheries impacts on the community and submits this information with their application.

No later than April 15

Department of Commerce reviews applications, makes a determination as to the validity of the submitted impacts, and notifies the municipalities of this determination.

Within 30 days

Municipalities have 30 days in which to appeal Commerce's determinations regarding submitted impacts.

Within 20 days

Commerce will respond to appeals within 20 days after receiving them.

After all appeals are resolved

Commerce will perform the formula calculations for each FMA based on the relative impacts approved for each municipality in the FMA, and distribute the funding allocations.

ALTERNATE METHOD

No later than January 15

All municipalities in an FMA work together to develop an alternate allocation formula and submit their proposal to the Department of Commerce. Municipalities are encouraged to consult with Commerce during this effort regarding the acceptability of alternative methods.

No later than February 1

Commerce reviews alternate proposals, determines if proposals are acceptable, and notifies the municipalities of this determination. If the proposal is accepted, municipalities may then use the Alternative Method application. If the proposal is not acceptable to Commerce, they will work with municipalities in an area to resolve problems. If the problems cannot be resolved, the municipalities in that FMA must apply using the Standard Method application.

No later than February 15

Each municipality must submit an Alternative Method application. Commerce will distribute allocations after all applications within that FMA have been received and verified.

FY 23 Shared Fisheries Business Tax Program
Application Instructions

STANDARD METHOD

- In the standard method application process each municipality determines and documents the cost to the municipality of fisheries industry significant effects suffered by the community in 2021.

- Details for each of these effects are submitted by municipalities using the Declaration of Significant Effects application forms provided on the following pages.

- The municipality must also submit an approved resolution by the governing body certifying that the information submitted in the application is correct and complete. A sample resolution is included in this packet.

- The department will review the applications and determine if the significant effects submitted are valid.

- Once the effects have been established for each of the municipalities in a Fisheries Management Area, the department will calculate the funding allocation for each municipality using the following formula:

  One half of the funding available within an FMA is divided up among participating municipalities on the basis of the relative **dollar amount of impact** in each municipality. The **other half** of the funding available to that area is divided equally among all eligible municipalities.

Guidelines for Completing the Declaration of Significant Effects Forms

Some important definitions: The Shared Fisheries Business Tax Program provides for a sharing of State Fisheries Business Tax with municipalities that can demonstrate they suffered *significant effects* during the *program base year* from *fisheries business activity* in their respective fisheries management area.

For the purposes of this program, "fisheries business activity" means:

- activity related to fishing, including but not limited to the catching and sale of fisheries resources;
- activity related to commercial vessel, moorage and gear maintenance;
- activity related to preparing fisheries resources for transportation; and,
- activity related to processing fisheries resources for sale by freezing, icing, cooking, salting, or other method and includes but is not limited to canneries, cold storages, freezer ships, and processing plants.

And, "significant effects" means:

- municipal expenditures during the program base year demonstrated by the municipality to the department to be reasonable and necessary that are the result of fisheries business activities on the municipality's:
    - population;
    - employment;
    - finances;
    - air and water quality;
    - fish and wildlife habitats; and,
    - ability to provide essential public services, including health care, public safety, education, transportation, marine garbage collection and disposal, solid waste disposal, utilities, and government administration.

And, "program base year" means:

- calendar year 2021.

A municipality does not need to have actual expenditures in 2021 in order to include them as significant effects in the application. If a fishing business activity impacts a municipality in a manner that will result in a cost to the municipality, then the municipality can claim that impact as a significant effect. For example, a municipality's pier might have been damaged by an improperly docked fish processing vessel. The municipality might not have the funds to repair the pier during 2021, but the municipality has obtained final engineering estimates for the cost of repairs. In this case, the municipality could declare the repair cost estimates as significant effects on their application. However, **these costs may not be claimed again** if the municipality subsequently expended the monies to repair the pier at a later date (this would result in a double counting of significant effects).

If a significant effect claimed in the application reflects expenditures that were determined by the municipality to be necessary, but for which the municipality was unable to make an expenditure during the program base year, the application must include a finding by the municipal governing body which documents and clearly describes the procedures and methods by which the need and the estimated cost of such expenditures were determined.

Only that part of overall community impacts which are directly attributable to fishing business activity should be included as significant effects in the application. For example, a municipality water supply system may be impacted by the fresh water needs of the local fishing fleet and fish processing facilities. However, a municipality in this situation should not claim the entire cost of operating or maintaining the water system as a "significant effect" for the purposes of this program. In this case, the municipality must determine and document its estimate of the share of the use, and "wear and tear," of the water system that can reasonably be attributed to fisheries business activity. A place is provided on the *Declaration* of *Significant Effects* forms for municipalities to explain how they arrived at such estimates.

Examples of eligible significant effects. The kinds of negative effects which a municipality might possibly claim to have suffered are many. It is the responsibility of each municipality to describe, document and justify its particular claims of negative impacts during 2021 resulting from fisheries

business activities. For the purposes of this program, all significant effects must be presented in terms of expenditures of municipal funds, either actual or determined necessary. For example, a sudden population increase of 1,000 people is not in itself a negative effect. It is the demonstrable impacts on the municipality budget of dealing with these extra people that may be considered as significant effects for this program. The following examples represent the kinds of community impacts which are clearly eligible for inclusion in a municipality's *Declaration of Significant Effects* forms.

- a municipality's expenses during 2021 in repairing a dock damaged by a fishing vessel;
- a municipality's costs of hiring extra police, teachers or medical staff to cover periods during 2021 when fish processing workers or fishing crew and their families expanded the municipality's population;
- a municipality's 2021 loan which was used to improve the municipality's water system to meet increased demands for fresh water by local fish processors. Only that part of the debt service which can be directly attributable to supporting the fishing industry may be counted as a significant effect.
- special expenditures made by a municipality during 2021 to assist or help re-train workers who lost their jobs in the fishing industry because of a downturn in fishing activity;
- a municipality's expenditures for operating and maintaining harbor facilities during 2021;
- operating and maintaining a municipality's water and sewer system or landfill during 2021 that is directly attributable to the fishing industry.

Examples of events which are not eligible to be significant effects

The following are examples of municipal expenditures or events which are **not eligible** for inclusion in a *municipality's Declaration of Significant Effects* forms:

- Municipal expenditures that occurred before or after 2021 which are the result of fishing business activities;
- Revenues which a municipality did not receive during 2021 because of a downturn in local fishing business activity.

If you're not sure whether an event is a valid "significant effect" or not, contact DCCED.

Instructions for Completing the Standard Method Application

The completed standard method application submitted by each municipality will contain three elements:

- a set of *Declaration of Significant Effects* forms (one separate form for each significant effect claimed by the municipality). **Three copies of this form are included in the application- please make as many additional copies of this form as you need.**
- a *Cover Page* that provides the total number and cost of the significant effects claimed by the municipality.
- an *approved resolution by* the governing body adopting the application as true and correct. A sample resolution is included in the application.

Instructions for the Cover Page/Summary

The *Cover Page* must be completed and submitted as part of the application. This form summarizes the information found in the application. The number of significant effects claimed should be equal to the number of *Declarations* of *Significant Effects* forms submitted with the application and the total dollar amount should equal the sum of all the dollar amounts stated in Part 2 on the *Declarations* of *Significant Effects* forms.

Instruction for the *Resolution* form

Municipalities may use this form, or a similar form, to comply with the requirement that the submitted application be certified by the municipality's governing body.

Submit completed application no later than February 15, 2023, to:

E-mail
caa@alaska.gov
Subject Line
"Municipality Name, FY23, SFBT"

Or

Mail
State of Alaska DCCED
Shared Fisheries Business Tax Program
455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737

If you have any questions regarding this program, contact Kimberly Phillips at 451-2718

FY 23 SHARED FISHERIES BUSINESS TAX PROGRAM

STANDARD METHOD APPLICATION
for
FMA 18: CENTRAL SOUTHEAST AREA

Name of Municipality: _____

Mailing Address: _____

_____

_____

Contact Person: _____

Title: _____

Phone Number: _____

Email Address: _____

Total # of Significant Effects Claimed: _____

Total $ of Significant Effects Claimed: $ _____

Return with, Declaration of Significant Effects forms, and resolution

E-mail
caa@alaska.gov
Subject Line
"Municipality Name, FY23, SFBT"

Or

Mail
State of Alaska DCCED
Shared Fisheries Business Tax Program
455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737

FY 23 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM

(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2021 by the fisheries business activity listed in #1: $ _____

3. Municipal expenditure is: ☐ actual ☐ determined necessary
   (Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
   ☐ yes ☐ no

   If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

FY 23 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM

(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2021 by the fisheries business activity listed in #1: $ _____

3. Municipal expenditure is: ☐ actual ☐ determined necessary
   (Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
   ☐ yes ☐ no

   If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

FY 23 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM

(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2021 by the fisheries business activity listed in #1: $ _____

3. Municipal expenditure is: ☐ actual ☐ determined necessary
   (Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
   ☐ yes ☐ no

   If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

FY 23 Shared Fisheries Business Tax Program
Standard Method Resolution

_____
(City or Borough)

RESOLUTION NO.

A RESOLUTION CERTIFYING THE FY 23 SHARED FISHERIES BUSINESS TAX PROGRAM APPLICATION TO BE TRUE AND CORRECT

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 23 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2021 from fisheries business activities; and

WHEREAS, the Department of Commerce, Community, and Economic Development has prepared specific application forms for the purpose of presenting the municipality's claims as to the significant effects suffered by the municipality during calendar year 2021; and

WHEREAS, 3 AAC 134.100 requires the governing body of the municipality to include with the municipality's FY 23 program application an approved resolution certifying the information contained in the application to be true and correct;

NOW THEREFORE BE IT RESOLVED THAT:

The _____ by this resolution certifies the information contained in
(Governing Body)
the _____
(City or Borough)

FY23 Shared Fisheries Business Tax Program Application to be true and correct to the best of our knowledge.

PASSED AND APPROVED by a duly constituted quorum of the _____ this ____
(Governing Body)
day of _____ , 20 ___.

SIGNED _____
Mayor

ATTEST _____
Clerk

FY 23 Shared Fisheries Business Tax Program
Application Instructions

ALTERNATIVE METHOD

- In the alternative method application process all municipalities in a fisheries management area may work together to develop an alternative allocation formula for distributing the available program funding among municipalities in the area. It is advised that the Department of Commerce be consulted during this process if the municipalities have questions or concerns about what constitutes an acceptable alternative to the standard allocation method.

- All the municipalities in an area must reach an agreement in writing on an alternative allocation formula.

- By January 15, the department must receive the proposed alternative method. If the alternative method is not acceptable, the department will work with the municipalities to resolve the problems.

- If the municipalities in an area fail to satisfy the department regarding the acceptability of the alternative allocation method proposed, then each municipality in the region must return to the standard application process and submit separate applications as required by that process.

- If the department finds the alternative allocation method satisfactory, each municipality must then complete an alternative method application consisting of a cover page and resolution. The resolution must be adopted by the governing body and it must clearly describe the approved alternative allocation method within that area. After all alternative method applications within an area have been received and approved; the department will perform the allocations and distribute program funds.

Instructions for
Alternative Method Application

In the alternative method application, an approved resolution constitutes the application. No other forms need to be submitted. A sample resolution has been attached for your use.

General Guidelines for Developing an Alternative Allocation Method

All municipalities in a fisheries management area must agree on the alternative method: There must be unanimous agreement among all eligible municipalities in a fisheries management area with regard to alternative allocation methods. It is the responsibility of community leaders in the area to work together to negotiate an alternative which is acceptable to all municipalities. The department may be consulted at any time regarding what kinds of formula approaches are considered acceptable by the department.

Alternative methods must incorporate some measure of the relative significant effects experienced by the respective municipalities in the area. The measure of significant effects may take many forms. One area might agree to use the number of commercial fishing boat visits-per-year per community as a measure of significant effects. Another area might use the linear foot-length of public docks as a measure. Another area might use community population figures as an indication of the significant effects of fisheries business activity. Another area might share one half of the funding equally between the respective municipalities and share the other half based upon community population figures. Areas may decide to use one measure or may use a combination of measures.

Submit your completed application
no later than
February 15, 2023 to:

E-mail
caa@alaska.gov
Subject Line
"Municipality Name, FY23, SFBT"

Or

Mail
State of Alaska DCCED
Shared Fisheries Business Tax Program
455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737

If you require assistance in completing this application, contact Kimberly Phillips at 451-2718.

FY 23 SHARED FISHERIES BUSINESS TAX PROGRAM

ALTERNATE METHOD APPLICATION
For
FMA 18: CENTRAL SOUTHEAST AREA

Name of Municipality: _____

Mailing Address: _____

_____

_____

Contact Person: _____

Title: _____

Email Address: _____

Phone Number: _____

Return with resolution

E-mail
caa@alaska.gov
Subject Line
"Municipality Name, FY23, SFBT"

Or

Mail
State of Alaska DCCED
Shared Fisheries Business Tax Program
455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737

FY 23 Shared Fisheries Business Tax Program
Alternative Method Resolution

_____
(City or Borough)

RESOLUTION NO. _____

A RESOLUTION ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY23 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 18: CENTRAL SOUTHEAST AREA

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 23 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2021 from fisheries business activities; and,

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and,

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure ofthe relative significant effect of fisheries business activity on the respective municipalities in the area; and,

WHEREAS, The _____ proposes to use an alternative allocation method for
(Governing Body)
allocation of FY23 funding available within the FMA 18: CENTRAL SOUTHEAST AREA in agreement with all other municipalities in this area participating in the FY23 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED THAT: The _____by this resolution
(Governing Body)
certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2021 of fisheries business activity in FMA 18: CENTRAL SOUTHEAST AREA**:**

- **All municipalities share equally 50% of allocation; all municipalities share remaining 50% on a per capita basis.**

PASSED and APPROVED by a duty constituted quorum of the _____ this _____day
(Governing Body)
of _____ 20___.

SIGNED _____
Mayor

ATTEST _____
Clerk

MEMORANDUM

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

FROM: **JEFF GOOD**
BOROUGH MANAGER

SUBJECT: **MANAGER'S REPORT**

DATE: December 20, 2022

INFORMATION:

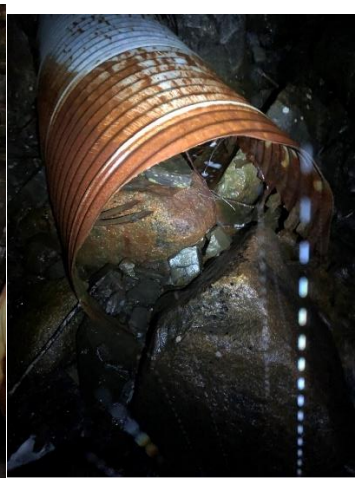
- I traveled to Anchorage for the Alaska Municipal League conference that was held December 4-9. We were able to meet with most of the Managers throughout the State and discuss programs and issues that all of us are working on. A common theme among all the communities is a lack of housing, difficulty in finding qualified applicants, and population decline in the State.
- In discussions with the Mayor, our plan is to provide the Economic Development, Infrastructure, and Finance reports once a month.
- We had the town hall for the Mill property on the 14th that went really well. Greatly appreciate the members of the community who participated in the discussions.

City and Borough of Wrangell
Public Works December 2022 Directors Report

Streets

- With colder temperatures staff have performed Fire Hydrant checks and maintenance
- There have been many water shut offs with people heading south for the winter.
- Winter road maintenance- have had a number of days with staff on standby and quite a few call outs for slippery roads.
- Cemetery- 2 headstone installations and 1 full casket burial.
- Webber St, Evergreen and Church St drainage issues were addressed. On Webber St a new ditch was dug to properly divert water towards the catch basin as opposed to pouring into the road. On Church St one of the drainage pipes along the road was crushed in a few places and had roots and grass growing in other areas. Materials that could be reused were cleaned and reconfigured. Some new pipe as well as some drain rock was installed.

- A Water leak on Cassiar St was addressed with a homeowner.
- Assisted with culvert issue with the State DOT near Shoemaker loop road. The culvert had disintegrated into nothing and was washing out the bike path and ROW along Zimovia Hwy. A new culvert was installed.



- Time was spent delivering and handling chemicals, specifically for winter road maintenance and the water treatment plant.
- A leaky water service was replaced on Haines St.
- PW had 2 assists with the line crew for downed trees.
- 2 call outs for a water shut off due to frozen or burst pipes.
- PW continues to address Inflow and Infiltration issues as they are found. Below is a cleanout near Shoemaker loop road that was covered in water during the last rain storm. Ditching was done around this location until there was no longer standing water.

- 1 sewer main break on the sewer main that runs under the stairs from Church St to Front St. Upon investigation there was an old plug for a lateral service that had roots growing through it and into the sewer main. The root intrusion was removed and a new plug was installed.

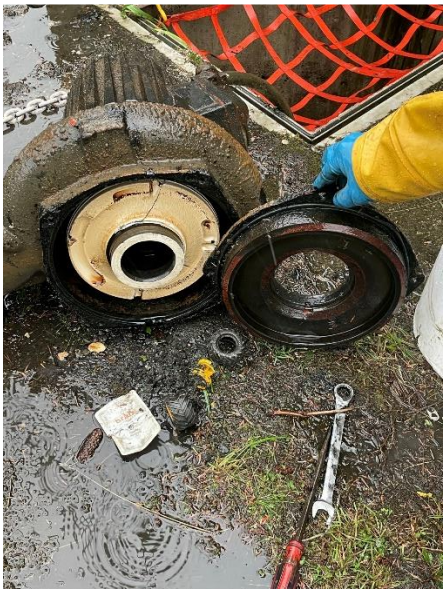
- A number of water leaks were investigated on Evergreen Ave with the amount of ice build up happening. All cases were determined to be drainage issues. Where possible staff addressed these issues and tried to contact property owners for areas not accessible to staff.

Water

- Staff continues to work with engineers and manufacturers on the new WTP design and equipment needs.
- DAM ANALYSIS- We have received a data report for the dam drilling work that was done in early October. This report details the data that was collected however the current report does not explain the findings or implications of the data as it relates to what that might mean for what we know about the stability of the dams. We had a chance to follow up with the engineers working on our report recently. The good news is the data tells us that the upper reservoir dam is not worse than we thought and possibly even slightly better. That being said, the dam is still in poor condition and considered a Class I High Hazard Dam. As a result of this information the engineer believes we may be able to stabilize the dam with a rock buttress at the bottom of the lowest point of the dam. This option would be considerably cheaper than rebuilding an entirely new dam. Additionally, with a more reasonable cost this will give us a better chance at going after grants. The engineer is going to need a few more weeks to finish the report explaining the data gathered in October. We are hopeful to have this report with some information regarding alternatives analysis prior to a meeting we have scheduled with FEMA in mid January to discuss grant opportunities. Once we have the final report it will be shared with the assembly.
- November water sampling- We have received our water quality testing results from the November quarterly sampling. Results are below regulatory limits and in compliance. It is worth pointing out the primary reason this was possible was due to slowing the flow through the plant by 30% of its designed capabilities. Reduced flows limit contact time with chlorine contributing to lower results.

Sewer

- 301H waiver update- Public comments were due and submitted on December 9th for our draft permit. We have raised a number of concerns with the regulatory agencies in regards to our ability to fund, staff and remain in compliance with new regulations. EPA/DEC have a month to respond to our comments. Specifically we have concerns with:
    - the cost of the changes that would be needed. Implementing disinfection is expected to cost close to $5 million. Annual operating expenses are expected to go up $250,000.
    - the rates that would be needed to pay for these changes. Just to pay for the dept service on $5 million and with current reserve levels, rates would need to be raised another 49% to cover the increased costs.
    - our ability to staff operations with our current staff levels. Increases in monitoring, testing and the operation of a disinfection system will be increasingly challenging with 1.5 staff currently allocated for the department.
    - our ability to stay in compliance with proposed ammonia regulations,
    - how data has been analyzed for our dilution modeling which ultimately has a big impact on parameters of these regulations.
    - Attached is a copy of the letter the CBW submitted to the EPA.
- Had a callout for a lift station in alarm
- Had to replace a lift station pump that was malfunctioning. Upon investigation some children's toys were found in the impeller.



- There was 1 grinder station that was replaced.

Sanitation

- A railroad strike seems to have been averted. There are still several ongoing negotiations including port workers on the west coast that we are keeping an eye on.
- PW had been covering garbage truck operations while staff are out sick, on jury duty and during the holidays.

Garage

- The garage worked with the Police Department to scrap several vehicles in their impound lot.
- We are working on revamping the rolling stock inventory list and will provide that to the assembly once complete.

General

- Various coverage needs with a number of illnesses going around town and through the end of the hunting season.

Irene Ingle Public Library Report
Director: Margaret Villarma

- **Library Carpeting**
  - Brian Smith completed installing the new carpeting in the library and it looks great! Come on in and look and see what a great job he did with the help of Duke from Capital Facilities.
- **Fall Storytime**
  - The library began Fall Storytime on October 7th. It has continued to be very well attended. We have extended the program until December 16th due to the closure for the carpet installation.
- **Christmas Break Magic Show**
  - Dr. Ron Fribush will once again be doing a magic show for the children on December 27th in the evening. This will the first show since 2019 and we are looking forward to it. The program will begin at 6 p.m. and should be an entertaining event.
- **Friends of the Library**
  - The Friends of the Library sold 7500 tickets for funds totaling $6303.00. The winning ticket was drawn on November 22nd. The winner of the two round trip tickets on Alaska Airlines was Doug Kremer. These funds in the past have been used for landscaping, summer reading program prizes, workshops, author visits, furnishings, and any other needs outside of the operating budget. We wish to thank all the friends who took the time to sell the raffle tickets.
- **Wonderbooks**
  - We were able to purchase an additional $500 worth of Wonderbooks thanks to the Friends of the Library. These have proven to be very popular with our younger patrons.

Nolan Center
Director: Cyni Crary

- The Sound of Music was a huge success! It was endearing to see the community come out and support the arts in Wrangell. It shows that this is what a large majority of the community wants and part of the reason the facility was built. I want to continue with live theater – hopefully two shows per year. It was an incredible experience seeing so many different members of the community coming together from all walks of life to make this happen. It was also a revenue boost for the center. I have big ideas for the next one. Stay tuned! Also, many thanks to the city manager, assembly members, and city staff who also came out to show your support for a city production.
- Midnight Madness/Santa was also very busy and successful. Michael Bania helped build a beautiful "Santa's Workshop" for the kids to greet Santa. I usually like to have a Community Market on the first Saturday of December and then a Holiday Market on the Saturday just before Christmas. The Chamber had already planned Midnight Madness for Dec. 10th many months ago, so I decided to go ahead and switch to accommodate, since it wouldn't make sense to do it 3 weekends in a row. However, next year I'd like to see us go back to the original way so that it isn't saturated for the vendors.
- Hosted another successful Resilience Fair with BRAVE.
- Dove Tree Ceremony and Christmas Choral concert - were both wonderful
- Christmas Tree Lane continues to light up the lobby of the center and looks beautiful. Bids close on Dec. 16th.
- Currently hosting a 3 day conference for the Forest Service.
- Next Sunday, Dec. 18th - Community Christmas Dinner 5:30pm (everyone is invited)
- Retro movies coming up: Nov. 16th (How the Grinch Stole Christmas), Nov. 17th (Elf), Nov. 23rd (The Muppet Christmas Carol). See attached flyer.

Wrangell Municipal Light and Power Monthly Department Report

WML&P Status
<u>Accomplishments The Month of November 2022</u>

- Winter is here and we are in full throttle trying to stay on top all our community needs. Wrangell has had a very early cold winter season with temperatures below freezing since early October causing customer utility bills to be higher.

- Annually every year November is our month we put our Perfect Christmas tree search in full effect. The crew was able to find a "Beaut" Spruce tree about 45' Tall. As usual the wonderful kiddos from Evergreen Elementary School made us some very creative and beautiful Christmas ornaments for the tree. Midnight Madness was a huge success. We would also like to thank the Chamber of Commerce for helping us get everything on track and for our supplying our replacement bulbs as well. We hope to reach our goal of completely phasing out the colored C9 incandescent light bulbs with all white clear LED C9 light bulbs and having a completely white LED lit Christmas tree soon.
- 3 Orange Lineman Work Orders (WOs) – These WOs consist of customer concerns and special requests to be completed by the Electric Department. Rest assured we are doing our very best to fulfill all our community needs in a safe and timely manner.
  1) Request for the service lines to disconnected indefinitely to a little white house in Mill Park trailer court.
  2) Request for a new service at 4.5 Mile.
- We have switched up our safety meetings by attending to our APEI safety module requests and they have been very informative.
- Unfortunately we were hit hard this month at our vulnerable location at the 8 Mile Bluff's. The trees in that vicinity have a soft soil base that make trees prone to falling onto our powerline along that stretch of the bluff's. This ultimately has caused us to consider going underground on that specific stretch of Power lines. We have taken the first step of applying to the State of Alaska for a permit to work that stretch of Zimovia Highway and we were just approved and have received our permit. The total cost for the permit is $1300.00. A materials list has been sent in for quote.
  - Our first storm of the year was massive taking out a 4-strand pole to pole stretch. This led us to have to fully replacing one 55 ft pole and repairing and replacing 8 cross-arms. This is a particular area that seems to hit us the hardest when we have high winds. The past 2 years in a row we have had to declare weather disasters to the state of Alaska for reimbursement.
- Primary line brushing for trouble trees and branches.
- 2 Disconnect/Reconnects were requested this month.
- WMLP is working with Marine Systems, Inc (MSI)to inspect our EMD Generators (Units 1,2,3, and 4). Working with MSI to schedule their visit to Wrangell, which is now scheduled to take place sometime late January.
- The crew at WMLP completed and are up to date on all CPR related training including CPR/AED, Standard first aide, and Bloodborne pathogens (BLS). Our next focused training will be Flagging with ATTSA.
- Preparing 2 of our annual EIA government reports for Generation.
- WMLP has had 2 minor power outages in the month of November

Work Orders

WMLP had a total of 39 work orders in the month of November 2022 – consisting of Reads, Disconnects, Installs, and requests for meter tests and meter swap outs.

Financials:

- In the month of **November** 2022 WML&P sold KW 6,274,713 Hours of Electricity, generating $ 727,437.01 of Revenue. This can be compared to 2020 and 2021 as follows:
  2020 - WML&P sold 3,052,922 KW Hours of Electricity, generating $ 347,781.82 of Revenue.
  2021 - WML&P sold 3,148,981 KW Hours of Electricity, generating $353,133.73 of Revenue.

CITY & BOROUGH OF WRANGELL, ALASKA

BOROUGH CLERK'S REPORT

SUBMITTED BY: Kim Lane, Borough Clerk

Upcoming Meetings & Other Informational dates:

Other City Boards/Commissions:

January 11 (rescheduled) – Parks & Recreation Board mtg. at 5:30 pm in the Assembly Chambers **January 4 –** Port Commission mtg. at 5:30 pm in the Assembly Chambers

Community Events:

Nov 28 – Jan 8 – Annual Winter Pool Maintenance Closure (Swimming Pool Closed)

Meetings and Other events of the Borough Assembly:

January 10 – Regular Borough Assembly Meeting at 6:00 PM in the Assembly Chambers
January 24 – Regular Borough Assembly Meeting at 6:00 PM in the Assembly Chambers
February 14 – Regular Borough Assembly Meeting at 6:00 PM in the Assembly Chambers
February 28 – Regular Borough Assembly Meeting at 6:00 PM in the Assembly Chambers
March 14 – Regular Borough Assembly Meeting at 6:00 PM in the Assembly Chambers
March 28 – Regular Borough Assembly Meeting at 6:00 PM in the Assembly Chambers
April 12 - Regular Borough Assembly Meeting at 6:00 PM in the Assembly Chambers
May 9 – Regular Borough Assembly Meeting at 6:00 PM in the Assembly Chambers
May 23 – Regular Borough Assembly Meeting at 6:00 PM in the Assembly Chambers

Byford Lots

The online Public Surplus auctions for the two Byford Lots will end on Friday December 23rd at 3:00 p.m. As of Tuesday, December 13, 2022, there are no bids for either lot.

Southeast Conference Mid-Session Summit

This conference will be held in Juneau from January 31st through February 31st, 2022.

Alaska Municipal League Winter Legislative Conference

This Conference will also be held in Juneau from February 22nd through February 24th, 2022.

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**10**

Investment Committee Vacancy Appointment

SUBMITTED BY:
Kim Lane, Borough Clerk

.

RECOMMENDATION
Appointments are to be made by the Mayor, with the consent of the Assembly for the following vacancy:

Board/Committee/Commission	*Letter of Interest Received from:*
Investment Committee (1 avail. – Community Member)	**1. None.**

Procedure - Mayor: "I will appoint _____ to fill the vacancy on the _____ until October _____.

If there are seats that are left vacant (no letters received), the Borough Clerk will advertise for the vacancies.

Appointments to be filled by the Mayor with the consent of the assembly for the various seats.

Recommended Action if not approved with the consent of the Assembly:

Motion: Move to appoint _____ to fill the vacancy on the _____ for the term up until October _____.

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**11**

NON-CODE ORDINANCE No. 1033 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE SALE OF PUBLIC LAND IN CONFORMANCE WITH WRANGELL MUNICIPAL CODE CHAPTER 16.12, SPECIFICALLY, LOT A, BLOCK 54, WMC REPLAT, PLAT 2016-6, WRANGELL MEDICAL CENTER, WRANGELL RECORDING DISTRICT, AND REPEALING RESOLUTION NO. 04-22-1690

SUBMITTED BY:
Jeff Good, Borough Manager and staff

Reviews/Approvals/Recommendations	
☐	
Name(s)	
Name(s)	
☒	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 20: $	FY 21: $	FY22: $
Amount Budgeted:		
	FY20 $XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	$XXX	

ATTACHMENTS: 1. ORD 1033

MAYOR PROCEDURE: Declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Persons who signed up to talk on this item shall be called to the podium.

Once all persons have been heard, declare the Public Hearing closed and entertain a motion.

RECOMMENDATION MOTION:

Move to approve Ordinance No. 1033.

SUMMARY STATEMENT:

The following information remains unchanged from the November 22, 2022 Assembly Meeting.

In conjunction with JDO Law, the Borough has created the attached non-codified ordinance in order to evidence that we have followed our public process for the sale of the old Wrangell Medical Center (WMC) as well as to list the property with a Realtor for the value of the land.

The Assembly approved Resolution No. 04-22-1690 in April 2022 to follow the surplus process to sell the land and structure for the full appraised value of $830,000. The listing was advertised on the Public Surplus site for well over 30 days. After the 30-days, the property and structure were listed over-the-counter where the eligible bidder of $830,000 would be the perspective buyer. We have received no inquiries or offers as of the original date of the listing on Public Surplus.

This Non-codified Ordinance will repeal Resolution No. 04-22-1690 and enact the procedures and processes that are outlined in the Non-codified Ordinance. The Borough shall issue an RFP for commercial realty firms who are interested in being engaged to list the Old WMC property.

In addition, the property will be listed for the property's appraised land value of $470,000. The Borough in its discretion may entertain offers less than the listing price, but such an offer shall be justified for the purposes of economic development. We believe that listing for the land-value of the WMC will elicit serious buyers for the property.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 1033

A NON-CODE ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE SALE OF PUBLIC LAND IN CONFORMANCE WITH WRANGELL MUNICIPAL CODE CHAPTER 16.12, SPECIFICALLY, LOT A, BLOCK 54, WMC REPLAT, PLAT 2016-6, WRANGELL RECORDING DISTRICT, AND REPEALING RESOLUTION NO. 04-22-1690

WHEREAS, the Borough is the owner of the following described real property: Lot A, Block 54, WMC Replat, Plat 2016-6, Wrangell Recording District and Wrangell Medical Center building (WMC), 310 Bennett Street, Wrangell, AK 99929; and

WHEREAS, the real property on which the WMC sits is approximately 84,988 square feet (1.95 acres); and

WHEREAS, the Borough Assembly has determined it is in the public interest for the Borough to divest itself of the property and the WMC building; and

WHEREAS, the appropriate pre-sale work including a Hazardous Materials Assessment and an Appraisal have been completed; and

WHEREAS, pursuant to Resolution 04-22-1690, the Borough Assembly approved listing the WMC on the Public Surplus site for the Borough; and

WHEREAS, the WMC has been listed on the Public Surplus site for well over the 30-day period required by Resolution 04-22-1690 and has since remained for sale, over-the-counter under Wrangell Municipal Code 16.12.105 and the Borough has not received any inquires or offers; and

WHEREAS, in order to generate interest among prospective purchasers of the WMC property, the Borough Assembly desires to lower its listing price to $470,000, which is the appraised value of the land only; and

WHEREAS, the Borough has incurred significant costs to maintain and provide utilities to the WMC and the Borough Assembly has determined that lowering the listing price accords with the public's interest to sell the WMC property quickly to avoid incurring further maintenance and utility costs; and

WHEREAS, the Borough Assembly desires to sell said property by advertising with a commercial reality firm that will be selected through a Request for Proposals ("RFP") selection process.

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

Section 1. **AUTHORIZATION.** This is a non-code temporary ordinance allowed by Section 2-13(A) of the Home Rule Charter of the City and Borough of Wrangell, Alaska.

Section 2. **REPEAL.** Resolution No. 04-22-1690 is hereby repealed as the property failed to sell under the public auction or over the counter, and as such, all terms or conditions of the sale of the Old Wrangell Medical Center shall be in accord with Sections 3 through 5 below.

Section 3. **AUTHORIZATION TO SELL PROPERTY**. The Borough Assembly authorizes the Borough Manager to sell Borough-owned real property Lot A, Block 54, WMC Replat, Plat 2016-6, Wrangell Recording District using the procedures described in Sections 3-4 below.

Section 4. **SALE PROCEDURES**. The Borough Assembly establishes the following procedure for the sale of the Borough-owned real property Lot A, Block 54, WMC Replat, Plat 2016-6, Wrangell Recording District, and the WMC Building, more commonly known as the "Old Wrangell Medical Center."

1. **Advertising**. The Borough shall issue an RFP for commercial realty firms interested in being engaged to list the WMC property. The selected firm shall list and advertise the WMC property in the way that it determines would generate the maximum interest among prospective purchasers.

2. **Eligibility and Exclusions**. No persons less than eighteen (18) years of age may purchase the property. No person or entity who is delinquent in any property tax, sales tax, utility payment, or other financial obligation with the Borough may purchase the property. The Borough Manager, Borough Clerk, and Economic Development Director are prohibited from purchasing the property in their own name, or in the name of their spouse, dependent child, or solely-owned or family-owned business.

3. **Listing Price**. The listing price for the WMC property shall be set at the property's appraised land value of $470,000. The Borough in its discretion may entertain offers less than the listing price, but such an offer shall be justified for the purposes of economic development.

4. **Sale Terms**. Terms of the sale shall be negotiated by the Borough Manager. The sale shall be approved by a resolution the Borough Assembly.

5. **Borough Manager Authorized to Administer**. The Borough Manager is authorized to develop whatever administrative procedures, forms and policies are necessary to implement this ordinance.

Section 5. **PUBLIC NOTICE REQUIRED**. In conformance with Wrangell Municipal Code Section 16.12.040(b) the Borough Clerk shall give notice of the sale by publication of notice in a newspaper of general circulation in the Borough at least 30 days before the date of the sale, and the notice shall be posted within that time in at least three public places in the Borough.

Section 6. **EFFECTIVE DATES**. This ordinance shall be effective upon adoption and shall sunset on the date the Borough Assembly approves the sale of the WMC property.

PASSED IN FIRST READING: November 22 , 2022

PASSED IN SECOND READING: , 2022

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

RELIANT LLC

Appraisal Assignment of:

Wrangell Medical Center

310 Bennett St.
Wrangell, AK 99929

Latitude: 56.471796, Longitude: -132.375866

Reliant Reference Number: 22-0325b

As of: March 26, 2022

Prepared for:
City and Borough of Wrangell

Appraisers | Advisors

9330 Vanguard Drive, Suite 201
Anchorage, Alaska 99507
Phone: (907) 929-2226
Fax: (907) 929-2260
Email: admin@reliantadvisory.com
www.reliantadvisory.com

RELIANT LLC

Appraisers | Advisors

"reliable advice = reliable decisions"

Reliant's goal is to provide high-quality appraisals and consultation services to our clients that will empower them to make smart business decisions. Reliant takes pride in our ability to develop concise reports in a professional and timely manner. Reliant's experience positions us for success in each market served.

Experience

- Alaska grown–nationally known
- Over $2.5 billion in valuations performed
- Alaska expertise with national experience
- Three designated members of the Appraisal Institute (MAIs)
- 100+ years of combined experience

Quality of Work

- Detailed reporting: enough information to support the value estimate and understand how the appraiser arrived at that value
- Professional reporting: double-sided, full-color reports
- Comprehensive market research and confirmation of comparables
- Quality analysis, including use of ARGUS cash flow software
  User-friendly reports

Timeliness

- Reliant LLC will not make commitments they cannot meet
- Standard turnaround times are 3–4 weeks
- 10 business day turnaround times available upon request for most property types

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- Appraisal/valuation
- Appraisal review
- Buy/sell or lease analysis
- Cash flow modeling
- Due diligence
- Eminent domain/condemnation
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- Market feasibility and analysis
- Market studies and research
- Property tax consulting and appeals
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Letter of Transmittal

April 21, 2022

Mr. Jeff Good
Borough Manager
City and Borough of Wrangell
PO Box 531
Wrangell, AK 99929

RE: **Wrangell Medical Center**
310 Bennett St.
Wrangell, AK 99929

Dear Mr. Good:

At your request, an appraisal of the above referenced property has been prepared. The results of the assignment are presented in *Appraisal Report* format. The purpose of the assignment is to estimate the market value of the real estate in its current As Is condition. The *Fee Simple* interest in the subject has been analyzed.

The client(s) of this assignment is City and Borough of Wrangell. The intended user(s) of the report is the Client, for the intended use of prospective sale purposes. Although other parties may in some cases obtain a copy of this report, it should not be relied upon by anyone other than the intended user(s), or for anything other than the intended use.

This assignment has been prepared and presented in conformance with the scope of work developed in consultation with the client, the current Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation, as well as the bylaws of the Appraisal Institute.

The property is a 22-bed critical access hospital and long-term care facility that was originally constructed in 1967. There have been subsequent additions and remodeling over the years. The facility is currently closed and will likely remain closed until remodeling or demolition takes place. A complete interior and exterior walk-through of the subject has been made, and photographs taken by Mr. Greg Bucklin, MAI, on March 26, 2022. Mr. Wold did not conduct a walk-through of the property for purposes of this appraisal; however, he is familiar with the property and the neighborhood. Market information and data regarding other similar real estate has been obtained. This data has been analyzed using appropriate techniques and methodologies necessary to develop a credible and reliable estimate of market value.

RELIANT LLC

RE: **Wrangell Medical Center**

As a result of research and analysis, the value estimate(s) for the subject is/are as follows:

FINAL MARKET VALUE ESTIMATE	
Wrangell Medical Center	
Property Rights	**Fee Simple**
Condition	**As Is**
Effective Date of Appraisal	**March 26, 2022**
Final Market Value Estimate	**$830,000**

The value estimates are based on a marketing period of approximately 12 months and an exposure period of approximately 12 months. The value opinion reported above is qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the body of the report. This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits and Addendum. Thank you for the opportunity to be of service. If you have any questions, please feel free to call.

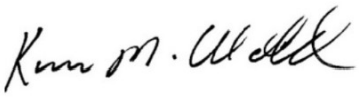
Respectfully submitted,

Kim Wold
Senior Appraiser
Alaska Certified General – No. 52
kim@reliantadvisory.com

Certification

The undersigned certify that, to the best of their knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are their personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. They have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. They have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Engagement in this assignment was not contingent upon their developing or reporting predetermined results.
6. Compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value/assignment result or direction in value/assignment result that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this assignment.
7. Analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. A personal walk-through of the subject property has not been made by Mr. Wold.
11. No one provided significant real property appraisal assistance to the persons signing this certification and they are competent and qualified to perform the appraisal assignment.
12. They have not provided a previous service, as an appraiser or in any other capacity, regarding the subject within the three years prior to accepting this assignment.
13. As of the date of this report, Kim Wold has completed the requirements of the continuing education program for Candidates / Practicing Affiliates of the Appraisal Institute, and for certified appraisers in the State of Alaska.



Kim Wold
Alaska Certified General – No. 52

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Assignment-Specific Premises & Special Risk Factors

Overview

The information presented in this section is for convenience purposes only and the intended user should read and understand the report in its entirety as there may be additional highly relevant information contained within the body of the report.

General assumptions and limiting conditions, which apply to all assignments, are presented in the report Addenda. In addition, the following assumptions and limiting conditions are presented separately in this chapter because they are specific to the current assignment. All the assumptions and limiting conditions, whether general or specific and regardless of location within the report, are of equal relevance and importance, and should be carefully reviewed and understood by the intended user(s).

Assignment-Specific Extraordinary Assumptions, Limiting Conditions

Extraordinary assumptions and extraordinary limiting conditions specific to this assignment follow. The value estimate(s) presented in this report may be amended if the extraordinary assumptions or limiting conditions are found to be false. The reader is advised that the use of these assumptions and limiting conditions might have affected the assignment results.

1. It is assumed that the subject would be rezoned to Commercial when / if the property is transferred to a private party.

Assignment-Specific Hypothetical Conditions

Hypothetical conditions specific to this assignment are as follows. The reader is advised that the use of these hypothetical conditions (if any) might have affected the assignment results.

This appraisal is not predicated on any hypothetical conditions.

Special Risk Factors

A special risk factor is defined as a risk that is extraordinary (atypical and unusual), whose potential impacts are not easily quantifiable, that may presently, or at some point in the future, impact the subject and/or all asset classes of real estate, including the subject.

No special risk factors are present.

Assignment Overview

Identity of Property

Name	Wrangell Medical Center
Brief Description	The property is a 22-bed critical access hospital and long-term care facility that was originally constructed in 1967. There have been subsequent additions and remodeling over the years. The facility is currently closed and will likely remain closed until remodeling or demolition takes place.
Address	310 Bennett St. Wrangell, AK 99929
Geo Coordinates	Latitude: 56.471796, Longitude: -132.375866
Physical Location	The subject is located on the easterly side of Bennett St, between First Ave and Reid St.
Assessor's Tax Parcel Number(s)[1]	02-131-351
Abbreviated Legal Description	*Lot A, Block 54, WMC Replat, Plat 2018-6, Wrangell Townsite Survey.* (Per Department of Natural Resources Records)
Current Use	Commercial Development / Former Hospital
Appraised Use	Commercial Development / Former Hospital
Highest and Best Use	
AS VACANT	May include development as medical-office, healthcare facility or other unidentified use once feasibility has been ascertained.
AS IMPROVED	Highest and best use as improved is remodeling of the existing improvements to permit medical related use.

Scope of Assignment

Value Definition(s)	The following definition(s) of value is/are utilized in this report:
MARKET VALUE (OCC) [2]	*The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller*

[1] Per Tax Assessor Records.
[2] Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.43 Definitions [g].

each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date, and the passing of title from seller to the buyer under conditions whereby:

a. the buyer and seller are typically motivated;

b. both parties are well informed or well advised, and acting in what they consider their own best interests;

c. a reasonable time is allowed for exposure in the open market;

d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto;

e. and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Other Definitions	Please refer to the Terms & Definitions section presented in the Addenda for additional definitions of significant terminology used in this report.
Purpose	To estimate the market value of the real estate in its current As Is condition.
Intended Use	The intended use of the assignment is for prospective sale purposes. It should not be relied upon for any other uses.
Client(s)	City and Borough of Wrangell
Intended User(s)	City and Borough of Wrangell (the Client)
Property Interest Appraised`	This is an appraisal of the real property. Any intangible and personal property is specifically excluded from this valuation.
Property Rights Appraised	Fee Simple
Report Presentation	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary of the appraisal process, subject and market data, and valuation analyses. The level of detail and discussion presented varies with the significance of the information to the appraisal, within the context of the intended use and intended user(s).
Walk-Through Date	March 26, 2022
Effective Date[3]	March 26, 2022

[3] The analyses and conclusions of the assignment are based upon the known market conditions as of the date of report and are valid as of that date but may not be representative of market value either before or after this date.

Report Date April 21, 2022

Scope of Work

Overview Current USPAP requires the appraiser(s) to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem, intended user(s) and intended use.

Limitations to Scope of Work USPAP permits limitations to the scope of work consistent with the appraisal problem, intended user and intended use. The scope of work has been limited by the General Assumptions & Limiting Conditions, Assignment-Specific Extraordinary Assumptions and Limiting Conditions, and Assignment-Specific Hypothetical Conditions discussed throughout this report and Addenda. The Scope of Work has also been limited based on the level of information / documentation available to the appraiser. Please reference the assignment-specific extraordinary assumptions, limiting conditions and hypothetical conditions presented in the prior chapter. There are no other major limitations to the scope of work for this assignment.

Compliance The analysis and reporting of this assignment are compliant with the following:

- Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation.
- The bylaws of the Appraisal Institute.

Special Client Instructions None

Subject Walk Through A complete interior and exterior walk-through of the subject has been made, and photographs taken by Mr. Greg Bucklin, MAI, on March 26, 2022. Mr. Wold did not conduct a walk-through of the property for purposes of this appraisal; however, he is familiar with the property and the neighborhood. The scope of this walk-through is presented on the following table.

SCOPE OF WALK THROUGH

Item	Viewed?
Neighborhood	Yes
Subject Exterior	Yes
Subject Interior	Yes
Subject Restrooms	Partial
Subject Roof	No
Subject Mechanical Rooms	Partial
Subject Crawl Spaces or Attics	No
Subject Ceiling Spaces	No

Information Provided to Appraiser for Consideration

Primary data was obtained by the appraiser during the property walk-through. Secondary sources of property data include client, borrower, and public records. The scope of work is specific to the information on the subject provided to the appraiser by the client or property contact. A partial list of items provided follows:

- Building sketch
- Plat map
- Environmental study
- Engineering study
- Demolition costs

The following information was not available to the appraiser:

- Three years of historic operating data
- Tax returns
- Architectural plans
- As built
- Building area study
- Title report
- Preliminary commitment for title insurance
- dy
- Construction costs
- Renovation costs
- Recent capital improvements
- Feasibility study
- Market study
- A prior appraisal
- Purchase and sale agreement
- Listing agreement
- Closing documents / settlement statements

Market Analysis

Extensive research on macro and micro economic conditions within the subject's market has been conducted. Extensive research on current market conditions within the subject's sector of the real estate market has been conducted. The Appraisal Institute recognizes two categories of market analysis: inferred and fundamental. Inferred analyses (Level A and B) are basic methods by which future supply and demand conditions are inferred by current and general market conditions (secondary data). In fundamental analyses (Level C and D), general information is supplemented by detailed data to forecast supply and demand, as well as subject-specific absorption and capture (primary data). The market analysis performed in this assignment is based on inferred demand.

Approaches to Value

LAND VALUATION This approach was developed because it is necessary to develop a credible and reliable estimate of market value for this property type or it has been requested by the client.

COST APPROACH This approach was developed because it is not typically utilized by buyers and sellers in this market for this type and age of property.

SALES COMPARISON APPROACH This approach was developed because it is necessary to develop a credible and reliable estimate of market value for this property type or it has been requested by the client.

INCOME CAPITALIZATION APPROACH This approach was not developed because the subject is not an income producing property and this approach does not reflect typical market behavior for this property type.

Valuation Process

The valuation process may include research and analysis performed as part of a prior assignment, as well as new research performed specifically for this assignment, and included but was not limited to the following:

1. The problem or nature of assignment was identified.
2. A scope of work was created that lead to credible results that are appropriate for the appraisal problem, intended user and intended use.
3. Information necessary to complete the assignment was requested and obtained from the client / property contact.
4. An area, city and neighborhood analysis has been performed.
5. An analysis of the subject's physical and economic characteristics has been performed.
6. Interviews have been performed with property representatives (owners, property managers or leasing agents), tenants, planners, assessors, brokers, investors, developers and other individuals with useful knowledge and insight on the subject.
7. Knowledgeable market participants have been interviewed on the market conditions for properties like the subject.
8. An examination of current zoning codes affecting the property has been performed.
9. The functional utility of the site and/or improvements has been determined.
10. A detailed examination of the subject's economic characteristics has been made to determine the property's risk profile and economic potential.
11. A highest and best use analysis for the property was performed.

12. Extensive research to identify transactions involving similar properties was performed.
13. An analysis of the subject and available data was performed using commonly accepted valuation techniques and methodologies.
14. The quantity and quality of available data was considered along with the applicability of the methodology used, and a reconciliation was performed to arrive at the final value estimate(s).

Ownership and Sales Information

Current Owner of Record

According to Owner, the appraised interest in the subject is presently owned by City and Borough of Wrangell.

Three Year Transaction History

Disclosure and analysis of the subject's transaction history (sales, agreements of sale, options, and listings) within the prior three years is required by USPAP and, if applicable, is presented below.

NO RECENT ACTIVITY

No transactions involving the subject within the prior three years are known or have been disclosed. A search of State of Alaska Department of Natural Resource records indicates that the subject has not changed ownership within the last three years.

Competency of Appraiser

The appraisers have previously performed similar assignments and meet the Competency Rule of USPAP. Please refer to the Experience Data presented in the Addendum for further information on the appraiser's background and experience.

Area Data

COVID-19

The World Health Organization declared the coronavirus (COVID-19) as a global health emergency on January 30, 2020. The President declared a national emergency on March 13, 2020. The outbreak caused heightened health, economic and financial uncertainty in both local and global markets. International travel restrictions have been implemented by many countries, including the United States. Public events, meetings and assemblage were largely cancelled. Global financial markets were negatively impacted as a result of the response of governments and the public to the virus. In response, the Federal Reserve made an emergency cut to interest rates on March 16, 2020, slashing the federal funds rate by 1 percent to a range of 0-0.25 percent (effectively zero). Through various legislative acts, total COVID-19 stimulus is estimated at $5.335 trillion dollars.[4] There are now multiple vaccines available that are expected to be fully distributed to the general public by the end of 2021. Most market participants believe that the COVID-19 pandemic has ended. Economic trends, including airline travel, employment data, manufacturing output, retail expenditure, stock market valuations and other data points strongly suggest that most, but not all, of the economic recovery has already occurred. Thus, at this point, the economic data indicates that there was largely a "V" shaped recession and recovery. At this point, the greatest risk is that a new vaccine resistant strain of the virus develops. The COVID-19 Delta and COVID-19 Omicron variants are two such examples, with the first causing additional lockdowns and the second posing a limited health risk without additional lockdowns. That said, the continued expectation is that 2022 will be the year that the economy approaches full recovery.

Regional Area Data

Although elements of Alaska's economy are directly affected by certain national and international factors (e.g. interest rates, the value of the U.S. Dollar, etc.), Alaska's economic cycles do not typically align with the rest of the nation for several reasons. First, is that Alaska is a "resource" state and contains some of the most abundant reserves of oil, natural gas, coal, gold, silver and other precious minerals on the planet. Alaska is also plentiful in renewable natural resources, including fish and timber. In terms of natural resources, it is not an understatement to describe Alaska as being "rich". Thus, the respective supply of these commodities, including their financial feasibility to bring to market, and prices set by global markets, are the primary influence on the economy. Second, is the relative absence of manufacturing and technology, which in recent history have been the driving factors in U.S. economic cycles. Third is Alaska's location, which although

[4] Peter G. Peterson Foundation, March 15, 2021, https://www.pgpf.org/blog/2021/03/heres-everything-congress-has-done-to-respond-to-the-coronavirus-so-far

central to the industrialized world by air, is remote relative to the rest of the U.S. One dramatic instance of when Alaska's economy diverged from the Nation's was during the Great Recession when employment in Alaska continued to increase, resulting in 21 years of continuous job growth in the state.

Today, the State's economy is more diverse than it ever has been. However, the tripod that continues to support the economy is made up of oil/gas, government spending (with State spending being largely dependent on oil), and the other sectors (other mining/natural resources, hospitality/tourism, manufacturing/fishing, and transportation to name a few). Most of the weight continues to be on oil.

While oil production has significantly decreased from their peak in the late 1980s, the price has been volatile, ranging from above $100/bbl at the beginning of 2014 to a low of $10/bbl in 2020 at the start of the COVID-19 pandemic. Currently prices are in the range of $100/bbl, which is well above the average price for the last several years. On another positive note, reserves have recently been increasing. After a 40-year battle, in 2017, the Republican-controlled House and Senate included in tax legislation a provision that would open the 1002 area of ANWR to oil and gas drilling. Since that time up to 10 billion barrels of additional reserves have been identified at three different fields, which could yield several hundred thousand barrels per day. At the same time, political resistance to oil is increasing. Due to global warming, several lenders have indicated that they will not finance any new oil field development, however, this is viewed as largely a symbolic political position that will not ultimately impact the development of financially feasible fields. President Joe Biden has unilaterally suspended all oil and gas leases in the ANWR, which is being challenged in court.

The decline in the price of oil in recent years resulted in a decline in State revenues and significant budget shortfalls.[5] Thus far, the budget shortfall has been addressed by a combination of tapping into reserve accounts[6] (all years), eliminating 50% of the Permanent Fund dividend paid to Alaska residence (2018) or tapping into the Permanent Fund's Earnings Reserve Account (ERA) (2019). For several reasons, the budget shortfall is largely a political, rather than an economic issue. First, while politically difficult, the State continues to have opportunities to cut spending over historic levels.[7] Second, there are no personal taxes in place at the State level and, while also politically difficult, if necessary, these could be adopted. Finally, the State has over $82 billion within the Permanent Fund, nearly $17 billion of which is within the ERA and so can be used to fund the State government by a simple majority vote of the Legislature (as occurred in 2019, for example).

[5] According to Alaska Tax Division Director Colleen Glover, every dollar change in the price of Alaska North Slope crude equates to roughly $42 million more, or less, to the state treasury.
[6] As of December 31, 2021, the State had $1.09 billion remaining in the CBRF, roughly 10% of the original balance.
[7] There is consensus among nearly all Alaskan's that additional spending cuts are possible. However, to the extent that the proposed spending cuts result in an actual reduction of services they become a point of vigorous debate.

The question is not therefore whether State can pay its bills, but rather what level of services its citizens desire and how it chooses to pay for those services. The major concern moving forward is the degree to which each of these respective choices would impact the general economy, which has just returned to positive economic growth after a mild three-year recession.

Also buttressing the Alaskan economy is the level of federal spending in the state. For example, in FY 2014, the U.S. government sent a total of $11.3 billion to Alaska and its residents[8]. This sum made Alaska the third highest recipient of per capita federal dollars for the year (behind Maryland and Virginia). In fact, the level of federal spending in Alaska, per capita, is approximately 50% above the national average. While details have not yet been finalized, Alaska is also expected to see a healthy share of recent federal infrastructure dollars over the next few years.

Job gains in the health care industry have been consistent and strong for most of the last decade. In 2020 the health care industry initially lost 500 jobs during the COVID-19, but this loss was offset in 2021 when 900 jobs were added to aid in combating the outbreak.

Tourism has also been a bright spot with record numbers of cruise ship berthings and visitors. However, as a result of COVID-19, nearly all cruise ship trips to Alaska were cancelled. For the 2022 forecast, major cruise lines such as Holland America Line, Princess Cruises, Royal Caribbean, Celebrity, and Norwegian Cruise Line, have reported that they plan on returning to Alaska with sailings primarily from Whittier, Seward, Vancouver and Seattle. State economists expect that the combination of a strong national economy and new cruise ship entrants to the Alaskan market will have a favorable impact on this industry and Alaska. On a positive note, lodging and car rentals performed at record levels during the pandemic, indicating significant strength in the independent traveler segment of the tourist market.

While seafood harvests, pricing and supply and demand conditions remain relatively stable and healthy for most fisheries, certain segments and regions of the Alaska seafood market are experiencing a surplus of processing capacity. As a result, several processors have discontinued operations, while others have placed their portfolio of Alaska properties on the market for sale. In general, the seafood outlook is for continued health and stability for the market overall, but with certain segments and regions experiencing softness and even potentially contraction, which could impact fishermen, suppliers, and processing employment. In 2021, salmon counts, and pricing were favorable. As the result of more consumers cooking from home to combat the spread of the COVID-19 virus, the industry experienced recovery with rising demand and pricing levels.

Precious metals, including gold, continue to perform well and the mining industry is healthy at this time. Alaska Native Corporations are one of the

[8] http://www.pewtrusts.org/~/media/assets/2016/03/federal_spending_in_the_states_20052014.pdf, accessed Jan-2017

major bright spots of the Alaska economy and continue to expand their Alaska, national and international businesses.

In summary, the Alaska economy is best described as "mixed" at this time with some lingering softness in the oil industry largely being offset by strength in other areas of the economy.

The most recently available key economic indicators are summarized on the following chart.

Alaska: Key Economic Indicators

Item	2014	2015	2016	2017	2018	2019	2020	2021
Resources								
Oil Price (Avg. $/Barrel)	$97.74	$52.10	$43.04	$54.28	$71.44	$65.49	$41.72	$70.88
Avg. Daily Oil Production (000s Barrels)	546.6	519.3	531.1	540.5	550.0	547.7	544.8	533.6
Oil Value (Billions)	$19.5	$9.9	$8.3	$10.7	$14.3	$13.1	$8.3	$13.8
Gold Price (Avg. $/Ounce)	$1,184	$1,061	$1,152	$1,303	$1,283	$1,517	$1,734	$1,829
GDP: Mining (Millions)*	$14,046	$7,637	$6,351	$8,496	$9,302	$8,424	$4,648	- - -
GDP: Agriculture, Forestry & Fishing (Millions)	$495	$461	$405	$391	$407	$409	$331	- - -
Salmon & Herring Catch (000s Ibs.)	812,665	1,163,639	639,519	1,102,192	652,434	916,685	538,383	- - -
Salmon & Herring Exvessel Value (Millions)	$631	$502	$492	$796	$592	$715	$399	- - -
Tourism								
Cruise Ship Visitors (000s)	968	1,000	1,026	1,090	1,169	1,332	0	- - -
Total Visitors (000s)	1,660	2,067	1,858	1,926	2,026	2,437	427	- - -
Demographics								
Population	742,404	741,123	752,680	744,733	750,876	755,517	760,206	752,044
Avg. Household Income	$85,010	$88,585	$91,524	$93,039	$96,273	$96,534	$97,941	$99,657
Per Capita Income	$31,800	$33,111	$34,264	$34,879	$35,888	$35,589	$36,233	$37,030
Employment								
Unemployment Rate (%)	6.9%	6.5%	6.9%	7.0%	6.6%	6.3%	8.2%	6.2%
Employment (% Chng.)	0.5%	0.3%	-1.7%	-1.3%	-0.5%	0.5%	-3.9%	2.8%
Alaska Permanent Fund (PF)								
PF Distribution ($/Person)	$1,884	$2,072	$1,022	$1,100	$1,600	$1,606	$992	$1,114
PF Value (Billions)	$51.2	$52.8	$52.8	$59.8	$64.9	$66.3	$65.3	65.3
State Budget								
State Budget (Millions) [2014=FY14]								
Revenue	$10,665	$9,259	$7,063	$6,553	$6,972	$10,557	$9,925	$9,074
Operating	$8,569	$11,610	$8,520	$8,078	$8,039	$8,748	$8,504	$8,868
Capital	$1,972	$1,943	$1,478	$1,551	$1,414	$1,447	$1,276	$1,167
Total Spending	$10,540	$13,553	$9,998	$9,629	$9,453	$10,195	$9,780	$10,035
Fiscal Gap	$21,205	$22,812	$17,061	$16,182	$16,425	$20,752	$19,705	$19,109
Other								
Mortgage Foreclosure & Delinquency Rates**	1.0%	0.8%	0.7%	0.7%	0.8%	0.7%	0.6%	0.4%
Alaska Building Permits (Residential 1-5 Units)	2718	2446	2198	2178	1897	1886	1669	160

Employment trends by industry are presented below on the following chart:

AK DOL Statewide Employment Forecast

	Monthly avg, 2020[1]	Monthly avg, 2021[1]	Change, 2020-21	Percent change	JOBS FORECAST Monthly avg, 2022	Change, 2021-22	Percent change
Total Nonfarm Employment[2]	**302,600**	**309,700**	**7,100**	**2.3%**	**319,500**	**9,800**	**3.2%**
Total Private	225,800	232,600	6,800	3.0%	241,700	9,100	3.9%
Mining and Logging	11,300	10,400	-900	-8.0%	11,000	600	5.8%
Oil and Gas	7,800	6,700	-1,100	-14.1%	7,100	400	6.0%
Construction	15,800	16,000	200	1.3%	16,400	400	2.5%
Manufacturing	11,900	12,200	300	2.5%	12,800	600	4.9%
Transportation, Trade, and Utilities	58,900	61,000	2,100	3.6%	63,200	2,200	3.6%
Wholesale Trade	6,200	6,100	-100	-1.6%	6,300	200	3.3%
Retail Trade	33,400	34,400	1,000	3.0%	34,900	500	1.5%
Transportation, Warehousing, and Utilities	19,300	20,500	1,200	6.2%	22,000	1,500	7.3%
Information	4,900	4,800	-100	-2.0%	4,800	0	0%
Financial Activities	10,800	10,800	0	0%	10,900	100	0.9%
Professional and Business Services	26,100	26,300	200	0.8%	26,600	300	1.1%
Educational (private) and Health Services	49,400	50,900	1,500	3.0%	51,500	600	1.2%
Health Care	38,200	39,100	900	2.4%	39,600	500	1.3%
Leisure and Hospitality	26,600	29,700	3,100	11.7%	33,700	4,000	13.5%
Other Services	10,100	10,500	400	4.0%	10,800	300	2.9%
Total Government	76,800	77,100	300	0.4%	77,800	700	0.9%
Federal, except military	15,400	15,100	-300	-1.9%	15,100	0	0%
State, incl. University of Alaska	22,400	22,600	200	0.9%	22,200	-400	-1.8%
Local and tribal, incl. public schools	39,000	39,400	400	1.0%	40,500	1,100	2.8%

[1]Preliminary estimates. [2]Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers.
Note: May not sum because of rounding
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Due to COVID-19, unemployment spiked to 13.7% in April 2020. By 2021, this had decreased to 6.2%. AKDOL forecasts Alaska will attain 97% recovery in 2022 and forecasts employment growth of approximately 9,800 jobs, an increase of 2.8%. The January 2022 Alaska Economic Trends report showed an 8.3% loss in jobs in 2020, a 2.3% gain in 2021 and a forecasted gain of 3.2% in 2022 which would bring jobs to 96.8% of pre-pandemic levels. The implication is that Alaska is nearly fully recovered from the pandemic and high oil prices and State budgets in the black, positioned for a return to prevailing pre-pandemic levels, which – with the exception of the 2016-2018 recession – has historically reflected slow, steady growth. One economic concern is inflation and the Federal Reserve tightening monetary policy, which has resulted in mortgage rates increasing to roughly 4.75%. Higher interest rates in turn could have an adverse impact on all segments of the real estate market.

Wrangell Area Data

Overview

Wrangell is one of the oldest non-native settlements in Alaska. In 1811, the Russians began fur trading with area Tlingits and built a sotckade named Redoubt Saint Dionysius in 1834. The island was named for Ferdinand von Wrangel, manager of the Russian-American Company around 1830. The British of Hudson Bay Company leased the fort in 1840 and named the stockade Fort

Stikine. A large Stikine village, known as Kotzlitzna, was located 13 miles touth of the fort. The Tlingits claimed their own ancient trade rights to the Stikine River and protested when the Hudson Bay Company began to use their trade routes, but two epidemics of smallpox, in 1836 and 1840, reduced the Tlingit population by half. The fort was abandoned in 1849 when furs were depleted. The fort remained under the British flag until Alaska's purchase by the United States in 1867. In 1868 a United States military post called Fort Wrangell was established and named for the island.

The community continued to growas an outfitter for gold prospectors, especially in 1861, 1874-1877, and 1897. Riotous activity filled gambling halls, dance halls, and the streets. Thousands of miners traveled up the Stikine River into the Cassiar District of British Columbia during 1874 and to the Klondike in 1897. Glacier Packing Company began operating in Wrangell in 1889. The Wilson & Sylvester Sawmill provided packing boxes for canneries and lumber for construction.

The city ws incorporated in 1903. By 116, fishing and forest products had become the primary industries – four canneries and a cold storage plant were constructed by the late 1920s. In the 1930s, cold packing of crab and shrimp was occurring. Abundant spruce and hemlock resources have helped to expand the lumber and wood products industry. The Alaska Pulp sawmill, Wrangell's largest employer, closed in1994, but was reopened on a smaller scale in 1998 by Silver Bay Logging, only to be permanently closed and subsequently dismantled by 2008.

Tourism, as well as growth in the seafood processing and marine services industries have become the economic backbone of the community. The city was dissolved and reincorporated as the City and Borough of Wrangell on June 1, 2008.

Wrangell is primarily a non-native community with a mixture of Tlingit, Russian, British, and American historical influences. Logging and fishing have supported the community.

Geography and Climate

The City and Borough of Wrangell is located on the northwest tip of Wrangell Island, 155 miles south of Juneau and 89 miles northwest of Ketchikan. It is near the mouth of the Stikine River, a historic trade route to the Canadian Interior.

Wrangell falls within the southeast maritime climate zone, characterized by cool summers, mild winters, and heavy rain throughout the year. Fog is common in Wrangell from September through December.

Demographics

The most recent census data (2010) shows Wrangell having a population of 2,369. The 2020 US Census population was 2,127. The Alaska Department of Labor population estimate was 2,096 as of July 2021.

The population mix is 67.5% White; 19.2% American Indian or Alaska Native; 9.3% Two or More Races; 3.5% Asian; with the remainder being "other race."

Transportation

The city is accessible by air and water. The state-owned, paved, lighted runway allows for jet service. A seaplane base is adjacent to the runway, with another airplane float located in the Inner Harbor. Charter air taxi services are also available. The marine facilities include a breakwater at each of the three harbors with 710 slips for recreational and commercial vessels, deep draft dock which recently completed upgrades and renovations, state ferry terminal, and three boat launches. Freight arrives by barge, ship, ferry, and cargo plane. Front Street was reconstructed as part of a larger downtown revitalization project three years ago. Several new trails have been developed, including a new loop on Volunteer Park Trail and the Paddle Craft Trail, a canoe/kayak portage.

Education

Wrangell has one elementary, one middle, and one high school. Many students across the state attend correspondence schools.

Economy

The median household income in Wrangell is $52,986 and the median family income is $62,188. There are 237 people below the poverty level with 364 being below 125% of the poverty level. The property tax mill rate in Wrangell is 12.75 and the sales tax rate is 7%.

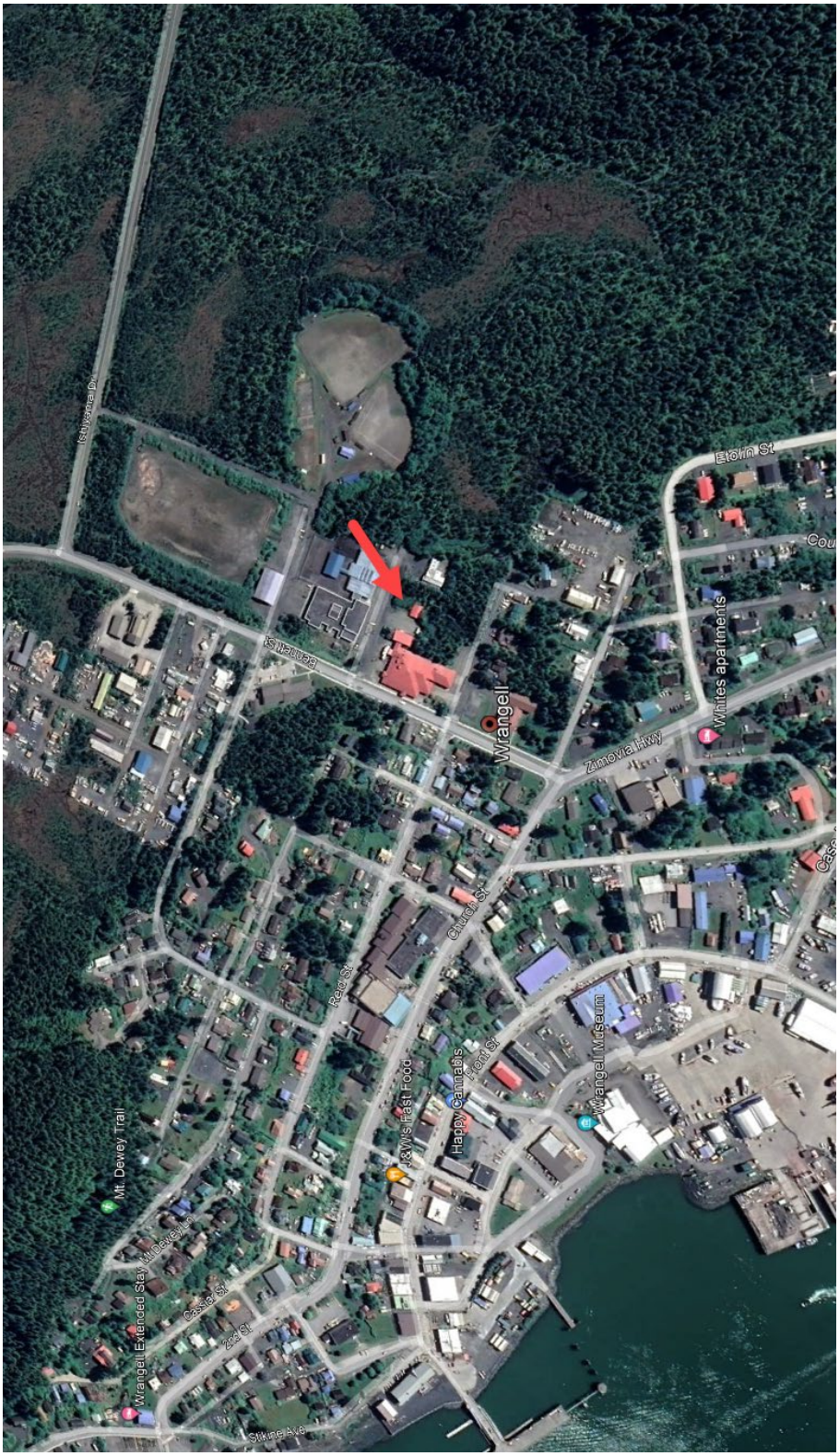
The Alaska Department of Labor shows the current unemployment rate in Wrangell to be 7.7%, which is down slightly from the 8.4% unemployment rate for the year 2020. In 2019, the unemployment rate was 6.7%.

Major industries in Wrangell include fishing, marine services, timber, tourism, and seafood processing. Local government is also a major employer in Wrangell.

Conclusion

The COVID-19 virus had a major negative impact on the job market, with historical unemployment numbers being recorded. By year end 2020, employment trends were once again positive. Nonetheless, 2021 forecast employment is well below 2019 levels suggesting that the economic recovery, should it continue, will extend well into 2022 and perhaps beyond. In the meantime, the outlook is for stability as the ongoing structural recovery from COVID-19 progresses.

Immediate Neighborhood Aerial Photograph



Market Analysis

Medical-Related

Classification

Given the subject's suitability for medical-related development, this market analysis considers conditions within the medical office and healthcare market.

Overview of Market Survey

The market analysis has been compiled from a variety of sources including an extensive survey of landlords, tenants, investors, users, property managers, real estate agents, appraisers, city assessor's and other market participants. Other sources of data include property tax records, newspaper articles and the Multiple Listing Service (MLS). The available data has been carefully analyzed on a qualitative and quantitative basis.

Wrangell is a small, remote community without a particularly active real estate market. It comes as no surprise that there are no real estate market studies, surveys, inventories, or other published documents on current conditions available for review.

Market Supply

Existing product constitutes the supply in Wrangell. The subject has been replaced by a new facility rendering the existing improvements obsolete.

Market Demand

The health services industry has been the fastest growing and one of the larger sectors of Alaska's economy. It is a billion-dollar plus industry and it employs roughly 47,730 people throughout Alaska as of September 2021. In Southeast specifically, educational (private) and health services employ 4,100 people, of which the large majority is healthcare employment.

Equilibrium Status (Current Conditions)

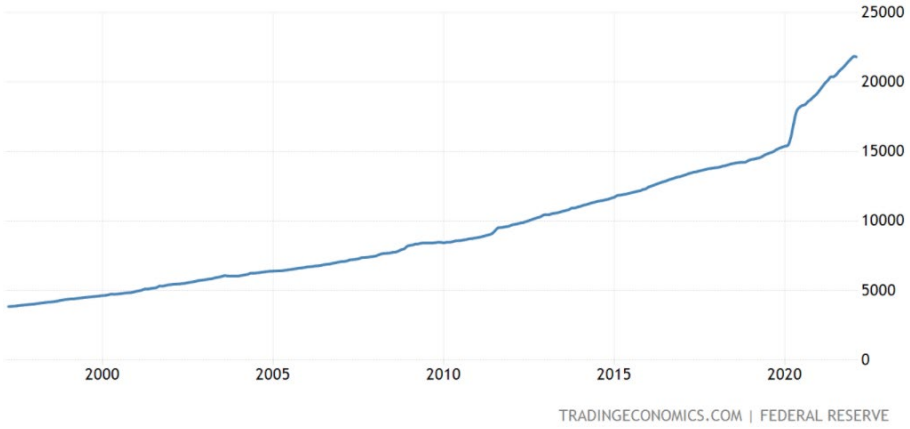
Vacancy rates are virtually non-existent, as is the case for major communities in Southeast Alaska.

Near Term Market Outlook (Forecast Conditions)

The outlook over the next few years would be low vacancy rates and slowly increasing rental rates and property values.

Inflationary Trends

Construction cost inflation results from two primary sources: short-term supply chain disruptions due to COVID-19 and mid-to-longer-term inflation resulting from a combination of government spending levels and Federal Reserve monetary policy. Due to COVID-19 a shortage of labor and subcontractors is reported, which has led to increases in sub costs and delays in project delivery. The US M2 Money Supply is critical in understanding and forecasting inflation and interest rates in the U.S. and is shown on the following table.



Since 2004, the money supply has gone up nearly 500%. As shown, however, it sharply increased during COVID-19 and increased from $15,000 billion to nearly $22,000 billion in roughly two years. Most market participants, including the Federal Reserve itself, are now anticipating a period of inflation and higher interest rates to combat it.

Regardless of the causes, inflation has had a significant influence on replacement costs and general contractors and subcontractors are carefully factoring in anticipated cost increases into their bids. Due to market inefficiencies, it is not possible to say for certain what recent construction specific inflation trends have been, but it has been reported by market participants that projects have experienced increasing costs ranging from as little as 10% to as much as 50%.

Inflation trends will increase the competitive position of existing product, reduce the feasibility of new construction and, to the extent that they impact interest rates, make borrowing more expensive. Given that much of the private real estate market is leveraged, it may become more difficult to obtain new loans and, given unchanged equity returns, result in downward pressure on asset prices. As to the degree to which interest rates increase and whether other factors will offset their influence remains to be seen but market participants are watching the issue closely.

COVID-19

Transaction Data

Below, properties are ranked from least to most affected by COVID-19:

- Medical-Related Facilities
- Distribution Warehouse
- Industrial
- Office
- Multifamily
- Retail
- Public Gathering Places (Universities, Churches, etc.)
- Lodging

- Retail - Restaurant
- Retail - Tourist / Cruise Ship Dependent

Property types least impacted by COVID-19 have continued to transact throughout the pandemic at prices similar to pre-pandemic levels. For those property types that are most impacted, there is limited transaction data available at this time that reflects the impact of the COVID-19. Local market participants report that a relatively small number of sales and new leases were finalized during the worst part of the virus situation in Alaska, but these were generally deals that were initiated prior to the virus taking hold. A number of other deals that were in progress when the state closure began were temporarily put-on hold as participants took a "wait and see" approach, but as the state has reopened most of these deals have begun moving again (or have already completed). The general consensus is that the pricing and terms of these latter deals did not change materially as a result of the virus or temporarily lower oil prices. For example, of a price change, however, a local hotel sale known to have closed this year was adjusted down by approximately 3% in recognition of the COVID situation, although at that point the pandemic had only been going a few months.

On a national level, a recent CoStar article (*Commercial Property Prices Hold Steady Amid Slower Trading*) reported that their U.S. Composite Index, which reflects secondary and smaller markets, was down 1.8% from its April peak. However, the article also acknowledged that transaction volume remains depressed, and it is widely agreed that most sellers are better off waiting for the market to improve rather than selling today – provided they are not in a distressed or unusually motivated situation.

Limited transactional activity – particularly for certain property types and asset classes – is anticipated to continue for the time being, which can complicate the appraisal problem and require the use of a combination of other appraisal techniques and data sources. Speaking broadly, property owners in the softest segments are not selling at this time unless under duress (as they are instead waiting until the market recovers), while those in the stronger segments remain willing to sell but typically not at a discount.

Interviews with Market Participants

The views of market participants are widely divergent, and no broad consensus can be extracted with respect to changes in market value. However, reading between the lines, some more narrow areas of consensus can be established. For leased credit assets, the market participants report that the impacts may range from no impact to a discount of up to 10%, with the most common responses indicating a value discount between 0% and 3-5%. For most type of fee simple assets, while there are widely divergent perspectives on the degree, in the short-term (meaning currently and for the next three to six months) downward pressure on market values are implied followed by a longer-term (meaning within the marketing time) recovery and stabilization. In general, market participants tend to indicate that medical office, multifamily and industrial will be the least impacted and retail (in particular cruise ship dependent retail), restaurant and lodging will be the

most impacted.

Influence of Inflation

While there is disagreement as to the severity, as the result of the significant COVID-19 related stimulus, market participants are anticipating increased inflationary pressures moving forward. At the same time, treasury yields remain very low and do not yet fully reflect inflationary pressures. In combination, this in turn, has increased demand for tangible assets, including real estate. Thus, for certain asset classes, post peak COVID-19 demand for real estate has arguably increased.

Subject's Competitive Position

Competitive Strengths / Downward Risk Influences

- Limited medical facilities in Wrangell
- Interest rates remain near all-time lows.
- Likelihood of new remodeling entitlements
- Building shell
- Utility services
- There are limited other property specific downward influences on risk.

Competitive Weaknesses / Upward Risk Influences

- COVID-19 continues to add uncertainty to the market.
- Limited financially capable buyers in the market
- Absorption uncertainty
- Presence of asbestos containing materials and lead based paint
- There are limited other property specific upward influences on risk.

Application to Subject

The subject is unencumbered by tenants and current market conditions have a direct impact on the property. Overall, current market conditions have a neutral influence on the market value of the subject.

Description of Site

Wrangell Medical Center

Name Wrangell Medical Center

Address 310 Bennett St.
Wrangell, AK 99929

Geo Coordinates Latitude: 56.471796, Longitude: -132.375866

Physical Location The subject is located on the easterly side of Bennett St, between First Ave and Reid St.

Assessor's Tax Parcel Number(s)[9] 02-131-351

Abbreviated Legal Description *Lot A, Block 54, WMC Replat, Plat 2018-6, Wrangell Townsite Survey.* (Per Department of Natural Resources Records)

Gross Site Area

Summary of Site Area				
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)
02-031-351	1.95	84,988	1.95	84,988

SOURCE Tax Assessor Records

Upon review of the site's physical and economic characteristics, there do not appear to be any factors that would reduce the usable area. Nonetheless, a survey of the site indicating usable area was not provided to the appraiser. The market value of this report assumes that all of the site's gross land area is usable. In the event that a portion of the site were found to be un-usable, the market value of the subject could be less than the current estimate.

Excess Land / Surplus Land

A review of the subject's land-to-building ratio and comparison with typical market parameters suggests the subject does not have excess or surplus land. Therefore, after careful consideration, the subject is concluded to not include any excess land.

Shape The subject has a flag-shaped configuration.

Street Frontage The subject has approximately 350' of frontage on Bennett St and 243' of

[9] Per Tax Assessor Records.

frontage on First Ave and Reid St.

Access Access to and from the subject is considered good relative to competing properties.

Exposure Exposure of the subject is considered good relative to competing properties.

Topography The subject has generally level topography and is at grade with surrounding properties.

Soil Conditions Soils conditions in the subject's market are not uniform and can vary widely from one site to another. No soils report was provided, however, the subject has been improved with a parking lot and building improvements for a number of years and there are no visible signs of settling. It is an ordinary assumption of this report that the soil conditions are sufficient quality to support the existing improvements including parking lot .

Wetlands No surface water was noted during the walk-through and the subject does not appear to contain any wetlands.

Drainage / Hydrology The adequacy of site drainage requires detailed information on rainfall, soil conditions, topography and wetlands and can only be fully ascertained by a professional engineer that specializes on hydrology. A hydrology study was not available to the appraiser. In absence of a formal hydrology study, the adequacy of drainage can only be ascertained by site observation over an extended period of time. For this reason, many drainage issues are not identified until the time of actual development. Drainage issues will also most commonly manifest during peak spring break up, when the combination of new moisture and snow melt maximize runoff. Absence of storm drain systems, low lying locations that are below grade the presence of water bodies and highways increase the risk of drainage issues. Any statement with respect to the adequacy of drainage is based on the perspective of a "typical" market participant and is not a formal conclusion that hydrology issues are not present, rather that they would not be apparent to a typical market participant. No obvious drainage issues were apparent during the site visit and no significant standing bodies of water were present. Given the previously described physical characteristics, a typical market participant with typical levels of market knowledge and expertise would most probably conclude that site drainage is typical of the market and adequate.

Hazardous Conditions A complete environmental site assessment was not available to the appraiser. There are no known or disclosed environmental issues, or hazardous conditions, impacting the subject. The detection of hazardous materials or conditions is beyond the scope of expertise and competency of an appraiser, however, and it is recommended that any concerns relating to hazardous conditions be addressed by a qualified environmental specialist. Furthermore, it is an assumption of this report that there are no hazardous conditions present at the subject.

Flood Zone

The Flood Emergency Management Agency or FEMA has prepared flood insurance rate maps for various communities in the State. According to the flood insurance map, community panel number 0200980008B, issued by the Federal Emergency Management Agency and last updated June 15, 1982, the subject is located within zone "C", described as follows:

ZONE C / X (UNSHADED)

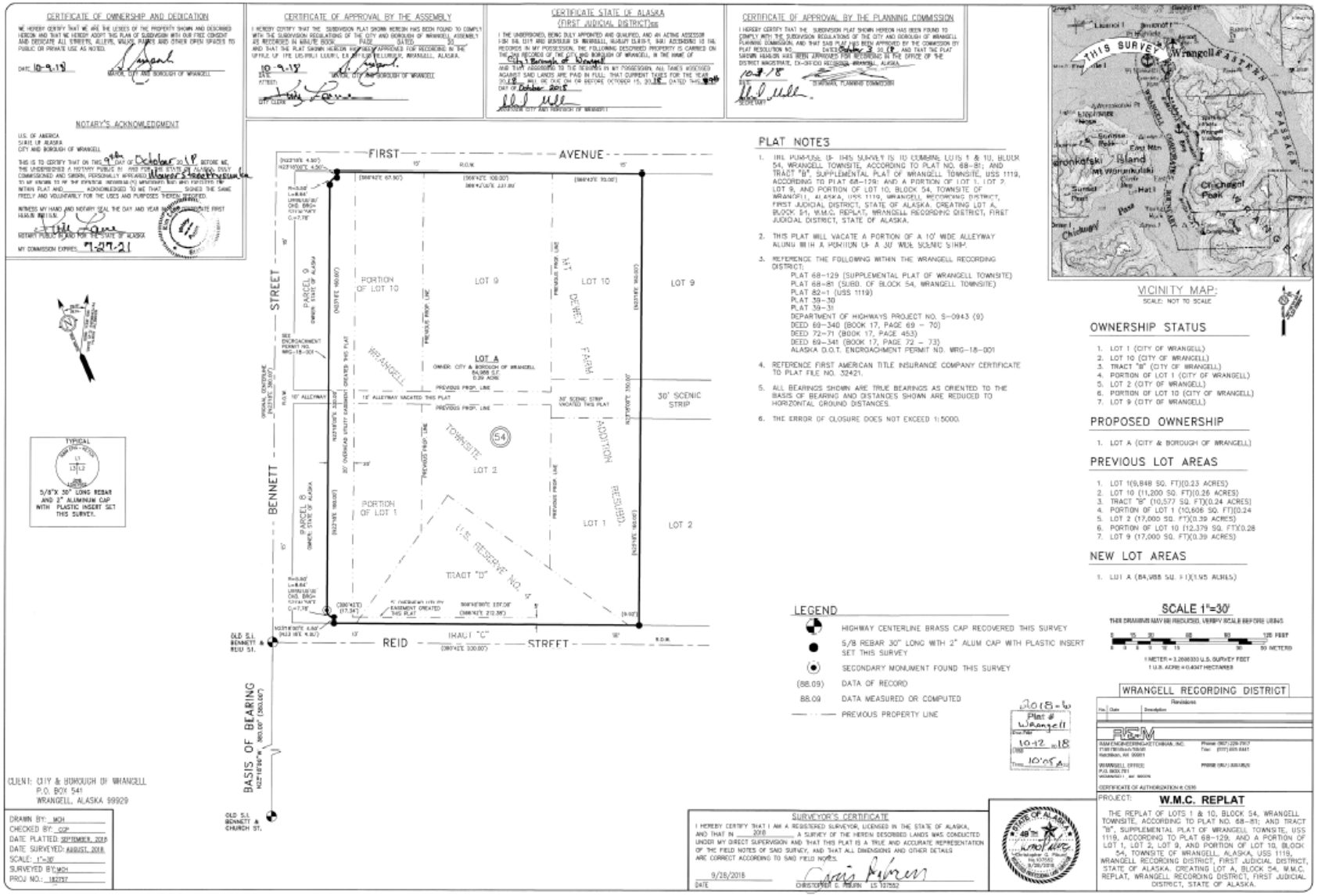
Minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)

Utilities

The subject is improved and all available utilities are present at the site.

Aerial Photograph Exhibit

Plat Map Exhibit



Zoning

OS, Open Space/Public

OPEN SPACE/PUBLIC WRANGELL

Intent: The open space/public (OS) district is intended to provide for areas containing public facilities, existing and potential public recreation sites, areas subject to natural hazards, public watersheds and areas of critical wildlife habitat. The purpose of this district is to protect public safety, health and welfare, and to maintain the integrity of significant cultural, natural and recreational resources and provide for public uses consistent with the policies of the coastal management program.

Permitted Uses: Quarries, mineral extraction and processing; Airport related businesses, restaurants and support services; Aviation-related repair services; Aircraft hangars; Commercial airlines terminals; Air freight storage facilities; Hospital and medical service facilities; Schools; Docks, piers, seawalls and shoreline protection devices; Recreational facilities and sites; Recreational vehicle parks; Warehouses; Uses and structures which are customarily accessory and subordinate to the above uses; Animal establishments; Municipal facilities; Communication infrastructure.

The subject's zoning is not unduly restrictive, permits a wide variety of uses that are consistent with its highest and best use as vacant, and does not appear to materially limit the economic potential or functional utility of the property.

Easements, Covenants, Encroachments & Restrictions

A title report was not provided for the appraiser's review. Normal easements along property boundaries for streets or utilities are assumed. It is understood that there are no legal restrictions that would adversely affect use or marketability of the property. Title and land use, however are legal issues and an attorney should be consulted relating to questions on these matters. It is an assumption of this report that there are no restrictions that would adversely affect use or marketability of the property

Functional Utility

There are no known physical or economic characteristics that limit the site's development potential and level of functional utility. The subject is generally physically and economically similar to other sites within the market segment that it competes. Overall, the site is concluded to provide good functional utility.

Description of Improvements

Introduction

Building Occupancy/ Use

The property is a 22-bed critical access hospital and long-term care facility that was originally constructed in 1967. There have been subsequent additions and remodeling over the years. The facility is currently closed and will likely remain closed until remodeling or demolition takes place.

Building Area

SUMMARY OF AREA STATISTICS	
	(Sq Ft)
Gross Building Area (GBA) (1)	30,596
Finished Interior Space (office, retail)	100%
Site Area	84,988
Site Coverage	18%
Land to Building Ratio	2.78

(1) Source: Condition Survey by Design Southeast, May 1, 2018

No rentable or usable area figures were available to the appraiser, which is not unusual for properties of this type in similar locations. Of note, usable and rentable areas are essentially equal in cases of single-tenant buildings. Moreover, participants in smaller, less sophisticated markets such as this tend to use terms such as gross building area and rentable are somewhat interchangeably. While the definitions of these two terms are technically different, in practice the area figures would be within 5% of one anotherin most cases.

FAR (Floor Area Ratio)

0.36

Wrangell Medical Center

Building Overview

This is a 22-bed hospital with acute care and long-term care capability, including an emergency room, physical therapy area, administrative office, and support spaces. Details of the improvements' construction are located in the addenda.

Condition

Below average condition, based on the *Wrangell Medical Center Building Condition Survey Structural, Building Envelope and Interior Finishes* performed by Design Southeast as of May 1, 2018. This Condition Survey is contained in the report addenda.

Quality

Good construction quality, based on a review of competitive properties within the subject's market segment.

Age Characteristics

YEAR BUILT 1967

YEAR RENOVATED The building has been renovated at various times over the years.

ACTUAL AGE 55 years

EFFECTIVE AGE The effective age of a property can be less than or more than its actual age, depending on renovations, upgrades, and the level of capital reinvestment. Based on the appraiser's walk-through of the subject, construction type, quality, current condition and economic performance, the effective age of the subject is estimated at approximately 50 years.

ECONOMIC LIFE Marshall Valuation Service indicates properties similar to the subject's construction type and quality have economic lives between 45 and 50 years. In practice, with ongoing capital expenditures and reinvestment the economic life of a building can be extended well beyond the indicated range. Within the Alaska market, the economic lives of improvements have typically been between 50 and 100 years. After careful consideration, an economic life of 50 years has been estimated.

REMAINING ECONOMIC LIFE Based on the subject's estimated effective age and economic life, the remaining economic life is estimated at 0 years.

Floors / Stories

2 stories.

Layout

The main, covered drop-off entrance is located at the southwest corner of the building, while the emergency room entrance is located near the northeast corner. The upper level is divided into a 22-bed hospital (14 acute care and 8 long-term care use) with emergency room area and surgery unit, as well as the requisite support spaces such as administrative/office, exam rooms, sterilization, janitorial, reception, and nursing stations. The lower level has space for medical records, conference, laundry, and additional offices. The design is fairly typical of such uses throughout Alaska. Overall, the subject has an efficient design that provides good functional utility for the intended use.

Structural Systems

The following is based on the appraiser's walk-through, information provided by the owner, and information contained within the public record. The appraiser is not an engineer and building plans, an architect or engineer should be consulted for additional detail on structural systems.

FOUNDATION Poured concrete slab and footings

STRUCTURAL SYSTEM Wood frame (predominantly)

ROOF / DRAINAGE Gable roof. Metal covering.

The roof is reported to be in poor condition.

EXTERIOR FINISH EIFS

Mechanical Systems The appraiser is not qualified to make a determination on the condition or functionality of mechanical systems. It is understood that the current mechanical systems are in poor working order.

HEATING Full HVAC

COOLING Full HVAC

PLUMBING There is an appropriate amount of plumbing, commensurate with the building's intended use. This includes sinks in exam rooms, restrooms, and a break area with kitchen, among other things.

ELECTRICAL & WIRING Three-phase

Electrical is assumed to be to code and typical for the subject's property type, age and market classification / segment.

ELEVATORS 1

LIFE / SAFETY SYSTEMS The building is sprinklered. Fire alarms and extinguishers, as applicable, are assumed to meet current fire safety codes.

Ceiling / Clear Height Approximately 9'-10'

Interior Finish The interior finish is typical of competitive properties within the market segment that the subject competes. Overall, the interior finish is good quality in average to worn condition. Please refer to the subject photographs presented in a following section for additional detail on the interior finish.

General Property Characteristics

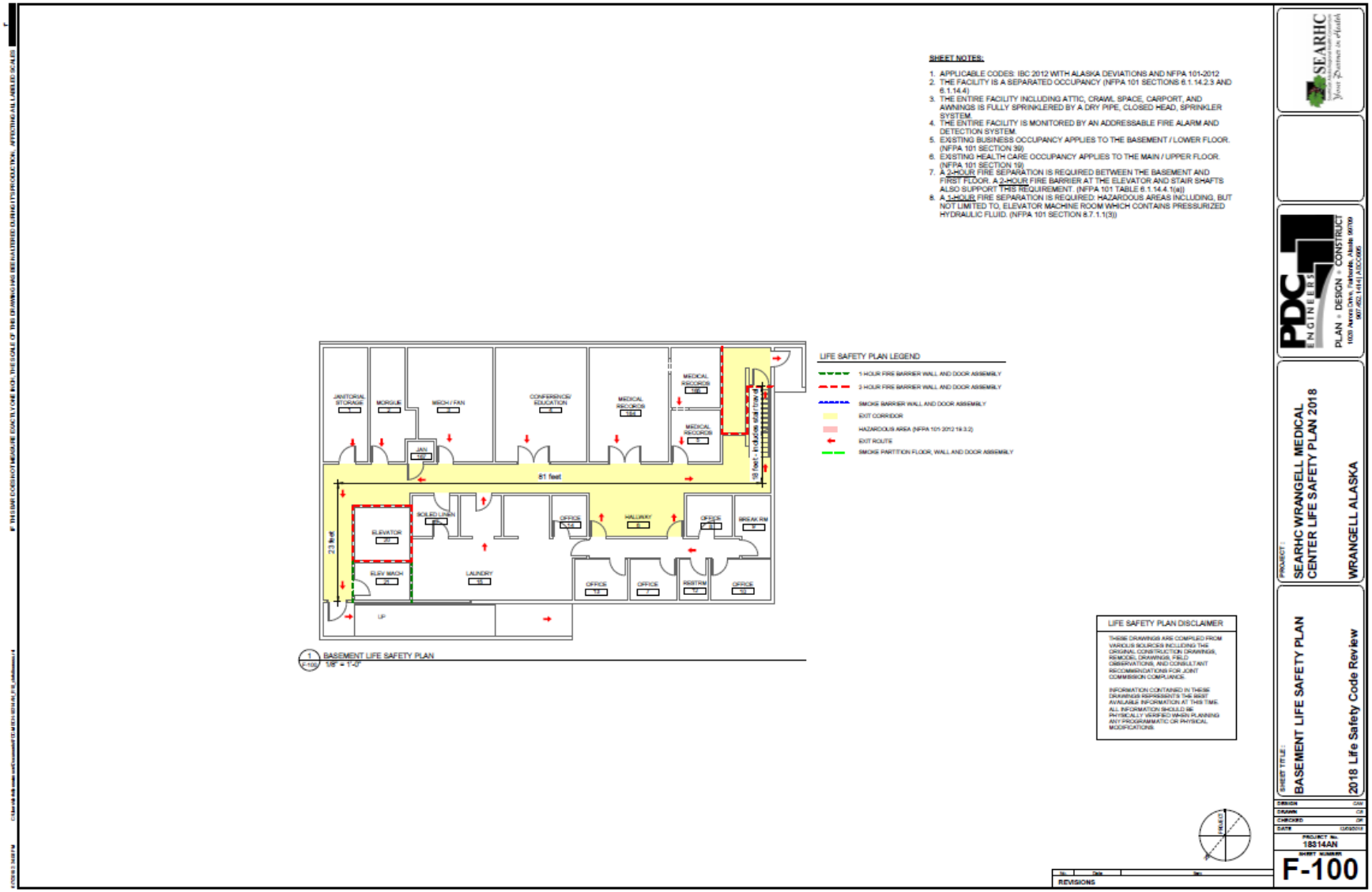
ADA Compliance A specific survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the Americans with Disabilities Act (ADA) has not been conducted. The market value estimate assumes the property is in ADA compliance, if applicable.

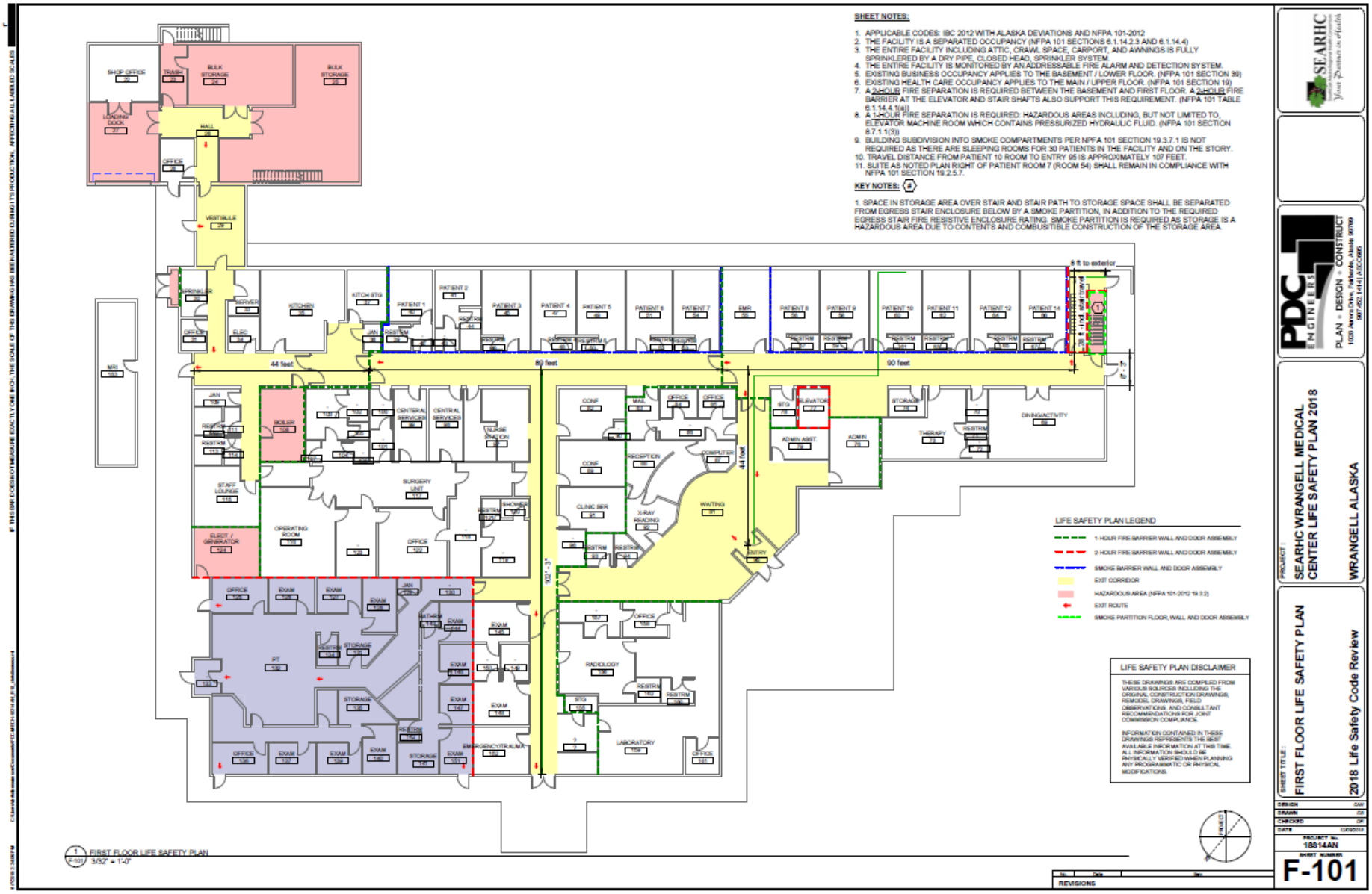
Deferred Maintenance The detection of deferred maintenance in structural, roof, electrical, plumbing and other mechanical systems is beyond the scope of expertise of the appraiser.

Please refer to the Condition Survey contained in the report addenda for further information regarding deferred maintenance.

Landscaping, Surface Covering & Lighting	Minimal landscaping along building and site perimeters. Parking surface covering is asphalt. Exterior lighting is typical for a property of this type.
Parking	Overall, the subject appears to have adequate parking to meet any applicable code requirements, and it is considered comparable to other properties within its market segment.
Functional Utility	The roof, mechanical, electrical, and HVAC systems have reached the end of their useful lives. Overall, the improvements are concluded to provide poor functional utility for the intended use.

Building Drawings / Floorplan Exhibit




SHEET NOTES:
1. APPLICABLE CODES: IBC 2012 WITH ALASKA DEVIATIONS AND NFPA 101-2012
2. THE FACILITY IS A SEPARATED OCCUPANCY (NFPA 101 SECTIONS 6.1.14.2.3 AND 6.1.14.4)
3. THE ENTIRE FACILITY INCLUDING ATTIC, CRAWL SPACE, CARPORT, AND AWNINGS IS FULLY SPRINKLERED BY A DRY PIPE, CLOSED HEAD, SPRINKLER SYSTEM.
4. THE ENTIRE FACILITY IS MONITORED BY AN ADDRESSABLE FIRE ALARM AND DETECTION SYSTEM.
5. EXISTING BUSINESS OCCUPANCY APPLIES TO THE BASEMENT / LOWER FLOOR. (NFPA 101 SECTION 39)
6. EXISTING HEALTH CARE OCCUPANCY APPLIES TO THE MAIN / UPPER FLOOR. (NFPA 101 SECTION 19)
7. A 2-HOUR FIRE SEPARATION IS REQUIRED BETWEEN THE BASEMENT AND FIRST FLOOR. A 2-HOUR FIRE BARRIER AT THE ELEVATOR AND STAIR SHAFTS ALSO SUPPORT THIS REQUIREMENT. (NFPA 101 TABLE 6.1.14.4.1(a))
8. A 1-HOUR FIRE SEPARATION IS REQUIRED: HAZARDOUS AREAS INCLUDING, BUT NOT LIMITED TO, ELEVATOR MACHINE ROOM WHICH CONTAINS PRESSURIZED HYDRAULIC FLUID. (NFPA 101 SECTION 8.7.1.1(3))
9. BUILDING SUBDIVISION INTO SMOKE COMPARTMENTS PER NPFA 101 SECTION 19.3.7.1 IS NOT REQUIRED AS THERE ARE SLEEPING ROOMS FOR 30 PATIENTS IN THE FACILITY AND ON THE STORY.
10. TRAVEL DISTANCE FROM PATIENT 10 ROOM TO ENTRY 95 IS APPROXIMATELY 107 FEET.
11. SUITE AS NOTED PLAN RIGHT OF PATIENT ROOM 7 (ROOM 54) SHALL REMAIN IN COMPLIANCE WITH NFPA 101 SECTION 19.2.5.7.
KEY NOTES:
1. SPACE IN STORAGE AREA OVER STAIR AND STAIR PATH TO STORAGE SPACE SHALL BE SEPARATED FROM EGRESS STAIR ENCLOSURE BELOW BY A SMOKE PARTITION, IN ADDITION TO THE REQUIRED EGRESS STAIR FIRE RESISTIVE ENCLOSURE RATING. SMOKE PARTITION IS REQUIRED AS STORAGE IS A HAZARDOUS AREA DUE TO CONTENTS AND COMBUSITIBLE CONSTRUCTION OF THE STORAGE AREA.
LIFE SAFETY PLAN LEGEND
1-HOUR FIRE BARRIER WALL AND DOOR ASSEMBLY
2-HOUR FIRE BARRIER WALL AND DOOR ASSEMBLY
SMOKE BARRIER WALL AND DOOR ASSEMBLY
EXIT CORRIDOR
HAZARDOUS AREA (NFPA 101-2012 19.3.2)
EXIT ROUTE
SMOKE PARTITION FLOOR, WALL AND DOOR ASSEMBLY
LIFE SAFETY PLAN DISCLAIMER
THESE DRAWINGS ARE COMPILED FROM VARIOUS SOURCES INCLUDING THE ORIGINAL CONSTRUCTION DRAWINGS, REMODEL DRAWINGS, FIELD OBSERVATIONS AND CONSULTANT RECOMMENDATIONS FOR JOINT COMMISSION COMPLIANCE.
INFORMATION CONTAINED IN THESE DRAWINGS REPRESENTS THE BEST AVAILABLE INFORMATION AT THIS TIME. ALL INFORMATION SHOULD BE PHYSICALLY VERIFIED WHEN PLANNING ANY PROGRAMMATIC OR PHYSICAL MODIFICATIONS.
1 FIRST FLOOR LIFE SAFETY PLAN
3/32" = 1'-0"
SEARHC
PDC ENGINEERS
PLAN • DESIGN • CONSTRUCT
PROJECT:
SEARHC WRANGELL MEDICAL CENTER LIFE SAFETY PLAN 2018
WRANGELL ALASKA
SHEET TITLE:
FIRST FLOOR LIFE SAFETY PLAN
2018 Life Safety Code Review
PROJECT No.
18314AN
SHEET NUMBER
F-101
REVISIONS

Property Assessment & Taxes

Summary of Property Assessment & Taxes

Real Property

Properties located within the subject's market are assessed by the assessor every year. By statute, each property must be assessed at 100% of market value. The millage rate (on which property taxes are based) is determined annually based on spending and assessment levels. Millage rates vary constantly and are influenced by state law and services provided in each individual district. The assessed value of all properties located within a district is divided by a particular year's budget requirements to arrive at a millage rate. Thus, actual spending determines the amount of tax, and assessment allocates the tax among property owners. Therefore, an increase or decrease in total assessment will not, by itself, result in a change in the total property tax collected.

The property's current assessment and taxes are shown on the table that follows. It should be noted that the property is currently exempt from assessment and taxation as a government-owned facility. When/if the property transfers to private ownership, it is assumed it will be assessed and taxed commensurate with other properties in the City and Borough of Wrangell.

Property Assessment & Tax Summary Exhibit

MOST RECENT PROPERTY ASSESSMENT & TAXES

	Assessment				
Tax Parcel Number	**Land**	**Improvements**	**Total**	**Mill Rate**	**Taxes**
Year					**2021**
02-131-351	$170,000	$0	$170,000	1.275%	$2,168
Type / Source	*Actual*	*Actual*	*Actual*	*Calculated*	*Actual*

Subject Photographs

Subject property viewing east from Bennett Street

Front and side elevations

Rear and side elevations

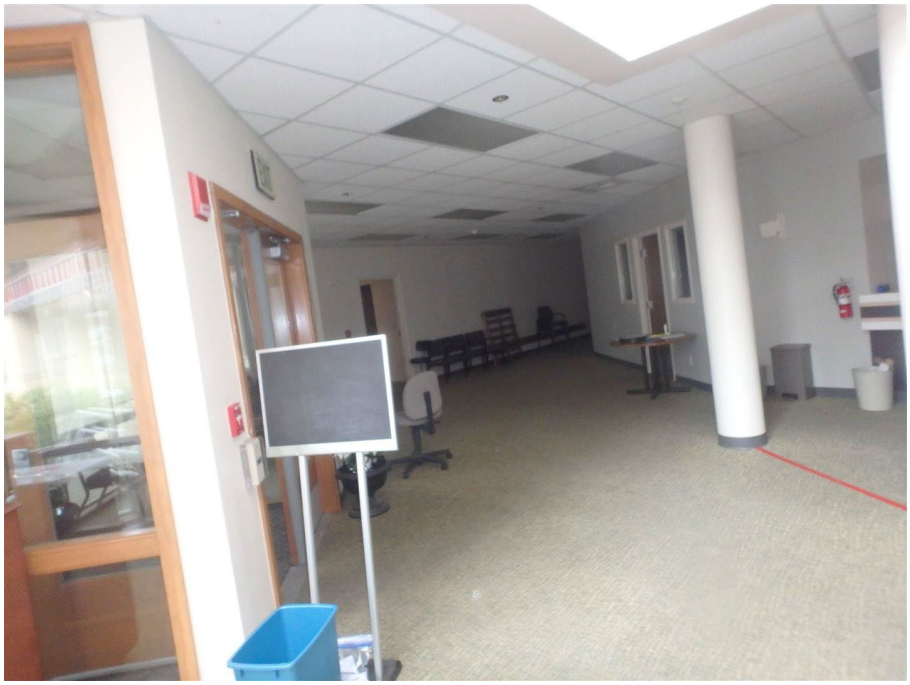
Rear elevation

Parking area

Entry

Interior view

Interior view

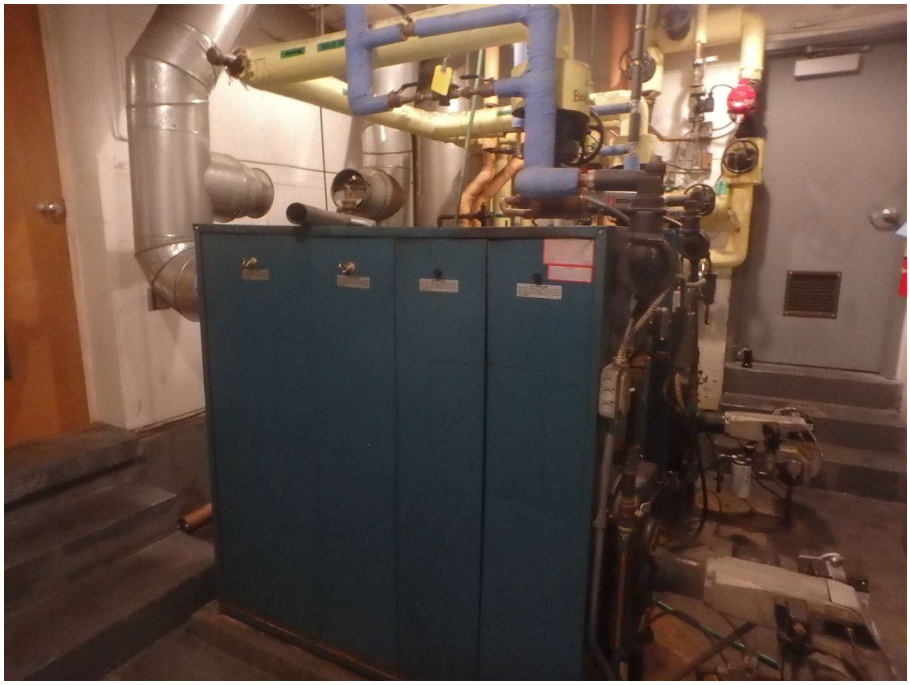


Interior view

Interior view

Interior view

Boiler room



Storage area

Interior view

Elevator

Generator

Interior view

Bennett St viewing east

Bennett St viewing west

Highest & Best Use

Definition & Methodology

"Highest & Best Use" is defined as:

> *"The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."*[10]

Scope of Highest & Best Use

A specific determination of highest and best use would require specific cost estimates, which were not available to the appraiser, and is beyond the scope of this assignment. Unless otherwise indicated, the highest and best use as vacant analysis should not be construed as a feasibility study, which is beyond the scope of the current assignment. Rather, the analysis is meant to provide a general indication of highest and best use based on a qualitative review of the available evidence. Furthermore, unless otherwise indicated, the assignment is not a feasibility study of potential conversion or renovation of the property and continued use "as is" or "as proposed" is implicit in the current value estimate.

As Vacant

Legally Permissible

Private restrictions, zoning, building codes, historic district controls and environmental regulations determine those uses legally permissible on a site. No private restrictions or historical district controls encumber the subject site. In addition, there are no known environmental regulations that inhibit development of the site.

Physically Possible

Size, shape, area, terrain, accessibility and availability of utilities affect the uses under which a property can be developed.

Financially Feasible

Feasibility is indicated by construction trends in the vicinity and current market conditions. All uses that are expected to produce a positive return are regarded as financially feasible.

Maximally Productive

When development options are available, a determination must be made as to which feasible use is the maximally profitable use.

Within this market, the presence of developer's margin is highly specific to the individual project. That said, there are no obvious, identified uses that would attain a market developer's margin at this time. There has been very limited new construction in the local market in recent years. The new construction that has occurred sporadically has been undertaken by owner-users whose needs were not met by the existing inventory and who were thus

[10] Source: The Dictionary of Real Estate Appraisal, 7th Edition. Chicago: Appraisal Institute, 2022.

forced to build, irrespective of financial feasibility. Based on a review of the subject's zoning, land use trends, neighborhood characteristics and trends, shape, size, functional utility as well as market vacancy rates, rental rates and other factors, the subject's highest and best use as vacant may include holding for future development or immediate development as medical-office, healthcare facility, or other unidentified use that provides the highest return to the underlying land once feasibility has been ascertained.

As Improved

Demolition For older improvements near the end of their economic life, demolition and replacement of the existing improvements with an alternative use may be the highest and best use of a site as improved.

Conversion Conversion involves a change from one use to another.

Renovation Renovation involves a continuation of the existing use with upgrades or changes to exterior and interior finishes or improvements to functional utility.

Addition If sufficient land area and parking is available, addition is a possible alternative for an improved property.

As Is Continued use of a property in its current "as is" condition, without major changes, is a possible alternative for an improved property.

Maximally Productive The existing improvements provide poor functional utility. After careful consideration, the maximally productive use of the subject as improved is remodeling of the existing improvements to permit medical related use.

Probable Buyer

The subject is currently owner-occupied and would be available for owner-occupancy by a theoretical buyer. Similar properties within the subject's market are typically owner-occupied and it is likely that an owner-user would pay the highest price for the subject. Therefore, the most probable buyer is an owner-user.

Land Valuation

Introduction

Methodology

Land is customarily valued as though unimproved and available for development to the use, which would justify the highest price and the greatest net return. Sales of unimproved land most similar to the subject are investigated and the most appropriate transactions are analyzed. The land value estimate traditionally reflects the fee simple value of raw land with good soils, available access, available utilities, minimal site work completed, generally level and at grade, with no site improvements (paving, landscaping, lighting, fencing, etc.).

Units of Comparison

Units of comparison, components into which properties may be divided for purposes of comparison, are derived from comparable sales data. Brokers, developers and other market participants indicated a common unit of comparison for properties in this market is the price per land unit.

Comparable Data

Sources of Data

The following transactions were obtained from various sources including web sites (Alaska Multiple Listing Service, Loopnet and Craigslist), brokers, assessors, appraisers, other individuals and most notably the Reliant, LLC internal database.

Availability of Data

The availability of comparable data is a function of the subject's location, property type, property size, market size and market activity. There are a limited number of properties with similar physical and economic characteristics to the subject, and these are traded infrequently. Therefore, market research identified limited transactions involving properties that are directly similar to the subject, and all of the comparables required substantial upward or downward adjustment. Nonetheless, the comparable transactions bracket the subject physically and economically, and after adjustment (indicating the lower and upper value indications) provide a reasonable basis for estimating market value.

Presentation of Data

The most relevant data for these transactions is presented on the following summary table. The following map highlights the location of the comparables relative to the subject. Photographs and relevant discussion on each comparable are also presented. Detailed sheets containing additional documentation on the physical and economic characteristics of the transactions are presented in the Addenda.

Summary of Comparable Land Sales Exhibit

No.	Name	Usable Land SF	Utilities		Current Use	Access / Exposure	Shape	Date	Actual Price	Price
	Legal Description	**Acres**		**Zoning**			**Topography**	**Transaction Type**		
L-1	Trident Land - 9107	17,258	All Utilities		Industrial	Average	Irregular	Jun-17	$138,000	$138,000
	Lot 4BB-2, WSI Subdivision II, Plat 2003-9	0.40		I			Level	Closed Sale		$8.00 /SF
L-2	Breuger St Land - 9106	2,867	All Utilities		Vacant	Average	Irregular	Dec-17	$27,500	$27,500
	0	0.07		C			Level	Closed Sale		$9.59 /SF
L-3	NWC 3rd Ave & Bennett - 3812	7,222	Electric, Public		Vacant / Carwash	Average / Good	Rectangular	Jul-20	$85,000	$50,000
	Lot 5, Block 59B, Industrial Subd Plat 85-8, Wrangell	0.17	Water, Sewer	I, Industrial			Generally Level	Closed Sale		$6.92 /SF
L-4	Lot 5, Industrial Subd - 10772	7,222	All Utilities		Vacant	Good	Rectangular	Jul-20	$70,000	$37,300
	Lot 5, Block 59-D, Industrial Subdivision, Plat 85-8	0.17		I			Level	Closed Sale		$5.16 /SF
L-5	Lot 8A, Massin/Industrial Replat - 10773	18,345	All Utilities		Industrial	Average	Irregular	Apr-21	$195,000	$86,800
	Lot 8A, Block 59B, Plat 2018-5	0.42		I			Level	Closed Sale		$4.73 /SF
L-6	Lot 4A, Massin/Industrial Subd - 10774	5,273	All Utilities		Industrial	Average	Rectangular	Sep-21	$56,500	$23,800
	Lot 4A, Block 59B, Massin/Industrial Subdivision, Plat	0.12		I			Level	Closed Sale		$4.51 /SF
Subj.	Wrangell Medical Center	84,988	All Utilities	Average	Commercial	Good / Good	Flag Shaped	Appraisal	- - -	$470,000
	Lot A, Block 54, WMC Replat, Plat 2018-6, Wrangell	1.95		OS, Open Space/Public			Level			$5.53 /SF

(1) "Price" shown for analysis purposes may reflect adjustments for conditions of sale, soil conditions, utility extensions or other items. Please refer to the individual comparable's comments.

Map of Comparable Land Sales Exhibit

Description of Data

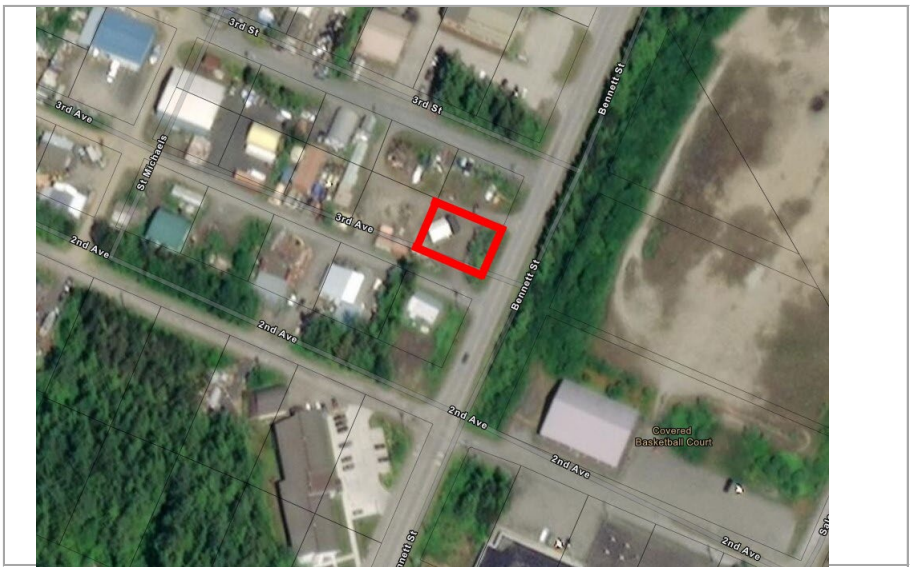
Sale No. L-1

This property was purchased by the lessee from the City of Wrangell. The site is improved with a belt freezer plant and the gross sales price was $950,000. The allocation to the land was $138,000. The property is located a half block off Shakes Street and is accessed via an easement. The site has some frontage on Wrangell Harbor.

Sale No. L-2

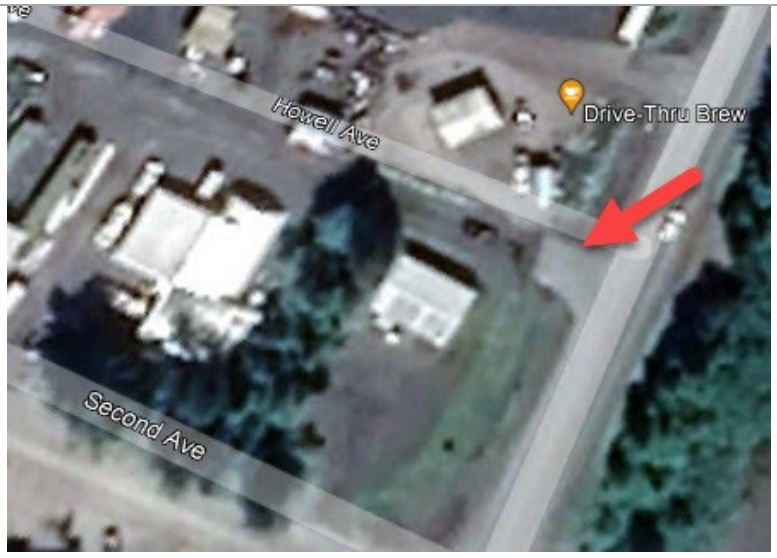
This is a lease of a commercial site that was valued at $27,500 by appraisal. The site is a corner lot located one block off Front Street.

Sale No. L-3



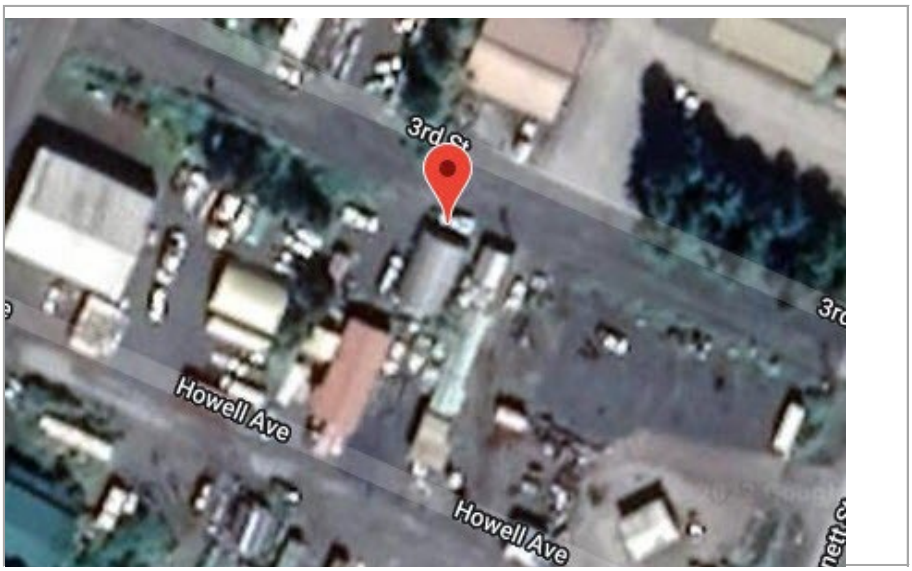
This is the sale of a small industrial/commercial lot along Bennett St, on the way to the airport. The lot has good soils and all public utilities. Although improved with older asphalt and a non-operational 720 sq ft car wash structure, the parcel was marketed as vacant land, listed in March 2019. The buyer thought the carwash could be reused - either as a conversion to a coffee shop or as a carwash with a coffee shop drive through kiosk elsewhere on the site. The structure and asphalt paving improvements have been allocated $35,000 of the $85,000 sale price.

Sale No. L-4



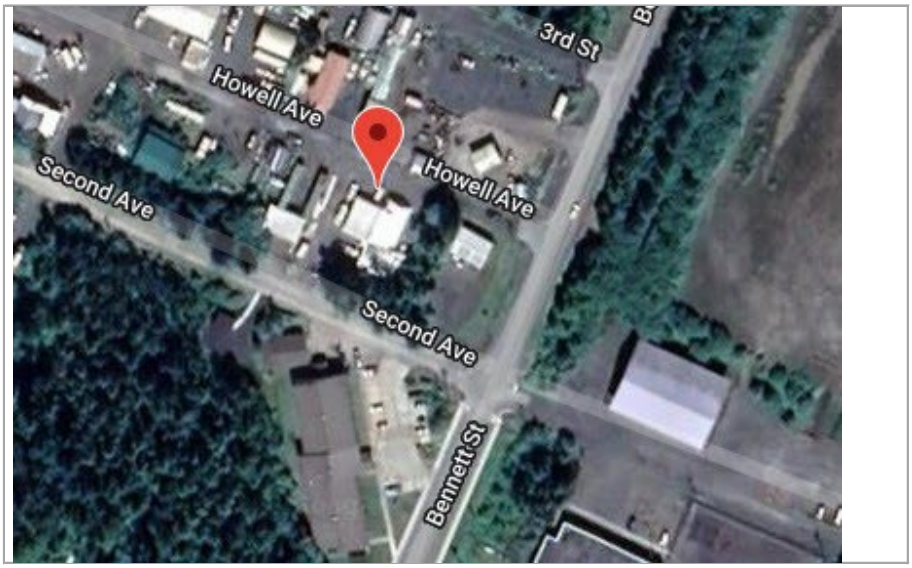
This is an industrial lot located between downtown Wrangell and the airport. The lot has asphalt surfacing. The sales price was adjusted downward by $32,700 to account for the contribution value of the improvements.

Sale No. L-5



This is an industrial lot located between downtown Wrangell and the airport. The site is located on a spur road. Improvements on the site consist of a quonset hut, modular office building, and nine storage units.

Sale No. L-6



This is an industrial lot located between downtown Wrangell and the airport. The site is located on a secondary street. The site is improved with an industrial building that contributed $32,700.

Overview of Adjustments

Nature of Adjustments

Adjustments to the comparables are necessary to reflect advantages and disadvantages relative to the subject. Ideally, quantitative adjustments are determined through paired sale analysis or other definitive data. However, when quantitative adjustments cannot be reliably ascertained - as is typically

the case in Alaskan markets due to data limitations – qualitative adjustments may be applied through a weighted analysis of each comparable based on its relative merits. These adjustments may be supported by available market data, discussions with local market participants, and/or supplementary information contained within the appraiser's files.

Note that qualitative adjustments – based on the above as well as on appraiser judgment - are applied on a numeric (percentage) basis in this appraisal. Ultimately, the adjustment grid presented further in this chapter is not intended to imply that all of the adjustments were performed on a strictly quantitative basis. Rather, the adjustment grid is presented to more precisely communicate the appraiser's opinion on the direction and degree of adjustment required to a given comparable. Moreover, it should be recognized that the elements of comparison shown in the adjustment grid are those considered most significant and relevant. While they help explain the appraiser's reasoning and support for the reconciled value estimate, they are not the only elements of comparison considered. Other differences where adjustments have not been made explicitly are not deemed material and are therefore implicitly considered in the appraiser's analysis of the comparables and the reconciled value estimate. Finally, certain adjustments to the transaction prices may have already been made and reflected in the initial "Analysis Prices" shown in the table, as described in the preceding comments for the individual comparables.

Usable Land Area

Non-usable areas due to topography, wetlands, overhead utilities or other issues are subtracted from gross site area.

Property Rights Conveyed

When real property rights are sold, the contract may include rights that are less than or more than all the real property rights. Examples include the inclusion of another property, personal property, or the sale of a property subject to a below market or above market lease. Therefore, the sale price of the comparable property must be adjusted to reflect the property rights that are similar to those being appraised. In this analysis, the comparables are adjusted to reflect the fee simple sale price of the real property. Adjustments to the comparables are required in cases where the property interest sold was less than or greater than the fee simple value.

Financing Terms

Seller-provided financing can play an important role in the sale of a project. Low down payments and terms that are significantly less stringent than those available in the market at the time of sale contribute to sale prices in excess of that obtainable by an all-cash or typically financed (by a disinterested third party) buyer. In order to analyze all properties on a comparable basis, those sales with financing not typically available for the property at the time of sale must be converted to typical terms and cash equivalency.

Conditions of Sale

Adjustments for conditions of sale are intended to reflect the motivations of the buyer and the seller. Conditions of sale that are outside the definition of market value must be adjusted to reflect a fully marketed property with adequate exposure and an arms-length transaction where neither the buyer nor the seller is unduly motivated. Adjustments may be required to

properties where one party was unusually motivated, foreclosure sales, properties that were not fully exposed to the market, and active listings that have not closed.

Market Conditions

In the process of completing this assignment, or as part of previously completed assignments for similar properties in this segment, consideration was given to available paired sales, rent trends, assessment trends, MLS trends, economic studies, published articles and discussions with market participants. Based on the available data, market values have generally been increasing in recent years as the available supply of substitute properties has decreased and the number of buyers actively seeking properties has increased. A 3.0% annual adjustment is made through March 26, 2022.

Location

Location is a broad term that includes non-property specific factors such as neighborhood and surrounding demographics and property specific factors such as surrounding streets, street frontage, access, exposure, number of corners, traffic counts, adjacent properties and other factors. Where appropriate adjustments for certain components of location may be performed individually.

Size

If an adequate supply of larger sites exists then generally smaller parcels tend to sell for higher prices per sq ft. If supply of larger parcels is limited then they occasionally sell for a premium.

A review of data indicates that within the subject's market smaller parcels tend to sell for higher prices per sq ft than larger parcels. Larger parcels than the subject are adjusted upward while smaller parcels are adjusted downward.

Use / Zoning

Differences in the current use or the highest and best use of a potential comparable and the subject must be analyzed. Site development potential depends heavily on zoning requirements. Zoning determines how large a structure and for what type of use a site can be developed. Adjustments are required to comparables with zoning designations that provide a lower or higher level of overall functional utility relative to the subject's zoning.

Soil Conditions

Soil conditions in the subject's market are not uniform and can vary widely from one site to another – or even on the same site. Soils can have a substantial influence on the functional utility and thus value of a given site. In some cases, unsuitable soils can be corrected or replaced (often at substantial cost), while in others they dictate that a non-traditional foundation system (such as driven or screw type pilings) must be used for vertical construction. Adjustment is required for comparables that differ materially from the subject.

Topography

Topography refers to whether a site is level or sloping and at, above, or below the grade of surrounding streets. Adjustment is required to those comparables that have dissimilar topography relative to the subject. In certain cases, the slope of the topography is so severe that the impacted area is not usable and is therefore excluded from usable site area. In other cases,

the sloping area is still usable but is not desirable because it increases development costs and requires mitigation prior to development.

Other

The adjustments listed above are not inclusive of all the adjustments considered by the appraiser. Physical and economic differences where adjustments have not been explicitly made are implicitly considered in the appraiser's analysis of the comparable and value estimate.

Adjustment Grid Exhibit

Land Analysis Grid			L-1		L-2		L-3		L-4		L-5		L-6	
Name	Wrangell Medical Center		Trident Land - 9107		Breuger St Land - 9106		NWC 3rd Ave &		Lot 5, Industrial Subd -		Lot 8A,		Lot 4A,	
City	Wrangell		Wrangell		Wrangell		Wrangell		Wrangell		Wrangell		Wrangell	
Date	3/26/2022		6/21/2017		12/31/2017		7/30/2020		7/30/2020		4/12/2021		9/13/2021	
Price	Appraisal		$138,000		$27,500		$50,000		$37,300		$86,800		$23,800	
Usable Land SF	84,988		17,258		2,867		7,222		7,222		18,345		5,273	
$/Sq Ft	- - -		$8.00		$9.59		$6.92		$5.16		$4.73		$4.51	
Transaction Adjustments														
Property Rights	Fee Simple		Fee Simple	0.0%	Leasehold	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional		Cash	0.0%	Cash	0.0%	Conventional	0.0%	Cash	0.0%	Cash	0.0%	Cash	0.0%
Conditions of Sale	Arms Length		Arms Length	0.0%	Arms Length	0.0%	Arm's Length	0.0%	Arm's Length	0.0%	Arm's Length	0.0%	Arm's Length	0.0%
Adjusted Usable Land SF Unit Price			**$8.00**		**$9.59**		**$6.92**		**$5.16**		**$4.73**		**$4.51**	
Market Cond. Thru	3/26/22	3.0%	15.1%		13.3%		5.0%		5.0%		2.9%		1.6%	
Adjusted Usable Land SF Unit Price			**$9.21**		**$10.87**		**$7.27**		**$5.42**		**$4.87**		**$4.59**	
Location	Good		Excellent		Excellent		Good		Good		Average		Average	
% Adjustment			-30%		-30%		0%		0%		30%		30%	
$ Adjustment			-$2.76		-$3.26		$0.00		$0.00		$1.46		$1.38	
Usable Land SF (Size)	84,988		17,258		2,867		7,222		7,222		18,345		5,273	
% Adjustment			-4%		-29%		-11%		-11%		-4%		-15%	
$ Adjustment			-$0.36		-$3.11		-$0.78		-$0.58		-$0.18		-$0.69	
Topography	Level		Level		Level		Generally Level		Level		Level		Level	
% Adjustment			0%		0%		0%		0%		0%		0%	
$ Adjustment			$0.00		$0.00		$0.00		$0.00		$0.00		$0.00	
Shape	Flag Shaped		Irregular		Irregular		Rectangular		Rectangular		Irregular		Rectangular	
% Adjustment			0%		0%		0%		0%		0%		0%	
$ Adjustment			$0.00		$0.00		$0.00		$0.00		$0.00		$0.00	
Utilities	All utilities		All Utilities		All Utilities		Electric, Public Water,		All Utilities		All Utilities		All Utilities	
% Adjustment			0%		0%		0%		0%		0%		0%	
$ Adjustment			$0.00		$0.00		$0.00		$0.00		$0.00		$0.00	
Zoning	OS, Open Space/Public		I		C		I, Industrial		I		I		I	
% Adjustment			0%		0%		0%		0%		0%		0%	
$ Adjustment			$0.00		$0.00		$0.00		$0.00		$0.00		$0.00	
Adjusted Usable Land SF Unit Price			**$6.08**		**$4.50**		**$6.49**		**$4.84**		**$6.15**		**$5.27**	
Net Adjustments			-23.9%		-53.1%		-6.3%		-6.3%		30.0%		16.7%	
Gross Adjustments			54.2%		79.8%		16.3%		16.3%		37.5%		47.4%	

Discussion & Analysis After Adjustment

The comparables bracket the physical and economic characteristics of the subject. They bracket the market value of the subject on an unadjusted basis, and inferior comparables were adjusted upward while superior comparables were adjusted downward. Prior to adjustments, the sale prices fall within a wide range. After adjustments this range is narrowed substantially, supporting the overall reasonableness of the adjustments made. A review of the gross adjustments made to the comparables indicates large physical differences between many of the comparables and the subject. Comparables requiring a lower degree of gross adjustment are generally the most reliable indicators of value. Comparables requiring higher degrees of gross adjustment are generally less reliable indicators of value, but may still be meaningful and given weight if the adjustments made were strongly supported.

Prior to adjustment, the comparables range from $4.51 to $9.59/sq ft, with an average of $6.49/sq ft. After adjustment, they range from $4.50 to $6.49/sq ft, with an average of $5.55/sq ft. Thus, the range before adjustment is $5.08/sq ft, and this decreases to $1.99/sq ft after adjustment.

Considering the degree of gross adjustments, the most meaningful data overall (L-1, L-4, L-5, L-6) range from $4.84 to $6.15/sq ft with an average of $5.58/sq ft. The remaining transactions are considered supportive.

After careful consideration, based on analysis of the data presented previously as well as data contained within the appraiser's work file the market value of the subject is estimated at $5.50/sq ft.

Land Value Calculation

LAND VALUE CALCULATION		
Usable Land Area		84988 Sq Ft
Land Value / Sq Ft	x	$5.50
Estimated Land Value		$467,434
Rounded		**$470,000**

Cost Approach

Introduction

Methodology

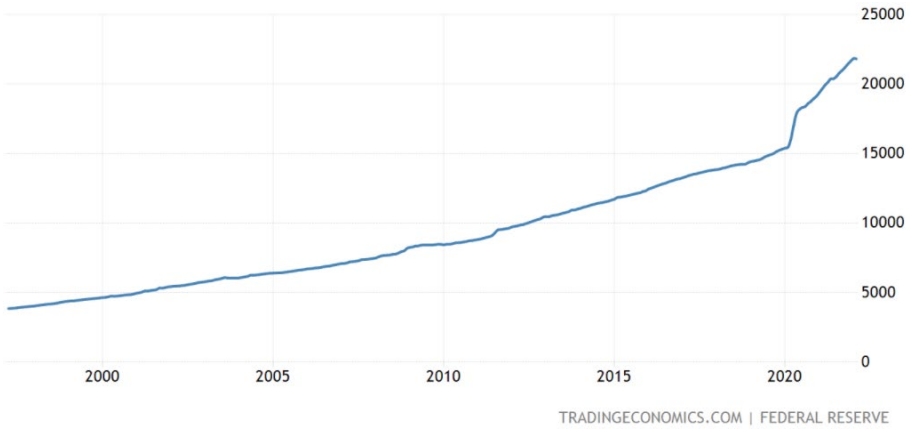
The Cost Approach is an appraisal method of arriving at a value indication for the subject by estimating the cost to replace the improvements with current materials and labor, less accrued depreciation from all causes. The estimated land value, as detailed in the previous section, is then added to the depreciated value of the improvements to reflect a total value by the cost approach.

This approach is based on the assumption that replacement costs provide a reasonable estimate of value, providing the improvements represent the highest and best use of the land, and depreciation from all causes is appropriately accounted for. Valuing the improvements separately from the land thus serves to satisfy the principle of substitution; that is, a buyer will tend to not pay more for the property than it would cost to replace.

Replacement Cost - Marshall Valuation Service

Inflationary Trends

Construction cost inflation results from two primary sources: short-term supply chain disruptions due to COVID-19 and mid-to-longer-term inflation resulting from a combination of government spending levels and Federal Reserve monetary policy. Due to COVID-19 a shortage of labor and subcontractors is reported, which has led to increases in sub costs and delays in project delivery. The US M2 Money Supply is critical in understanding and forecasting money supply, inflation, and interest rates in the U.S. and is shown on the following table.



Since 2004, the money supply has gone up nearly 500%. As shown, however, it sharply increased during COVID-19 and increased from $15,000 billion to nearly $22,000 billion in roughly two years. Most market participants, including the Federal Reserve itself, are now anticipating a

period of inflation and higher interest rates to combat it.

Regardless of the causes, inflation has had a significant influence on replacement costs and general contractors and subcontractors are carefully factoring in anticipated cost increases into their bids. Due to market inefficiencies, it is not possible to say for certain what recent construction specific inflation trends have been, but it has been reported by market participants that projects have experienced increasing costs ranging from as little as 10% to as much as 50%.

Inflation trends will increase the competitive position of existing product, reduce the feasibility of new construction and, to the extent that they impact interest rates, make borrowing more expensive. Given that much of the private real estate market is leveraged, it may become more difficult to obtain new loans and, given unchanged equity returns, result in downward pressure on asset prices. As to the degree to which interest rates increase and whether other factors will offset their influence remains to be seen but market participants are watching the issue closely.

Overview of Marshall Valuation Service

The following cost estimate is based on a cost per sq ft method. This method estimates the replacement cost of the improvements, including contractor's profit and overhead, and indirect cost. The price per sq ft costs for the subject were obtained from the cost estimating service of Marshall Valuation Service (MVS) Commercial Estimator software, an appraiser's guide to current construction costs. The program automatically makes appropriate adjustments to reflect the current local costs for the area, building occupancy (type of building), class (type of construction), quality of construction, perimeter/shape, story height, mechanical equipment, elevators, and other factors. The adjusted base cost has been applied to the building area.

The MVS replacement cost estimates include architectural and engineering fees (including plans, plan check, building permits and survey to establish building lines and grades), normal interest on only the actual building funds during period of construction (including processing fee and service charges), local, state and federal sales taxes, GST taxes on material and labor costs, normal site preparation (including finish, grading and excavation for foundation and backfill for the structure only), utilities from the structure to the lot line for a typical setback, and contractors overhead and profit, workmen's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities and security.

The MVS replacement cost estimates exclude developer's margin or profit, cost premiums for pilings or hillside foundations, costs associated with land development and planning, real estate taxes and other holding costs during construction, discounts or bonuses paid for financing, yard improvements (including signs, landscaping, paving, walls and yard lighting), offsite costs (including roads, utilities, parking fees, jurisdictional hookup, tap-in, impact or entitlement fees, etc.), furnishings and fixtures (usually not found in the general contract) and absorption costs (including rent loss, marketing, tenant

improvements, leasing commissions, and other costs to bring the property to a stabilized condition).

The MVS Summary sheet(s) follow this analysis.

MARSHALL VALUATION SERVICE LOCATION MULTIPLIERS

Marshall Valuation Service (MVS) reports cost multipliers by building class in Section 99 of its cost manual. The multipliers represent the cost adjustment relative to the average of all nationwide cost data. MVS cost multipliers for Alaska and various Alaska communities are presented below.

CLASS	A	B	C	D	S
ALASKA	1.24	1.27	1.27	1.25	1.29
Anchorage	1.18	1.19	1.19	1.19	1.21
Fairbanks	1.18	1.19	1.20	1.20	1.21
Juneau	1.24	1.30	1.33	1.27	1.30
Kenai Peninsula	1.17	1.18	1.18	1.18	1.19
Ketchikan	1.26	1.31	1.29	1.25	1.31
Kodiak	1.32	1.34	1.31	1.28	1.34
Mat-Su Valley	1.13	1.15	1.15	1.13	1.16
Sitka	1.28	1.31	1.30	1.28	1.35

The MVS program automatically incorporates the applicable cost multiplier for Alaska, Anchorage, Fairbanks, Juneau, Kenai Peninsula, Ketchikan, Kodiak, Mat-Su Valley and Sitka. If the subject is not located in one of these communities, the default multiplier would be one the software would determine is the closest city for where the materials would come from. MVS has indicated to us that "If the city is not listed in the book you should use the nearest city where materials would come from to use as guides to interpolate the multiplier to use. It will be up to users to determine the between figure and multiplier. Our software will do this interpolation automatically but the book does not." Based on our review of prevailing construction costs, a factor of 1.30 is used for Wrangell.

Occupancy Type

Based on the subject's configuration and type of improvements the following MVS occupancies have been selected.

331 HOSPITAL

Designed as complete health care facilities, hospitals typically include a number of different health services within one building or groups of buildings. Typical areas found include diagnostic, surgery, patient care, delivery, nursery, emergency, administration, service areas, and pharmacies. The amount of actual area associated with all or some of these specific areas varies with the size of the building and the number of people served by the hospital. The types of facilities available in the hospital generally are commensurate with the overall quality of the structure. Lower quality hospitals have large ward area while higher quality ones have a large amount of private rooms. These quality variations result in the amount of area per bed ranging between 625 and 1,700 square feet. Exterior finishes vary with decorative marble, granite, concrete, and metal and glass panels in the better qualities, and brick, block, and masonry veneers with very little ornamentation at the lower quality. Plaster or drywall is found on the interiors with suspended acoustic tile ceilings. Floor finishes are commonly ceramic, vinyl, or some other type of resilient floor cover. Signal systems,

special oxygen piping and pneumatic conveyors are commonly found. They conform to the overall quality and design of the structure. Most hospitals have complete heating, ventilating, and air conditioning systems and emergency power equipment. The costs include Group I equipment that is installed in or attached to the building as a part of the general contract. Since hospitals have higher requirements for heating, cooling and ventilation, use component 617 (complete HVAC) for HVAC costs. The following are not includes in the costs: Canopies and balconies, Group II equipment that may be installed and becomes a part of the real property, but is typically not a part of the general contract (such as autoclaves, permanent surgical lights and other equipment) and Group III equipment that is movable personal property (such as furniture, fixtures, instruments, etc.)

Building Class

Based on the subject's construction type, the following MVS building class has been selected for the subject.

CLASS D: WOOD- OR STEEL-FRAMED EXTERIOR WALLS

Class D buildings are characterized by combustible construction. The exterior walls may be made up of closely spaced wood or steel studs as in the case of a typical frame house. Exterior covers may be wood siding, shingles, stucco, brick or stone veneer or some other type of material. Floors and roofs are supported on wood or steel joists or trusses. The floor may be a concrete slab on the ground. Construction Type V (wood-frame) of the Uniform, Type IV Basic and Type VI Standard Building Code are included in this class, as are ISO Class 1 buildings. This class is also referred to as Unprotected-protected One-hour Construction.

Quality Rank

The cost rank, or quality of construction, determines the level of the calculated costs. MVS rank system considers exterior walls, interior finish, mechanicals and HVAC systems. A cost rank is estimated for each occupancy and can range from 0.5 up to 5.0. The four basic cost ranks are:

LOW (RANK 1)

These tend to be very plain buildings that conform to minimum building code requirements. Interiors are plain with little attention given to detail or finish. Typically, there are minimum mechanical and low-cost finishes throughout.

AVERAGE (RANK 2)

These buildings are the most commonly found and meet building code requirements. There is some ornamentation on the exterior with interiors having some trim items. Lighting and plumbing are adequate to service the occupants of the building.

GOOD (RANK 3)

These are generally well-designed buildings. Exterior walls usually have a mix of ornamental finishes. Interior walls are nicely finished and there are good quality floor covers. Lighting and plumbing include better quality fixtures.

EXCELLENT (RANK 4 TO 5)

Usually, these buildings are specially designed, have high-cost materials and exhibit excellent workmanship. Both exteriors and interiors have custom and ornamental features. Lighting and plumbing include high-cost fixtures.

ADJUSTMENT TO QUALITY RANKING ALASKA

The quality ranking is an important input for MVS. Unfortunately, MVS does not receive large amounts of cost data directly from the Alaska market. A comparison of MVS estimated cost and actual cost indicates that MVS typically understates construction costs within Alaska by varying degrees depending on location and property type. For urban markets with road access an upward adjustment of "1" quality ranking is typically required to result in realistic cost estimates. For rural markets without road access, an upward adjustment of "2" to "3" ranks is needed.

Story Height

The story height is the average story height for each occupancy. In a one-story building, story height is measured from the floor surface to the roof eave. Parapets (extensions of the wall above the roof line) are not included in story height. For building with multiple stories, the average story height can be computed by dividing the total building height by the number of stories or by entering the story heights in separately for each floor.

Perimeter / Shape

The shape of a building also impacts its cost of construction and is best measured by the perimeter of the building. Perimeter is the total linear feet of wall that encloses the floor area, based on exterior dimensions. Where perimeter measurements are not available, the shape of the building can be indicated by a numerical reference where:

1=Square
2=Rectangular or Slightly Irregular
3=Irregular
4=Very Irregular

Base Cost

Based on the inputs into MVS, the cost comparisons contained in its database, and adjustment to the subject's specifications, the base costs for the subject improvements are indicated.

Other Costs

Unless otherwise indicated, other costs are also provided by MVS.

SITE IMPROVEMENTS

Normal site preparation under the building improvements (including finish, grading and excavation for foundation and backfill for the structure only) is included in MVS. Non building improvement related site improvements include grading, filling and soils work, sub base gravel, paving, lighting, fencing, gates and landscaping or other improvements to the site that are real property. Depending on a property's size, shape, type, amount of parking versus landscaping and other factors, site improvements are typically $1.50/sq ft up to $7.00/sq ft of total usable site area less the building footprint. Generally, site improvements for larger areas with gravel parking that require minimal landscaping are towards the low end of the range (an industrial building with a high land-to-building ratio for example), while site improvements for smaller areas with paved parking that require extensive landscaping are towards the high end of the range (a stand-alone bank, restaurant or other retail use with a low land-to-building ratio for example).

No contribution value for site improvements has been estimated due to the potential for future remodeling or demolition rendering them valueless.

MVS Summary Report Exhibit

4/10/22, 12:37 PM CoreLogic | Commercial Estimator - Report

CoreLogic - SwiftEstimator
Commercial Estimator - Summary Report

General Information

Estimate ID:	22-0325 Wrangell Medical Center	**Date Created:**	4-10-2022
Property Owner:	City and Borough of Wrangell	**Date Updated:**	
Property Address:	310 Bennett St Wrangell, AK 99929	**Date Calculated:**	04-10-2022
Local Multiplier:	1.3	**Cost Data As Of:**	04-2022
Architects Fee:		**Report Date:**	using default

Section 1

Area	30596	**Overall Depreciation %**	
Stories in Section	2	**Physical Depreciation %**	
Stories in Building	2	**Functional Depreciation %**	
Shape	irregular	**External Depreciation %**	
Perimeter	(auto-calc)		
Effective Age			

Occupancy Details

Occupancy	%	Class	Height	Quality
331 Hospital	100	D	12	4.0
Occupancy Total Percentage	100			

System : Elevators

	%/Units	Quality	Depr %	Other
651 Elevators : Passenger #	1	Occ.		2

System : HVAC (Heating)

	%/Units	Quality	Depr %	Other
604 HVAC (Heating) : Hot Water	100	Occ.		2
609 HVAC (Heating) : Ventilation	100	Occ.		2
Total Percent for HVAC (Heating):	**200**			

System : Sprinklers

	%/Units	Quality	Depr %	Other
681 Sprinklers : Sprinklers	100	Occ.		
Total Percent for Sprinklers:	**100**			

Calculation Information (All Sections)

	Units	Unit Cost	Total Cost New	Less Depreciation	Total Cost Depreciated
Basic Structure					
Base Cost	30,596	$448.82	$13,732,097		$13,732,097
Exterior Walls	30,596	$61.26	$1,874,311		$1,874,311
Heating & Cooling	61,192	$11.43	$699,730		$699,730
Elevators	1	$158,275.00	$158,275		$158,275
Sprinklers	30,596	$8.50	$260,066		$260,066
Basic Structure Cost	**30,596**	**$546.62**	**$16,724,479**	**$0**	**$16,724,479**

Cost data by CoreLogic, Inc.

"""Except for items and costs listed under ◆Addition Details,◆ this SwiftEstimator report has been produced utilizing current cost data and is in compliance with the Marshall & Swift Licensed User Certificate. This report authenticates the user as a current Marshall & Swift user."""

https://www.swiftestimator.com/Main/CE/reports/PFV.asp 1/2

Developer's Margin

Market Properties

For properties with numerous potential users developer's margin can be obtained through either speculative or build-to-suit construction. For investors a developer's margin must be achievable for construction to be financially feasible. While a developer's margin may be attained by users, its presence is not necessary for construction to occur since even though it is not financially feasible from a real estate perspective it may be financially feasible from a business perspective. The presence of developer's margin is highly specific to an individual property. For market properties similar to the subject developer's margins currently range from a low of 5% up to a high of 25%.

Limited Market or Special Purpose Properties[11]

Special purpose properties generally have limited conversion potential and are constructed expressly for a particular user with a designated special use in mind. They are developed to fulfill a business need, not to attain a profit on the real estate and when profit is present it accrues to the business rather than the real estate.

Conclusion

Under its existing use as is, the subject has physical and economic characteristics consistent with a special purpose property. Therefore, we have not included a developer's profit margin.

Depreciation

Introduction

Depreciation is a loss in value from the reproduction (or replacement) cost of improvements due to any cause as of the date of appraisal. The value difference may emanate from physical deterioration, functional depreciation, external depreciation, or any combination of these sources. A description of the various sources of depreciation follows.

PHYSICAL DEPRECIATION

Physical deterioration is evidenced by wear and tear, decay, cracks, incrustations, or structural defects. Physical deterioration can be either curable or incurable. Incurable physical deterioration applies to both short-lived items (roof, plumbing, HVAC, etc.) and long-lived items (structural).

FUNCTIONAL DEPRECIATION

Functional depreciation can be either curable or incurable and is caused by a flaw in or a deficiency or super-adequacy in the structure, material or design.

EXTERNAL DEPRECIATION

External depreciation is incurable and caused by negative influences in property values outside of the owners control such as market conditions, property uses, zoning, financing, or legal influences.

Effective Age

Effective age is estimated by the appraiser by weighing the actual age of a property against its current condition. In certain cases, the effective age is equal to the actual age, while in other cases it may be more or less than the actual age. The concept of effective age acknowledges that properties rarely depreciate on a linear basis. Construction type and quality play important

[11] Source: The Appraisal of Real Estate, Fourteenth Edition, Chicago: Appraisal Institute, 2013.

roles, as does ongoing maintenance and capital infusion. The subject's effective age was estimated in the Description of Improvements chapter.

Economic Life

As discussed in the Description of Improvements chapter, economic life is estimated using MVS information based on actual economic lives for properties of similar construction type, occupancy and quality.

Effective Age / Economic Life Method

The effective age and economic life expectancy of a structure are the primary concepts used by an appraiser in measuring depreciation with age-life relationships. Under this method, total depreciation is estimated by calculating the ratio of the effective age of a property to its economic life expectancy and applying this ratio to the property's total cost new. Note that this method does not typically reflect abnormal, property specific depreciation or external depreciation.

Marshall Valuation Service Depreciation Tables

The MVS Cost Estimator software provides depreciation calculations to account for physical and functional depreciation. Depreciation is estimated based on a statistical compilation of actual depreciation present at similar properties of similar effective ages and economic lives. Economic life is determined by the software based on building class and quality. The software recognizes that depreciation does not typically occur on a linear basis but rather on a logarithmic basis. As a result, this method is fairly accurate for both older and newer properties. Note that this method does not typically reflect abnormal, property specific depreciation or external depreciation.

Property Specific Depreciation

The analysis presented above assumes that the subject exhibits normal depreciation typical of similar properties in the market. Any property specific depreciation not typical of the market must be separately considered.

External Depreciation

The preceding methods do not fully account for external depreciation. External obsolescence was present due to potential demolition and remediation costs. The contribution value of the improvements can be viewed either as a cold shell available for remodeling or salvage value if demolished.

Reconciled Depreciation Estimate

The methods for estimating depreciation fall within a fairly narrow range. After careful consideration all methods of measuring depreciation are concluded to be reliable and given equal weight.

Summary of Cost Approach Exhibit

Valuation Component		Wrangell Medical Center Hospital
Gross Building Area		**30,596**
Pro Rata Share		**100%**
REPLACEMENT COST NEW		
MVS Commercial Estimator		
Base Cost		$16,724,479
Site Improvements		$0
Reconciled Replacement Cost (Excl. Profit)		**$16,724,479**
Plus: Developer's Margin	0%	$0
Replacement Cost New (Incl. Profit)		**$16,724,479**
Per Sq Ft		$547 /SF
LESS: DEPRECIATION		
Effective Age / Economic Life Method		
Year Built		1967
Actual Age		55 Yrs.
Effective Age / Actual Age Ratio		90.9%
Effective Age		50 Yrs.
Economic Life		50 Yrs.
Percent Depreciated (Eff. Age / Economic Life)		100.0%
Reconciled Physical & Functional Depreciation		**90.0%**
Property Specific Depreciation		**0.0%**
External Depreciation		**7.5%**
Total Percent Depreciation		**97.5%**
Total Depreciation		**($16,306,367)**
DEPRECIATED BUILDING VALUE		**$418,112**
PLUS: LAND VALUE		**$470,000**
MARKET VALUE ESTIMATE (ROUNDED)		**$890,000**

Sales Comparison Approach

Introduction

Methodology

The Sales Comparison Approach is based on the premise that market value of the property is directly related to recent sale prices of competitive properties and the availability of substitute properties with similar utility and desirability. The most similar sales of properties are investigated and compared to the subject in this analysis.

Unit of Comparison

Units of comparison, components into which properties may be divided for purposes of comparison, are derived from comparable sales data. Brokers, developers and other market participants indicated that price per sq ft of gross building area (GBA), rentable area and usable area are all accepted units of comparison within this market. The BOMA definitions of rentable and usable building area have changed over time and the reported building area therefore is dependent on when a property owner last performed a building area study. Furthermore, usable building area can change based on type of occupancy and configuration. In the subject's market segment, the most common and reliable unit of comparison is the price per sq ft of GBA, and so this is the unit utilized in the Sales Comparison Approach.

Physical Comparison

Overview

This method explicitly considers physical dissimilarities between the comparables and the subject. Data are examined to establish the prices, real property rights conveyed, transaction dates, financing terms, motivations, locations, physical and functional conditions. Adjustments to the comparables are necessary to reflect advantages and disadvantages relative to the subject.

Sources of Data

The following transactions were obtained from various sources including web sites (Alaska Multiple Listing Service, Costar), brokers, assessors, appraisers, other individuals and most notably the Reliant, LLC internal database.

Availability of Data

The availability of comparable data is a function of the subject's location, property type, property size, market size and market activity. There are a limited number of properties with similar physical and economic characteristics to the subject, and these are traded infrequently. Therefore, the sales search was expanded to include other areas of Alaska. Market research identified limited transactions involving properties that are directly similar to the subject, and all of the comparables required fairly large upward or downward adjustment. Nonetheless, the comparable transactions bracket the subject physically and economically, and after adjustment (indicating the lower and upper value indications) provide a reasonable basis for estimating market value.

Presentation of Data

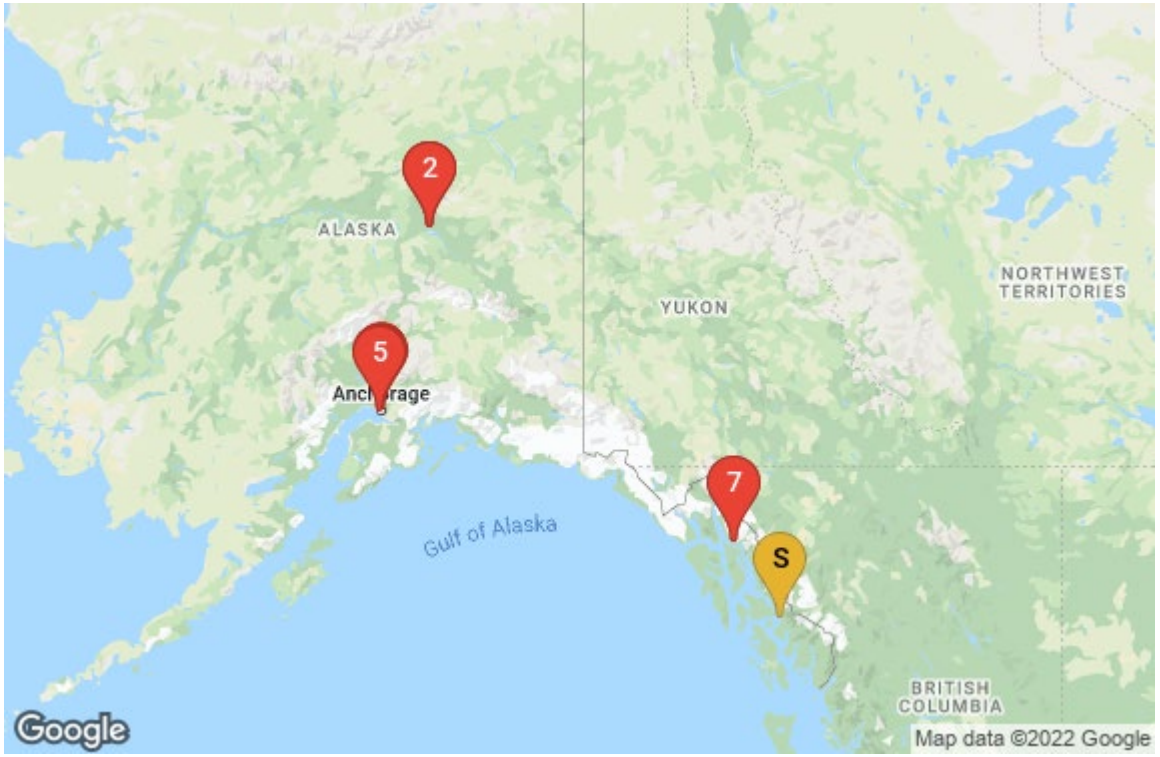
The most relevant data for these transactions is presented on the following summary table. The following map highlights the location of the comparables relative to the subject. Photographs and relevant discussion on each comparable are also presented. Additional documentation on the physical and economic characteristics of these transactions are presented on the detail sheets in the Addenda.

Summary of Improved Sale Comparable Exhibit

No.	Name	GBA	Date	Actual Price	Price Less Land
	Address		**Transaction Type**	**Property Rights**	**$ / GBA**
I-1	Marriott Springhill Suites Site - 970	36,400	May-99	$550,000	-$99,773
	553, 555 First Ave. & , 550, 552 Second		Closed Sale	Fee Simple	-$2.74
I-2	ACS Globe Bldg. - 1073	19,286	Dec-07	$410,000	$198,704
	645 Fifth Ave.		Closed Sale	Fee Simple	$10.30
I-3	Matanuska Maid Dairy Bldg. - 650	54,445	Sep-08	$1,525,000	-$25,800
	814 W. Northern Lights Blvd.		Closed Sale	Fee Simple	-$0.47
I-4	Lathrop Bldg. - 1075	37,412	Mar-11	$575,000	$322,500
	519 1st Avenue		Listing	Leased Fee	$8.62
I-5	TDX Aviation Park Facility - 1813	29,700	Oct-12	$4,500,000	-$268,283
	4902 Spenard Road		Closed Sale	Fee Simple	-$9.03
I-6	Elks/Rockwell Building - 7724	15,924	Dec-12	$1,150,000	-$131,940
	109 Franklin Street		Closed Sale	Fee Simple	-$8.29
I-7	First National Bank Building - 7716	12,580	Mar-16	$600,000	$5,700
	238 Front Street		Closed Sale	Fee Simple	$0.45
I-8	707 A Street - 3691	20,424	Jan-18	$1,075,000	$214,000
	707 A Street		Closed Sale	Fee Simple	$10.48
Subj.	Wrangell Medical Center	30,596	Appraisal	- - -	$10
	310 Bennett St.	#N/A			

(1) elements. Estimated land value is then deducted for analysis purposes.

Map of Improved Sale Comparables Exhibit



Description of Data

Sale No. I-1

This is the sale of land for the development of a Marriott Springhill Suites in downtown. The site was formerly known as the old bar block' and new development at the site required demolition of all the old improvements. In the late1990s the city requested proposals for new development of the site, requiring that the entire block remain intact as one parcel. The city selected Town Square Properties' proposal. Demolition included minor asbestos removal and tipping fees at the landfill totaling approximately $100,000. This cost was roughly offset by a total of $100,000 in rebates the developers received for meeting specific development deadlines. Due to the city's motivation and the development process, this sale may be regarded as below market value.'

Sale No. I-2

This is the City of Fairbanks' sale of the Globe Building to Alaska Communications Systems (ACS). The building was marketed beginning in the fall of 2004 when the Fairbanks City Council determined the building

was no longer required for municipal purposes and should be sold off. The building was advertised at the assessed value of $766,000 to multiple potential buyers, during which time the city received three offers: $300,000, $250,000, and $410,000. The city rejected the offers due to price, contingency, and liability concerns. The building's marketability was impeded for a couple of reasons. First, on-site parking is minimal. Second, a portion of the building was subject to a below market lease to ACS in which ACS pays a portion of utility and maintenance costs only. Lastly, the building had a multitude of maintenance issues as well as asbestos. The city received an offer from ACS for $410,000 which it accepted. Overall, this was an arms-length transaction with typical financing, and was representative of market conditions at the time of sale.

Sale No. I-3

This is the former Matanuska Maid building in Midtown Anchorage located between Northern Lights and Benson in a very high traffic, high exposure location. Mat Maid sold the property in 2008 via a sealed bid auction that was widely publicized. The improvements were configured as a dairy and were in poor condition and some asbestos contamination. The winning bid was $1,525,000. Costs to convert the improvements from dairy to pure distribution warehouse use and remove asbestos were $1 million. Deferred maintenance was estimated at $250,000. Due to poor truck access, maneuvering room and configuration the improvements provided limited functional utility and were not suitable for continued use as distribution warehouse. Post sale the buyer converted the property to mini storage space at substantial expense. This is an excellent example of the impact that poor truck access has on value. Overall, this is a arms length market transaction representative of a distribution warehouse property offering limited functional utility.

Sale No. I-4

This older building was foreclosed on by Wells Fargo in 2009. The listing was originally priced at $1,200,000 but has been reduced to $575,000. As an older building, the improvements are compromised with contained asbestos, estimates to cure range from $106.92/sq ft. to $160.38/sq ft.

Sale No. I-5

This is the sale of the former National Guard Armory located at the northwest corner of Spenard Road and West International Airport Road. The site is influenced by both the midtown and airport markets, and is just across Aviation Avenue from Spenard Lake. The site was improved with a 28,433 sq ft concrete block building originally built in 1962. The property was auctioned off by the MOA and the successful bid was $4,500,000. There was prior known contamination on the property, however, a no further action letter had been issued and no impact on the sale was noted. Post sale expenditures include demolition of the existing building, which includes small amounts of asbestos, at an estimated cost of $269,000 (based on the accepted bid). The property was sold with deed restrictions requiring an aviation theme, meeting space and gift shop that negatively impacted the sale

price. The buyer put a $900,000 bond in place, which is payable to the seller, if the terms of the deed restrictions are not met. On the other hand, the buyer is the adjacent hotel owner, that wanted to secure ownership of the site to prevent development of a competing hotel.

Sale No. I-6

This building was originally the Elks Lodge until 2006 when it was converted to a restaurant/bar and event space. The 7,694 sq ft ground floor has the restaurant/bar and three restrooms. The second floor is 7,182 sq ft, mostly open ballroom with another commercial kitchen, bar and storage. The 1,048 sq ft third level is a 2-bedroom apartment. At sale the shell of the building was structurally fit, but the interior required significant renovation. Since the 2012 sale the first floor electric and plumbing was completely updated to code. As of spring 2020 the property is listed for sale for $1.56 million, or $97.97 per sq ft of GBA.

Sale No. I-7

Downtown Juneau historic building with frontage on both Front Street and N Franklin Street. The purchaser planned to renovate the building with new

retail storefronts and apartments above. The top floor was formerly used as a theater and requires repurposing. Since the sale the Franklin Street space has been renovated and leased to Devils Club Brewing.

Sale No. I-8

This was the arm's length sale of a downtown property that required significant updating and some deferred maintenance. The purchase price was $1,075,000 however after upgrades, based on numbers provided by the broker, the analysis price is $1,650,000. The property was purchased by several local investors and is currently being renovated including removal of asbestos, a new HVAC, upgraded elevator and remodeling of all restrooms.

Overview of Adjustments

Nature Adjustments & Adjustment Grid

Adjustments to the comparables are necessary to reflect advantages and disadvantages relative to the subject. Ideally, quantitative adjustments are determined through paired sale analysis or other definitive data. However, when quantitative adjustments cannot be reliably ascertained - as is typically the case in Alaskan markets due to data limitations - qualitative adjustments may be applied through a weighted analysis of each comparable based on its relative merits. These adjustments may be supported by available market data, discussions with local market participants, and/or supplemental information contained within the appraiser's files.

Note that qualitative adjustments - based on the above as well as on appraiser judgment - are applied on a numeric (percentage) basis in this appraisal. Ultimately, the adjustment grid presented further in this chapter is not intended to imply that all of the adjustments were performed on a quantitative basis. Rather, the adjustment grid is presented to more precisely communicate the appraiser's opinion on the direction and degree of adjustment required to a given comparable. Moreover, it should be recognized that the elements of comparison shown in the adjustment grid are those considered most significant and relevant. While they help explain the appraiser's reasoning and support for the reconciled value estimate, they are

not the only elements of comparison considered. Other differences where adjustments have not been made explicitly are not deemed material and are therefore implicitly considered in the appraiser's analysis of the comparables and the reconciled value estimate. Finally, certain adjustments to the transaction prices may have already been made and reflected in the initial "Analysis Prices" shown in the table, as described in the preceding comments for the individual comparables.

The comparables reflect sales of improvements that are at or near the end of their economic lives, as is the subject.

Property Rights Conveyed

When real estate is sold, the contract may include rights that are less than or more than the market-typical "bundle of sticks" (property rights) for the real estate itself. Examples include the inclusion of another property, personal property, or the sale of a property subject to a below market or above market lease. Therefore, the sale price of the comparable property must be adjusted to reflect the property rights that are similar to those being appraised. In this analysis, the comparables are adjusted to reflect the fee simple sale price of the real property only.

Financing Terms

Seller-provided financing can play an important role in the sale of a project. Low down payments and terms that are significantly less stringent than those available in the market at the time of sale contribute to sale prices in excess of that obtainable by an all-cash or typically financed (by a disinterested third party) buyer. In order to analyze all properties on a comparable basis, those sales with financing not typically available for the property at the time of sale must be converted to typical terms and cash equivalency.

Conditions of Sale

Adjustments for conditions of sale are intended to reflect the motivations of the buyer and the seller. Conditions of sale that are outside the definition of market value must be adjusted to reflect a fully marketed property with adequate exposure and an arms-length transaction where neither the buyer nor the seller is unduly motivated. Adjustments may be required to properties where one party was unusually motivated, foreclosure sales, properties that were not fully exposed to the market, and active listings that have not closed.

Market Conditions

In the process of completing this assignment, or as part of previously completed assignments for similar properties in this segment, consideration was given to available paired sales, rent trends, assessment trends, MLS trends, economic studies, published articles and discussions with market participants.

Based on the available data, market values have generally been stable in recent years as demand and competitive supply are in equilibrium, with neither a seller's nor buyer's market, resulting in stable asset values. Therefore, no market conditions adjustment is required. Any appreciation occurring over the years is considered to be offset by increases in remodeling and demolition costs.

Location

Location is a broad term that includes non-property specific factors such as neighborhood and surrounding demographics and property specific factors such as surrounding streets, street frontage, access, exposure, number of corners, traffic counts, adjacent properties and other factors. The degree of adjustment is based on an analysis of underlying land values as indicated by comparable transactions and assessed valuation, market trends, discussions with market participants, a comparison of income levels, and other factors. Depending on the quality of the data, the resulting adjustment can be either quantitative or qualitative, but in either case involves a certain amount of subjectivity.

The comparables have been analyzed based on their price per sq ft excluding land. The contributory value of the underlying land has been subtracted from each comparables total sale price resulting in an indication of building value only. This adjustment explicitly accounts for differences in location and no additional adjustments are required.

It is important to note that any land value assigned to a comparable or the subject (unless a complete land valuation has been performed) does not constitute an appraisal (of the comparable or subject site), as the amount of adjustment is ultimately determined by the percentage difference between the subject and comparables and not the land allocations themselves.

Year Built / Renovated

While there is a correlation between age and a property's condition, it is not always direct. Renovations, remodels and aggressive upkeep can result in an "effective" age that is much less than actual age. Improvements with effective ages less than the subject will exhibit less depreciation and require a downward adjustment. Conversely, improvements with effective ages greater than the subject will exhibit more depreciation and require an upward adjustment. Note that this adjustment category allows for not only physical age, but also condition in the form of effective age.

Quality

The quality of the improvements has a direct influence on market value. The overall quality of a property is a function of exterior appeal, interior build-out, quality of mechanical systems and a variety of other factors.

Construction Type

The construction type of the structure may have a direct influence on market value. Properties with superior construction have increased economic lives and decreased operating costs.

Size

If an adequate supply of larger properties exists, then generally smaller properties tend to sell for higher prices per sq ft. If supply of larger properties is limited then they occasionally sell for a premium.

A review of data indicates that, within the subject's market, sale prices are fairly uniform for smaller and larger properties. No adjustment for size is required.

Other

No adjustments have been made to the comparables because they reflect depreciation to such a high degree that any adjustment would be disregarded by market participants.

Summary of Adjustments Exhibit

Sales Analysis Grid		I-1		I-2		I-3		I-4		I-5		I-6		I-7		I-8	
Address	310 Bennett St.	553, 555 First Ave. & , 550, 552 Second Ave.		645 Fifth Ave.		814 W. Northern Lights Blvd.		519 1st Avenue		4902 Spenard Road		109 Franklin Street		238 Front Street		707 A Street	
City	Wrangell	Fairbanks		Fairbanks		Anchorage		Fairbanks		Anchorage		Juneau		Juneau		Anchorage	
Date	3/26/2022	5/26/1999		12/28/2007		9/11/2008		3/11/2011		10/29/2012		12/31/2012		3/30/2016		1/17/2018	
Price	Appraisal	$550,000		$410,000		$1,525,000		$575,000		$4,500,000		$751,900		$600,000		$1,075,000	
Less: Land	- - -	$649,773		$211,296		$1,550,800		$252,500		$4,768,283		$883,840		$594,300		$861,000	
Improvements Only	- - -	-$99,773		$198,704		-$25,800		$322,500		-$268,283		-$131,940		$5,700		$214,000	
GBA	30,596	36,400		19,286		54,445		37,412		29,700		15,924		12,580		20,424	
$/SF GBA	- - -	-$2.74		$10.30		-$0.47		$8.62		-$9.03		-$8.29		$0.45		$10.48	
Transaction Adjustments																	
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Leased Fee	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Cash	0.0%
Conditions of Sale	Arms Length	Motivated Seller	0.0%	Arms Length	0.0%	Arms Length	0.0%	Asking	0.0%	Arms Length	0.0%	Arms Length	0.0%	Arms Length	0.0%	Arms Length	0.0%
Adjusted GBA Unit Price		**-$2.74**		**$10.30**		**-$0.47**		**$8.62**		**-$9.03**		**-$8.29**		**$0.45**		**$10.48**	
Market Cond. Thru	3/26/22 0.0%	0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	
Adjusted GBA Unit Price		**-$2.74**		**$10.30**		**-$0.47**		**$8.62**		**-$9.03**		**-$8.29**		**$0.45**		**$10.48**	
Overall Comparison		Inferior		Similar		Similar		Similar		Inferior		Similar		Similar		Similar	
Adjusted GBA Unit Price		**-$2.74**		**$10.30**		**-$0.47**		**$8.62**		**-$9.03**		**-$8.29**		**$0.45**		**$10.48**	
Net Adjustments		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	
Gross Adjustments		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	

Discussion & Analysis - After Adjustment

The comparables bracket the physical and economic characteristics of the subject. They bracket the market value of the subject on an unadjusted basis, and inferior comparables were adjusted upward while superior comparables were adjusted downward. Prior to adjustments, the sale prices fall within a wide range.

After adjustment, the comparables range from -$9.03 to $10.48/ sq. ft. Weight is given to Sales I-2, I-4, I-7, and I-8, as they were remodeled and repurposed.

After careful consideration, based on analysis of the data presented previously as well as data contained within the appraiser's work file, the market value of the subject is estimated at $10.00/sq ft.

Value Calculation

As Is

Physical Comparison Methodology

PHYSICAL COMPARISON VALUE

	GBA		GBA Unit Price		Total
Wrangell Medical Center	30,596	x	$10	=	$305,960
Improvements Value (Round)					$305,960
Add: Land Value					**$470,000**
Stabilized Market Value Estimate					$775,960
Rounded					**$775,000**

Reconciliation & Final Value Estimate

Summary of Value Estimates

The approaches to value utilized in this report have indicated the following values for the subject:

VALUATION SUMMARY	
Wrangell Medical Center	
Property Rights	**Fee Simple**
Condition	**As Is**
Effective Date of Appraisal	**March 26, 2022**
Land Valuation	$470,000
Cost Approach	$890,000
Sales Comparison Approach	$775,000
Income Capitalization Approach	Not Developed
Final Market Value Estimate	**$830,000**

Reconciliation

Overview

Reconciliation is the final phase in the assignment and is where two or more value indications derived from market data are resolved into a final value estimate. USPAP requires that the appraiser reconcile the quality and quantity of data available and analyzed within the approaches used. Furthermore, the applicability and relevance of the approaches, methods and techniques must also be reconciled. A discussion of the applicability of the various approaches is presented below.

Cost Approach

This approach is normally a strong indicator of value when there is reliable data from which to estimate replacement cost and accrued depreciation. This approach is highly applicable for special purpose properties, new construction and when there are limited sales or rental activity (resulting in less reliable value indications by sales comparison and income capitalization). It is less applicable for older properties that exhibit significant amounts of depreciation. For non-special purpose properties, this approach is often considered by market participants but not given primary weight. Investors primarily use this approach to determine the feasibility of a proposed development. Owner-users often consider this approach when making decisions on whether to buy an existing building or pursue new construction.

Sales Comparison Approach

This approach is normally a strong indicator of value when adequate current sales data are available. Like the Income Capitalization Approach, this approach responds quickly to changes in the marketplace. In user markets, the Sales Comparison Approach is given primary weight. Investors use this approach primarily as an indicator of current rates of return and subsequently give this approach secondary weight.

Income Capitalization Approach

The Income Capitalization Approach is generally considered a strong indicator of value for income-producing properties. The primary strength of the Income Capitalization Approach is income and operating levels respond quickly, if not immediately, to conditions in the market and changes in the property. This approach is given primary weight by investors and secondary weight by owner-users. Direct capitalization is the most common method of income capitalization used within the market and is highly applicable when a property is physically or economically stabilized. Discounted cash flow analysis is used by market participants for investment grade properties and is highly applicable when there are changing market conditions, a property is not physically or economically stabilized, the timing of cash flows is irregular, or the income pattern is different than what is typical of the market.

EXCLUSION

The Income Capitalization Approach was not performed for the following reasons.

- The subject is an owner-occupied property and exists within a primarily owner-user market. While certain buyers may consider the income capitalization approach, it is not given significant weight by the vast majority of owner-users.
- There has been limited leasing activity within the subject's market that is directly comparable to the subject.
- There is inadequate market data available in this case to credibly conclude an appropriate capitalization rate for the subject.
- Performance of the income capitalization approach does not increase the reliability of the current value estimate.
- The other approach(es) resulted in a reliable value estimate for the subject.

Final Value Estimate

The probable buyer of the subject is an owner-user. The value indications from the approaches performed have fallen within a narrow range suggesting adequate market data and reliable analysis of the data. All of the approaches provided reliable value indications and are highly applicable. In the end, the approaches performed are given equal weight. After careful consideration, the final value estimate(s) for the subject is/are as follows:

FINAL MARKET VALUE ESTIMATE	
Wrangell Medical Center	
Property Rights	**Fee Simple**
Condition	**As Is**
Effective Date of Appraisal	**March 26, 2022**
Final Market Value Estimate	**$830,000**

Exposure Period / Time

DEFINITION[12] *1. The time a property remains on the market. 2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)*

Investor surveys indicate exposure periods for properties within the subject's market classification ranging from 3 to 12 months and averaging 7 months. Pre COVID-19, local sales comparable data indicated exposure periods ranging from 3 to 12 months, assuming appropriate pricing and marketing efforts. In particular, smaller, single-tenant properties have tended to sell more quickly in the face of strong demand and limited availability. At the reconciled market value, an exposure period of 12 months is concluded.

Marketing Time

DEFINITION[13] *An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time.)*

Implicit within the concept of market value is that the property is fully exposed to the market. Within the Alaska market this includes retaining a knowledgeable and qualified commercial broker that prepares a marketing package, lists the property on Alaska Multiple Listing Service as well as other local and national web sites used to market real estate. In the event that a knowledgeable and qualified broker is not retained, the property is not receiving full exposure to the market and the price that a seller will be able to attain may be impacted.

Based on the market analysis performed and the subject being fully exposed to the market, the anticipated marketing time is based on the following relationships:

Pre-COVID-19 Exposure Period + (COVID-19 Shutdown + COVID-19 Recovery) = Marketing Time

While the precise impact on valuations is uncertain, based on the current prevailing consensus by experts that the virus will largely be managed (but not necessarily eliminated) in as little as two months but in less than six months. An economic recovery period between six months and twelve months is anticipated. Therefore, based upon prevailing exposure periods,

[12] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[13] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.

marketing times are anticipated to increase to eighteen months for most property types. This projected increase in marketing times is consistent with historical evidence, including the 2000 dot.com bubble, September 11, 2001 terrorist attacks and 2008 financial crisis. In all of these prior periods of economic crisis, short term values were negatively impacted immediately followed by a dramatic decrease transaction volume, followed by a strong recovery and return to prior prevailing valuations and transaction volumes. While there are divergent opinions, the general consensus is that the COVID-19 will follow a similar pattern.

Therefore, for a property of this type and size, in this neighborhood, and given expected market conditions, the most probable marketing time would be up to 12 months. Note that it may be inappropriate for the Client to assume value remains stable during the estimated marketing period and that the marketing period may change over time.

General Assumptions & Limiting Conditions

1. **Applicable to All Assignments:** Unless explicitly stated to the contrary, the following General Assumptions & Limiting Conditions apply to all assignments:

2. **Acceptance of Report/Limit of Liability:** Any use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by Appraiser, constitutes acceptance of, and is subject to, all appraisal statements, limiting conditions and assumptions stated in the appraisal report. The client is responsible to become familiar with these statements, assumptions and limiting conditions.

3. **Responsibility of Client/Intended User to Accurately Communicate Appraisal Results:** If placed in the possession of anyone other than the client or intended user, they shall make such party aware of these assumptions and limiting conditions. The appraiser(s) assume no liability for the client or third party's lack of familiarization and comprehension of the same. The appraiser(s) has no responsibility or liability to correct any deficiencies of any type in the property, or any costs incurred to correct such deficiencies whether legal, physical, or financial.

4. **Post Appraisal Services:** The contract for appraisal, consultation, or other service is fulfilled upon completion of the assignment. The appraiser(s) or others assisting in this report will not be required to provide testimony in court or other hearing and will not participate in post appraisal services other than routine questions with the client or third parties so designated by the client without a separate engagement and for an additional fee. If testimony or deposition is required due to subpoena, the client shall become responsible for the incursion of fees and charges for any additional time, regardless of the party.

5. **Duplication and Dissemination of Report or Report Contents:** This appraisal has been completed for the client's specific use as well as any other intended user(s) specifically identified in the report. The appraiser(s) has no liability, accountability, or obligation to any other third party. The appraiser(s) retain ownership and copyright of the data, discussions, and conclusions contained herein. Possession of this report does not constitute the right of publication or dissemination either in whole or in part. The client may only disseminate complete final copies to third parties engaged in the course of underwriting and loan securitization, as well as to any other intended user(s) identified in the report, or in the case of litigation or negotiations, the other party, their counsel and any court, including master or arbitrator. Duplication and dissemination of selected sections of this report to third parties without express written consent of the signatories of the report are prohibited and may be misleading. This report in whole or in part may not be distributed to the general public by use of advertising media, public relations, new outlets, etc. without the written consent of the signatories. Exemptions from this restriction include duplication for the client's internal use, dissemination to accountants, attorneys, or advisors of the client. The exemption also extends to any court, governmental authority, or regulatory agency that has jurisdiction or subpoena power over the individuals or parties for whom the appraisal has been prepared or for ethics enforcement, provided that the report will not be published in whole or in part in any public document or medium. This report shall not be advertised to the public to make a "sale" or any "security" as defined by the Securities Act of 1933.

6. **Appraisal Institute Use Restrictions:** Disclosure of the contents of this appraisal report is governed by the By-Laws & Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the

firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned. No part of this report or any of the conclusions may be included in any offering statement, memorandum, prospectus or registration without the prior written consent of the appraisers.

7. **Unauthorized User:** The report has been prepared for the client and any other intended user(s) specifically identified in the report, for the stated intended use only. The appraiser(s) has no liability to any other third party. Any authorized user of this document who provides a copy of this document to, or permits reliance thereon by, any person or entity not authorized by Reliant, LLC in writing to use or rely thereon, hereby agrees to indemnify and hold Reliant, LLC, its affiliates and their respective shareholders, directors, officers, and employee's harmless from and against all damages, expenses, claims and costs, including attorney's fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the document by any such unauthorized person or entity. Such unauthorized distributor accepts all liability to the unauthorized user whom they distribute a copy of the report to. Any unauthorized distributor of this report is cautioned that they may incur liabilities to the unauthorized user that they are providing a copy of the report to as well as to Reliant LLC.

8. **Reliability of Information Used:** Through the course of this assignment the appraiser(s) collected data from numerous sources deemed reliable, but not guaranteed. No liability is assumed for the inaccuracies of data supplied by the various sources either public or private. Data relied upon in this report has been confirmed with primary or secondary sources considered reliable and/or reasonable, and appropriate for inclusion in the analysis. Although there were no reasons to doubt the general accuracy of such data, unimpeachable verification or affidavits of all data is an impractical and an uneconomic expenditure of time and resources and/or may involve legal or confidentiality issues.

9. **Right to Amend Report:** The appraiser(s) reserves the right to amend, modify, alter, or correct any and all statements, analyses, and conclusions of the value indications in the event that incorrect data was supplied, withheld, altered, or that any other pertinent data unknown, not disclosed, or revealed to the appraiser(s), whether intentionally or unintentionally, during the course of this assignment subsequently becomes available. Examples of such data that could impact the opinions of market value include but are not limited to: street addresses, Assessor's Parcel Numbers, site area, site dimensions, gross building area, net rentable area, usable area, common area, number of units, number of rooms, rent rolls, historical operating statements and budgets, sales data, etc.

10. **Purchase and Sale Agreement:** In the event of a pending sale, as of the report date, any purchase and sale agreement (PSA, EMA, etc.) provided has been represented as being the final agreed upon document reflecting the final price and terms negotiated between the parties. This information reflects the perspective of a buyer and seller, and so may have been given significant weight in the final conclusion of market value. In the event that the sale information provided subsequently turns out not to represent the final agreed upon price and/or terms, or in the event that the price and/or terms are amended post-delivery of this report, the market value estimate contained herein may be invalidated. The intended user(s) of this report is advised not to rely upon it in this situation until the appraiser is provided the final/amended sale information for their full consideration and possible amendment to the opinions and conclusions originally stated in this report.

11. **Obligation of User to Report Errors:** Any authorized intended user is required immediately contact the appraiser(s) and report errors, discrepancies, or alterations to determine the impact on the

opinion(s) of market value.

12. **Integrated Analysis.** The individual components of the analysis contained herein are highly interrelated and subject and assignment-specific. As such, individual items such as rent, vacancy allowance, expenses, and rate of return cannot be viewed individually without the context of the whole analysis. Moreover, conclusions or individual components from this specific analysis cannot and should not be extracted for application to other properties and/or situations.

13. **Market Dynamic and Valuation Fluctuations:** The opinions of market value expressed within the report are subject to change over time as a result of market dynamics. Market values are highly susceptible to both macro and micro economic forces that influence the property. Such forces include but are not limited to: exposure on the market, length of time, marketing efforts, motivations and preferences of market participants, productivity of the property, the property's market appeal, changes in investor requirements regarding income and yields, etc. The opinions of market value are made as of the report date and subject to fluctuations over time as a result of natural market forces.

14. **Date of Value, Dollar Values, and Purchasing Power:** The date of the report and the effective date of the market value opinions are stated in the letter of transmittal or with the appropriate sections of the report. All dollar amounts are based on the purchasing power of the United States Dollar (USD). The analyses and conclusions of the assignment are based upon the known market conditions as of the date of report and are valid as of that date but may not be representative of market value either before or after this date. Changes in market conditions or purchasing power may warrant a new appraisal assignment. The appraiser(s) is available for consultations regarding changes in the economic conditions.

15. **Fixtures, Furniture, and Equipment (FF&E) and Business Concerns:** Personal property, FF&E, intangibles, going concerns, etc., unless specifically stated as a component of the real estate, are excluded from the market value estimates.

16. **Walk Through May Not Include Non-Relevant Space(s):** In the case where a "complete" walk through has been performed, a physical observation has been performed to assist in identifying relevant property characteristics in a valuation service to identify features that may affect a property's value or marketability such as legal, economic or physical characteristics. The physical observation will be of all relevant space(s) required to arrive at a reliable and credible opinion of market value, but may not include certain space(s) that are not deemed relevant or material to the appraisal problem. If the lack of physical observation of certain space(s) does not impact the reliability or credibility of the appraisal, it may not be disclosed within the report. In the event that the lack of physical observation of certain space(s) may have an impact on the reliability or credibility of the opinion of market value it will be disclosed within the report.

17. **Non-Viewed Units/Spaces:** In certain instances, due to current occupancy or lack of access, portions of the subject's units/spaces are not available to be viewed during the walk through. Unless otherwise stated in the report, in these cases the person accompanying the appraiser on the walk through has represented that the condition and quality of these units/spaces are similar to that of the property (viewed areas) as a whole. It is a general assumption of this assignment that the units/spaces that were not viewed are commensurate condition and quality with those viewed by the appraiser during the walk through.

18. **Proposed Improvements, Renovations, and Repairs:** For the purposes of this analysis, the proposed improvements, renovations, and/or repairs are assumed to be completed in a workman-like

manner, and according to the detail, plans, and specifications supplied to the appraiser(s). The market value opinions for such construction, renovations, and repairs are subject to an onsite walk-through of the improvements to determine completion as per plans and specifications.

19. **Date of Completion Value:** The actual delivery date of proposed product may vary widely from the anticipated date of delivery due to weather and other variables. If proposed or under construction, it is an ordinary assumption of this assignment that the subject is completed as of the at completion date, which has been developed based on discussions with ownership, contractors, architects and typical market derived construction deliveries.

20. **Limitations of Competency:** The appraiser is competent in the valuation of real estate, which is a subset of the field of economics. The appraiser is not competent in the fields of law, engineering, construction, architecture, surveying or other areas of expertise. Clients bear the responsibility of consulting and retaining experts outside the appraisal profession as required by the situation.

21. **Lease Verification / Validation:** Where applicable, the scope of lease verification was generally limited to their economic characteristics and legal aspects of the leases were not reviewed or analyzed. It is assumed that all of the leases are valid, legally binding documents.

22. **Divisions or Fractional Interests:** The opinions of market value apply to the entire property unless specifically identified and established within the conclusions and analyses of the report. Division of fractional interests by the client or third party will render this report invalid.

23. **Component Values:** The distribution of total valuation between the land and the building improvements in this report are applicable only under the existing program or utilization of the property. The component values between land and building are not intended, nor are they to be used in conjunction with any other appraisal assignment, and are rendered invalid if used.

24. **Survey:** Site plans, sketches, or other illustrations are not surveys unless specifically identified as an exhibit from a licensed survey. Surveys of the site boundaries were not completed, nor do the appraiser(s) claim such expertise. Dimensions and areas of the site were obtained from sources deemed reliable but not guaranteed. Additionally, it is further assumed that no encroachments exist.

25. **Exhibits:** Maps, plats, sketches, photographs, and other exhibits are intended for illustration, visualization, and assistance in describing and analyzing the property in full context. Such exhibits may not be removed, reproduced, or separately used beyond this report.

26. **Building Area:** Reliant, LLC makes no warranty or certification relating to building area. In instances when building area is not provided and is either partially or entirely unknown the appraiser may be required to measure the property to provide an indication of building area. Measurements by the appraiser may be made onsite or be made from property drawings, sketches, or actual architectural plans. The user(s) of this assignment are cautioned not to view the appraisers building area estimate as having the same degree of accuracy as a building area study performed by an appropriately qualified/certified individual such as an architect or engineer and are recommended to engage such individuals for this type of information.

27. **Clear Title:** It is specifically assumed, unless otherwise indicated, that the title to the property is clear and marketable, that there are no recorded, unrecorded, or potential liens, defaults, encumbrances, etc. that would adversely affect the marketability and transfer of ownership. Unless otherwise stated, all applicable property taxes are assumed to be paid current. The appraiser(s) does not imply expertise in determining defects in the title, nor has the appraiser(s) been informed of such

adversities. Specific questions regarding the title, including title insurance should be directed to a well qualified real estate title company. The legal description provided by title report, surveyor, government records, etc. is assumed to be correct.

28. **Subsurface Rights, Avigation Easements, and Transferable Development Rights (TDR's):** The market value opinion(s) specifically assume that there are no mineral deposit rights or other subsurface rights, avigation easements, or transferable development rights associated with the property unless explicitly stated within the report.

29. **Private Deed Restrictions:** The appraiser(s) makes the explicit assumption that there are no private deed restrictions that in any way limit the use of the subject property.

30. **Extent of Title Search:** Unless otherwise stated, the scope of work does not include a search of Department of Natural Resource recorded documents. Such a search should be performed by a qualified title specialist, such as a title insurance agency. It is the responsibility of the Client(s) and Intended User(s) to provide any documents or information related to title to Reliant LLC for consideration.

31. **Americans with Disabilities Act (ADA):** The ADA became effective on January 26, 1992. The appraiser(s) does not imply expertise in the interpretation of the ADA, nor has a compliance survey been completed. The potential exists that if a compliance survey is completed combined with a detailed analysis of the ADA requirements, deficiencies may be revealed that could adversely impact the market value conclusion(s). No specific information regarding any non-compliance issues have been provided to the appraiser(s) and the possibility of non-compliance was not considered in the developing the opinions of value contained herein. Specific compliance questions should be directed to the appropriate governing jurisdictional agency.

32. **Zoning Ordinances:** It is assumed that no changes to the current zoning code/ordinances or other regulations regarding the use of the property, density of development, construction components and/or quality of components, etc. are imminent or under consideration by the jurisdictional governing body, unless otherwise noted in the report. The property is appraised under the assumption that the improvements are approved, that certificates of occupancy or permits have been or will be issued, and that all other applicable national, state, local, or other administrative requirements have successfully been, or will be obtained or renewed for any use considered in the opinion(s) of market value.

33. **Adverse Governmental Controls:** Unless otherwise stated, the appraiser(s) is unaware of any governmental controls on the property, public initiative issues, rent or price controls, or any other adverse governmental or public controls contemplated regarding the legal use of the property.

34. **Property Compliance:** The appraiser(s) expresses no opinions or warranties that may require legal expertise or specialized investigations beyond the methods and investigations typically employed by real estate appraisers. Market value opinion(s) and conclusions contained within the report assume that the property is compliant with all environmental and government regulations such as building permits, fire department approvals, occupancy permits, building codes, licenses, etc. If the appraiser(s) has not been supplied with expert reports or documentation on inadequacies or non-compliance, no responsibility or representation is assumed for identification or costs to cure. The appraiser(s) assumes no responsibility for costs incurred to obtain flood hazard determination, flood hazard insurance, or consequences arising for failure to obtain flood hazard insurance. Although the appraiser(s) has searched publicly available FEMA maps, a flood certification should be obtained

from a qualified agent for the Federal Flood Insurance Program.

35. **Structural Integrity and System Components:** No advice or warranty of any kind are expressed or implied regarding the condition or adequacy of the mechanical systems, structural integrity of the improvements, soils, settlements, drainage, or other factors regarding the integrity and adequacy of the component systems of the improvements. The appraiser(s) is not a qualified engineer, nor is expertise implied with respect to engineering matters. Client may desire to retain the services of a qualified licensed contractor, civil engineer, structural engineer, architect, or other expert in determining the quality, condition, and adequacy of the improvements prior to the disbursement of funds. It is assumed that the existing improvements are structurally sound and constructed to the applicable federal, state, and local building codes and ordinances. That assumption includes, but is not limited to: the superstructure, roofing, electrical, plumbing, mechanical, HVAC, elevator, etc. The opinion(s) of market value are based upon no hidden or unapparent adverse conditions of the improvements, the site, or the subsoil, which would cause a loss in value. No responsibility or liability is assumed for any adverse conditions or for the expertise and retention of experts in discovery, detection, and cost to cure. In the event that professional consultations or reports reveal negative factors that would create a loss in value, the appraiser(s) reserves the right to amend the opinion(s) of market value and other conclusions contained herein.

36. **Environmental Hazards:** Unless specifically stated, the appraiser(s) has no knowledge regarding the presence or absence of toxic materials including but not limited to: asbestos, urea-formaldehyde insulation, leaking underground storage tanks, contaminated groundwater, or other potentially hazardous materials and substances that would adversely affect the market value and marketability of the property. The appraiser(s) does not imply expertise and no liability is assumed for the detection or remediation of such materials or substances, whether above or below the ground surface. Although a perfunctory observation was made during the walk-through, the client is referred to an environmental expert for further details, if so desired. If environmental hazards are discovered, the market value opinion(s) may be negatively affected, requiring a re-appraisal of the property for an additional fee.

37. **Environmental Compliance:** Unless otherwise noted, the appraiser(s) makes the assumption that the property is in compliance with all applicable national, state, or local environmental regulations.

38. **Competent Property Management:** It is assumed that the subject property analyzed currently is, or will be under efficient and competent management and that said management is not, or will not be, inefficient or super-efficient.

39. **Ongoing Operations.** In the event that the subject is a special purpose property or going concern, ongoing business operations are assumed unless otherwise stated in the body of the report.

40. **Financial Documentation:** Historic income and expenses may have been provided by ownership, a lender, property manager, real estate agent or other third party. The financial information is assumed to reflect actual income and expenses at the subject using Generally Accepted Accounting Principles (GAAP). This information is assumed to be accurate and it has not been audited in any way.

41. **Cash Flow Projections:** The cash flow projections presented in this report are forecasts of future performance characteristics based upon the macro and micro economic data detailed in the analysis. The income, vacancy, expenses, and general economic conditions presented are not to be construed as predictions of the future, but rather reasonable expectations of future performance based on market modeling practices. Unless otherwise stated, the cash flow modeling is intended to reflect the

opinions and practices of market participants and is not the analyst's forecast of what will actually occur. Actual results will vary, and are affected by fluctuating economic conditions and efficiency of management. The appraiser makes no warranty, express or implied, that the forecasts will occur as outlined. Additionally, future economic projections may be adversely affected by unforeseen circumstances and economic repercussions beyond the realm of knowledge or control, such as the events of September 11, 2001.

42. **Asset Recommendations and Consultations**: No statements contained within the report shall constitute recommendations with regard to any decision by the client(s) or intended user(s) with respect to prospective underwriting, financing, acquisition, disposition, holding of the asset, or any other subsequent event, at the stated market value indication(s) or otherwise. If the client requests a recommendation with respect to such a decision, it should be requested in writing, be explicitly listed in the scope of work and explicitly addressed in the appraisal report. Such decisions warrant significant research and strategy, with specific investment questions requiring additional consultations and financial analysis. Any client or intended user should consider this document as only one factor together with its independent investment considerations and underwriting criteria, in its overall investment decision. The assignment is not intended to be either a positive or a negative indication, nor endorsement, of the soundness of an investment or underwriting decision.

43. **Agreement to Mediation and Binding Arbitration:** If a dispute arises out of or relates to this assignment and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable procedures. Any controversy or claim arising out of or relating to this assignment that cannot be resolved through said mediation shall be settled by binding arbitration administered by the American Arbitration Association under its applicable rules and binding judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

44. **Property Specific Assumptions, Limiting Conditions and Hypothetical Conditions:** The user is directed to the Assignment Overview section of this report for a listing of Extraordinary Assumptions and Hypothetical Conditions specific to this assignment. The user is specifically cautioned to understand each of the items listed and their impact on the property and scope of this assignment.

45. **Dissemination to Assessor:** The user(s) of this report may not provide a copy of this appraisal to any assessment office or agency without the prior written consent of Reliant LLC, as redaction of certain market and/or property level information may be required prior to submission for confidentiality reasons.

46. **No Guarantee of Adoption by Taxing Agency:** In the event that Client utilizes or submits the report in connection with a tax return or other tax matter, Client understands and agrees that Reliant LLC, the assignment signatories and its employees, provide no warranty, representation or prediction as to the outcome of the tax matter. Client understands and acknowledges that the taxing authority (whether it is the Internal Revenue Service or any state or local tax authority) may disagree with or reject the appraisal(s) or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect from Client additional taxes, interest, penalties or fees. Client agrees that Reliant LLC, the assignment signatories and its employees shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees, and Client will not seek damages or other compensation from Reliant LLC, the assignment signatories and its employees relating to any taxes, interest, penalties or fees imposed on Client or

for any attorneys' fees, costs or other expenses relating to Client's tax matter. These limitations of liability and damages restrictions shall be in addition to any other limitations and restrictions stated in this Agreement. Reliant LLC assignment signatories, appraiser's and employees are intended third-party beneficiaries of this section.

47. **No Guarantee of Adoption by Court or Jury:** In the event that Client utilizes or submits the report to any Local, State or Federal Court in connection with a litigation matter, Client understands and agrees that Reliant LLC, the assignment signatories and its employees, provide no warranty, representation or prediction as to the outcome. Client understands and acknowledges that the Courts (whether Local, State or Federal) and/or Jury may disagree with or reject the appraisal(s) or otherwise disagree with Client's legal positions. Client agrees that Reliant LLC, the assignment signatories and its employees shall have no responsibility or liability to Client or any other party for any Judgement or legal outcome. Client will not seek damages or other compensation from Reliant LLC, the assignment signatories and its employees relating to any Judgement imposed on Client for any value, taking, attorneys' fees, costs or other expenses relating to Client's litigation matter. These limitations of liability and damages restrictions shall be in addition to any other limitations and restrictions stated in this Agreement. Reliant LLC assignment signatories, appraiser's and employees are intended third-party beneficiaries of this section.

48. **Advanced Notification Required of Regulatory or Statutory Requirements:** In the event that the report is relied upon by a third party, such as the Internal Revenue Service, Assessor, Courts or anyone else other than the Client, it is the responsibility of the Client to advise Reliant LLC in writing and in advance of engagement as to any regulatory or statutory requirements imposed on the scope of assignment and scope of work by that third party. Client agrees that Reliant LLC, the assignment signatories and its employees shall have no responsibility or liability to Client or any other party for non-disclosed scope of work and scope of assignment requirements of the third party.

49. **Maximum Time Frame for Legal Action:** Unless the time frame is shorter under applicable law, any legal action or claim relating to the assignment or services performed shall be filed in court (or in the applicable arbitration tribunal, as applicable and noted above under Agreement to Mediation and Binding Arbitration) within two (2) years from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time frame stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time frame stated in this section shall apply to all non-criminal claims or causes of action of any type.

50. **Duration (Term) of Assignment Reliance:** The period of time that an assignment remains applicable and appropriate for the Client and Intended User(s) intended use, including the factual conditions that form the premise of the assignment, the research, data, analysis and conclusions, are dependent on a variety of factors including the intended users, intended use, changes in market conditions, legal/regulatory/statutory requirements, property specific conditions and other factors. While the time period that an assignment may remain applicable and appropriate to the intended use may be significantly less than thirty-six (36) months, this assignment shall not be relied upon by the Client or intended user(s) after thirty-six (36) months from the earlier date of either A) assignment delivery, which is most commonly the date of report, or B) an invoice is submitted to the Client.

51. **No Assignment of Claims:** Legal claims or causes of action relating to the appraisal are not transferable or assignable to a third party, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services

but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.

52. **Resolution of Violations & Deficiencies:** Any violations or deficiencies resolved under the terms of this agreement shall remain confidential between Reliant LLC and the Client, intended user(s) and reviewers. Except as provided under this agreement, the Client, Intended User(s) or reviewers agree not to submit the assignment to any applicable private or governmental body with jurisdiction over the matter. If any aspect of the assignment is determined by the Client, intended user(s) or their reviewers, to not meet the minimum standards of any applicable Local, State or Federal laws, including the Uniform Standards of Professional Appraisal Practice (USPAP) the Client or intended user(s) agree to not submit the assignment or individuals performing the assignment to any governing Local, State or Federal authorities or any private entity with jurisdiction without first 1) notifying Reliant LLC of the violations and 2) providing Reliant LLC an opportunity to correct and address any deficiencies that may exist. In the event that Reliant LLC fully addresses any deficiencies to the satisfaction of the Client, intended user(s) or their reviewers, these Parties agree that no further action shall be taken. If, however, the Client, intended user(s) or their reviewers do not believe that the issues have been fully resolved, Reliant LLC shall engage a third party expert of their choice to perform a professional review of the assignment. If that third party reviewer determines that the alleged issues have been resolved, the Client, intended user(s) or reviewers shall be responsible for the fee to that third party reviewer. If, however, the third party reviewer determines that the alleged issues have not been resolved, Reliant LLC shall have the opportunity to correct and address any deficiencies that may exist and is responsible for the fee to the third party reviewer. If, however, such issues are not fully addressed by Reliant LLC to the satisfaction of the third party reviewer, the Client, intended user(s) or their reviewers are released from the confidentiality requirement of this agreement and may submit the assignment to any applicable private or governmental body with jurisdiction over the matter.

53. **Unauthorized Third Party Liability to Reliant LLC for False Accusation:** The assignment is a private contract between Reliant LLC and the Client and intended user(s). Subject to the terms of this agreement, only the Client or intended user are permitted to submit this document to any applicable private or governmental body with jurisdiction over the matter without incurring any liability to Reliant LLC and the signatories of the assignment for false accusation, misrepresentation, slander or libel. In the event that the signatories of this assignment are found not to be in violation of any applicable governing regulations, any unauthorized third party that makes false accusations or submits this assignment to any applicable private or governmental body with jurisdiction over the matter accepts liability to Reliant LLC for attorney's fees incurred in their defense, lost income, damages to reputation of the signatories and firm and any and all other sources of economic damage that may result directly or indirectly from their said actions.

54. **Data Utilization:** The market and comparable data developed by the appraiser and presented in this report is being provided to the Client and Intended User(s) only within the context of this specific assignment. The Client and Intended User(s) are prohibited from distributing, disseminating, selling or otherwise profiting from this data outside the context of this assignment. The Client and Intended User(s) are, however, permitted to utilize this data strictly for their own internal purposes.

55. **Government Use:** This report contains sensitive information that may potentially cause harm to Reliant LLC if disseminated beyond the client(s) and intended user(s) described in the engagement documents and report. Therefore, subject to applicable law, any client(s) or intended user(s) that are

local, state or federal government entities agree to use their good faith efforts to maintain the confidentiality of the comparable data presented within the report. Notwithstanding other provisions of the engagement documents and report to the contrary, any client(s) or intended user(s) that are local, state or federal government entities may distribute this report as required or compelled to by law, but prior to release agree to redact all text, exhibits, photographs, maps or any other reference that identifies any comparable data used in the report where a party to the transaction (grantor, grantee, lessor or lessee) is not a government entity. The client(s) or intended user(s) and their agents are authorized to perform this redaction without consulting with, or obtaining any additional direction from Reliant LLC. The client(s) or intended user(s) may seek a written release from the above redaction requirement from Reliant LLC, who may provide such written release at its discretion. Furthermore, unless the client(s) or intended user(s) is expressly identified within the engagement documents and report as an assessment or taxation agency, and the intended use is to assist said agency in assessment or taxation matters, then unless otherwise required or compelled by law or court order to the contrary, any client(s) or intended user(s) that are local, state or federal government entities are not permitted to disseminate any contents of this report to any internal or affiliated assessment or taxation agency of the client(s) or intended user(s). If dissemination to such an assessment or taxation agency is required or compelled by law or court order, then the client(s) or intended user(s) agrees to perform the aforementioned redaction prior to distribution. Any internal or affiliated assessment or taxation agency that does obtain a copy of this report may not rely upon the report or disclose its contents. Release of this report to a local, state or federal government entity is not authorization to use the report or its contents for assessment or taxation purposes.

56. **Signatory Opinions Only:** The opinions and conclusions contained herein are developed and reported by the signatory(ies) and are exclusively those of the signatory(ies) only. This report does not necessarily reflect the opinions of Reliant LLC as a firm, or of any other Managing Members or employees.

Terms & Definitions

As Is Market Value[14]

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an "as is" value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.

Prospective Opinion of Value[15]

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Retrospective Value Opinion[16]

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."

At Completion Value[17]

The market value at the effective date construction is completed or the certificate of occupancy is issued.

At Stabilization Value[18]

The concept of value at stabilization is based on stabilized occupancy. Stabilized occupancy is defined as occupancy at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property.

Aggregate of Retail Values / Sum of Retail Values[19]

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the

[14] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[15] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[16] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[17] Source: The Appraisal of Real Estate, Fourteenth Edition, Chicago: Appraisal Institute, 2013.
[18] Source: The Appraisal of Real Estate, Fourteenth Edition, Chicago: Appraisal Institute, 2013.
[19] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.

	prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the aggregate of the retail values or aggregate retail selling price.
Value in Use (Use Value)[20]	*The value of a specific property for a specific use.*
Use Value[21]	*The value of a property based on a specific use, which may or may not be the property's highest and best use. If the specified use is the property's highest and best use, use value will be equivalent to market value. If the specified use is not the property's highest and best use, use value will be equivalent to the property's market value based on the hypothetical condition that the only possible use is the specified use.*
Business Value[22]	*The market value of a going concern, including real estate, personal property, and the intangible assets of the business.*
Market Value of the Going Concern[23]	*The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.*
Client[24]	*The party or parties (i.e. individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.*
Intended Use[25]	*The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.*
Intended User[26]	*The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.*
Fee Simple Estate[27]	*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*
Leased Fee Interest[28]	*The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.*

[20] Source: Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f].
[21] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[22] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[23] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[24] Source: Uniform Standards of Professional Appraisal Practice 2020-2021 Edition, The Appraisal Foundation.
[25] Source: Uniform Standards of Professional Appraisal Practice 2020-2021 Edition, The Appraisal Foundation.
[26] Source: Uniform Standards of Professional Appraisal Practice 2020-2021 Edition, The Appraisal Foundation.
[27] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[28] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.

Leasehold Interest (or Estate)[29]	*The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.*
Real Estate[30]	*real estate. An identified parcel or tract of land, including improvements, if any. (USPAP, 2020-2021 ed.) See also real property.*
Real Property[31]	*1. An interest or interests in real estate. 2. The interests, benefits, and rights inherent in the ownership of real estate. (USPAP, 2020-2021 ed.)*
FF&E[32]	*Business trade fixtures and personal property, exclusive of inventory.*
Personal Property[33]	*1. Tangible or intangible objects that are considered personal, as opposed to real property. Examples of tangible personal property include furniture, vehicles, jewelry, collectibles, machinery and equipment, and computer hardware. Examples of intangible personal property include contracts, patents, licenses, computer software, and intellectual property. See also trade fixtures. 2. Any tangible or intangible article that is subject to ownership and classified as real property, including identifiable tangible objects that are considered by the general public as being "personal," such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails, or designs for digital tokens. (USPAP, 2020-2021 ed.)*
Fixture[34]	*An article that was once personal property but has since been installed or attached to the land or building in a rather permanent manner so that it is regarded in law as part of the real estate.*
Trade Fixtures[35]	*Articles placed in or attached to rented buildings by a tenant to help carry out the trade or business of the tenant are generally regarded as trade fixtures. For example, a tenant's shelves used to display merchandise are trade fixtures and retain the character of personal property, as opposed to all other fixtures that were, but are no longer, personal property when they are attached to and become part of the real estate. Despite the consensus on the concept of trade fixtures in general, applicable law and custom govern when a specific item is a trade fixture in a particular assignment. Also called chattel fixture.*
Intangible Property[36]	*Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment. (USPAP,*

[29] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[30] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[31] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[32] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[33] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[34] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[35] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[36] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.

	2020-2021 ed.)
Extraordinary Assumption[37]	*An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.*
Hypothetical Condition[38]	*A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.*
Gross Building Area (GBA)[39]	*1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2. Gross leasable area plus all common areas. 3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.*
Rentable Area[40]	*For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.*
Usable Area[41]	*1. For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of the corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2. The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.*
Gross Leasable Area[42]	*Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.*
Tidelands	*Lands that lie below the mean high watermark. These include lands that are awash by normal tidal flows and submerged lands below the mean low*

[37] Source: Uniform Standards of Professional Appraisal Practice 2020-2021 Edition, The Appraisal Foundation.
[38] Source: Uniform Standards of Professional Appraisal Practice 2020-2021 Edition, The Appraisal Foundation.
[39] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[40] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[41] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[42] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.

	watermark.
Upland[43]	*A piece of land that abuts a parcel with riparian rights; describes an owner once removed from a water right by a riparian owner.*
Special Purpose Property[44]	*An improved property with a unique physical design, special construction materials, or a layout that particularly adapts its utility to the use for which it was built and may be costly to modify to another use; also called a special-design property.*
Excess Land[45]	*Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.*
Surplus Land[46]	*Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.*
Depreciation[47]	*1. In appraisal, a loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date. See also external obsolescence; functional obsolescence; physical deterioration. 2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.*
Entrepreneurial Profit (Developer's Margin)[48]	*1. A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. 2. In economics, the actual return on successful management practices, often identified as coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.*

[43] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[44] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[45] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[46] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[47] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[48] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.

Market Rent[49]

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby • Lessee and lessor are typically motivated;

• Both parties are well informed or well advised, and acting in what they consider their best interests;

• Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and

• The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).

Exposure Time[50]

1. The time a property remains on the market. 2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)

Marketing Time[51]

An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time.)

[49] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[50] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.
[51] Source: The Dictionary of Real Estate Appraisal, 7th Edition, Chicago: Appraisal Institute, 2022.

Addendum: Letter of Engagement

CITY AND BOROUGH OF WRANGELL, ALASKA

AGREEMENT FOR PROFESSIONAL APPRAISAL SERVICES

THIS AGREEMENT is between the CITY AND BOROUGH OF WRANGELL, ALASKA, ("CBW") and RELIANT LLC ("Contractor"), effective on the 4th of March 2022.

THIS AGREEMENT is for professional appraisal services for the City and Borough of Wrangell.

ARTICLE 1. SUMMARY OF SERVICES

1.1 The scope of work to be performed hereunder is more completely described in Appendix A which is incorporated herein by reference.

ARTICLE 2. COMPENSATION

2.1. CBW shall pay Contractor $22,500 for its services as described in their response for a quote for services which is incorporated herein by reference as Appendix B. Payment shall be made to Contractor upon presentation of an appropriate invoice and final report.

ARTICLE 3. PERIOD OF PERFORMANCE

3.1 The Contractor agrees to commence work under this agreement only as authorized by and in accordance with written notice to proceed and to complete the work in accordance with Scope of Work (Appendix A) by April 29, 2022.

3.2 This contract may be extended with the agreement of both parties.

ARTICLE 4. SUBCONTRACTORS

4.1 The Contractor shall perform all services required under this agreement except as may be performed by its subcontractors. Subcontractors may be retained only upon written consent from the City.

ARTICLE 5. INSURANCE

5.1 The following minimum limits of insurance coverage are required:

Type Insurance:	Limits of Liability Each Occurrence	Aggregate
Workmen's Compensation	$1,000,000	$1,000,000
Employers General Liability	$1,000,000	$3,000,000
Comprehensive General Liability	$1,000,000	$3,000,000
Comprehensive Automobile Liability	$1,000,000	$3,000,000

ARTICLE 6. APPENDICES

6.1 The following appendices are attached to this agreement and incorporated herein:

Appendix A Scope of Wok
Appendix B Quote for service

WHEREFORE the parties have entered into this agreement the date and year first above written.

ATTEST:

Kim Lane, CMC, Borough Clerk

OWNER:
City and Borough of Wrangell

By: _____
Jeff Good, Borough Manager

CONTRACTOR:
Reliant LLC

By: _____
Principal and Date 3/5/22

Addendum: Land Sale Comparables

LAND COMPARABLE L-1 RELIANT COMP ID: 9107

Trident Land - 9107
641 Shakes St
Wrangell

Location Description

Tax ID

Legal Description
Lot 4BB-2, WSI Subdivision II, Plat 2003-9

Sale Information

Actual Price	$138,000	**Date**	6/21/2017
Price	$138,000	**Transaction Type**	Closed Sale
Price Per Land SF	$8.00	**Property Rights**	Fee Simple
Price Per Usable Land SF	$8.00	**Financing**	Cash
Price Per Acre	$348,317.73	**Conditions of Sale**	Arms Length
Grantor	City of Wrangell		
Grantee	Trident Seafoods Corporation	**Sale Verification Source**	Carol Rushmore

Site

Acres	0.40	**Zoning**	I
Land SF	17,258	**Topography**	Level
Shape	Irregular		
Utilities	All utilities		

Sale Comments

This property was purchased by the lessee from the City of Wrangell. The site is improved with a belt freezer plant and the gross sales price was $950,000. The allocation to the land was $138,000. The property is located a half block off Shakes Street and is accessed via an easement. The site has some frontage on Wrangell Harbor.

LAND COMPARABLE L-2 RELIANT COMP ID: 9106

Breuger St Land - 9106
200 Brueger St
Wrangell

Location Description

Tax ID

Legal Description

Transaction

Actual Price	$27,500	**Date**	12/31/2017
Price	$27,500	**Transaction Type**	Closed Sale
Price Per Land SF	$9.59	**Property Rights**	Leasehold
Price Per Usable Land SF	$9.59	**Financing**	Cash
Price Per Acre	$417,806.14	**Conditions of Sale**	Arms Length
Grantor	City of Wrangell		
Grantee	First Bank	**Sale Verification Source**	Mike Renfrow

Site

Acres	0.07	**Zoning**	C
Land SF	2,867	**Topography**	Level
Shape	irregular		
Utilities	All utilities		

Sale Comments

This is a lease of a commercial site that was valued at $27,500 by appraisal. The site is a corner lot located one block off Front Street.

LAND COMPARABLE L-3 RELIANT COMP ID: 3812

NWC 3rd Ave & Bennett - NWC 3rd Ave & Bennett Wrangell

Location Description
NWC 3rd Ave (Howell) & Bennett

Tax ID
02-029-208

Legal Description
Lot 5, Block 59B, Industrial Subd Plat 85-8, Wrangell RD, State of Alaska

Transaction

Actual Price	$85,000	**Date**	7/30/2020
Price	$50,000	**Transaction Type**	Closed Sale
Price Per Land SF	$6.92	**Property Rights**	Fee Simple
Price Per Usable Land SF	$6.92	**Financing**	Conventional
Price Per Acre	$294,117.65	**Conditions of Sale**	Arm's Length
Grantor	Bernard Massin	**Days on Market**	365
Grantee	Sara Gadd	**Sale Verification Source**	Broker/Agent, Terri Wenger, 907-
		Sale Verification Date	3/11/20

Site

Acres	0.17	**Zoning**	I, Industrial
Land SF	7,222	**Topography**	Generally Level
Road Frontage	75	**Soil Conditions**	Average
Shape	Rectangular	**Encumbrance or Easement**	None
Utilities	Electric, Public Water, Sewer	**Environmental Issues**	None Noted

Sale Comments

This is the sale of a small industrial/commercial lot along Bennett St, on the way to the airport. The lot has good soils and all public utilities. Although improved with older asphalt and a non-operational 720 sq ft car wash structure, the parcel was marketed as vacant land, listed in March 2019. The buyer thought the carwash could be reused - either as a conversion to a coffee shop or as a carwash with a coffee shop drive through kiosk elsewhere on the site. The structure and asphalt paving improvements have been allocated $35,000 of the $85,000 sale price.

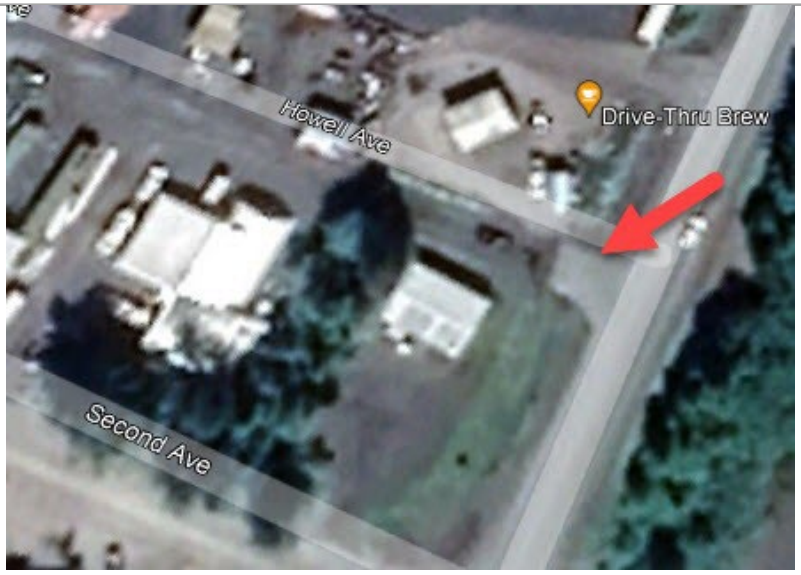
LAND COMPARABLE L-4 RELIANT COMP ID: 10772

Lot 5, Industrial Subd - NHN Airport Rd Wrangell

Location Description

Tax ID
02-029-208

Legal Description
Lot 5, Block 59-D, Industrial Subdivision, Plat 85-8



Transaction

Actual Price	$70,000	**Date**	7/30/2020
Price	$37,300	**Transaction Type**	Closed Sale
Price Per Land SF	$5.16	**Property Rights**	Fee Simple
Price Per Usable Land SF	$5.16	**Financing**	Cash
Price Per Acre	$224,983.41	**Conditions of Sale**	Arm's Length
Grantor	Bernard Massin		
Grantee	Sara Gadd	**Sale Verification Source**	Mike Renfrow

Site

Acres	0.17	**Zoning**	I
Land SF	7,222	**Topography**	Level
Shape	Rectangular	**Encumbrance or Easement**	Typical
Utilities	All utilities	**Environmental Issues**	None

Sale Comments

This is an industrial lot located between downtown Wrangell and the airport. The lot has asphalt surfacing. The sales price was adjusted downward by $32,700 to account for the contribution value of the improvements.

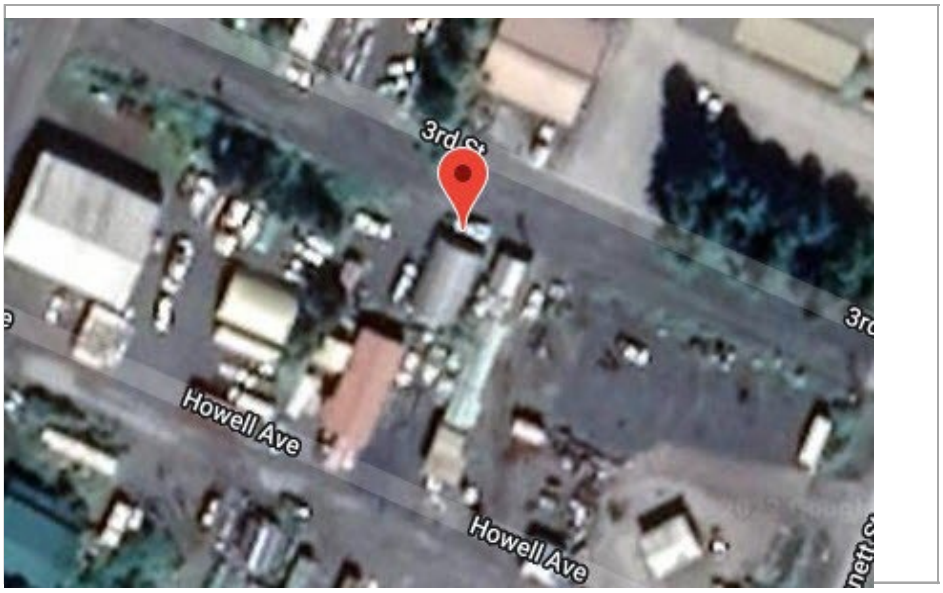
LAND COMPARABLE L-5 RELIANT COMP ID: 10773

Lot 8A, Massin/Industrial
NHN Third St
Wrangell

Location Description

Tax ID
02-029-204

Legal Description
Lot 8A, Block 59B, Plat 2018-5



Transaction

Actual Price	$195,000	**Date**	4/12/2021
Price	$86,800	**Transaction Type**	Closed Sale
Price Per Land SF	$4.73	**Property Rights**	Fee Simple
Price Per Usable Land SF	$4.73	**Financing**	Cash
Price Per Acre	$206,107.23	**Conditions of Sale**	Arm's Length
Grantor	Bernard Massin		
Grantee	John & Brenda Schwartz-Yeager	**Sale Verification Source**	Mike Renfrow

Site

Acres	0.42	**Zoning**	I
Land SF	18,345	**Topography**	Level
Shape	Irregular	**Encumbrance or Easement**	Typical
Utilities	All utilities	**Environmental Issues**	None

Sale Comments

This is an industrial lot located between downtown Wrangell and the airport. The site is located on a spur road. Improvements on the site consist of a quonset hut, modular office building, and nine storage units.

LAND COMPARABLE L-6 RELIANT COMP ID: 10774

Lot 4A, Massin/Industrial
NHN Howell Ave
Wrangell

Location Description

Tax ID
02-029-208

Legal Description
Lot 4A, Block 59B, Massin/Industrial Subdivision, Plat 2018-5.

Transaction

Actual Price	$56,500	**Date**	9/13/2021
Price	$23,800	**Transaction Type**	Closed Sale
Price Per Land SF	$4.51	**Property Rights**	Fee Simple
Price Per Usable Land SF	$4.51	**Financing**	Cash
Price Per Acre	$196,612.97	**Conditions of Sale**	Arm's Length
Grantor	Bernard Massin		
Grantee	John & Brenda Schwartz-Yeager	**Sale Verification Source**	Mike Renfrow

Site

Acres	0.12	**Zoning**	I
Land SF	5,273	**Topography**	Level
Shape	Rectangular	**Encumbrance or Easement**	Typical
Utilities	All utilities	**Environmental Issues**	None

Sale Comments

This is an industrial lot located between downtown Wrangell and the airport. The site is located on a secondary street. The site is improved with an industrial building that contributed $32,700.

Addendum: Improved Sale Comparables

Addendum: Improved Sale Comparables

IMPROVED COMPARABLE I-1 RELIANT COMP ID: 970

Marriott Springhill Suites Site - 970

553, 555 First Ave. & , 550, 552 Second Ave. Fairbanks, AK

Location Description
SEC Cushman St. & First Ave.

Tax ID
447021

Legal Description
Lot 1-A-1, Block 13, Fairbanks Townsite

Sale Information

Actual Price	$550,000	**Date**	5/26/1999
Price	$550,000	**Transaction Type**	Closed Sale
Grantor	City of Fairbanks	**Property Rights**	Fee Simple
Grantee	Town Square Properties	**Financing**	Conventional
		Conditions of Sale	Motivated Seller
Book/Page or Reference Doc	1999-013462-0		

Site Description

Acres	1.3	**Zoning**	CBD, Central Business District
Land SF	55,159	**Topography**	Generally Level
		Waterfront Access	No
Access	Excellent / Excellent		

Improvements Description

GBA	36,400		
Percent Office		**Land to Building Ratio**	1.515357143
Efficiency Ratio			
		Yard Storage	

Sale Indices

		NOI SF of Rentable	
TOS Occupancy			
Vacancy Stabilized			

Sale Comments

This is the sale of land for the development of a Marriott Springhill Suites in downtown. The site was formerly known as the old bar block" and new development at the site required demolition of all the old improvements. In the late1990s the city requested proposals for new development of the site, requiring that the entire block remain intact as one parcel. The city selected Town Square Properties' proposal. Demolition included minor asbestos removal and tipping fees at the landfill totaling approximately $100,000. This cost was roughly offset by a total of $100,000 in rebates the developers received for meeting specific development deadlines. Due to the city's motivation and the development process, this sale may be regarded as below market value."

IMPROVED COMPARABLE I-2 RELIANT COMP ID: 1073

ACS Globe Bldg. - 1073

645 Fifth Ave.

Fairbanks, AK

Location Description
SS Fifth Ave.; E of Barnette St.

Tax ID
37214

Legal Description
Lot 5, Block 86A, Fairbanks Townsite

Transaction

Actual Price	$410,000	**Date**	12/28/2007
Price	$410,000	**Transaction Type**	Closed Sale
Grantor	City of Fairbanks	**Property Rights**	Fee Simple
Grantee	ACS of Fairbanks, Inc.	**Financing**	Conventional
Buyer Type	Owner-User	**Conditions of Sale**	Arms Length
Book/Page or Reference Doc	2007-029683-0		

Site Description

Acres	0.4	**Zoning**	CBD, Central Business District
Land SF	17,608	**Topography**	Generally Level
Access	Good / Good		

Improvements Description

		Quality	Average
GBA	19,286		
Percent Office	25%	**Land to Building Ratio**	0.912993882
Tenancy Type	Single-Tenant		
Year Built	1950 / 1950		
Construction	Concrete		

Sale Indices

		NOI SF of Rentable	
TOS Occupancy		**Risk Profile**	Average Risk
Vacancy Stabilized			

Sale Comments

This is the City of Fairbanks' sale of the Globe Building to Alaska Communications Systems (ACS). The building was marketed beginning in the fall of 2004 when the Fairbanks City Council determined the building was no longer required for municipal purposes and should be sold off. The building was advertised at the assessed value of $766,000 to multiple potential buyers, during which time the city received three offers: $300,000, $250,000, and $410,000. The city rejected the offers due to price, contingency, and liability concerns. The building's marketability was impeded for a couple of reasons. First, on-site parking is minimal. Second, a portion of the building was subject to a below market lease to ACS in which ACS pays a portion of utility and maintenance costs only. Lastly, the building had a multitude of maintenance issues as well as asbestos. The city received an offer from ACS for $410,000 which it accepted. Overall, this was an arms-length transaction with typical financing, and was representative of market conditions at the time of sale.

IMPROVED COMPARABLE I-3 RELIANT COMP ID: 650

Matanuska Maid Dairy Bldg. - 650
814 W. Northern Lights Blvd.
Anchorage, AK

Location Description
Btwn. NL Blvd. & Photo Ave./W. 29th, E. of North Star St., W. of Alley

Tax ID
010-014-60

Legal Description
Lot 1-5, 7-10, Block 4, Frank Dickson SD, Plat 135-A

Transaction

Actual Price	$1,525,000	**Date**	9/11/2008
Price	$1,525,000	**Transaction Type**	Closed Sale
Grantor	State of Alaska	**Property Rights**	Fee Simple
Grantee	Matt Bobich	**Financing**	Conventional
Buyer Type	Investor	**Conditions of Sale**	Arms Length
Book/Page or Reference Doc	2008-051652-0		

Site Description

Acres	1.4	**Zoning**	B-3, General Business
Land SF	62,032	**Topography**	Generally Level
		Waterfront Access	No
Access	Below Average / Excellent		

Improvements Description

Property Type	Warehouse	**Quality**	Below Average
GBA	54,445		
Percent Office	16%	**Land to Building Ratio**	1.139351639
Efficiency Ratio	100%	**Ceiling Height**	18
Tenancy Type	Single-Tenant	**Yard Storage**	No
Year Built	1963 / 2008	**Overhead Doors**	Yes
Construction	Concrete	**Dock High Doors**	Yes

Sale Indices

Improvement Value	-$25,800.00		
		NOI SF of Rentable	
TOS Occupancy		**Risk Profile**	Average Risk
Vacancy Stabilized			

Sale Comments

This is the former Matanuska Maid building in Midtown Anchorage located between Northern Lights and Benson in a very high traffic, high exposure location. Mat Maid sold the property in 2008 via a sealed bid auction that was widely publicized. The improvements were configured as a dairy and were in poor condition and some asbestos contamination. The winning bid was $1,525,000. Costs to convert the improvements from dairy to pure distribution warehouse use and remove asbestos were $1 million. Deferred maintenance was estimated at $250,000. Due to poor truck access, maneuvering room and configuration the improvements provided limited functional utility and were not suitable for continued use as distribution warehouse. Post sale the buyer converted the property to mini storage space at substantial expense. This is an excellent example of the impact that poor truck access has on value. Overall, this is a arms length market transaction representative of a distribution warehouse property offering limited functional utility.

IMPROVED COMPARABLE I-4 **RELIANT COMP ID: 1075**

Lathrop Bldg. - 1075

519 1st Avenue

Fairbanks, AK

Location Description
Between 1st and 2nd Avenues near Lacy St

Tax ID
30431

Legal Description
Lt 18, except S. 45' and Lts 19 & 20 BLK 13 Fairbanks Townsite

Transaction

Actual Price	$575,000	**Date**	3/11/2011
Price	$575,000	**Transaction Type**	Listing
Grantor	Wells Fargo	**Property Rights**	Leased Fee
		Financing	Conventional
Buyer Type	Investor	**Conditions of Sale**	Asking
		Days On Market	210

Site Description

		Zoning	CBD
Land SF	10,100	**Topography**	Generally Level
Access	Average / Good		

Improvements Description

		Quality	Average
GBA	37,412		
Percent Office	10%	**Land to Building Ratio**	0.269966856
Efficiency Ratio	93%	**Ceiling Height**	8
Tenancy Type	Multi-Tenant		
Year Built	1939		
Construction	Concrete		

Sale Indices

		NOI SF of Rentable	
TOS Occupancy			
Vacancy Stabilized			

Sale Comments

This older building was foreclosed on by Wells Fargo in 2009. The listing was originally priced at $1,200,000 but has been reduced to $575,000. As an older building, the improvements are compromised with contained asbestos, estimates to cure range from $106.92/sq ft. to $160.38/sq ft.

IMPROVED COMPARABLE I-5 **RELIANT COMP ID: 1813**

TDX Aviation Park Facility - 1813
4902 Spenard Road

Anchorage, AK

Location Description
NWC of International Airport Rd. & Spenard Rd.

Tax ID
010-301-21

Legal Description
Lot 2, AIRPORT GATEWAY SUBDIVISION, according to Plat No. 2003-136

Transaction

Actual Price	$4,500,000	**Date**	10/29/2012
Price	$4,500,000	**Transaction Type**	Closed Sale
Grantor	Alaska Master Park, LLC	**Property Rights**	Fee Simple
Grantee	Option Grantee	**Financing**	Conventional
Buyer Type	Investor	**Conditions of Sale**	Arms Length
Book/Page or Reference Doc	2013-017330-0	**Days On Market**	180

Site Description

Acres	5.6	**Zoning**	T, Transitional
Land SF	242,414	**Topography**	Level
		Waterfront Access	No
Access	Average/ Excellent		

Improvements Description

GBA	29,700	**Parking Spaces**	48
Percent Office		**Land to Building Ratio**	8.162087542
		Ceiling Height	16'
Construction	Reinforced concrete		

Sale Indices

Price Per RA	$105.51		
		Expense Ratio	8.0%
		NOI SF of Rentable	
TOS Occupancy			
Vacancy Stabilized		**Cap Rate**	7.09%

Sale Comments

This is the sale of the former National Guard Armory located at the northwest corner of Spenard Road and West International Airport Road. The site is influenced by both the midtown and airport markets, and is just across Aviation Avenue from Spenard Lake. The site was improved with a 28,433 sq ft concrete block building originally built in 1962. The property was auctioned off by the MOA and the successful bid was $4,500,000. There was prior known contamination on the property, however, a no further action letter had been issued and no impact on the sale was noted. Post sale expenditures include demolition of the existing building, which includes small amounts of asbestos, at an estimated cost of $269,000 (based on the accepted bid). The property was sold with deed restrictions requiring an aviation theme, meeting

IMPROVED COMPARABLE I-6 **RELIANT COMP ID: 7724**

Elks/Rockwell Building - 7724

109 Franklin Street

Juneau, AK

Location Description

Tax ID
1C070A130030

Legal Description
Fr. Lot 6, Lots 7 and 8, Block 13, Juneau Townsite

Transaction

Actual Price	$1,150,000	**Date**	12/31/2012
Price	$751,900	**Transaction Type**	Closed Sale
Grantor	PEREYRA 2006 TRUST	**Property Rights**	Fee Simple
Grantee	FISHBONE RENTALS LLC	**Financing**	Conventional
		Conditions of Sale	Arms Length
Book/Page or Reference Doc	2012-008422-0		

Site Description

Acres	0.3	**Zoning**	MU
Land SF	11,048	**Topography**	Sloping up to NE

Improvements Description

Property Type	Mixed Use		
GBA	15,924	**Parking Spaces**	10
		Land to Building Ratio	0.693795529
Year Built	1908		
Construction	Masonry		

Sale Indices

Price Per RA	$47.22		
		NOI SF of Rentable	
TOS Occupancy			
Vacancy Stabilized			

Sale Comments

This building was originally the Elks Lodge until 2006 when it was converted to a restaurant/bar and event space. The 7,694 sq ft ground floor has the restaurant/bar and three restrooms. The second floor is 7,182 sq ft, mostly open ballroom with another commercial kitchen, bar and storage. The 1,048 sq ft third level is a 2-bedroom apartment. At sale the shell of the building was structurally fit, but the interior required significant renovation. Since the 2012 sale the first floor electric and plumbing was completely updated to code. As of spring 2020 the property is listed for sale for $1.56 million, or $97.97 per sq ft of GBA.

IMPROVED COMPARABLE I-7 **RELIANT COMP ID: 7716**

First National Bank Building - 7716

238 Front Street

Juneau, AK

Location Description

Tax ID
1C070A030040

Legal Description
Lot 3 and Por Lot 2 Block G, and Lot 4 Block 3, Juneau Townsite

Transaction

Actual Price	$600,000	**Date**	3/30/2016
Price	$600,000	**Transaction Type**	Closed Sale
Grantor	First National Bank Alaska	**Property Rights**	Fee Simple
Grantee	Spickett's Palace LLC	**Financing**	Conventional
		Conditions of Sale	Arms Length
Book/Page or Reference Doc	2016-001398-0		

Site Description

Acres	0.1		
Land SF	5,943	**Topography**	Benched

Improvements Description

Property Type	Mixed Use	**Quality**	Average
GBA	12,580		
		Land to Building Ratio	0.472416534
Year Built	1916		
Construction	Masonry		

Sale Indices

Price Per RA	$47.69		
		NOI SF of Rentable	
TOS Occupancy			
Vacancy Stabilized			

Sale Comments

Downtown Juneau historic building with frontage on both Front Street and N Franklin Street. The purchaser planned to renovate the building with new retail storefronts and apartments above. The top floor was formerly used as a theater and requires repurposing. Since the sale the Franklin Street space has been renovated and leased to Devils Club Brewing.

IMPROVED COMPARABLE I-8 **RELIANT COMP ID: 3691**

707 A Street - 3691

707 A Street

Anchorage, AK

Location Description
SEC of 7th Avenue and A Street

Tax ID
002-142-62

Legal Description
Lots 4,5,and 6 Block 109 Original Townsite of Anchorage

Transaction

Actual Price	$1,075,000	**Date**	1/17/2018
Price	$1,075,000	**Transaction Type**	Closed Sale
Grantor	Board of Regents of the University of	**Property Rights**	Fee Simple
Grantee	A Street LLC (50%), M&M Living	**Financing**	Cash
Buyer Type	Investor	**Conditions of Sale**	Arms Length
Book/Page or Reference Doc	2018-002075-0	**Days On Market**	210

Site Description

Acres	0.5	**Zoning**	B-2B, CBD Intermediate
Land SF	21,000	**Topography**	Generally Level
Access	Good / Good		

Improvements Description

Property Type	Office Building	**Quality**	Average
GBA	20,424		
Percent Office	100%	**Land to Building Ratio**	1.028202115
		Ceiling Height	12'
Tenancy Type	Multi-Tenant		
Year Built	1973/2019		
Construction	Wood Frame		

Sale Indices

Improvement Value	$214,000.00		
		NOI SF of Rentable	
TOS Occupancy			
Vacancy Stabilized			

Comments

This was the arm's length sale of a downtown property that required significant updating and some deferred maintenance. The purchase price was $1,075,000 however after upgrades, based on numbers provided by the broker, the analysis price is $1,650,000. The property was purchased by several local investors and is currently being renovated including removal of asbestos, a new HVAC, upgraded elevator and remodeling of all restrooms.

Addendum: Property Information

Design Southeast

Ryan M. Wilson, PE, SE
Structural Engineering
(907) 747-5424

403 Lincoln St., Suite 240
Sitka, AK 99835

May 1, 2018

Wrangell Medical Center Building Condition Survey
Structural, Building Envelope and Interior Finishes
(15 Pages)

5-1-2018

Narrative

Per the request of SEARHC facilities staff, Ryan M. Wilson, PE recently participated in a condition survey of the Wrangell Medical Center. The general scope of work included the following:

1. Document any non-code compliant construction.
2. Document any major building maintenance deficiencies requiring immediate attention.
3. Prepare recommendations to correct non-code compliant work in such a way as to meet the minimum standards of the 2012 International Building Code.
4. Prepare recommendations to correct any major building maintenance deficiencies in such a way to make such construction new and serviceable.
5. Determine if a more thorough investigation is warranted.

This condition survey began during the afternoon of April 23 and ending late morning April, 25, 2018. Mr. Wilson's scope of work mainly included a brief visual condition assessment of the foundation, roof framing, roofing, siding, windows and basic interior finishes such as; flooring, suspended ceilings, etc. Only readily accessible areas were assessed. This condition assessment used noninvasive and nondestructive methods. Some of the recommendations in regards to finishes, listed as deficiencies, were based on the inspector's judgement. Structural analysis was outside the scope of work. Geotechnical and subsurface investigation were not performed. This report does not warrantee the building against settlement or subsidence of any kind. Environmental investigations such as for asbestos, lead paint, mold or carpenter ants were outside the scope of work. Brief visual assessments do not reveal all deficiencies, it is possible some may be found latter.

Wrangell Medical Center Building Description

Property location: 310 Bennet Street, Wrangell, Alaska
Property owner: City and Borough of Wrangell
Dates of inspection: April 23-25, 2018
Building Description: One main level with a partial basement. There are at least three known additions. The front of the building faces Reid Street.
-1967 original construction + 1974 Addition = 17,898 sf
-1988 Addition = 9,928 sf
-1994 Addition = 2,770 sf
Total Building Area = 30,596 sf

Description of Elements and Components:

1967 Building:
1. **Construction Type:** V, with sprinklers.
2. **Foundation:** Creosote treated timber pilings with reinforced concrete pile caps and grade beams.
3. **Structural Framing:** Conventional wood framing consisting of 2x floor joists, timber beams, 2x wood stud bearing walls, 2x roof rafters and timber purlins.
4. **Roofing:** Built-up multi-ply tar roof. Note: see 1988 addition for over-framed standing seam metal roofing.
5. **Siding:** Exterior Insulated Finished System (EIFS).
6. **Windows:** Wood casement or fixed windows.

1974 Addition:
1. **Construction Type:** V, with sprinklers.
2. **Foundation:** Unable to verify. The 1974 structural design drawings show a shallow foundation supported by reinforced concrete basement walls, spread footings and a concrete slab on grade. All bearing on a soil embankment.
3. **Structural Framing:** Unable to verify. The 1974 structural design design drawings show 2x wood stud bearing walls, open web floor joists, structural steel floor beams, structural steel columns, open web joist roof rafters and glulam purlins.
4. **Roofing:** Built-up multi-ply tar roof. Note: see 1988 addition for over-framed standing seam metal roofing.
5. **Siding:** Exterior Insulated Finished System (EIFS).
6. **Windows:** Wood casement or fixed windows.

1988 Addition:
1. **Construction Type:** V, with sprinklers.
2. **Foundation:** Creosote treated timber pilings with reinforced concrete pile caps and grade beams.
3. **Structural Framing:** Combination of conventional modular wood framing and stick framed construction. The 1988 addition on the west side of the building using modular construction is supported by timber pilings. A stick framed roof was constructed over the entire building; original 1967 construction, 1974 addition and 1988 additions. The new roof Over-framing consists of engineered I joist rafters, glulam beam; purlins, hip and ridge beams. Factory built trusses over-frame the1974 addition roof.
4. **Lateral Force Resisting System:** Plywood shear walls and plywood

roof diaphragms.
5. **Roofing:** Standing seam metal roofing.
6. **Siding:** Exterior Insulated Finished System (EIFS).
7. **Windows:** Wood casement or fixed windows.

1994 Addition:
1. **Construction Type:** V, with sprinklers.
2. **Foundation:** Creosote treated timber pilings with reinforced concrete pile caps and grade beams.
3. **Floor Framing:** Elevated structural concrete slab consisting of composite metal floor deck with concrete topping slab.
3. **Structural Framing:** Pre-Engineered metal building. Primary steel consists of structural steel rigid frames. Secondary cold formed metal girts and purlins span between the rigid frames to support the wall and roof elements.
4. **Lateral Force Resisting System:** Structural steel rigid frames and ordinary concentrically braces frames. Roof diaphragm consists of steel rod cross bracing.
5. **Roofing:** Standing seam metal roofing.
6. **Siding:** Metal siding panels oriented vertically.
7. **Windows:** Aluminum casement or fixed windows.

Main Entry – Southwest Elevation

West Elevation

North Elevation

East Elevation

North Elevation – Shop Vestibule
Shop to the Left
1994 Addition

East Elevation - Shop
1994 Addition

Wrangell Medical Center Deficiency List

1. Refer to appendix A photo log for photos of some of the deficiencies listed below.
2. Refer to construction cost estimate prepared by Estimations Incorporated for item costs.

ITEM	TITLE	DESCRIPTION OF DEFICIENCY	PROPOSED CORRECTION	CODE / CRITERIA	NOTES
S01	Metal Roofing	There are (2) major roof leaks at the roof ventilation turrets and approximately (12) minor leaks throughout the metal roofing. The metal roofing was originally installed in 1988 (30 years old) and is at the end of it's useful life. The leaks at the ventilation turrets have resulted in approximately 120 sf of rotten plywood roof sheathing.	Like-kind replacement of the existing standing seam metal roofing. Replace approximately 120 sf of decayed plywood roof sheathing.	RECOMMENDATION	
S02	Seamless Metal Gutter System	Replacement is required during a reroof project.	Replace existing gutters with an new seamless metal gutter system	RECOMMENDATION	
S03	Air Handler Hoods	The existing air handler hoods are at the end of their life. The protective paint coating has failed allowing significant corrosion of the base metal to begin.	Like-kind replacement of air handler hoods.	RECOMMENDATION	
S04	Soffit sheathing	The roof eave soffit sheathing appears to consist of exterior gypsum or cementitious based sheathing. Approximately 800 sf has extensive water damage and needs replacement.	Like-kind replacement of approximately 800 sf of soffit sheathing.	RECOMMENDATION	
S05	EIFS Facia	Some sections of facia have fallen off the building and are missing.	Like-kind replacement of approximately 200 lin. ft of EIFS facia.	RECOMMENDATION	

ITEM	TITLE	DESCRIPTION OF DEFICIENCY	PROPOSED CORRECTION	CODE / CRITERIA	NOTES
S06	EIFS Siding	Some sections of the exterior insulated finish system (EIFS) has damage from water infiltration, freeze-thaw or impacts.	Like-kind replacement of approximately 1,000 sf of EIFS siding.	RECOMMENDATION	
S07	Exterior Paint	The existing exterior paint finish is in fair condition. The caulking is in poor condition with some joints failing.	Paint the exterior of the building including siding, facia and underside of soffit. Remove and replace any failed caulking sealant.	RECOMMENDATION	
S08	Windows	There are at least (6) windows with either failed seals (fogging) or broken panes. Approximately (46) casement windows have malfunctioning hardware.	Replace approximately (52) windows.	RECOMMENDATION	
S09	Skylights	The (2) skylights near the main entry are in poor condition. (1) skylight has a broken pane.	Replace (2) skylights.	RECOMMENDATION	
S10	Window Blinds	During the window replacement project item S08, approximately half of the window blinds will need to be temporarily removed to facilitate replacement of the new windows. The existing blinds are worn and dated, It would be more efficient to replace with new instead of reinstalling the existing blinds.	Replace the existing window blinds.	RECOMMENDATION	
S11	Flooring	Most of the flooring in the facility is worn and nearing the end of its life. A large percentage of vinyl seams have failed. There are also several patches that have been installed with staples fastened through the face of the vinyl flooring.	Replace the existing flooring	RECOMMENDATION	

ITEM	TITLE	DESCRIPTION OF DEFICIENCY	PROPOSED CORRECTION	CODE / CRITERIA	NOTES
S12	Non-Compliant Suspended Ceiling System	Most of the existing suspended acoustic ceiling system is not constructed in such a way to meet the current seismic detailing requirements.	Replace the suspended ceilings in all rooms exceeding 144 sf.	2012 IBC, ASCE 7-10 13.5.6, ASTM E 580/E580M	
S13	Interior Paint	Interior paint finishes are in fair condition.	Paint interior walls, gypsum sheathed and adhesive tiled portions of ceiling.	RECOMMENDATION	
S14	Casework and Workstations	Casework and workstations are worn. The Formica seams and backsplash details create an infection control cleanliness issue.	Replace casework and work stations in patient care areas.	RECOMMENDATION	
S15	Elevated Exterior Deck	The deck is slightly uneven (possible settlement). The rim board is wavy when sited down. The guardrails do not meet current code. The spacing of the horizontal rails exceed 4". Connection of guardrail to deck not capable of resisting a 200 lb. load.	Rebuild and replace the existing deck framing, decking and guardrails	2012 IBC 1013.4	
S16	Activities Room Addition	The addition bump out was added over top of an existing elevated exterior timber deck and is poorly built. The foundation piers supporting the outer perimeter wall have settled. Water runs down the exterior wall, beneath the wall sole plate saturating the floor framing.	Demo the addition back to the original perimeter wall line and infill frame the opening.	RECOMMENDATION	

ITEM	TITLE	DESCRIPTION OF DEFICIENCY	PROPOSED CORRECTION	CODE / CRITERIA	NOTES
S17	Timber Piling	Approximately 60% of the creosote treated timber pilings were visually inspected. In addition, 20% were inspected by sounding with a metal rod and probing with an ice pick. Generally the pilings appeared to be in good condition however (1) piling with severe decay was found. Water entered the untreated center portion of this piling through large vertical checks.	1. Repair decayed timber piling found during nondestructive visual inspection. 2. Recommend a more thorough piling inspection using additional nondestructive testing such as ultrasound to check for additional bad pilings.	RECOMMENDATION	

Appendix A
Photo Log

Deficiency Item S01. Decayed plywood roof sheathing typical at (2) roof ventilation turrets. Nontypical condition of framing.

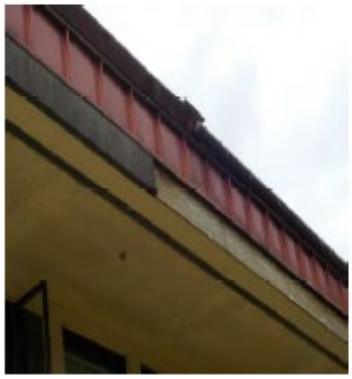
Typical structural roof framing in good condition. 1988 roof over-framing addition.

Deficiency Item S01. Minor roof leak creating moist condition for mildew growth (white).

Deficiency Item S01. Example roof ventilation turret above major roof leak.

Deficiency Item S03. Air handler hood with corrosion.

Deficiency Item S04. Example water damaged roof soffit sheathing.



Deficiency Item S05. Missing EIFS facia.

Deficiency Items S06, S07 and S08. Example damaged EIFS (freeze-thaw), fogged window, caulking sealant failure, siding in need of exterior paint

Deficiency Item S09. Broken skylight glazing.

Deficiency Item S11. Example of existing vinyl flooring repair.

Deficiency Item S11. Example vinyl Flooring seam failure.

Deficiency Item S12. Rooms over 144 sf, metal grid runners are fastened to angle on all four sides of ceiling. Only one side shown in photo.

Deficiency Item S15. Note dip in deck rim board. Guardrails non-code compliant. Space between horizontal rails exceeds 4". Connection to deck not capable or resisting a force of 200 pounds.

Deficiency Item S16. Addition bump out to activities room. Water runs down beneath the wall sole plate and runs across the floor. Foundation piers have settled.

Deficiency Item S17. Decayed creosote treated timber piling. Nontypical condition, not representative of average piling condition. Most pilings were found to be in good condition.

Typical creosote treated timber piling beneath 1988 addition, below emergency room. In good condition.

Typical creosote treated timber piling beneath 1968 Construction, beneath kitchen. In good condition. Reinforced concrete pile cap and grade beams in good condition.

Addendum: Experience Data

Kim M. Wold

Background

Mr. Wold's background includes over 40 years in the real estate appraisal sector. Mr. Wold has extensive experience in appraising properties such as single and multi-family residential, income-producing properties, special purpose properties (sawmills, fish processing plants, etc.), tidelands, logging camps, grocery stores, shopping centers, and aviation facilities. He also has extensive experience appraising urban and remote acreage of varying highest and best uses, such as residential, commercial, industrial, agricultural, forestry, mining claims, tidelands, recreational, etc. He has performed appraisals for mortgage underwriting, eminent domain, easement valuation, lease renewals, establishing market lease rates, and estate purposes.

Mr. Wold has appraised properties throughout Alaska, including Bristol Bay, Bethel, Anchorage, Haines, Hoonah, Juneau, Yakutat, Sitka, Wrangell, Petersburg, Craig, Klawock, Hydaburg, Metlakatla, Thorne Bay, Hollis, Ketchikan, Unalaska, Chignik, St. Paul Island, Kodiak Island, and numerous remote locations throughout Southeast Alaska.

Education

Real Estate Education

Mr. Wold has attended numerous appraisal-related courses presented by the American Institute of Real Estate Appraisers, Northwest Center for Professional Education, Marshall Valuation Service, University of Alaska, and the International Right-of-Way Association. Mr. Wold has also completed courses sponsored by the American Institute of Real Estate Appraisers and the Appraisal Institute in conjunction with the University of Portland, University of Colorado, University of San Diego, and Arizona State University. Specific courses completed include:

- Law and Value; Communication Corridors, Tower Sites & Property Rights, 2001
- Attacking and Defending an Appraisal in Litigation, 2001
- Valuation of Detrimental Conditions in Real Estate, 2002
- Appraisal Litigation Practice & Courtroom Management, 2003
- The Road Less Traveled: Special Purpose Properties, 2004
- Hospitality Properties, 2004
- Condominiums, Co-Ops, and PUDs, 2006
- Current Issues and Misconceptions in the Appraisal Practice, 2007
- Business Practices and Ethics, 2009

- Highest and Best Use and Market Analysis, 2009
- Self-Storage: Emerging Core Asset, 2011
- Fundamentals of Separating Real Property, Personal Property, & Intangible Business Assets, 2012
- Litigation Appraising – Specialized Topics, 2014
- Forecasting Revenue, 2015
- Review Theory, 2015
- Uniform Standards of Professional Appraisal Practice, 2018
- The Appraiser as an Expert Witness: Preparation and Testimony, 2019
- USFLA, 2021
- Evaluations & Other Report Alternatives, 2021

Employment History

Reliant, LLC	Appraiser, March 2019 to Present
Integra Realty Resources – Seattle	Appraiser, April 2017 to March 2019
Alaska Appraisal Associates, Inc.	President and Chief Appraiser, October 1978 to April 2017
Ketchikan Gateway Borough	Appraiser, January 1976 to October 1978

Designations, Certifications and Awards

State License's / Certifications

- State of Alaska, Certified General Real Estate Appraiser, License No. 52 (expires June 30, 2023).

Organization Affiliations, Offices & Memberships

- Senior Member – National Association of Review Appraisers and Mortgage Underwriters
- Associate Member – Appraisal Institute
- Fee Appraiser – Federal Housing Authority (FHA/HUD #2218)

Qualified Before Courts & Administrative Bodies

- US Bankruptcy Court
- Superior Court of the State of Alaska
- Superior Court of the State of Washington
- Board of Equalization for Ketchikan Gateway Borough and the City of Craig
- Testified in Internal Revenue Service tax appeal hearings

Partial List of Clients

Clients include:

Government Agencies (FDIC, State of Alaska, Federal, and Local)
Financial Institutions
Fisheries
Forestry
Native Corporations
Tourism

A more detailed list of clients and professional references is available upon request.

RELIANT LLC

Appraisers | Advisors

A Foundation to Build On:

- Vision
- Integrity
- Commitment
- Performance

A Commitment to Client Service:

- Quality Research & Analysis
- Quality Presentation
- Fast Turn Around Times
- Competitive Fees
- On Time Delivery
- Solid Confidentiality

Extensive Valuation & Consulting Services:

- Mortgage Financing
- Market & Feasibility Analysis
- Litigation & Arbitration Support
- Sale & Lease Negotiation
- Property Tax Consulting
- Estate Planning / Documentation
- Settlement Trusts
- Site Selection
- Due Diligence
- Investment Analysis
- Market Research
- Eminent Domain
- Partial Interest Valuations
- Forensic & Historic Valuations

Extensive Market Knowledge:

- Institutional
- Hotels
- Apartment & Condominiums
- Health Care / Medical
- Affordable Housing / LIHTC
- Senior Housing / Assisted Living
- Lumber & Sawmills
- Shipyards & Marinas
- Truck Stops & Travel Centers
- Seafood Processing Plants
- Right-of-Way / Condemnation
- Remote Properties
- Industrial
- Ground Leases
- Office
- Retail
- Athletic Clubs
- High-Tech
- Vacant Land
- Parking Garages
- Movie Theatres
- Wetland Banking/Mitigation
- Residential Litigation Support
- Multifamily

9330 Vanguard Drive, Suite 201
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Phone: (907) 929-2226
Fax: (907) 929-2260
Email: admin@reliantadvisory.com
www.reliantadvisory.com

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO: 04-22-1690

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE SALE OF PUBLIC LAND IN CONFORMANCE WITH WRANGELL MUNICIPAL CODE CHAPTER 16.12, SPECIFICALLY, LOT A, BLOCK 54, WMC REPLAT, PLAT 2016-6, WRANGELL RECORDING DISTRICT

WHEREAS, the Borough is the owner of the following described real property: Lot A, Block 54, WMC Replat, Plat 2016-6, Wrangell Recording District and Wrangell Medical Center building (WMC), 310 Bennett Street, Wrangell, AK 99929; and

WHEREAS, the land that the WMC sits on is approximately 84,988 square feet (1.95 acres); and

WHEREAS, the Borough Assembly it has determined it is in the public interest for the Borough to divest itself of the property and the WMC building; and

WHEREAS, the appropriate pre-sale work including a Hazardous Materials Assessment and an Appraisal have been completed; and

WHEREAS, the Borough Assembly desires to sell said property by advertising locally.

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

Previously Adopted

Section 1. **AUTHORIZATION**. The Assembly of the City and Borough of Wrangell, Alaska authorizes the Borough Manager to sell Borough-owned real property Lot A, Block 54, WMC Replat, Plat 2016-6, Wrangell Recording District, and the WMC Building.

Section 2. **PROCEDURES FOR PUBLIC SALE**. The Assembly of the City and Borough of Wrangell establishes the following procedure for the sale of the Borough-owned real property Lot A, Block 54, WMC Replat, Plat 2016-6, Wrangell Recording District, and the WMC Building, more commonly known as the "Old Wrangell Medical Center".

1. **Local Advertising**. The property shall be made available for not less than 30 days, starting on June 1, 2022.

2. **Eligibility and Exclusions**. Eligibility for participating in the public bid auction shall be persons eighteen (18) years of age or older with the following exceptions:
    a. No person who is delinquent in any property tax, sales tax, utility payment, or other financial obligation with the Borough may participate in the auction.
    b.
    c. The Borough Manager, the Borough Clerk, and the Economic Development Director are prohibited from participating in the auction, either in their own name, in the name of their spouse, dependent child, or solely owned or family-owned business.

3. **Minimum Bid Established**. The minimum bid for this property shall be set at the properties' appraised value:

$830,000.00

4. **Sale Terms**. The winning bidder shall sign a Purchase Agreement within ten (10) days of the closing of the auction. The property may be purchased with 20% of the winning bid amount as down payment, payable within five (5) business days from the signing of the Purchase Agreement, with the balance due to the Borough in sixty (60) days.

5. **Property Not Sold at Auction**. If the property is not sold in the initial timeframe in which the auction was listed, the property shall be made available Over the Counter as per WMC 16.12.105 starting 24 hours after the auction has closed. The property shall be listed at the full appraised values of Lot A, Block 54, WMC Replat, Plat 2016-6, Wrangell Recording District, and the WMC Building.

6. **Borough Manager Authorized to Administer**. The Borough Manager is authorized to develop whatever administrative procedures, forms and policies are necessary to implement this resolution.

Section 3. **PUBLIC NOTICE REQUIRED**. In conformance with Wrangell Municipal Code Section 16.12.040(b) the Borough Clerk shall give notice of the sale by publication of notice in a newspaper of general circulation in the Borough at least 30 days before the date of the sale, and the notice shall be posted within that time in at least three public places in the borough.

Section 4. AS Per WMC 5.10.035, when prior approval by the voters is required, if the final bid received is over $1 million dollars, the approval to sell the property and building shall be added to the Ballot for the Regular Election on October 4, 2022 for approval by the voters of Wrangell.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THIS 10th DAY OF MAY 2022.

Stephen Prysunka, Borough Mayor

ATTEST:

Kim Lane, MMC, Borough Clerk

City & Borough of Wrangell
Incorporated Borough May 30, 2008
Incorporated City June 15, 1903
Alaska

Previously Adopted

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**13**

RESOLUTION No. 12-22-1731 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE CONVEYANCE OF PUBLIC TIDELANDS, LOT 6 AND LOT 7, BLOCK 84D, TIDELANDS SUBDIVISION, ATS 83, TO MICONY, LLC, FOR $83,989 WHICH IS $27,511 BELOW THE APPRAISED VALUE OF $111,500 FOR ECONOMIC DEVELOPMENT PURPOSES AS ALLOWED UNDER WRANGELL MUNICIPAL CODE 16.12.012

SUBMITTED BY:
Jeff Good, Borough Manager and staff

Reviews/Approvals/Recommendations	
☒	Commission, Board or Committee
Name(s)	Planning and Zoning Commission
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 20: $	FY 21: $	FY22: $
Amount Budgeted:		
	FY20 $XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	$XXX	

ATTACHMENTS: 1. RES 12-22-1731 2. Request by Bill Goodale (Micony, LLC) 3. Development Plan 4. Request from Micony, LLC 5. Memo from Planning and Zoning Commission 6. Photos 7. 30 year cost benefit

RECOMMENDATION MOTION:

Move to approve Resolution No. 12-22-1731.

SUMMARY STATEMENT:

Recommendation is to approve the sale to Micony LLC below the appraisal price for $83, 989. The land will be used to build a new boat construction facility in Wrangell which will contribute between 5 to 11 jobs to the Wrangell community. In addition, this facility is a perfect fit with our Marine Haulout facility. Selling the property $27,511 below the appraised value will be made up directly through property taxes in less than a year once the facility is fully constructed.

Micony LLC recently purchased waterfront property on Peninsula Street to construct a marine dependent business consisting of boat construction and servicing. They are now requesting to purchase tidelands in front of the uplands.

All procedures as outlined in WMC 16-12-030/040 have been followed.

The Assembly held a Public Hearing on November 28th and approved moving forward with the sale of tidelands to Micony, LLC.

This Resolution would approve the sale of the tidelands to Micony, LLC., contingent on the final plat approval.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO: 12-22-1731

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE CONVEYANCE OF PUBLIC TIDELANDS, LOT 6 AND LOT 7, BLOCK 84D, TIDELANDS SUBDIVISION, ATS 83, TO MICONY, LLC, FOR $83,989 WHICH IS $27,511 BELOW THE APPRAISED VALUE OF $111,500 FOR ECONOMIC DEVELOPMENT PURPOSES AS ALLOWED UNDER WRANGELL MUNICIPAL CODE 16.12.012

WHEREAS, the Borough Assembly, at their meeting held November 28, 2022, approved moving forward with the sale of city-owned tidelands, Lot 6 and Lot 7, Block 84D, Wrangell Tidelands Addition; and

WHEREAS, all requirements as per WMC 16.12.030 and 040 – Sale of tidelands have been followed; and

WHEREAS, all property owners within 300-feet of the proposed tidelands were notified of the public hearing on November 28, 2022; and

WHEREAS, a Public Hearing was held (as per WMC 16.12.040 – Sale of tidelands) to hear public testimony and for the Assembly to vote to move forward with the sale of said tidelands; and

WHEREAS, Mr. Goodale with Micony, LLC was at the November 28, 2022 meeting and provided testimony as to why they wished to purchase said tidelands instead of leasing; and

WHEREAS, the Borough Assembly received the appraisal from the borough's assessor for the estimated fair market value of $111,500; and

WHEREAS, Micony, LLC submitted an offer letter for consideration of the City Tidelands to be sold under economic development purposes, as allowed in Wrangell Municipal Code 16.12.012 for the amount of $83,989 which is under the fair market value based on the appraisal; and

WHEREAS, the Wrangell Planning & Zoning and Port Commissions both provided written memos with conditions of the sale and are hereby enacted in this Resolution and shall be adhered to by the purchaser as follows:

To move forward with the sale to Micony LLC with the recommendation to replat the northeast corner by pulling the line back 20 feet as shown in the new drawing provided by Micony LLC

WHEREAS, as per WMC 16.12.040, prior to the public hearing on November 22, 2022, a public notice was published three times in the newspaper, inviting those who wished to protest the sale, to do so by December 16, 2022; and

WHEREAS, there were no protests for the sale of said tidelands received; and

WHEREAS, the Borough Assembly is approving the sale of the above described tidelands to Micony, LLC, P.O. Box 5503, Ketchikan, Alaska 99901, for the amount of $83,989, contingent on the final plat approval.

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

Section 1. The Assembly of the City & Borough of Wrangell, Alaska authorizes the sale of the Borough–owned tidelands more particularly known as: Lot 6 and Lot 7, Block 84D, Wrangell Tidelands Addition.

Section 2. The Borough Mayor and Clerk are authorized to execute a quit claim deed to Micony, LLC, to convey the public tidelands, when full price of $83,989 is paid and the final plat has been approved.

Section 3. As mentioned above, the purchaser shall adhere to the following conditions of the sale: **replat the northeast corner by pulling the line back 20 feet as shown in the new drawing provided by Micony LLC.**

Section 4. This resolution takes effect upon approval.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 20th DAY OF DECEMBER 2022.

CITY & BOROUGH OF WRANGELL

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

December 8, 2022

City & Borough of Wrangell
205 Brueger Street
P.O. Box 531
Wrangell, AK 99929

Attn: Jeff Good, City Manager
Kim Lane, City Clerk
Carol Rushmore, Economic Development
Patty Gilbert, Borough Manager
Planning & Zoning Commission
Borough Assembly Members

Re: City & Borough Tidelands Purchase Offer
Portion of Lot 6 Block 84D & Lot 7 Block 84D ATS83
Total Land Acquisition 35,740 Square Feet

Ladies & Gentlemen,

Micony, LLC offers the following narrative and purchase proposal for the above tidelands reconfiguration:

1) The purpose of the purchase request is to bring a marine service and fabrication company to Wrangell which requires water access with structures.
2) The business will bring 3-6 new jobs immediately with a projection of 12 jobs in the next 6 years.
3) The business will bring in additional revenue to the city through sales and property taxes.

We have reviewed the copy of the restricted appraisal on the property and respectfully feel the appraised cost of $111,500.00 is high.

Our reasoning for our opinion is:

1) The land is mostly submerged for 18 hours every day.
2) The make up of the property is mud and silt from the Stikine River and will have to be dug out down to rock to develop it for the intended use.
3) Undeveloped tidelands has no real value.
4) The cost of development is extremely high. We have developed tidelands in Wrangell.
5) The land as it sits now creates absolutely no revenue for the Borough.
6) The two lots are assessed at a total of $24,500.00. Knowing the Borough is having land reassessed at this time still does not justify an increase from $24,500 (assessed value) to $111,500.00 appraised value. This is a 450% increase.

7) The comparable land sales really aren't comparable as they are much smaller parcels, which in any market usually dictates higher square foot prices.
8) The only sale we are aware of in comparable value was the sale in front of the Stikine Inn which was in 2017. That sale was for 27,450 sq ft. It included 2000 sq ft of uplands and sold for $64,562.50 or $2.35/sq ft.
9) We agree prices for land are increasing in Wrangell. We disagree that submerged tidelands, which are basically mud and will require a significant amount of developmental costs to make it useable, have not.
10) It is our opinion that the Borough should view this sale in future earnings for the community and not put the value solely on a one time sale with no future revenues for the seller. Over time this property will pay dividends to the city, instead of none as it now sits.

We look forward to discussing this transaction with you. In the interim we tender the borough the cash offer of:

Eighty three thousand nine hundred eighty nine ($83,989.00) dollars.

We thank you for your time and consideration. As always we look forward to working with the community to partner for the advancement of our economy.

William C Goodale

Managing Partner

Micony, LLC

P.O. Box 5503

Ketchikan, AK 99901

A RESTRICTED USE APPRAISAL OF
A PORTION OF LOT 6, BLOCK 84D AND LOT 7 BLOCK 84D ATS 83
TO BE INCLUDED LOT A-1 GPV TIDELANDS REPLAT A PRELIMANARY PLAT,
WRANGELL RECORDING DISTRICT
WRANGELL, ALASKA 99929

FOR
Kim Lane
Borough Clerk
CITY AND BOROUGH OF WRANGELL
P. O. BOX 531
WRANGELL, ALASKA 99929

VALUATION DATE
NOVEMBER 18, 2022

FILE 22-3427

BY
MICHAEL C. RENFRO
Assessor
City and Borough of Wrangell, Alaska

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

November 18, 2022

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

Re: Portion of Lot 6 Block 84D and Lot 7 Block 84D, ATS 83
Wrangell, Alaska 99929

Dear Ms. Lane,

As requested, I have prepared a Restricted Use Appraisal Report on the fair market value of the above referenced property. The appraisal date is November 18, 2022. The purpose of the report is to determine the fair market value for sale purposes. A description and valuation follows.

As a result of the investigation and analysis, subject to the assumptions and limiting conditions, it is my opinion the market value of the property as of November 18, 2022 is:

$111,500

This Restricted Use Report is intended to meet the current Uniform Standards of Professional Appraisal Practice as formulated by the Appraisal Foundation

A description of the site and the analysis which lead to the fair market value conclusion follows. A complete description of the comparable data is included in a separate report which is retained in the appraiser's work file.

If you have any questions regarding this Restricted Use Appraisal Report please do not hesitate to call me.

Sincerely,

APPRAISAL COMPANY OF ALASKA

Michael C. Renfro
Assessor
City and Borough of Wrangell, Alaska

RESTRICTED USE APPRAISAL

This is a Restricted Use Appraisal Report. As such, it presents only a Restricted Use discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's work file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

CLIENT: Kim Lane, Borough Clerk
City and Borough of Wrangell
P.O. Box 531
Wrangell, Alaska 99929

APPRAISER : Michael C. Renfro, Assessor
City and Borough of Wrangell
341 W Tudor Rd. Suite 202
Anchorage, Alaska 99503

SUBJECT: Fee Simple Estate

Land Only – Portion of Lot 6, Block 84D and Lot 7 Block 84D, ATS 83 Wrangell, Alaska 99929

OWNER: City and Borough of Wrangell

PURPOSE OF THE APPRAISAL: The purpose of this appraisal is to estimate the fair market value of the subject property. ***Market value*** is defined by the federal financial institutions regulatory agencies as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in the definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

(1) buyer and seller are typically motivated;
(2) both parties are well informed or well advised, and acting in what they consider their own best interests;
(3) a reasonable time is allowed for exposure in the open market;
(4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
(5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

INTENDED USE OF REPORT:
This appraisal is intended to assist the client in determining the subject's market value for Sale Purposes.

INTEREST VALUED: Fee Simple estate which is defined as "Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation."

EFFECTIVE DATE OF VALUE: November 18, 2022

DATE OF REPORT: November 18, 2022

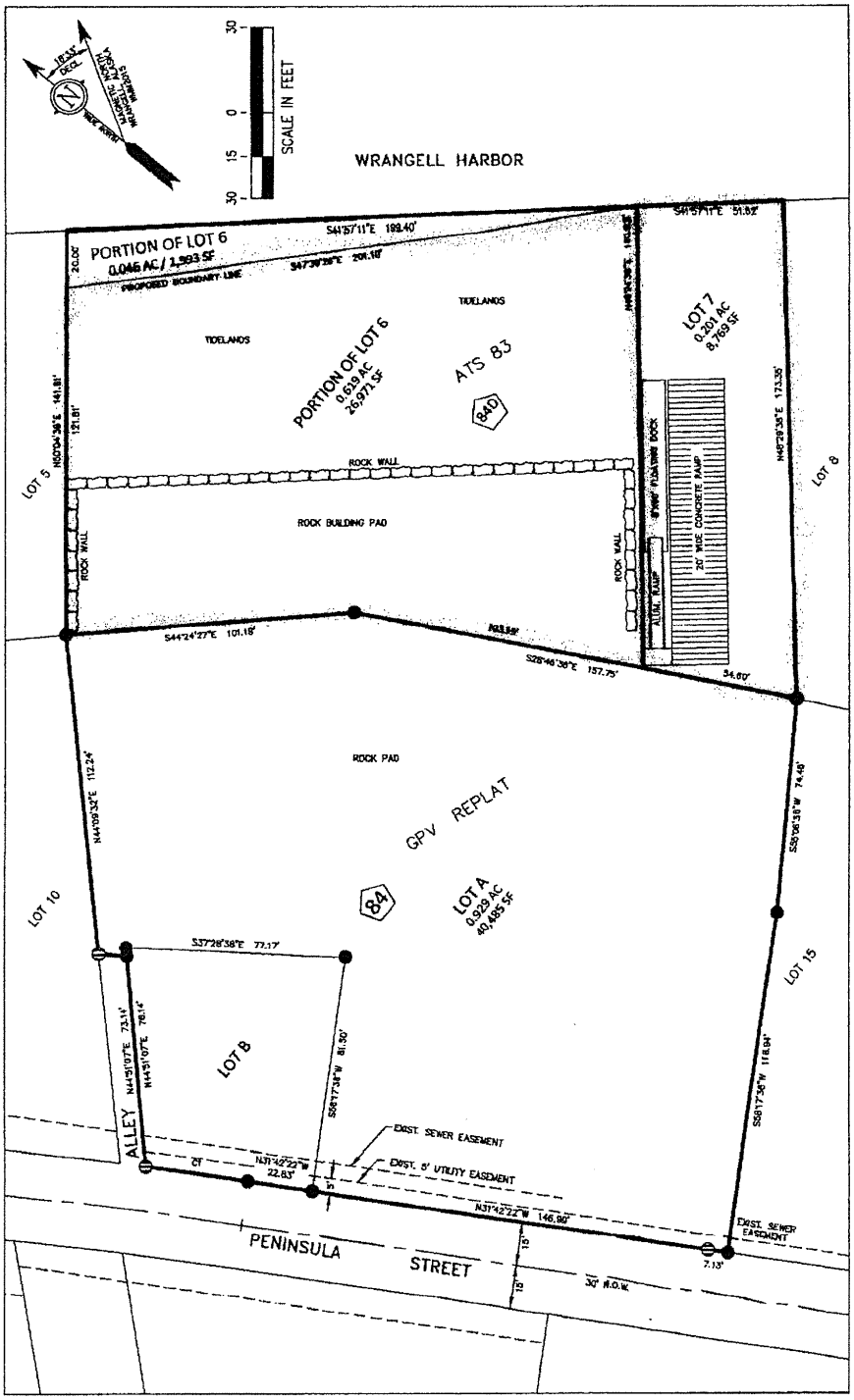
SALES HISTORY: There are no reported sales of the property over the last three years.

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

- Inspected the subject property prior to November 18, 2022
- Reviewed available records.
- Applied the market approach to arrive at an indication of value.

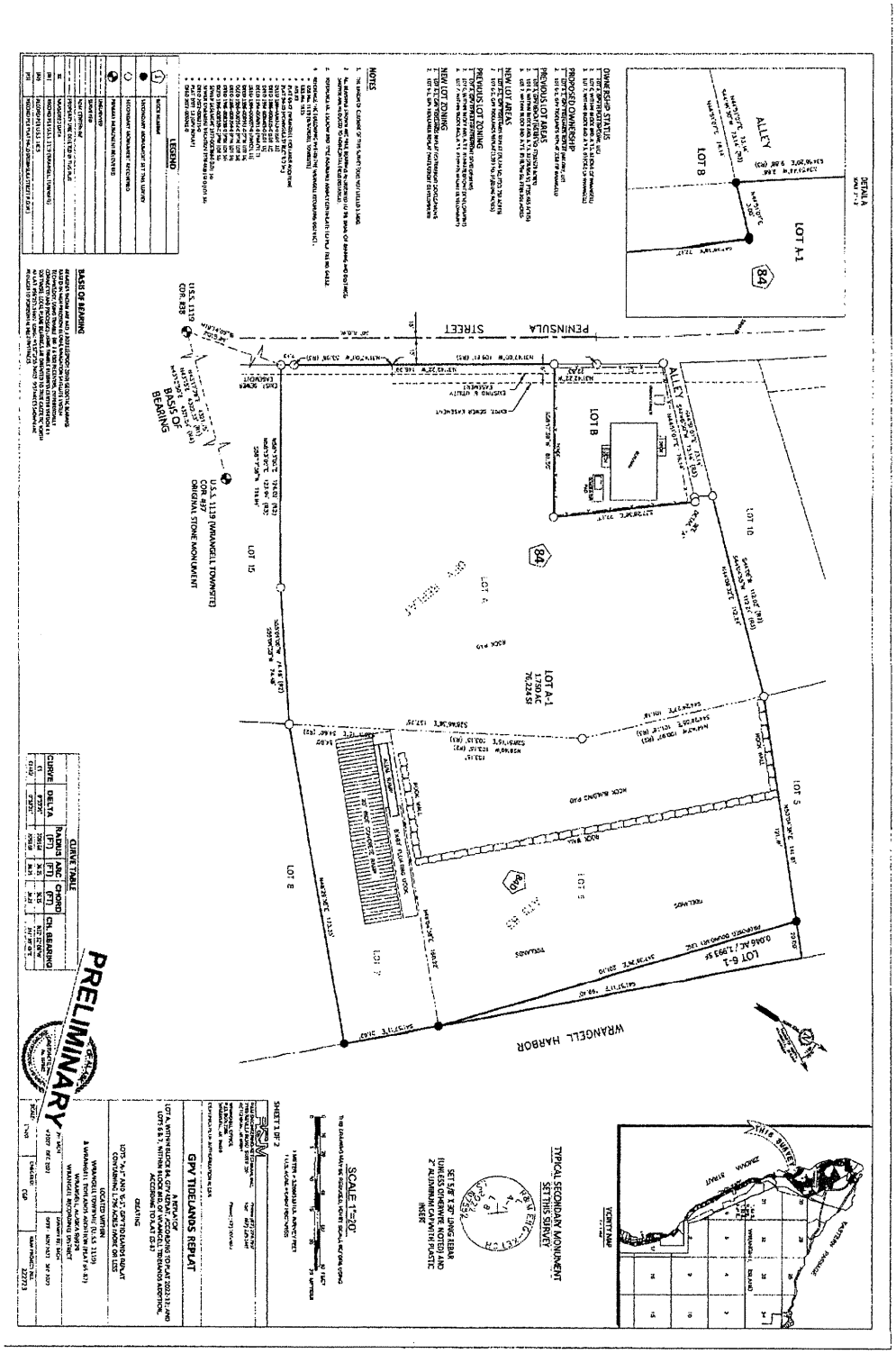
The appraiser believes the primary approach to value is the sales comparison approach. The appraisal process therefore involved no departures from Standards Rule 1-4(b) i, ii, iv, v and vi.

PLAT MAP



Appraisal Company of Alaska

AS-BUILT


PENINSULA STREET
WRANGELL HARBOR
ALLEY
LOT A-1
LOT B
LOT 10
LOT 5
LOT 6
LOT 7
LOT 8
LOT 9
LOT 6-1
0.0946 AC / 1,993 SF
LOT A-1
1.13 ACRES
76,230 SF
BASIS OF BEARING
U.S.C.&G.S. 1139
COR. 838
U.S.C.&G.S. 1139 (WRANGELL TOWNSITE)
COR. 837
ORIGINAL STONE MONUMENT
PRELIMINARY
SCALE 1"=20'
SET 5/8" X 24" RAVE REBAR
(UNLESS OTHERWISE NOTED) AND
2" ALUMINUM CAP WITH PLASTIC
INSERT
TYPICAL SECONDARY MONUMENT
SET THIS SURVEY
VICINITY MAP
GPV TIDELANDS REPLAT
A REPLAT OF
LOT A, WITHIN BLOCK 84, CITY NO DAY, ACCORDING TO PLAT 2002-32, AND
LOTS 6 & 7, WITHIN BLOCK 9, WRANGELL TIDELANDS ADDITIONAL,
ACCORDING TO PLAT 63-37
CREATING
LOT 6-1 AND LOT 7 GPV TIDELANDS REPLAT
CONTAINING 0.246 ACRES, MORE OR LESS
LOCATED WITHIN
WRANGELL TOWNSITE (U.S. 1139)
& WRANGELL TIDELANDS ADDITIONAL (U.S. 1143)
WRANGELL, ALASKA 99929
WRANGELL RECORDING DISTRICT
SHEET 1 OF 2
CURVE TABLE
NOTES
LEGEND
BASIS OF BEARING
OWNERSHIP STATUS
PROPOSED OWNERSHIP
PREVIOUS LOT AREAS
NEW LOT AREAS
PREVIOUS LOT ZONING
NEW LOT ZONING

This Restricted Use Appraisal Report is a brief recapitulation of the available data, analyses and conclusions.

SUMMARY OF PROPERTY APPRAISED: The property that is the subject of this report is situated adjacent to Peninsula Street, north of the intersection with Case Avenue in the Downtown Harbor. Adjacent use is commercial.

Legal Description: A Portion of Lot 6 Block 84D and Lot 7 Block 84D ATS 83, Wrangell, Alaska. To be included is the final plat GPV Tideland Replat part of Lot A-1 (a preliminary plat).

Address: NHN Peninsula St. Wrangell, Alaska, 99929

Land: The reader is referred to the Plat Map on the previous page. The subject is a submerged lot located northeast of Lot 9 GPV Replat and on the west side of the Reliance Harbor containing 35,740 sq. ft.

Utilities: All utilities are available adjacent to the site.

Improvements: No improvements are included in this report.

Environmental Condition: No warranties as to environmental issues have been addressed by the appraiser. A visual inspection showed no evidence of contamination. If this is a concern of the seller or purchaser, it should be inspected by a qualified inspector.

Zoning: The subject is zoned Waterfront development.

HIGHEST AND BEST USE: In common appraisal practice, the concept of highest and best use represents the premise upon which the value estimated is based.

As if vacant, the subject's highest and best use would be for development consistent with the current zoning requirements. Waterfront development or uses associated with waterfront development.

Land Value: There have been limited sales of similar undeveloped lots. The sales provided are considered to be representative of the market for undeveloped land.

COMPARABLE LAND SALES

NO.	Legal	Date	Sale Price	Area/SF	Price/SF	Remarks
1	Lot 6 Block 84B Tideland Sub ATS 83 Wrangell, AK	09/22	$52,000	9,456	$5.50	Submerged Tidelands Residential Use in Reliance Harbor
2	Lot 9 Blk 83 USS119 & Lot 4 Blk 83A WTA	10/20	$150,000	17,655	$8.50	Inter Harbor Waterfront Lot Sale with North Tidelands
3	A Ptn of Lot 15 Blk 12A ATS 83 Wrangell, AK	11/21	$113,000	12,220	$9.25	Filled Tideland Near Ferry Terminal

Analysis of Comparable Land Sales:

Time: With a limited amount of sales it is difficult to obtain paired sales for analysis to arrive at the adjustments needed to bring the available sales into conformity with the subject. However, in general, values are increasing in Wrangell. The CPI indicates an increase around 2% per year. Prior to mid 2021 when the market increased approximately one-half percent each month.

Terms:

None of the sales used in the analysis is believed to require consideration for special financing or other sale conditions.

Size:

Smaller parcels tend to sell for more per unit of comparison than larger parcels, all other factors being equal. In relation to the subject comparable sale 2 is larger and requires an upward adjustment. In relationship to subject all of the comparables are smaller and require a downward adjustment.

Location and Access:

Location and access is somewhat subjective on the part of the appraiser in relation to the comparable data utilized. However, analysis of other sales contained in our separate report on Wrangell sales and lease transactions indicates that location and access can account for up to 20% difference between superior and inferior locations. The subject's location and access is felt to be superior to comparable 3.

Utilities:

All of the comparables have similar utilities.

Topography:

Again, topography is somewhat subjective on the part of the appraiser. Comparable 1 is the sale of a submerged Residential Tideland, a short distance north of the subject. Comparable 2 is a sale of a site with both uplands and tidelands across the Harbor from the subject. Comparable 3 is the sale of a filled tideland behind the State Ferry Terminal. Comparables 2 and 3 both have commercial uses.

Adjustment Grid: The following grid shows the estimated adjustment for each sale, bringing it into conformity with the subject:

Sale No.	#1	#2	#3
Price/SF	$5.50	$8.50	$9.25
Time	0%	+8%	+6%
Net After Time	$5.50	$9.18	$9.81
Terms	0	0	0
Size	-30%	-10%	-10%
Location/Access	0	0	+10%
Utilities	0	0	0
Topography	0	0	0
Net Adjustment	-30%	-10%	0
Indicated Value/Acre	$3.85	$9.18	$9.81

Conclusion:

Comparable one is a current sale of a smaller residential tideland very close to the subject to the north.

Comparable two is the combined sale of two lots, one uplands the other adjoining tidelands. This sale is very similar to the subject located across Reliance Harbor off of Case Avenue. The combined indicated value per square foot lot is $8.50 before adjusting for the time and size.

Comparable three is the sale of a filled tideland behind the State Ferry Terminal. This sale is adjusted for time, date of sale, size, smaller and slightly inferior location.

If there are no 100% tideland sales, tidelands are generally valued at a percentage of the adjoining upland value, say 30%.

The range in indicated value after adjustments is $3.85 for a smaller residential submerged tideland t $2.84 per square foot for a percentage of a filled tideland.

Sale 3 is given the most weight as the most similar waterfront developed lot.

Comparables 1 and 2 are weighted equally but slightly less.

In conclusion the final fair market value of the subject submerged tidelands is:

The estimated market value is:
35,740 sq. ft. X $3.12/sq. ft. = $111,500

ASSUMPTIONS AND LIMITING CONDITIONS:

1. As agreed upon with the client prior to the preparation of this appraisal, this is a Limited Appraisal because it invokes the Departure Provision of the Uniform Standards of Professional Appraisal Practice. As such, information pertinent to the valuation has not been considered and/or the full valuation process has not been applied. Depending on the type and degree of limitations, the reliability of the value conclusion provided herein may be reduced.

2. This is a Restricted Use appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Restricted Use Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

4. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

5. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

6. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

7. All engineering is assumed to be correct. Any maps, sketches, plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

9. It is assumed that there is full compliance with all applicable federal, state, and local regulations and laws unless otherwise stated in this report.

10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there are no encroachments or trespass unless otherwise stated in this report.

11. The valuation assumes the appraised property (site and improvements) is free and clear of hazardous contaminants, unless specifically noted. If the appraised property is suspected of contamination, then the client is urged to retain an engineer's report. The appraiser(s) reserve the right to review value conclusions if documentation, including cost-to-cure estimates, is provided.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.

13. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.

4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

5. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

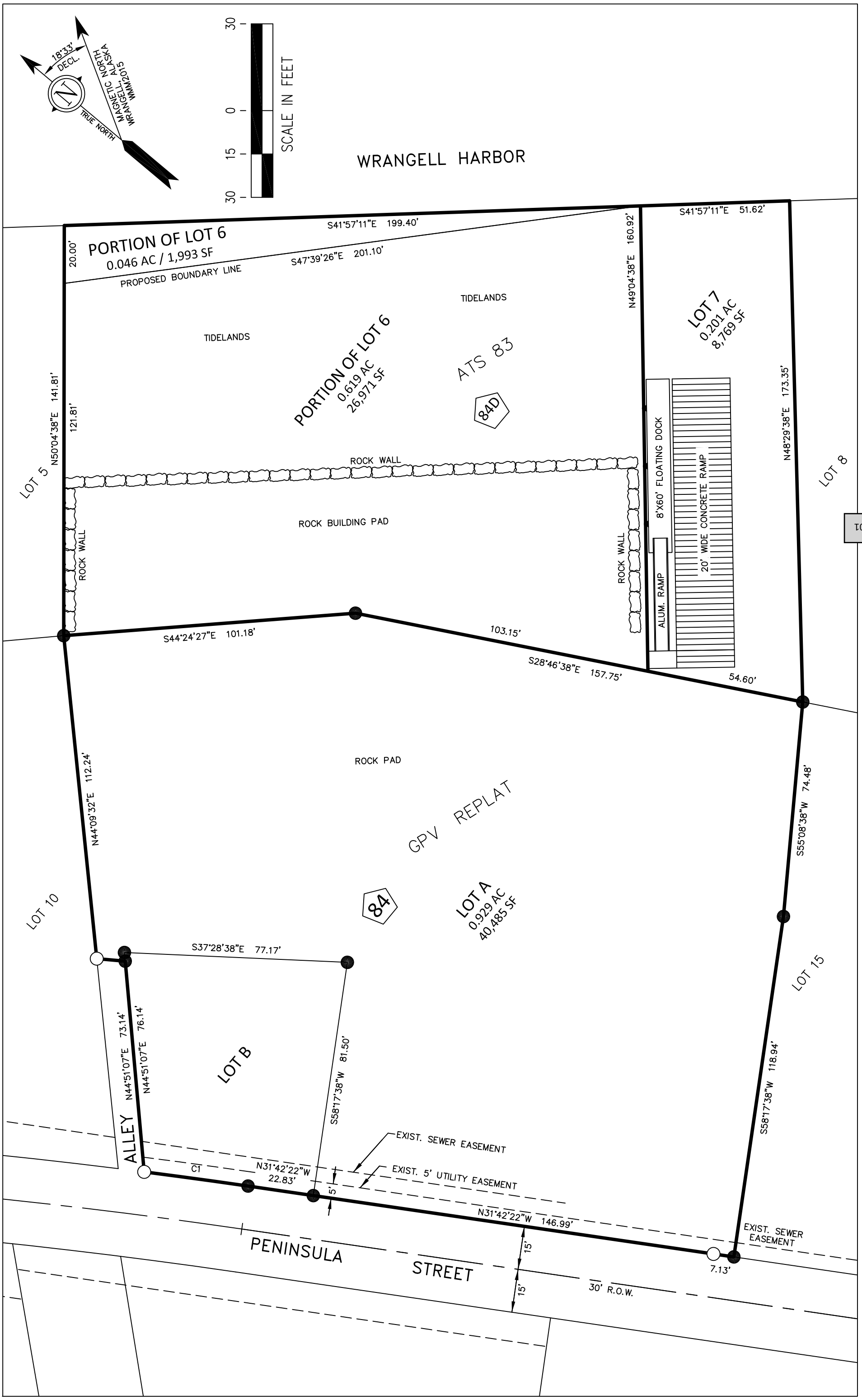
7. I made a personal inspection of the property that is the subject of this report, prior to the date of this report.

8. No one provided significant professional assistance to the person signing this report.

9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Michael C. Renfro


18°33' DECL.
MAGNETIC NORTH ALASKA WRANGELL WMM2015
TRUE NORTH
30
0
15
30
SCALE IN FEET
WRANGELL HARBOR
PORTION OF LOT 6
0.046 AC / 1,993 SF
20.00'
S41°57'11"E 199.40'
S47°39'26"E 201.10'
PROPOSED BOUNDARY LINE
TIDELANDS
TIDELANDS
PORTION OF LOT 6
0.619 AC
26,971 SF
ATS 83
84D
N49°04'38"E 160.92'
S41°57'11"E 51.62'
LOT 7
0.201 AC
8,769 SF
N48°29'38"E 173.35'
LOT 8
401
LOT 5
N50°04'38"E 141.81'
121.81'
ROCK WALL
ROCK BUILDING PAD
ROCK WALL
ROCK WALL
8'X60' FLOATING DOCK
20' WIDE CONCRETE RAMP
ALUM. RAMP
S44°24'27"E 101.18'
103.15'
S28°46'38"E 157.75'
54.60'
ROCK PAD
N44°09'32"E 112.24'
GPV REPLAT
S55°08'38"W 74.48'
LOT 10
84
LOT A
0.929 AC
40,485 SF
S37°28'38"E 77.17'
LOT 15
N44°51'07"E 73.14'
N44°51'07"E 76.14'
LOT B
S58°17'38"W 81.50'
S58°17'38"W 118.94'
ALLEY
EXIST. SEWER EASEMENT
EXIST. 5' UTILITY EASEMENT
C1
N31°42'22"W 22.83'
5'
N31°42'22"W 146.99'
15'
15'
EXIST. SEWER EASEMENT
7.13'
PENINSULA STREET
30' R.O.W.

Rec'd 10/13/22

Item a.

October 12, 2022

City and Borough of Wrangell Assembly
205 Brueger Street
P.O.Box 531
Wrangell, Alaska 99929

Attn: Kim Lane, Wrangell Borough Clerk
Jeff Good, Wrangell City Manager
Carol Rushmore, Wrangell Economic Development
Patty Gilbert, Borough Mayor
Assembly Members

Re: City and Borough Tidelands Purchase Request
Wrangell Recording District
Parcel 02-026-301 Lot 6 of Block 84D (28,936 square feet)
Parcel 02-026-303 Lot 7 of Block 84D (8,766 square feet)

Ladies and Gentlemen,

We recently purchased the uplands lot (Lot A of the GPV Re-plat according to Plat No. 2022-12 that recorded on September 23, 2022) which abuts these two tidelands parcels. We are in the process of bringing a marine service business to Wrangell which requires water access. It is our intent to construct a building on the water side of the property with a floating dock which would go dry at lower tides. To maximize the use and efficiency of the property, we would need to build a seawall on the tidelands to accommodate our building and floating dock. The manner and layout of our proposed development will not impede waterway traffic, obstruct the adjacent tidelands or the use of the surrounding properties in any way.

We do not desire to lease the property because of the development costs and we would be building structures on land that did not belong to us. By our company purchasing the property it will go on the tax rolls generating income for the city. As it sits now it has a combined assessed value of $24,500.00 which is generating zero income. We will be bringing jobs to Wrangell to complement the existing marine industry.

We understand there is a process in selling Borough property, so we are at your disposal to provide any information you may need to expedite that process.

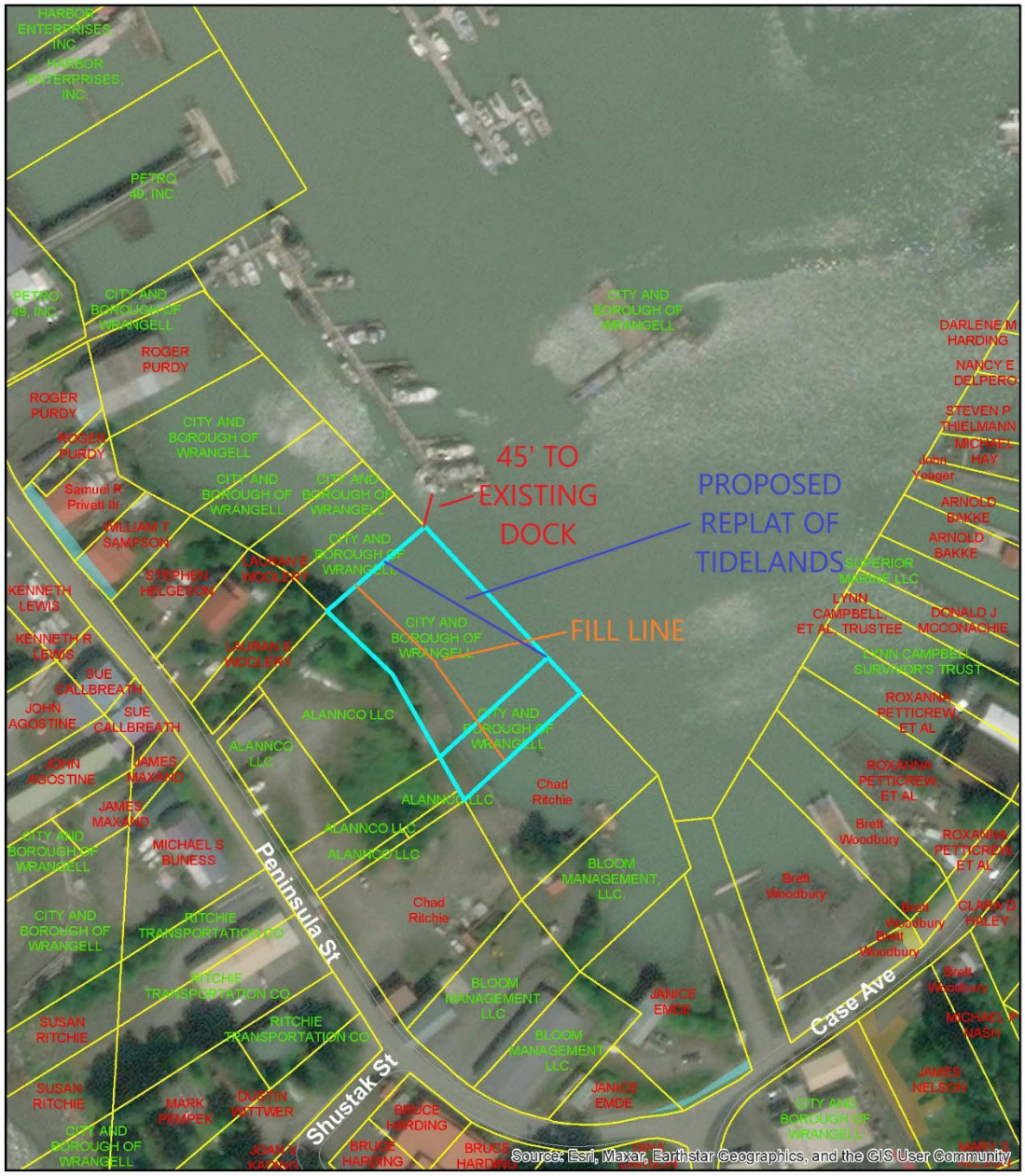
We would like to thank you in advance for your time and consideration,

William C Goodale

William C Goodale, Managing Partner

Micony,LLC
P.O.Box 5503
Ketchikan, Alaska 99901

CITY AND BOROUGH OF WRANGELL, ALASKA



N

1 inch = 150 feet
Date: 10/28/2022

Public Map

DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY. PROPERTY LINES ARE APPROXIMATE. AERIAL 2002.

MEMORANDUM

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

FROM: **STEVE MILLER**
PORT DIRECTOR

SUBJECT: **Micony, LLC request to purchase tidelands Parcel 02-026-301 Lot 6 of Block 84D (28,936 square feet) and Parcel 02-026-303 Lot 7 of Block 84D (8766 square feet).**

DATE: **November 7, 2022**

BACKGROUND:

The Port Commission at their regular meeting of November 3, 2022, reviewed the request from Micony LLC to purchase tidelands Parcel 02-026-301 Lot 6 of Block 84D (28,936) and Parcel 02-026-3030 Lot 7 of Block 84D (8766 square feet). The purpose of the purchase would be to utilize the area a new building for building boats.

RECOMMENDATION:

The Commission voted to recommend to the Assembly and Planning Zoning to move forward with the sale to Micony LLC. With the recommendation to replat the northeast corner by pulling the line back 20' as shown on new drawing provided by Micony LLC.

They believe the service Micony LLC will provides is invaluable to the community and will add to the marine services industry already established in the community.

Cost to Build	2,800,000
Assessed Value of Micony LLC	2,100,000
Average Inflation over 30-Years	3.60%

Year	Direct Benefit		0
Proposal: Sell Tidelands to Micony LLC	Tideland Purchase	$	83,989
	Annual Property Taxes		
	Annual Sales Taxes		
	FV of Cash Flows	$	83,989
	Discounted In Today's Dollars by Year		$83,989.00
	30-Year Direct Benefit in Today's Dollars		$1,018,989.76

Assumptions:

1) Assessed Values and sales taxes increase 2% each year
2) Sales tax code remains same. Raising the cap would have a positive and material impact
3) Micony will not build the $2.8M facility without purchasing the Tidelands
4) Mill Rate stays the same proportionate to assessed value levels for the entire Borough

Unquantifiable Benefits

A) 4-6 Jobs created that attracts/retains skilled laborers and their families
B) Innovative vessels for commercial fishing. Potentially increasing volume of gross landings (primar
C) Goodwill intangible that promotes Wrangell as a Marine Fabrication and Repair hub across South
D) Local spending on supplies, equipment, materials
E) Increased barge use because of importing of materials

Tideland Appraisal	$	111,500
Micony Tideland Offer	$	83,989
Difference	$	27,511

	1	2	3	4	5	6	7
$	26,775	$ 27,177	$ 27,584	$ 27,998	$ 28,418	$ 28,844	$ 29,277
$	15,000	$ 15,300	$ 15,606	$ 15,918	$ 16,236	$ 16,561	$ 16,892
$	41,775	$ 42,477	$ 43,190	$ 43,916	$ 44,654	$ 45,405	$ 46,169
	$40,323.36	$39,575.87	$38,842.46	$38,122.85	$37,416.78	$36,723.99	$36,044.23

ɾily the dungeness fleet)
ıeast, AK and beyond

8	9	10	11	12	13
$ 29,716	$ 30,162	$ 30,614	$ 31,073	$ 31,540	$ 32,013
$ 17,230	$ 17,575	$ 17,926	$ 18,285	$ 18,651	$ 19,024
$ 46,946	$ 47,737	$ 48,541	$ 49,358	$ 50,190	$ 51,036
$35,377.25	$34,722.81	$34,080.67	$33,450.59	$32,832.34	$32,225.70

14	15	16	17	18	19
$ 32,493	$ 32,980	$ 33,475	$ 33,977	$ 34,487	$ 35,004
$ 19,404	$ 19,792	$ 20,188	$ 20,592	$ 21,004	$ 21,424
$ 51,897	$ 52,772	$ 53,663	$ 54,569	$ 55,490	$ 56,428
$31,630.45	$31,046.37	$30,473.25	$29,910.88	$29,359.05	$28,817.57

20	21	22	23	24	25
$ 35,529	$ 36,062	$ 36,603	$ 37,152	$ 37,709	$ 38,275
$ 21,852	$ 22,289	$ 22,735	$ 23,190	$ 23,653	$ 24,127
$ 57,381	$ 58,351	$ 59,338	$ 60,342	$ 61,363	$ 62,401
$28,286.23	$27,764.85	$27,253.23	$26,751.20	$26,258.56	$25,775.15

26	27	28	29	30
$ 38,849	$ 39,432	$ 40,023	$ 40,624	$ 41,233
$ 24,609	$ 25,101	$ 25,603	$ 26,115	$ 26,638
$ 63,458	$ 64,533	$ 65,627	$ 66,739	$ 67,871
$25,300.77	$24,835.27	$24,378.48	$23,930.22	$23,490.34

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**13**

RESOLUTION No. 12-22-1732 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY TRANSFERRING $40,000 FROM THE SEWER FUND RESERVES TO THE SEWER FUND CIP AND AUTHORIZING ITS EXPENDITURE FOR THE WASTEWATER TREATMENT PLANT OUTFALL MIXING ZONE MODELING AND ANTI-DEGRADATION ANALYSIS PROJECT

SUBMITTED BY:
Amber Al-Haddad, Capital Facilities Director

Reviews/Approvals/Recommendations	
■	Commission, Board or Committee
Name(s)	Planning and Zoning Commission
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $40,000		
FY 22: $	FY 23: $40,000	FY24: $
Amount Budgeted:		
Account Number(s):		
Account Name(s):		
Unencumbered Balance(s) (prior to expenditure):		

ATTACHMENTS: 1. Res 12-22-1732; 2. ADEC October 10, 2022 letter Requiring Submissions to Complete Clean Water Act Section 401 Certificate of NPDES Permit

RECOMMENDATION MOTION (*Consent Agenda Item*):

Move to Approve Resolution No. 12-22-1732.

SUMMARY STATEMENT:

The Environmental Protection Agency (EPA) issues Wrangell's National Pollutant Discharge Elimination System (NPDES) permit for our Wastewater Treatment Plant sewer treatment discharge, which has historically contained a 301(h) waiver to secondary treatment requirements.

This permit is being renewed. As part of the permit renewal process, the State of Alaska, Department of Environmental Conservation (DEC) is required to review and issue a 401 Certification of the Clean Water Act for the NPDES 301(h) permit to address water quality standards. Prior to issuing the 401 Certification, the DEC is requiring an analysis of the mixing zone, the clean water waterbody where a permitted wastewater discharge undergoes initial dilution, to determine the physical and chemical characteristics of the receiving waters and of the wastewater discharge to ensure Alaska water quality standards are met according to 18 AAC 70.240-270.

Performance to qualify the characteristics of the receiving waters and of the wastewater discharge effluent, to satisfy the DEC, require engineering assistance whereby the consultant will go out into the field to gather additional receiving water data and perform water model for the mixing zone and anti-degradation analysis.

A budget amendment, in the amount of $40,000, is identified for the Sewer Fund to make funding available for this engineering service to be performed on the Wastewater Treatment Plant outfall discharge effluent and the waters receiving the discharge effluent.

It is expected a subsequent engineering task will be required following the mixing zone modeling and anti-degradation analysis to address potentials for treatment plant performance through evaluating treatment process alternatives (disinfection) for meeting potential effluent limits.

The FY 2023 Sewer Fund Budget is amended to reflect a transfer of funds, in the amount of $40,000, from Sewer Fund Reserves to the Sewer Fund CIP for the Wastewater Treatment Plant Outfall Mixing Zone Modeling and Anti-Degradation Analysis project and authorizing its expenditures.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 12-22-1732

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2023 BUDGET BY TRANSFERRING $40,000 FROM THE SEWER FUND RESERVES TO THE SEWER FUND CIP AND AUTHORIZING ITS EXPENDITURE FOR THE WASTEWATER TREATMENT PLANT OUTFALL MIXING ZONE MODELING AND ANTI-DEGRADATION ANALYSIS PROJECT

WHEREAS, the Environmental Protection Agency (EPA) issues Wrangell's National Pollutant Discharge Elimination System (NPDES) permit for our Wastewater Treatment Plant sewer treatment discharge, which has historically contained a 301(h) waiver to secondary treatment requirements; and

WHEREAS, the State of Alaska, Department of Environmental Conservation (DEC) issues a 401 Certification of the Clean Water Act for all NPDES permits issued in Alaska for water quality standards; and

WHEREAS, prior to issuance of the 401 Certification, the DEC is requiring an analysis of the mixing zone, the clean water waterbody where a permitted wastewater discharge undergoes initial dilution, to determine the physical and chemical characteristics of the receiving waters and of the wastewater discharge to ensure Alaska water quality standards are met according to 18 AAC 70.240-270.

WHEREAS, performance to qualify the characteristics of the receiving waters and of the wastewater discharge effluent, to satisfy the DEC, require engineering assistance; and

WHERAS, a budget amendment, in the amount of $40,000, is required in the Sewer Fund to make funding available for the engineering services to perform the Wastewater Treatment Plant outfall mixing zone and anti-degradation analysis.

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

Section 1: The FY 2023 Budget is amended to reflect a transfer of funds, in the amount of $40,000, from Sewer Fund Reserves to the Sewer Fund CIP for the Wastewater Treatment Plant Outfall Mixing Zone Modeling and Anti-Degradation Analysis project and authorizing its expenditures.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 20th DAY OF DECEMBER, 2022.

CITY & BOROUGH OF WRANGELL, ALASKA

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

Department of Environmental Conservation

DIVISION OF WATER
Wastewater Discharge Authorization Program

555 Cordova Street
Anchorage, Alaska 99501
Main: 907.269.6285
Fax: 907.269.3487
www.dec.alaska.gov

THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

October 10, 2022 Sent via e-mail

Tom Wetor
Director of Public Works
12 South Nordic Drive
PO Box 531
Wrangell AK 99929

Re: Required Submissions to Complete Clean Water Act Section 401 Certificate of NPDES Permits

Dear Mr. Wetor:

The Wastewater Discharge Authorization Program (Program) has been in close coordination with the Environmental Protection Agency Region 10 (R10) permit section in the reissuance of the National Pollutant Discharge Elimination System (NPDES) permit for your domestic publicly owned treatment works. Your facility's permit is issued by R10 and has a waiver to secondary treatment standards under Section 301(h) of the Clean Water Act (CWA). The Program is required to issue a CWA Section 401 Certificate for all NPDES permits issued in Alaska and intends to do so for the reissuance of the NPDES permit for your facility.

A critical aspect of our 401 Certificate is satisfying the requirements of Alaska's Water Quality Standards outlined in 18 AAC 70. The Program searched in earnest to find methods to utilize existing data sources and build on the R10 permitting process to reduce the submittal requirements from each of the 301(h) facilities. Ultimately, the Program determined this approach was inconsistent and arbitrary which made the issuance of your 401 Certificate, and those of similar 301(h) facilities, subject to procedural appeal. It is for this reason the Program must insist on the complete submittal of requirements for Department Forms 2G and 2M.

Much of the data R10 contracted in the "Mixing Zone Dilution Modeling for Six Alaska POTWs" prepared by Great Lakes Environmental Center is helpful in preparing Form 2M regarding mixing zone establishment. Similarly, the Program uses the information submitted on a complete Form 2G in satisfying the antidegradation requirements of 18 AAC 70.016(b). Program staff can assist with interpreting the requirements, but ultimately each 301(h) permit applicant must complete these forms for the Program's review.

Item b.

If you have any questions regarding the requirements of 18 AAC 70.016(b), please do not hesitate to contact me. I am most easily reached via e-mail at gene.mccabe@alaska.gov or you can call me at (907) 269-7580. Applicable forms and contact information are also available at:
https://dec.alaska.gov/water/wastewater/permit-entry/domestic-and-municipal/

Sincerely,

Gene McCabe
Program Manager
Wastewater Discharge Authorization Program

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**13**

RESOLUTION No. 12-22-1733 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ESTABLISHING THE PRIORITY CAPITAL PROJECTS FOR FY 2024

SUBMITTED BY:
Amber Al-Haddad, Capital Facilities Director

Reviews/Approvals/Recommendations	
☐	
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required:		
FY 20: $	FY 21:	FY22:
Amount Budgeted:		
	FY22 $0	
Account Number(s):		
Account Name(s):		
Unencumbered Balance(s) (prior to expenditure): See Agenda Statement		

ATTACHMENTS: 1. RES 12-22-1733

RECOMMENDATION MOTION:
Move to approve Resolution No. 12-22-1733.

SUMMARY STATEMENT:
The Borough FY2023-2024 Strategic Plan for Capital Improvements Plan (CIP)for Capital Projects has been developed with a recommended priorities list for capital project needs. An Assembly-approved priorities list is necessary to guide staff in developing capital project budgets and in identifying funding opportunities for those projects.

It is the intent of the Wrangell Borough Assembly to give priority consideration to projects that:

1. Preserve and protect the health and safety of the community; and
2. Are mandated by the state and/or federal government; and
3. Provide for improvements of existing facilities resulting in a preservation of the community's prior investment, improvements to the environmental quality of the community, or support of economic development opportunities.

Resolution 12-22-1733 proposes to establish the capital projects priorities for FY 2024 as follows:

Priority	Project Name
1	Upper Reservoir Bypass
2	Public Safety Building Rehabilitation
3	Alder Top Village Subdivision, Ph I Development: Roads and Utilities
4	Wastewater Treatment Upgrades to Address 301(H) Waiver for Secondary Treatment
5	Dams Stabilization and Improvements
6	Wrangell Road Resurfacing Phase I (Downtown Corridors)
7	Barge Ramp Replacement
8	Meyers Chuck Harbor Replacement
9	Diesel Generation Power Plant Replacement
10	Zimovia Highway and Shoemaker Loop Sewer System Upgrades
11	Wrangell Harbor Basin Replacement
12	6-Mile (Former Mill) Property Development
13	Wrangell Road Resurfacing Phase II (Residential Corridors)
14	Non-Motorized Trail Expansion, Phase II
15	Second Avenue Sidewalk for Pedestrian Safety
16	Community Addressing
17	Life Safety Alternative Transportation Access
18	Low Pressure Water Main Replacement (Ash/Zimovia Ave/Lemeuix)
19	Swimming Pool EPDM Flat Roof Replacement
20	Wrangell School Facilities Improvements

The approved priorities list will serve as the City and Borough of Wrangell's established Capital Projects priority list for FY 2024.

Should the Assembly desire to change the priority order or otherwise modify the projects listing, those amendments can be offered at the meeting with proposed language such as "I move to amend Resolution 12-22-1733 by [moving, replacing, eliminating, adding, etc.] on the capital projects priority list."

A copy of the current CIP Capital Projects Master List is provided as an attachment for a review of all future capital project needs identified to date.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 12-22-1733

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA ESTABLISHING THE PRIORITY CAPITAL PROJECTS FOR FY 2024

WHEREAS, the City and Borough of Wrangell has agreed to prioritize the Borough's FY 2024 capital projects priorities; and

WHEREAS, it is the intent of the Wrangell Borough Assembly to give priority consideration to projects that preserve and protect the health and safety of the community, are mandated by the state and/or federal government, and provide for improvements of existing facilities resulting in a preservation of the community's prior investment or in improvements to the environmental quality of the community.

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

Section 1: the City and Borough of Wrangell establishes the Capital Project priorities for FY 2024 as follows:

Priority	Project Name
1	Upper Reservoir Bypass
2	Public Safety Building Rehabilitation
3	Alder Top Village Subdivision, Ph I Development: Roads and Utilities
4	Wastewater Treatment Upgrades to Address 301(H) Waiver for Secondary Treatment
5	Dams Stabilization and Improvements
6	Wrangell Road Resurfacing Phase I (Downtown Corridors)
7	Barge Ramp Replacement
8	Meyers Chuck Harbor Replacement
9	Diesel Generation Power Plant Replacement
10	Zimovia Highway and Shoemaker Loop Sewer System Upgrades
11	Wrangell Harbor Basin Replacement
12	6-Mile (Former Mill) Property Development
13	Wrangell Road Resurfacing Phase II (Residential Corridors)
14	Non-Motorized Trail Expansion, Phase II
15	Second Avenue Sidewalk for Pedestrian Safety
16	Community Addressing
17	Life Safety Alternative Transportation Access
18	Low Pressure Water Main Replacement (Ash/Zimovia Ave/Lemeuix)
19	Swimming Pool EPDM Flat Roof Replacement
20	Wrangell School Facilities Improvements

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 20th day of December, 2022.

CITY & BOROUGH OF WRANGELL, ALASKA

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

City and Borough of Wrangell, Alaska - Master List of CIP Capital Projects

Master List Project Name	Estimated Project Cost	Project Description / Project Status
Public Safety Building		
Public Safety Building Rehabilitation	$ 16,000,000	35-year old building requires full Building Rehabilitation or Replacement. Full building assessment by multi-disciplinary team completed. Probable cost review by A&E completed for both options. This is an important project for the community of Wrangell, as this building serves to house the majority of law enforcement agencies for the community of Wrangell, including the Police Department and Jail, DMV, TSA, the Fire Department, the Alaska Court System - Wrangell District Courthouse, and the United States Customs and Border Patrol.
Streets / Public Works		
Industrial Park Expansion - Road and Utilities Expansion	$ 200,000	5th and 6th Avenues Road Development with Electrical Utility only (no water or sewer planned for the future)
Wrangell Road Resurfacing Phase I (Downtown Corridors)	$ 2,500,000	McKinnon Street, St. Michael Street, Stikine Avenue, Shakes Street, Campbell Drive
Wrangell Road Resurfacing Phase II (Residential Corridors)	$ 2,500,000	First Avenue, Third Street (WCA Tribe Roads Priority), Mission Street, Second Avenue, Ocean Drive, Sunset Blvd., Lemeuix Street, Zimovia Ave, Council Drive
Life Safety Alternative Transportation Access		Spur Road to Pat Lake Road Connection. Construct approximately 1/2-mile of road to join the Spur Road and Pat's Creek Road for safety and emergency access and reopen closed sections. Planning and design would include performing a condition assessment on the two existing bridges.
ADA Sidewalk Improv and Pedestrian Safety		Case Avenue, McKinnon Street, 2nd Avenue (new added sidewalk)
Storm Drain Plan Development	$ 175,000	
School Access Roads Improvements Ph I	$ 1,250,000	First Avenue and Elementary Schools South and North Parking Lots Paving .
School Access Roads Improvements, Ph II	$ 800,000	Second Avenue and (portion of) Sales Street Paving. (If eliminating the portion of Sales Street, with upgrades only to Second Avenue, modify price to $350,000)
Stikine Avenue Road Replacement and Pedestrian Access		Street Improvements with Sidewalk Replacement/Extension. Requires the taking of private land. ROW is only 10' wide where there currently is no sidewalk.
Cemetery / Public Works		
Cemetery Expansion/Development	Unknown	Design of Sunset Gardens cemetery is underway. An engineer's estimate identifying a construction cost will be prepared.
Library		
Library Interior Wall Painting	$ 45,000	Exploring in-house options
Nolan Center		
Storage Building Stabilization		The building pad is settling and has created a void under the slab, causing the building walls and floor to crack. The building site is constructed of dredge material below the structural fill and that area is known to have tidal infiltration, which is suspect of causing fill loss. A helial pier test is being scheduled to determine the depth to reach refusal as a pier stabilization is likely the best long term solution.
Humidity Control Upgrades		
Landscaping Upgrades		The native landscaping planters will be renovated on a rotational basis to begin eliminating domestic and non-native species that have been planted over the years and replenish the original native ground covering to help with weed control.
M/V Chugach USFS Ranger Boat Display	$ 300,000	Viewing Platform & Interpretive Display
Parks & Rec - Swimming Pool/Recreation		

Master List Project Name	Estimated Project Cost	Project Description / Project Status
Swimming Pool EPDM Flat Roof Replacement	$ 350,000	A Condition Assessment was also performed in 2014 to identify building systems' deficiencies with recommendations to a Pool Facility Improvements and Rehabilitation project totaling approximately $2,000,000. Portions of the deficiencies identified have received local funding over the past several years. This project serves to replace the pool's deteriorated flat roof sections.
Recoat Metal Roof and Reline Internal Gutter	$ 50,000	
Pool Locker Replacement	$ 150,000	Replace rusting metal lockers which have become a safety concern
Swimming Pool Water Distribution Pipe Lining	$ 100,000	A Condition Assessment was also performed in 2014 to identify building systems' deficiencies with recommendations to a Pool Facility Improvements and Rehabilitation project totaling approximately $2,000,000. Portions of the deficiencies identified have received local funding over the past several years. This project serves to make improvements to the pool's aged concealed piping system.
Swimming Pool Basin Lining	$ 150,000	A Condition Assessment was also performed in 2014 to identify building systems' deficiencies with recommendations to a Pool Facility Improvements and Rehabilitation project totaling approximately $2,000,000. Portions of the deficiencies identified have received local funding over the past several years. This project serves to make improvements to the pool's aged basin tile surface.
Parks & Rec - Community Center/Recreation		
Community Center Life and Safety Upgrades	$ 350,000	A Condition Assessment was performed in 2014 with a total recommended improvements for a Community Center Improvements and Rehabilitation project totaling approximately $2,800,000. The engineering design for Life & Safety Improvements is complete. This project seeks funding to construct the improvements to the electrical distribution system and fire suppression system throughout the building.
Community Center Renovations	$ 3,000,000	This project seeks funding to make the necessary improvements identified in the conditions assessment, other than the electrical distribution system and life and safety improvements identified as a separate project.
Sidewalk and Church Street Parking Lot Repairs		
Parks & Rec - Parks and Trails / Recreation		
Non-Motorized Trail Expansion, Phase II	$ 1,000,000	Muskeg Trail Extension to Petroglyph Beach State Park and Volunteer Loop Trail Extension to Etolin Street
Kyle Angerman Playground Improvements	$ 300,000	
Petroglyph Beach Bathroom and Platform Improvements	$ 80,000	
Shoemaker Bay Park and Rainbow Falls Trailhead Improvements	$ 1,750,000	This project seeks funding, equal to 10% of cost project cost, before application can be made to the Federal Lands Access Program (FLAP).
RV Park Roadway and Parking Pads Improvements	$ 35,000	
City Park Playground Improvements		
Volunteer Park Ball Fields Improvements		
Electric - Power Generation		
Diesel Generation Power Plant Replacement	$ 15,000,000	Design funding has been allocated in the amount of $965,000. The original concrete structure of the diesel generation power plant is structurally unsound and dictates that the remainder of the building be rehabilitated or replaced in order to eliminate the risk of building failure and the risk to the community's back-up power source and assets. The Borough is considering options for the replacement/repair needs. The $15,000,000 cost is the engineer's probable cost opinion for a replacement structure. The cost opinion for a rehabilitation project is approximately $8,000,000. A rehabilitation project has been identified as the preferred project solution.
Diesel generator Engine Overhaul	$ 350,000	Overhaul one of the four engines each year for the next four years; $350,00 for each overhaul
Voltage Regulator and Basement Transformer Replacement	$ 100,000	Equipment replacement
Electric - Distribution		
Case Avenue Power Infrastructure Improvements	$ 650,000	Phase I Surveying project funded in FY21; requires contracting to be able to keep line in service while the work is occuring

Master List Project Name	Estimated Project Cost	Project Description / Project Status
Mission Street and First Avenue Power Infrastructure Improvements	$ 150,000	WML&P linemen crew can perform this work in house
Zimovia Highway (Feeder 3) Upgrades	$ 250,000	This requires contracting due to lack of equipment required for the work
Water / Public Works		
Reservoir Dams Stabilization and Improvements	$ 10,500,000	Both of Wrangell's dams are listed in the Alaska Dam Inventory as Class I (high) hazard potential classification, with long-recognized deficiencies. Two separate stabilization studies, one performed by the USFS and the other by the USACE, yielded factors of safety against sliding during a seismic event well below 1.0 and attributed the instability to poor foundations soils under the dam that are potentially liquefiable. Due to the proximity of residences to the dams, and the lack of a warning system, the possibility of loss of life is high due to spontaneous dam failure and a high velocity of water through the floodplain. Loss of Life and Property would affect 14 mobile homes, 9 single family residential homes, and the community's wastewater treatment plant. While a new dam may be proposed with a higher cost, the project costs shown here is derived from a 2006 Corps estimate of $7,700,000 to repair the existing dams with annual cost escalation/inflation added as a placeholder until an engineer's estimate is fully developed.
Upper Reservoir Bypass (Connection to Treatment Plant)	$ 3,540,000	This project will provide a direct connection of the upper reservoir to the water treatment plant. As it is currently configured, water from the upper reservoir overflows the spillway or is siphoned into an open ditch as the conveyance to the lower reservoir. this project is currently under engineering design. Future funding for the construction of this work is needed. Due to the proximity of residences to the dams, and the lack of a warning system, the possibility of loss of life is high due to spontaneous dam failure and a high velocity of water through the floodplain. Loss of Life and Property would affect 14 mobile homes, 9 single family residential homes, and the community's wastewater treatment plant.
Low Pressure Water Main Replacement (Ash/Zimovia Ave/Lemeuix)	$ 1,000,000	Replacement of AC and PVC residential water lines on low pressure water main. Homes on these lines have been experiencing extremely low water pressure.
and Shoemaker Loop Road)	$ 3,400,000	Replacement of Ductile iron pipe which is experiencing early corrosion.
Water Service Metering, Phase I Commercial	$ 1,500,000	Installation of water meters on all commercial facilities to be able to accurately monitor commercial water usage.
Distribution Metering, Phase I	$ 500,000	Installation of meters also water distribution system to better detect leaks in distribution lines.
Slope Stability Analysis	$ 75,000	The recent slope ground failure in Haines in December 2020 alerted Wrangell to concerns with slope stability of the mountain slopes adjacent to the water reservoirs. Aerial and LIDAR imagery of slopes and reservoir dam run-out zone completed April 2021 Working with State of Alaska on stability assessment, but State has been too busy with other matters to assist Wrangell. The community needs to complete it's own assessment.
Flume Replacement	$ 2,000,000	The flume carrying source water into the Wrangell reservoirs is decades old and is in need of replacement.
Sunrise Lake - Alternative Water Source		(Monitoring, Design, NEPA)
Downtown Bathrooms	$ 150,000	
Sewer / Public Works		
Wastewater Treatment Upgrades to Address 301(H) Waiver for Secondary Treatment		The Borough's EPA 301H Waiver (a waiver of less than full secondary treatment requirements from the Clean Water Act) will see changes requiring treatment improvements within the next five years. Initial scope includes the addition of disinfection to the treatment system
Zimovia Highway and Shoemaker Loop Sewer System Upgrades	$ 750,000	Wrangell is operating many of the sewer lift stations with pumps most of which were replaced in the 1990s. Some pumps are as old as the late 1970s. The pump manufacturers are quite varied so spare parts is a serious issue, along with failure due to age. Almost all of the system's 30 pumps need to be replaced. Further the size of pipe for the force main along Zimovia Highway and Shoemaker Loop Road may be undersized to carry added capacity from the 6-mile property development as well as the Institute Property development, and should be upsized based on outcomes from the Sewer System Analaysis currently under contract with R&M to perform.
Treatment Lagoon Sludge Removal	$ 200,000	The lagoons have not had the sludge removed since the plant was constructed.
Harbor - Harbors		

Master List Project Name	Estimated Project Cost	Project Description / Project Status
Meyers Chuck Dock Replacement	$ 2,566,614	Funding in the amount of $690,000 is available for the project from funding received from the State's deferred harbor maintenance program when Meyers Chuck was incorporated into the Wrangell Borough. The estimated cost of the harbor replacement is estimated to be $2.5M.
Wrangell Harbor Basin Design and Construction:		
- Inner Harbor - Design and Construction	$ 13,000,000	
- Reliance Harbor - Design and Construction	$ 7,000,000	Inner Harbor, along with Reliance, Standard Oil and the Airplane Float harbor facilities require replacement, with a level of harbor basin dredging to return the full dock to normal use. The basin has filled in such that at low tides, portions of the docks are resting on the basin bottom. The entire harbor structures have exceeded their useful life and need replacing. A grant application was made in July 2022 to the RAISE Grant Program (Federal DOT program) seeking funding for engineering design cost of this larger project. This project includes Inner Harbor Fill and Storm and Water Improvements. The CBW was notified in September 2022 that we were not selected as a grant awardee in the 2022 program awards.
- Standard Oil Float - Design and Construction	$ 4,000,000	
- Airplane Float Replacement	$ 2,500,000	
- Harbors Water System Improvements		
Barge Ramp Replacement		A 2011 condition assessment of the Barge Ramp estimated the facility had another 10-15 years of useful life remaining before reaching a point where it would have degraded enough that it may no longer be considered safe to use. Recently the floatation tank was found to have a hole in it and the Borough is preparing to spend close to $120,000 for repairs to maintain use, as this is a critical structure where all of the communities freight is routed to town by freight barges.
Shoemaker Harbor Parking Lot and Drainage Improvements	$ 1,000,000	
Shoemaker Harbor Boat Ramp	$ 500,000	
Shoemaker Bay Breakwater Feasibility Study	$ 500,000	This is the anticipated match to the US Army Corps of Engineers Feasibility Study
Shoemaker Harbor Transient Float		
Shoemaker Dredging and North Float Addition		This project would add a separate finger system for 70' vessels and for transient vessels
Heritage Harbor Second Boat Ramp	$ 787,950	Cost projection is inflation proofed from a 2010 estimate of $570,000 provided by PND Engineers
Harbor - Marine Service Center (Boat Yard)		
Marine Service Center (Old Mill Dock) Rehabilitation	$ 500,000	New decking layers, fender piles and joist replacement, install new dolphins; needs a condition assessment performed as first phase planning
Marine Service Center Concrete Improvements	$ 4,500,000	Last phase of concrete improvements at the Marine Service Center
Residential / Industrial Construction Fund		
Institute Subdivision, Ph I Development: Roads and Utilities	$ 1,400,000	Wrangell is in desperate need of residential property for housing. Survey and 35% design of the Phase I Subdivision is complete. The COE permit has been submitted, as well as SHPO review. Funding for road and utilities development estimate.
6-Mile (Former Mill) Property Development Plan		
Land Development		
Survey of priority remote entitlement parcels	$ 1,250,000	Approximately 9,000 acres
Environmental Site Characterization Work Plan - Former Wilcox Automotive Property	based on results from testing	Site Characterization Work Plan to be performed to identify the extent of soil contamination and to what extent further remediation efforts will be required (Work Plan Cost to date $65,000)
Environmental Site Characterization Work Plan - City Shop	based on results from testing	Site Characterization Work Plan to be performed to identify the extent of soil contamination and to what extent further remediation efforts will be required (Work plan cost to date $55,000)
Environmental Site Characterization Work Plan - Wrangell Medical Center	based on results from testing	Site Characterization Work Plan to be performed to identify the extent of soil contamination and to what extent further remediation efforts will be required (work plan cost to date $35,000)
Monofill Site Expansion / Development		
Community Planning Projects		

City and Borough of Wrangell, Alaska - Master List of CIP Capital Projects

Master List Project Name	Estimated Project Cost	Project Description / Project Status
Wrangell Medical Center - building demolition and site reuse plan	$ 2,000,000	
Community Addressing	$ 100,000	
Early Warning System		
Waterfront Master Plan Phased Development		
Mitigation/Restoration Plan for Public/Private Development	$ 150,000	
KSTK Radio Group Inc. Flood Cessation	$ 25,000	Install perimeter drain system on the south side of the building to eliminate basement flooding
Animal Shelter		
South Mitkof Island Improvements - Banana Point Improvements	$ 1,250,000	
Wrangell School District & Facilities		
Wrangell School Facilities Improvements (may include the projets listed below):	$ 10,000,000	Three buildings improvements
Primary School Exterior Windows Replacement	$ 250,000	The existing windows in the Primary section are old and could stand to be replaced with more energy efficient windows. Until replacement, school staff will continue to maintain as they are able.
Middle School Boiler Replacement	$ 100,000	The existing boiler is old and is operational; however, it has to date required replacement of one plate section. School staff plan to have a boiler system inspection and service performed which will also serve to identify existing conditions and future needs.

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	12/20/2022
	Agenda Section	**13**

RESOLUTION No. 12-22-1734 OF THE CITY AND BOROUGH OF WRANGELL, ALASKA CREATING THE TOURISM COORDINATOR JOB DESCRIPTION WITHIN THE ECONOMIC DEVELOPMENT DEPARTMENT AND AMENDING THE NON-UNION WAGE AND GRADE TABLE

SUBMITTED BY:
Carol Rushmore, Economic Development Director

Reviews/Approvals/Recommendations	
■	Commission, Board or Committee
Name(s)	Wrangell Convention and Visitor Bureau
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $0		
FY 21: $0	FY 22: $0	FY23: $0
Amount Budgeted:		
	FY22 $0	
Account Number(s):		
Account Name(s):		
	n/a	
Unencumbered Balance(s) (prior to expenditure):		
	$0	

ATTACHMENTS: 1. RES 12-22-1734 2. Exhibit A_Tourism Coordinator Job Description 3.) Exhibit B_Amended Non-union Wage and Grade Table 4.) CVB Letter requesting position 5.) Letters of support

RECOMMENDATION MOTION:
Move to Approve Resolution 12-22-1734.

SUMMARY STATEMENT:

Transient Occupancy Tax is collected for the purpose to "develop and implement a visitor industry program" (WMC 5.06.060(a)). Over the last 25 years, the annual tax proceeds have increased from $20,000 to just over $50,000. The State and Regional trend for visitor growth is multiplying.

Tourism marketing is becoming more sophisticated and changes rapidly with the increased online media outlets and increased personal online use. Currently, implementation of Wrangell's marketing efforts across all media platforms as directed by the Wrangell Convention and Visitor Bureau is conducted by the Economic Development Director. The EDD position also has the responsibilities of overseeing the planning and zoning requirements of the Borough working with the Planning and Zoning Commission, and the economic development responsibilities working with the Economic Development Committee and other organizations to encourage community growth, seek grant funding, develop project planning, and respond to and participate in, state and regional issues on behalf of the Borough. Tourism marketing is currently only one of many responsibilities of the EDD.

The Visitor Industry is one of the top economic drivers within Wrangell and the trend for the industry regionally and statewide is for increased visitation. However, due to the limited time of the EDD, many opportunities for tracking, attracting visitors and promoting Wrangell are being lost due to other requirements of the position. Competition for visitors to stay and spend money in Wrangell as part of their Alaska itinerary is tremendous, and without this full time position to focus on Community marketing of all Wrangell's assets and business needs, the industry will not grow and Wrangell will miss out on critical job opportunities and economic growth.

Wrangell needs to position itself for the future. Tourism is a sustainable, growing industry, providing jobs, sales tax and transient tax revenue to the community. To grow the industry for the economic growth of Wrangell will require dedicated focus by an individual with expertise and knowledge in the nuances and rapid changes occurring in the industry.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 12-22-1734

A RESOLUTION OF THE CITY AND BOROUGH OF WRANGELL, ALASKA CREATING A TOURISM COORDINATOR JOB DESCRIPTION WITHIN THE ECONOMIC DEVELOPMENT DEPARTMENT AND AMENDING THE NON-UNION WAGE AND GRADE TABLE

WHEREAS, the Economic Development Department manages all economic development projects, planning and zoning issues and implements the tourism marketing strategy developed by the Wrangell Convention and Visitor Bureau; and

WHEREAS, the Tourism Industry is one of the top drivers of the Wrangell economic according to the Economic Conditions Report 2022, creating 10% of all jobs within the community.

WHEREAS, according to the Alaska Travel Industry Association, 1 in 10 jobs in Alaska is in the Visitor sector; and

WHEREAS, Southeast Alaska by the Numbers 2022 indicate that 2023 will see 8 times more visitors than 2021, and that preliminary numbers from 2022 indicate that Visitors are returning enforce; and

WHEREAS, tourism marketing strategies have and continue to rapidly shift, in part due to COVID-19, but also due to the trend of increased online and mobile use; and

WHEREAS, to effectively market and target the demographic visitors that are a fit for Wrangell requires special expertise and knowledge in tourism marketing, analytics and trends of various media platforms; and

WHEREAS, the Wrangell Convention and Visitor Bureau strongly supports the position and;

WHEREAS, creating a Tourism Coordinator position allows for direct effort to support a growing and sustainable industry in Wrangell.

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 permanent position of a Tourism Coordinator.

Section 2. The attached Non-Union Wage & Grade table is amended to reflect the permanent full-time position of the Tourism Coordinator.

Section 3. The job description for the Tourism Coordinator will become effective immediately upon passage and approval of this resolution.

Section 4. The pay grade for the Tourism Coordinator is hereby set at grade 15 of the Permanent, exempt, non-union wage and grade table.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THIS 20th DAY OF DECEMBER, 2022.

CITY & BOROUGH OF WRANGELL

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, Borough Clerk

City & Borough of Wrangell Position Description

Position: Tourism Coordinator	Type: Full time
Department/Site: City Hall with remote possibilities	FLSA:
Evaluated by: Economic Development Director	Salary Grade:

Summary

Assists the Economic Development Director in implementing the Wrangell Convention and Visitor Bureau's marketing plan and other community promotional activities.

Distinguishing Career Features

Develops, organizes and implements a tourism plan, social media presence, Tourism Best Management Practices program, and provides outreach to travel writers and influencers. The position will cultivate relationships with state and regional Visitor Industry organizations, attend tradeshows, conferences and meetings representing Wrangell Visitor Industry. This position, under the Economic Development Department will also be critical in working cooperatively with other departments to market all economic aspects, assets and strengths of the community.

Essential Duties and Responsibilities

- Must be knowledgeable about Wrangell, personable, and willing to visit and communicate with businesses.
- Assists with the development and implementation of a tourism plan, marketing program and Tourism Best Marketing Program.
- Advises, manages, and provides staff support to the Wrangell Convention and Visitor Bureau.
- Implements the tourism marketing efforts of the city for business development and visitor services, working cooperatively with the Convention and Visitor Bureau, all departments, including Nolan Center, and visitor industry businesses and organizations.
- Build a social media presence, including but not limited to Facebook, Instagram, Twitter and Google directed at Visitor needs and interests
- Develop a database of visitor inquiries
- Develop surveys and analytical tools to track and monitor visitors, activities, inquiries and Key Performance Indicators
- Assists with the development and design of marketing materials, including brochures, signs, travel planners, fliers, display adverts, and banners/popups.
- Direct the ad sales for new travel planners and other cooperative advertising efforts.
- Enhance the travelwrangell.com website
- Provide office assistance with data input, financial reporting, and customer service.
- Represent Wrangell's Visitor Industry at tradeshows, travel shows, conferences and other visitor industry meetings and events.
- Generate a photo, video and informational library using User Generated Content, professional services, personal/local photos and videos.
- Directs and participates in developing budgets for the Tourism program. Monitors and evaluates performance against established budgets. Identifies projects, programs, and priorities.

- Network and establish connections with other Destination Marketing Organizations
- This position must be versatile and ready to assist with many different tasks within the Economic Development Department.

Qualifications

- **Knowledge and Skills**
  - Should be knowledgeable about Wrangell.
  - Requires well-developed human relation skills to deliver persuasive talks and presentations to large and diverse audiences.
  - Requires knowledge of marketing and promotional methods to enhance local business and program efforts.
  - Should have experience with Key Performance Indicators
  - Knowledge of and skills in social media platforms including Facebook, Instagram, Twitter, and Google My Business and Analytics with a focus on strategic business promotion. Also requires understanding of professional social media etiquette.
  - Should have experience with graphic design programs.
  - Requires knowledge of how to gather content and ideas for postings, schedule postings, and create a calendar for planned events.
  - Must be able and willing to take local photos and videos for posting.
  - Should have copy writing, editing and publishing skills.
  - Should be knowledgeable in Microsoft Office – specifically Word, Excel and Publisher.
  - Requires knowledge of and sensitivity of the social, legal and political issues influencing tourism programs including online marketing, asset management, and UGC.
  - Requires knowledge of research and analytics.

- **Abilities**
  - Requires the ability to work independently and be self-motivated.
  - Requires excellent interpersonal skills and the ability to communicate effectively with persons of diverse backgrounds.
  - Requires the ability to write effectively.
  - Requires the ability to use sound judgement when making decisions.
  - Requires the ability to work productively and cooperatively and convey a positive image of Wrangell and its services.
  - Requires computer skills.

- **Physical Abilities**
  - Requires the ability to function primarily indoors in an office environment engaged in work of primarily a sedentary nature.
  - Requires sufficient ambulatory ability to move about to office and remote locations.
  - Requires auditory ability to carry on audience, ordinary, and telephonic conversation.
  - Requires near and far visual acuity to read detailed maps, other printed material, computer screens, and observe physical layouts.
  - Requires manual and finger dexterity to write and to operate microcomputers and other office equipment.

-

- **Education and Experience**

The position requires knowledge and experience of visitor marketing and destination branding

- **Licenses and Certificates**

Requires a valid Alaska Driver's License and reliable transportation.

- **Working Conditions**

Work is performed mostly indoors where minimal safety considerations exist.

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.

Permanent Non-exempt Employee Pay Plan, City and Borough of Wrangell, Hourly Compensation

Resolution No. 12-22-1734
Effective December 20, 2022

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	15.56	15.88	16.18	16.48	16.79	17.10	17.44	17.78	18.11	18.46	18.81	19.17	19.54
9	16.25	16.55	16.86	17.19	17.53	17.86	18.20	18.54	18.89	19.27	19.64	20.02	20.40
10	16.98	17.32	17.67	18.02	18.38	18.75	19.12	19.51	19.89	20.29	20.69	21.11	21.54
11	17.72	18.07	18.45	18.81	19.18	19.57	19.97	20.36	20.77	21.18	21.61	22.05	22.48
12	18.45	18.80	19.16	19.54	19.91	20.29	20.67	21.09	21.49	21.90	22.33	22.75	23.19
13	19.30	19.66	20.04	20.42	20.81	21.22	21.63	22.05	22.46	22.91	23.36	23.80	24.26
14	20.16	20.55	20.95	21.36	21.77	22.18	22.62	23.06	23.49	23.94	24.41	24.88	25.35
15	21.10	21.53	21.95	22.39	22.84	23.29	23.76	24.24	24.72	25.22	25.72	26.24	26.76
16	22.04	22.45	22.90	23.34	23.78	24.24	24.73	25.20	25.68	26.18	26.69	27.21	27.74
17	23.07	23.50	23.95	24.42	24.90	25.38	25.86	26.38	26.89	27.41	27.95	28.49	29.04
18	24.13	24.61	25.07	25.55	26.04	26.56	27.07	27.59	28.14	28.68	29.25	29.82	30.40
21	27.50	28.05	28.59	29.14	29.71	30.30	30.88	31.48	32.10	32.71	33.34	34.00	34.67
23	29.70	30.29	30.87	31.47	32.09	32.70	33.36	34.00	34.66	35.34	36.03	36.74	37.45
25	32.19	32.81	33.47	34.11	34.77	35.47	36.15	36.87	37.59	38.33	39.08	39.85	40.63
26	33.52	34.17	34.83	35.52	36.21	36.92	37.64	38.38	39.13	39.89	40.67	41.47	42.28

8 Custodian

9 Library Assistant I

12 DMV Assistant
Recreation Coordinator
Library Assistant II
Nolan Center Attendant - Museum Collection
Nolan Center Coordinator

13 Accounting Clerk
Utility Accounts Clerk
Property & Sales Tax Accounting Clerk

14 Dispatch/Corrections Officer

15 Public Works Administrative Assistant
Tourism Coordinator

17 Police Officer Recruit
Accounting Clerk II

18 Administrative Assistant - Police
Corrections Sergeant
Firemedic/Trainer
Accounting Generalist/Technician

21 Police Officer Probationary

23 Police Officer

25 Police Sergeant

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	4,379.04	4,463.32	4,551.75	4,638.10	4,726.54	4,817.05	4,912.77	5,006.40	5,102.12	5,203.04	5,303.96	5,406.96	5,511.00
24	5,358.06	5,464.18	5,569.26	5,677.46	5,790.87	5,902.19	6,015.59	6,135.24	6,253.84	6,378.69	6,502.50	6,630.47	6,760.52
25	5,579.67	5,687.87	5,801.27	5,913.63	6,027.04	6,147.72	6,266.33	6,391.18	6,516.03	6,643.99	6,773.00	6,907.22	7,042.47
27	6,056.17	6,174.77	6,293.38	6,420.31	6,544.12	6,672.09	6,804.22	6,935.31	7,074.72	7,212.05	7,352.51	7,496.08	7,644.86
28	6,315.23	6,441.12	6,565.96	6,696.01	6,826.06	6,959.24	7,096.57	7,232.86	7,377.48	7,520.01	7,667.75	7,819.65	7,972.59
30	6,873.92	7,011.26	7,146.51	7,289.04	7,429.50	7,576.19	7,726.01	7,876.87	8,031.89	8,191.07	8,351.29	8,515.67	8,683.18
31	7,148.59	7,292.16	7,432.62	7,580.35	7,727.05	7,878.95	8,035.01	8,192.11	8,353.37	8,518.80	8,685.26	8,855.88	9,030.67
32	7,434.70	7,583.48	7,730.17	7,893.51	8,036.05	8,194.19	8,356.49	8,519.84	8,687.34	8,859.01	9,032.75	9,210.66	9,391.69
33	7,732.25	7,886.23	8,039.17	8,199.39	8,357.53	8,521.92	8,690.46	8,860.05	9,034.83	9,213.78	9,393.77	9,578.96	9,767.28
34	8,041.25	8,202.51	8,360.65	8,527.12	8,691.50	8,863.17	9,037.95	9,214.82	9,395.85	9,582.08	9,769.36	9,961.83	10,158.47
35	8,362.74	8,530.24	8,694.62	8,868.37	9,039.00	9,217.94	9,400.01	9,583.12	9,772.48	9,965.99	10,160.55	10,360.30	10,564.22

19 Civic Center Manager

24 Library Director
Parks & Recreation Director
Fire Chief
Nolan Center Director

28 Economic Development Director

30 Electrical Superintendent
Director of Public Works & Capital Projects
Port & Harbor Director

35 Police Chief
Deputy Borough Manager

Temporary/Part-time/Seasonal Employees
Hourly Compensation
Note: Each step represents the amount above the prevailing State of Alaska Minimu 10.34

Grade Step →													
↓	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
1	0.00	0.31	0.61	0.92	1.22	1.53	1.84	2.14	2.45	2.75	3.06	3.37	3.67
3	0.71	1.02	1.33	1.63	1.94	2.24	2.55	2.86	3.16	3.47	3.77	4.08	4.39
4	1.73	2.04	2.35	2.65	2.96	3.26	3.57	3.88	4.18	4.49	4.79	5.10	5.41
5	2.75	3.06	3.37	3.67	3.98	4.28	4.59	4.90	5.20	5.51	5.81	6.12	6.43
6	3.26	3.57	3.88	4.18	4.49	4.79	5.10	5.41	5.71	6.02	6.32	6.63	6.94
7	3.77	4.08	4.39	4.69	5.00	5.30	5.61	5.92	6.22	6.53	6.83	7.14	7.45
8	4.28	4.59	4.90	5.20	5.51	5.81	6.12	6.43	6.73	7.04	7.34	7.65	7.96
9	4.79	5.10	5.41	5.71	6.02	6.32	6.63	6.94	7.24	7.55	7.85	8.16	8.47
11	6.32	6.63	6.94	7.24	7.55	7.85	8.16	8.47	8.77	9.08	9.38	9.69	10.00

Actual Temp Rates, Calendar Year 2021

	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
1	10.34	10.65	10.95	11.26	11.56	11.87	12.18	12.48	12.79	13.09	13.40	13.71	14.01
3	11.05	11.36	11.67	11.97	12.28	12.58	12.89	13.20	13.50	13.81	14.11	14.42	14.73
4	12.07	12.38	12.69	12.99	13.30	13.60	13.91	14.22	14.52	14.83	15.13	15.44	15.75
5	13.09	13.40	13.71	14.01	14.32	14.62	14.93	15.24	15.54	15.85	16.15	16.46	16.77
6	13.60	13.91	14.22	14.52	14.83	15.13	15.44	15.75	16.05	16.36	16.66	16.97	17.28
7	14.11	14.42	14.73	15.03	15.34	15.64	15.95	16.26	16.56	16.87	17.17	17.48	17.79
8	14.62	14.93	15.24	15.54	15.85	16.15	16.46	16.77	17.07	17.38	17.68	17.99	18.30
9	15.13	15.44	15.75	16.05	16.36	16.66	16.97	17.28	17.58	17.89	18.19	18.50	18.81
11	16.66	16.97	17.28	17.58	17.89	18.19	18.50	18.81	19.11	19.42	19.72	20.03	20.34

1 Lifeguard
Recreation Assistant
Theater Sales Associate

3 Head Lifeguard

4 Sales Assistant
Laborer
Assistant Theater Manager

5 Park Maintenance I

6 Park Maintenance II

9 Library Assistant I

7 Clerical Assistant

8 Museum Clerk

9 Maintenance Custodian

11 Theater Manager

Wrangell Convention and Visitor Bureau
P.O. Box 1350
Wrangell, AK 99929
TravelWrangell.com
info@TravelWrangell.com

December 13, 2022

Greetings Mayor Gilbert, Assembly members and Manager Good,

This letter is from the members of the Wrangell Convention and Visitors Bureau (WCVB) - a group of 5 working professionals in all manners and capacities in our community, and overseen by Carol Rushmore, the Economic Development Director with the Borough.

With the imminent departure of Carol from her position as EDD, we want to recognize her for the immense work she has done for the City and Borough of Wrangell, and also by recognizing just how many hats she wore while in her position over the years. Not only did she coordinate the Tourism marketing efforts working closely with the WCVB, but she also had the responsibilities of overseeing the planning and zoning requirements of the Borough working with the Planning and Zoning Commission, and the economic development responsibilities working with the Economic Development Committee and other organizations to encourage community growth, seek grant funding, develop project planning, and respond to and participate in, state and regional issues on behalf of the Borough. We are overwhelmed with gratitude at the contributions she's made to the economic advancement in our community.

Today, Wrangell is in a unique position. We are poised to invest in ourselves for forward economic growth by hiring a professional and creating a position under the Economic Development Department in a skyrocketing industry in Southeast Alaska – the Visitor Industry. We've ignored the untapped potential for growth for too long. We are doing a disservice to the citizens of Wrangell by not hiring this position and loosing economic opportunities by not giving it a priority. Tourism doesn't mean more large-scale cruise ships. This position will be able to help attract a clientele that fits Wrangell including the adventurous, eco conscious, independent travelers, as well as yachters and cruisers.

Today in Alaska, 1 in 10 jobs are in the Visitor Industry. We are seeing other communities like Klawock, who relied on the logging industry, and upon that collapse, turning it's sights towards the visitor industry – preparing to receive cruise ships and market itself as a visitor destination in SE Alaska. Large organizations in our region like Sealaska Corp and Southeast Conference shifting primary economic growth goals toward developing opportunities for growth in the visitor industry. The trends and evidence are right in front of us. And by taking this chance to invest in ourselves by marketing ourselves as a visitor destination **IN THE MANNER WE WANT TO MARKET OURSELVES **, Wrangell can achieve huge opportunity potential and economic growth.

The WCVB visualizes this position to tackle marketing efforts that previously we did not have the time to implement because of Carol's demanding multiple responsibilities - including developing a strong social media presence, developing a Tourism Plan, implementing the Tourism Best Management Practices program, outreach to travel writers and influencers, attending in tradeshows, participating in State cooperative programs, and monitoring and tracking inquiries and visitors. This position, under the Economic Development Department will also be critical in working with the Port Commission to market the Marine Service Center, working with Cyni Crary at the Nolan Center to assist with meeting and convention marketing, and other organizations where cooperative efforts to market our assets and strengths will only benefit the community.

2023 and beyond are expecting beyond pre-pandemic levels of travel back to our region – and having a professional who can effectively market Wrangell as a destination to to the yacht industry, the independent travelers, cruise passengers, and even to boat owners looking to get their vessels repaired in our Marine Service Center – will be invaluable. This position, created and remaining within the city, and not a part of an outside member-driven organization, will allow this person to work for the entire community, cooperatively across departments and organizations to market our community, and also develop relationships with other CVB's and Visitor Industry organizations throughout the region and state for cooperative marketing efforts.

The Visitor Industry in Wrangell is already in the top 3 economic drivers in this community (according to the recent Economic Conditions Report and the last Wrangell Visitor Industry by the Numbers) – and it impacts more than just tour operators – local restaurants, young entrepreneurs selling garnets, gift shop owners, accommodations, retail merchants, restaurants, our museum, car rentals, boat fabricators, are ALL impacted immensely when visitors come to town. It's time to invest in this industry and put ourselves back on the map – because the payout will be great for this city and any who recognize that the travel industry in Alaska is only growing. The opportunity to cultivate this renewable resource for Wrangell's economic growth should not be ignored or postponed.

Wrangell truly is the garnet that wants to shine!

Please strongly consider adding the Tourism Coordinator Position to the Economic Development Department for long term investment in the community.

Sincerely,

Wrangell Convention and Visitor Bureau
Caitlin Cardinell, Brenda Yeager, Chris Hatton, Corree Delabrue and Mya DeLong

Stikine River Jet Boat Association
PO Box 2022
Wrangell, AK. 99929
Phone: (907) 874-2300
Mobile: (612) 308-7035
e-mail: info@jetboatalaskatours.com

12/13/22

To the Wrangell Assembly, City Manager Good, and Mayor Gilbert:

This letter of support is written on behalf of 5 independent tour operators in Wrangell, Alaska. Muddy Water Adventures, Summit Charters, Alaska Waters Inc, Alaska Charters & Adventures, and Alaska Peak & Seas hold membership in the Stikine River Jet Boat Association, which organizes jet boat tours for cruise ship passengers visiting Wrangell in the summer.

Our organization recognizes the upward trends in cruising the Inside Passage of Southeast Alaska and increased visitation by independent travelers and yachts to our island. Global and regional travel data indicate that the modern travelers of today are seeking out destinations that are less heavily trafficked, "off the beaten path" in favor of crowded locations providing fabricated experiences in a conveyer belt fashion.

SRJBA recognizes that Wrangell can offer this one-of-a-kind experience to visitors of all modalities, and believes that the City can invest in this upward trend and reap economic benefit, while working closely with the community to keep it at a level that both brings profit to the community's hotels, restaurants, tour operators, and small businesses, while also maintaining the great quality of life that Wrangellites cherish.

According to the Alaska Travel Industry Association at its 2022 conference last October, visitor travel is expected to return, or even surpass 2019 pre-pandemic levels, and having a position as Tourism/Visitor Industry Director underneath the

Economic Development Director position will be paramount to build a platform that puts Wrangell on the map for independent travelers, reach yachting audiences, and form relationships with cruise lines to capture the small, sub-1000 passenger luxury lines that bring in money to our community. It is especially important that this position remains under control of the City of Wrangell, and not a local membership driven organization to best ensure that the interests of all in the community are represented, and will better allow to create and maintain networking opportunities with other boroughs in Southeast – as many are also leaning into "sustainable tourism" as a major economic driver in their communities, and creating these positions in their municipalities as well.

The visitor industry and tourism is a great option to boost our economy, it is regenerative and comes back each year, and will open up our town for more job creation – some we have already seen with new gift shops, and two new tour operators in 2022 alone. Let's get ahead of this trend and be there to capture it how we want it, by having a professional and dedicated city employee to lead the charge on an already top economic driver in this community.

Sincerely,

Caitlin Cardinell, Executive Director
John Taylor, President – Summit Charters
Zach Taylor, Vice President – Muddy Water Adventures
John & Brenda Yeager, Secretary – Alaska Charters & Adventures
Mark Galla, Treasurer – Alaska Peak & Seas
James Leslie, Director – Alaska Waters Inc.

Stikine Inn Hotel & Restaurant
107 Stikine Ave
Wrangell, AK 99929

December 13th, 2022

North Star Ventures, LLC
DBA Stikine Inn Hotel & Restaurant
107 Stikine Avenue
Wrangell, AK 99929

RE: Funding for a Full Time CVB Position

To whom it may concern,

In my 15+ years operating The Stikine Inn, the majority of travelers I've conversed with are whimsical self-directed adventure junkies or independent tourists who've heard about Wrangell through word of mouth. They're generally looking for an "off the beaten path" immersive Alaskan travel experience without the headache of massive crowds. We have personally managed growth in that sector despite waning logistical options to deliver those travelers to Wrangell. In addition to self-directed travel, the cruise ship marketplace Wrangell has developed is managing to see some growth and seems relatively stable. The high-end ships that push Wrangell's immersive and authentic Alaskan experience add real value to our community's tourism model. These are positive attributes, but there is a lot left on the table when it comes to our marketing strategies. Properly managed, there is massive opportunity for continued, scalable, "safe" growth for our economy.

Regarding Wrangell CVB's request for funding of a full time director/marketing position, I'm in full support. In order to secure Wrangell's position in the Alaskan (and potentially global) tourism marketplace as a well-known, high demand destination, we should consider investing in a specialist position under the direction of the CVB with experience in the travel sector. This position should specifically focus on development and implementation of appropriate branding strategy and modern marketing techniques to showcase our unique offerings within the Alaskan tourism ecosystem, delivering directly to appropriate target audiences and agencies... If we see just a net 5% year over year additional cashflow injection to this sector, transient tax, head tax, and sales tax revenue generation more than offset the cost of the position in just a few years. There are hundreds of millions of potential clients looking to explore safe new locales internationally and domestically in the leisure travel space coming out of the "covid era." Let's actively pursue capturing a few more of them.

Regards,

Jake Harris

North Star Ventures, LLC

From: Cyni Crary
To: Carol Rushmore
Subject: Fwd: Letter of support
Date: Thursday, December 15, 2022 1:42:01 PM

---------- Forwarded message ---------
From: **Cyni Crary** <cyni@nolancenter.org>
Date: Wed, Dec 14, 2022 at 4:15 PM
Subject: Re: Letter of support
To: Brenda Schwartz-Yeager <brenda@marineartist.com>

Dear mayor and assembly,
I've been working with Wrangell tourism for almost 12 years now. In fact I wrote a similar proposal to the city manager in 2017. Tourism is Wrangell's economic driver and we must expand on the potential benefits. I believe we need a full time tourism position specially tasked with marketing and promotion. This position would be ideal for the Economic Director to supervise and the timing is perfect. I also think that the Nolan Center/Visitors Center is the perfect location for this potential position to have an office/desk. We handle a huge influx of visitors and this position would be ideal for engaging with our visitors. Keeping a finger on the pulse and growing the tourism market in a smart and effective way to enhance the small town "local" feel that our guests love, is key! We need to be a top destination for maximum economic impact. Please strongly consider such a position to be added so that our community can thrive!
Sincerely,
Cyni Crary
Nolan Center Director

United States Department of Agriculture
Forest Service
Tongass National Forest
Alaska Region

Wrangell Ranger District
P.O. Box 51
Wrangell, AK 99929-0051
907-874-2323

File Code: 1560
Date: December 16, 2022

City and Borough of Wrangell
Mayor and Borough Assembly Members
P.O. Box 531
Wrangell, AK 99929

Dear Mayor and Borough Assembly Members:

I am writing to express my support for the creation of a new Wrangell Borough tourism-focused position. The Tongass National Forest offers an incredible backdrop for visitors of all kinds to recreate and enjoy the vast natural resources surrounding our community. The agency acknowledges that balancing the desires of the community with marketing the Wrangell area as a destination for travelers is a complex challenge and requires dedicated staff time to accomplish effectively. The agency's management direction emphasizes recreation and community economic development.

Our agency vision is to:

- Helping States and communities to wisely use the forests to promote rural economic development and a quality rural environment.

In addition, the proposed tourism-focused Borough position aligns with the Alaska region strategic priorities which emphasize:

- Meaningful engagement with tribes, communities, and partners: We will strengthen existing relationships and build new ones that represent the diverse public we work with. Identify opportunities to support local economies, build social capacity, and conserve natural resources.
- Enhancement of recreation opportunities and investment in Forest Service owned facilities: We will meet needs of our customers and communities whose livelihoods depend on the multiple benefits derived from National Forest resources for jobs, recreation, food security, and health.

Since the proposed new tourism-focused position for the Borough meets our agency vision and strategic priorities, I am enthusiastic about offering support for this position. I appreciate the continued partnership and collaboration between the agency and the Borough and look forward to working closely with the new tourism focused position to achieve mutual benefits.

Sincerely,

VICTORIA HOUSER
Acting District Ranger

cc: Francis Sherman, Acting Forest Supervisor

Caring for the Land and Serving People

Printed on Recycled Paper

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	12/20/2022
	Agenda Section	**13**

RESOLUTION No. 12-22-1735 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY APPROPRIATING $39,592 FROM GENERAL FUND UNRESTRICTED FUND BALANCE AND AUTHORIZING ITS EXPENDITURE THROUGH MULTIPLE ACCOUNTS FOR THE PURPOSE OF HIRING AND RETAINING A TOURISM COORDINATOR IN THE ECONOMIC DEVELOPMENT DEPARTMENT

SUBMITTED BY:

Carol Rushmore, Economic Development Director

Reviews/Approvals/Recommendations

■	Commission, Board or Committee
Name(s)	Wrangell Convention and Visitor Bureau
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:

Expenditure Required: $75,750

FY 21: $	FY 22:	FY23: $39,592

Amount Budgeted:

n/a

Account Number(s):

11000-003-6001
11000-003-6101
11000-003-6103
11000-003-6210
11000-003-6220
11000-003-6222

Account Name(s):

Payroll expense accounts

Unencumbered Balance(s) (prior to expenditure):

ATTACHMENTS: 1. Resolution No. 12-22-1735

RECOMMENDATION MOTION: Move to approve Resolution No. 12-22-1735.

SUMMARY STATEMENT:

This is the budget amendment that corresponds to **RES 12-22-1734**—effectively creating the Tourism Coordinator job description. This budget amendment appropriates $39,592 to the following payroll expense accounts for the remaining 6 months of FY2023:

11000 003 6001	Salaries & Wages	$26,228
11000 003 6101	Employer Tax	$ 380
11000 003 6103	SBS	$ 1,608
11000 003 6210	Employee Health Benefits	$10,706
11000 003 6220	Life Insurance	$ 74
11000 003 6222	Worker's Compensation	$ 595
		$39,592

The Tourism Coordinator compensation and benefits package is modeled out for 6 of 12 working months in the FY2023 budget.

To finish out FY23, the marketing budget utilized by this position will utilize the existing transient tax budget for FY23. At this time, there is no planned budget amendment for marketing dollars in FY23 due to lost opportunities already this year as well as allowing the new Coordinator to get established, meet with the Wrangell Convention and Visitor Bureau and in general acclimate to the needs and requirements of the position. During the FY24 budget preparation, the CVB has already identified marketing needs that will be requested from the general fund in addition to utilization of the Transient Tax fund. While there are excess funds currently in the Transient Tax fund, that is due to the reduced marketing effort following guidance of the Alaska Travel Industry and other destination marketing organizations who limited marketing and advertising during 2020 and part of 2021 until trends and interest in travel returned. Transient Tax funds will be drawn down within the next 2 to 3 years and a long term commitment of general fund dollars in addition to the annually received transient tax funds will be required to provide a basic and necessary marketing effort.

CVB is concerned that the reduction in the short term available rental market in Wrangell will reduce the annual revenue received in Transient Tax. Many short term rentals have either ceased operations or have converted to long term rentals. Relying solely on the annual revenue of the Transient Tax will not provide the necessary marketing dollars necessary for a complete program to grown the industry and will require a long term commitment from the Assembly.

CITY AND BOROUGH OF WRANGELL

RESOLUTION No. 12-22-1735

RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY APPROPRIATING $39,592 FROM GENERAL FUND UNRESTRICTED FUND BALANCE AND AUTHORIZING ITS EXPENDITURE THROUGH MULTIPLE ACCOUNTS FOR THE PURPOSE OF HIRING AND RETAINING A TOURISM COORDINATOR IN THE ECONOMIC DEVELOPMENT DEPARTMENT

WHEREAS, the Economic Development Department has demonstrated a critical need for a full-time Tourism Coordinator; and

WHEREAS, it is necessary to amend the budget to reflect the total compensation cost for the six month impact this position will have in FY 2023; and

WHEREAS, the City & Borough of Wrangell has established a permanent full-time job description for the Tourism Coordinator position.

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

Section 1: The FY 2023 Budget in the General Fund is amended to authorize an increase of expenditure in the following payroll accounts:

11000 032 6001	Salaries and Wages	26,228
11000 032 6101	Employer Tax	380
11000 032 6103	SBS	1,608
11000 032 6210	Employee Health Benefits	10,706
11000 032 6220	Life Insurance	74
11000 032 6222	Worker's Compensation	595
		39,592

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 20th DAY OF DECEMBER.

CITY & BOROUGH OF WRANGELL

_____

Patty Gilbert, Borough Mayor

ATTEST:_____

Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	12/20/2022
	Agenda Section	**13**

RESOLUTION No. 12-22-1736 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET CUMULATIVELY TRANSFERRING $2,206,123 FROM MULTIPLE ACCOUNTS TO THE ALDER TOP VILLAGE SUBDIVISION (I.E., INSTITUTE) PROPERTY DEVELOPMENT EXPENSE ACCOUNT IN THE RESIDENTIAL CONSTRUCTION FUND AND FURTHER ADOPTING A METHODOLOGY FOR FUTURE PROJECT COST AND REVENUE SHARING .

SUBMITTED BY:

Amber Al-Haddad, Capital Facilities Director
Mason Villarma, Finance Director

Reviews/Approvals/Recommendations

☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:

Expenditure Required: $		
FY 23: $2,206,123	FY 24:	FY25: $
Amount Budgeted:		
	FY23$0	
Account Number(s):		
	Multiple. See RES 12-22-1736	
Account Name(s):		
	Professional and contractual services	
Unencumbered Balance(s) (prior to expenditure):		

ATTACHMENTS: 1. Resolution No. 12-22-1736; 2. Shoemaker Bay Subdivision II Preliminary Plat (showing Phases I and II of Alder Top Village)

RECOMMENDATION MOTION:
Move to approve Resolution No. 12-22-1736.

SUMMARY STATEMENT:

RES 12-22-1736 requests $2,206,123 for full phase one development and partial phase two development, with design and construction, of the Alder Top Village Subdivision roads and utilities.

The objective of this budget amendment is to design and construct the water, sewer, and electric utilities and roads necessary to sell twenty parcels at the former Wrangell Institute property, recently renamed and referred to now as Alder Top Village Subdivision. The budget amendment is based on phased cost estimates generated by R&M Engineering, Inc. Phase one of the project seeks to construct the utilities and road infrastructure to develop the first half of the Alder Top Village subdivision for public auction and sale (Phase I and Phase II are shown in Exhibit A preliminary plat, entitled Shoemaker Bay Subdivision II). This budget amendment also transfers sufficient funds to develop the first part of phase two, which is developing the gravel roads for the second half of the subdivision. These roads will be further developed after selling the lots in Phase I.

This budget amendment has a cost and revenue sharing perspective. The cost of developing each respective utility is absorbed by each enterprise fund. For example, the cost of developing Sewer infrastructure is transferred from the Sewer Fund to the Residential Construction Fund for Alder Top Village sewer development. Logically, the enterprise funds should be responsible for this initial investment as they will receive the revenue generated from services provided to the Alder Top Village residents. Additionally, the proceeds from the sale of land will be returned to each fund that originally invested in the project, on a prorated basis. For example, if the first lot is sold for $80,000, then proceeds willbe allocated as follows:

Fund	Initial Investment by Fund	Cost Share	Proceeds Allocation
Sewer	$ 305,000	13.8%	$ 11,060
Water	$ 278,000	12.6%	$ 10,081
Electric	$ 90,000	4.1%	$ 3,264
Sales Tax Fund (unallocated)	$ 1,533,123	69.5%	$ 55,595
	$ 2,206,123	**100%**	**$ 80,000**

This ensures that expenses are matched with the appropriate fund and revenue is shared on a consistent basis, which supports further development of the subdivision in Phase II. . The one exception is the unallocated Sales Tax Fund contribution, which will be returned to the general fund instead of the Sales Tax Fund as this was unallocated sales tax revenue from FY2020 and prior years that was not formally appropriated by the Assembly. As such, it is the Finance Director's recommendation to return these funds to the General Fund for further development of phase two of the Alder Top Village subdivision or perhaps to address Public Safety Building renovation capital expenditures.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 12-22-1736

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET CUMULATIVELY TRANSFERRING $2,206,123 FROM MULTIPLE ACCOUNTS TO THE ALDER TOP VILLAGE SUBDIVISION (I.E., INSTITUE) PROPERTY DEVELOPMENT EXPENSE ACCOUNT IN THE RESIDENTIAL CONSTRUCTION FUND AND FURTHER ADOPTING A METHODOLOGY FOR COST AND REVENUE SHARING AS A RESULT OF THE PROJECT

WHEREAS, the City and Borough of Wrangell has received approval of the Alder Top Village subdivision and desires to proceed with development of the property; and

WHEREAS, the development of the Alder Top Village subdivision will be conducted in phases; and

WHEREAS, a full phase one and a partial development of phase two roads and utilities design and construction amounts to $2,206,123; and

WHEREAS, the sources of funding for Alder Top Village subdivision development should be from the Sales Tax Fund, the Water Fund, the Sewer Fund, and the Electric Fund; and

WHEREAS, the Borough has developed a cost and revenue sharing methodology whereby additional costs incurred and/or proceeds generated from land sales should be allocated on a prorated basis (based on initial investment).

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

Section 1. The FY 2023 Budget is hereby amended to reflect the following transfers from the Sales Tax, Water, Sewer and Electric funds to the Residential Construction Fund for expenditures under project account 50000 000 9999 00 50001:

$305,000 from Sewer Unrestricted Fund Balance
$278,000 from Water Unrestricted Fund Balance
$90,000 from Electric Unrestricted Fund Balance
$1,533,123 from Sales Tax Unrestricted Fund Balance

Section 2. All additional costs and/or proceeds from land sales shall be allocated on a prorated basis of the original investment made by each fund.

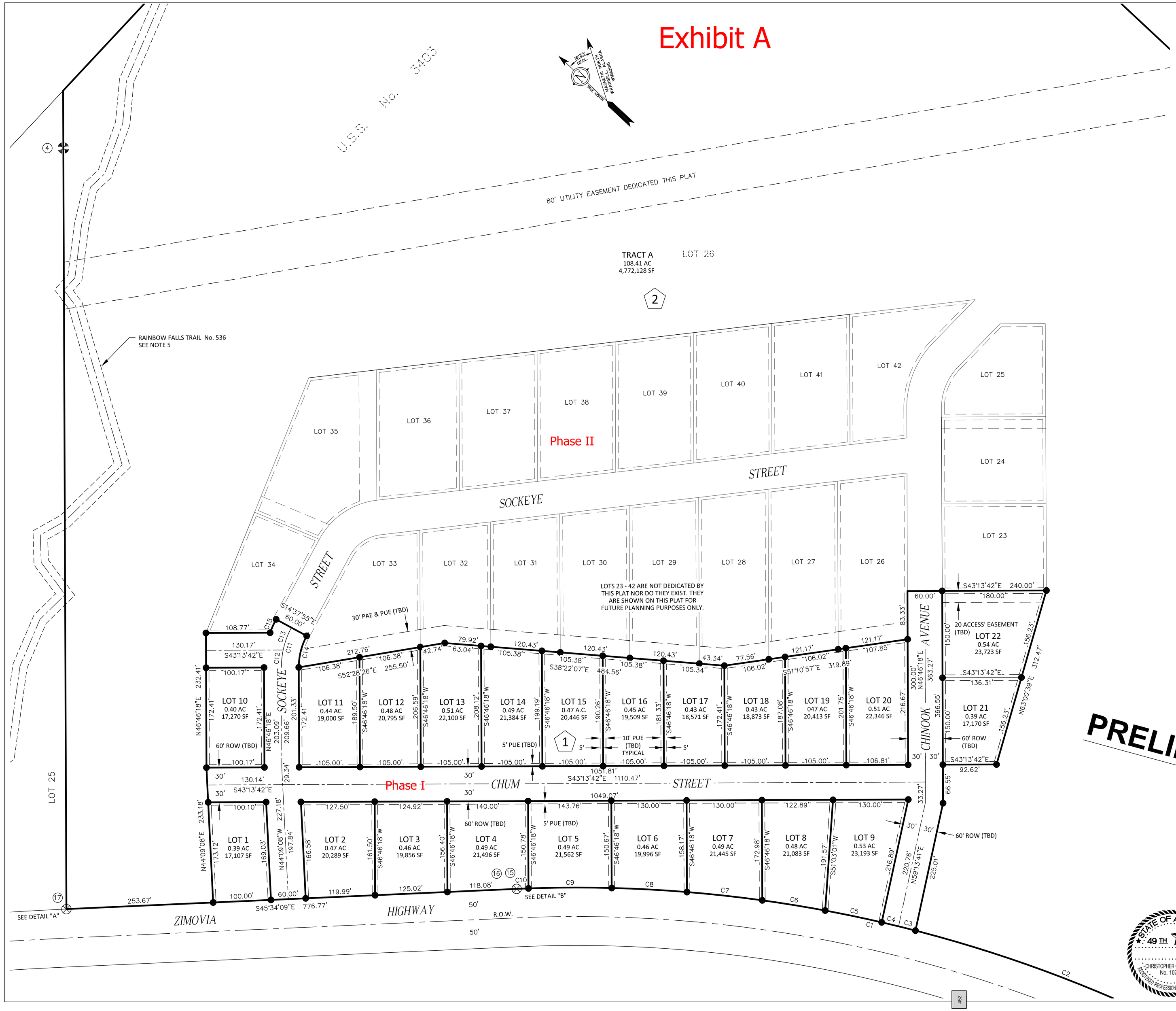
PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 20th DAY OF DECEMBER, 2022.

CITY & BOROUGH OF WRANGELL, ALASKA

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

Exhibit A



LEGEND

1	BLOCK NUMBER
	PRIMARY MONUMENT REMOVED THIS SURVEY
	FOUND BLM/GLO MONUMENT
	SECONDARY MONUMENT SET THIS SURVEY
	SECONDARY MONUMENT RECOVERED
#	MONUMENT NUMBER
	SET PRIMARY MONUMENT THIS SURVEY
	FOUND PRIMARY MONUMENT
	UNSURVYED
	SURVEYED
	ROW CENTERLINE
	OVERHEAD ELECTRICAL LINE
(R1)	RECORD PER U.S.S. No. 3709 (PLAT 65-250)
(R2)	RECORD PER SHOEMAKER BAY SUBD. (PLAT 87-9)
(R3)	RECORD PER U.S.S. No. 3403 (SUBD. OF LOT 4, U.S.S. No. 3403)
(R4)	RECORD PER TRUST LAND SURVEY No. 2018-10 (PLAT 2020-5)
XX	MEASURED DATA
PAE	PUBLIC ACCESS EASEMENT
PUE	PUBLIC UTILITY EASEMENT
(TBD)	TO BE DEDICATED TO THE PUBLIC BY THIS PLAT

CURVE TABLE

CURVE	DELTA	RADIUS	ARC	CHORD	CH. BEARING
C1	30°09'57"	2343.15	1233.65	1219.45	N30° 29' 13"W
C2	13°07'45"	2343.15	536.93	535.75	S21° 58' 08"E
C3	0°44'02"	2343.15	30.02	30.02	S28° 54' 01"E
C4	0°44'01"	2343.15	30.01	30.01	S29° 38' 03"E
C5	2°26'16"	2343.15	99.70	99.69	S31° 13' 12"E
C6	2°41'32"	2343.15	110.10	110.09	S33° 47' 06"E
C7	3°11'59"	2343.15	130.86	130.84	S36° 43' 52"E
C8	3°11'04"	2343.15	130.23	130.22	S39° 55' 23"E
C9	3°30'57"	2343.15	143.78	143.76	S43° 16' 24"E
C10	0°32'19"	2343.15	22.03	22.03	N45° 18' 02"W
C11	28°35'47"	143.49	71.62	70.88	S61° 04' 11"W
C12	12°04'04"	143.49	30.22	30.17	S52° 48' 20"W
C13	16°31'43"	143.49	41.39	41.25	S67° 06' 14"W
C14	28°35'47"	113.49	56.64	56.06	S61° 04' 11"W
C15	8°21'49"	173.49	25.33	25.30	S71° 11' 11"W
C16	0°00'02"	5614.08	0.06	0.06	N45° 34' 09"W
C17	0°02'27"	2343.15	1.67	1.67	S45° 32' 58"E

SCALE 1"=75'

THIS DRAWING MAY BE REDUCED, VERIFY SCALE BEFORE USING

0 75 150 225 300 FEET
0 10 20 50 90 METERS

1 METER=3.2808333 U.S. SURVEY FEET
1 U.S. ACRE=0.4047 HECTARES

SHEET 2 OF 4

PRELIMINARY

R&M ENGINEERING-KETCHIKAN, INC.
7180 REVILLA ROAD, SUITE 300
KETCHIKAN, AK 99901
Phone: (907) 225-7917
Fax: (907) 225-3441

R&M ENGINEERING-WRANGELL, INC.
WRANGELL, AK 99929
Phone: (907) 305-0820

CERTIFICATE OF AUTHORIZATION #: C576

SHOEMAKER BAY SUBDIVISION II

A SUBDIVISION AND REPLAT OF
LOT 26 , OF U.S.S. No. 3403;
BLOCKS 1 - 3, & TRACT A, OF SHOEMAKER BAY SUBDIVISION (PLAT 87-5);
AND
PUBLIC RIGHT-OF-WAY AND UTILITY EASEMENT VACATIONS
CREATING
LOTS 1 - 22 WITHIN BLOCK 1, AND TRACT A WITHIN BLOCK 2,
SHOEMAKER BAY SUBDIVISION II
CONTAINING 121.86 ACRES MORE OR LESS

LOCATED WITHIN
SECTIONS 8 & 17, TOWNSHIP 63 SOUTH, RANGE 84 EAST
COPPER RIVER MERIDIAN, ALASKA
WRANGELL RECORDING DISTRICT

STATE OF ALASKA 49TH
CHRISTOPHER G. PIBURN
No. 107552
REGISTERED PROFESSIONAL LAND SURVEYOR

SURVEYED BY: R&M	DRAWN BY: MCH
DATE: JULY 2020	DATE: AUGUST 2020

SCALE: 1"=75'	CHECKED: CGP	R&M PROJECT NO: 202725

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	12/20/2022
	Agenda Section	**13**

RESOLUTION No. 12-22-1737 OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, CREATING THE BOROUGH CONTROLLER JOB DESCRIPTION WITHIN THE FINANCE DEPARTMENT AND AMENDING THE NON-UNION WAGE AND GRADE TABLE

SUBMITTED BY:
Mason Villarma, Finance Director

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $0		
FY 21: $0	FY 22: $0	FY23: $0
Amount Budgeted:		
	FY22 $0	
Account Number(s):		
Account Name(s):		
	n/a	
Unencumbered Balance(s) (prior to expenditure):		
	$0	

ATTACHMENTS: 1. RES 12-22-1737 2. Exhibit A_Borough Controller Job Description 3.) Exhibit B_Amended Non-union Wage and Grade Table

RECOMMENDATION MOTION:
Move to Approve Resolution 12-22-1737.

SUMMARY STATEMENT:
A Borough Controller as discussed in the Organizational Structure Work Session, will bring considerable value to Borough Finance operations. A Borough Controller will support the Finance Department in achieving the following six objectives:

1) Reduce audit findings down to zero, promoting the Borough as a better candidate for grant and loan funding through State and Federal agencies.
2) Strengthen existing internal controls over financial reporting and compliance to secure the Borough from fraud and errors. This provides an additional layer of oversight with respect to cash flows.
3) Support the Finance Department in correcting human resource related deficiencies
4) Provide an additional professional to perform grant writing and grant management
5) Creates a succession path for the Finance Department so that operations remain stable and sustainable in the long-term.
6) Assist in implementing the Caselle software and building a modern financial framework for the Borough including streamlined payment options for customers and advanced reporting capabilities for decision making and management oversight.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 12-22-1737

A RESOLUTION OF THE CITY AND BOROUGH OF WRANGELL, ALASKA CREATING THE BOROUGH CONTROLLER JOB DESCRIPTION WITHIN THE FINANCE DEPARTMENT AND AMENDING THE NON-UNION WAGE AND GRADE TABLE

WHEREAS, the Finance Department concluded the FY21 audit and is close to filing the FY22 audit; and

WHEREAS, the Borough's audit engagement partner has emphasized the Borough needs to hire another competent finance professional in order to support proper segregation of duties; and

WHEREAS, implementing a system of strong internal controls will reduce audit findings down to zero; and

WHEREAS, an audit free of findings makes the Borough a stronger candidate to obtain funding –both in the form of grants and loans; and

WHEREAS, a Controller position also allows for robust review of the cash going in and out of the Borough by another competent individual providing an additional layer of security in the financial reporting system; and

WHEREAS, other value adds such as centralized grant reporting, robust HR process overhauls, and software and control implementations are all supported through a Controller; and

WHEREAS, creating a Controller position also allows for a clean path for succession, providing stability and sustainability in the finance department for years to come.

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 permanent position of Borough Controller.

Section 2. The attached Non-Union Wage & Grade table is amended to reflect the permanent full-time position of Borough Controller.

Section 3. The job description for the Borough Controller will become effective immediately upon passage and approval of this resolution.

Section 4. The pay grade for the Borough Controller is hereby set at grade 30 of the Permanent, exempt, non-union wage and grade table.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THIS 20th DAY OF DECEMBER, 2022.

CITY & BOROUGH OF WRANGELL

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, Borough Clerk

City & Borough of Wrangell Position Description

Position: Borough Controller	Type: Permanent, Full-Time
Department/Site: Finance	FLSA: Exempt
Evaluated by: Borough Finance Director	Salary Grade: 30

Summary

Assists the Director of Finance in planning, organizing, directing, and coordinating centralized financial management and planning for all City functions and selected outside organizations. At the Direction of the Finance Director, manages financial services including, budgeting, treasury, public financing, liability and debt management, accounting operations, utilities and customer accounting, performance reporting, financial database management, accounting controls, and audit support. Directs and coordinates centralized contract review and administration, personnel, purchasing, and information systems.

Distinguishing Career Features

The Controller is a senior management position responsible for exercises direction and control over Borough accounting and financial reporting function, including establishing and monitoring internal control over financial reporting and grants accounting and reporting compliance, and works with the finance director to disseminate accurate and timely accounting and financial information. Performs a full range of complex management, accounting, technical, administrative, supervisory and financial duties and provides overall planning, coordination and accountability for large complex projects. Assisting the Director of Finance with integrating accounting operations, audit, systems, and controls governing business transactions such as purchasing, contracts, and insurance. Advancement to this position is through promotion and compliance with the qualifications of the position.

Essential Duties and Responsibilities

Financial Services

- Assists Finance Director with budgeting, contracts and negotiations, investment, insurance, cash flow, internal control and other duties as required. Serves as the Acting Finance Director as required.
- Coordinate with other departments, divisions, sections as appropriate to perform the duties and responsibilities of the accounting and financial reporting activities of the Borough.
- Maintain and troubleshoot the Borough's financial systems. Plan, test, and implement new or updated financial systems software, including data conversions if needed. Supervise and/or train Borough staff in the financial systems. Monitor application-level security.
- Executes cash disbursements for payment of expenditures of accounts payable, debt, and payroll in accordance with disbursement and accounting policies.

- Oversees the fiscal year-end accounting and closing tasks, audit preparation, the annual financial and single audits, other periodic audits within the division, and preparation of the financial statement and reports. Coordinate with the Assembly Audit Committee.

- Maintains up-to-date knowledge of laws and regulations governing public agency and capital financing strategies. Keeps current with developments and authoritative changes affecting the borough's accounting, financial reporting, grants compliance, and other financial activities. Research, interpret, apply and implement authoritative directives to which the Borough is subject.

- Monitor economic trends and new governmental accounting and financial concepts and techniques that affect the Borough. Provide expert accounting, financial and management advice to the Finance Director, and to the Administration and Assembly as needed.

- Prepares all grant reports as required by granting agencies and assures that all grant agency requirements are met in the administration of grant funds. Maintains grant folders in a manner that allows auditors easy access to grant documents.

Human Resources, and Other Administrative Duties

- Assists Finance Director in performing various HR related duties including oversight of payroll, PERS, SBS, annual step increases, grievances, union negotiations, employee performance standards, disciplinary procedures, employee recognition, employee recruitment and retention, employee continuity planning, and employee development.

- Assists in managing Borough wide-training and certification requirements

- Organizes and directs activities connected with employment, recruitment, and candidate selection processes. Assures compliance with recruitment policies and procedures.

- Serves as advisor to management and staff on matters such as performance management, skill development, general morale, and other employee relations matters. Evaluates human relations and work-related problems, recommending the most effective solutions.

- Communicates salary and benefit programs to employees. Ensures that employees get timely service on benefits matters.

- Assist in complex and sensitive administrative, operational and management analyses, studies, and researches projects including those involving City-wide issues, programs, policies and procedures; selects, adapts, and applies appropriate research and statistical techniques; gathers and analyzes data and information from various internal and external sources on a variety of assigned and specialized projects and topics. Studies problems and processes and makes recommendations to the Borough Manager including suggested changes in organization/management of City government and in types of service provided to City residents as requested.

- Aids Department Directors in matters assigned by the Finance Director.

- Attends and assists or represents the Finance Director and Borough at meetings when requested.

- Performs other duties as assigned by the Finance Director that support the overall

objective of the position and organization.

Qualifications

- **Knowledge and Skills**

Requires advanced-specialized professional knowledge of the theory, principles, and procedures of accounting, auditing and financial management for governmental agencies. Requires in-depth knowledge of the principles and procedures used in budget preparation, accounting administration, and development of internal control. Requires in-depth knowledge of the external audit process including applying GAAP and federal grant laws and regulations and knowledge of generally accepted auditing standards.. Requires considerable knowledge of the laws and regulations governing financial transactions. Requires a working knowledge of insurance and insurability including risk-and-return analysis. Requires a working knowledge of centralized purchasing and material management functions. Requires advanced math skills to perform an array of business and statistical calculations. Requires well-developed skill with personal computer software sufficient to design and use spreadsheet and database models. Requires well-developed language skills to prepare business plans and complex reports seen by the public. Requires well-developed human relations skills sufficient to carry out negotiations, make formal presentations, conduct performance reviews, and communicate technical concepts to diverse audiences. Requires recent verifiable experience with operation of, and conducting research using, an enterprise-wide integrated financial management system and experience in maintaining an automated general ledger system.

- **Abilities**

Requires the ability to carry out all aspects of the position. Requires the ability to conduct complex analyses of accounting systems, financial reports, business opportunities such as grants and capital projects, investments, and on-going operations. Must be able to convert financial information and outcomes into reports of findings and conditions. Must be able to gather and analyze data and develop conclusions and recommendations. Must be able to develop projections using historical data and inferential methods. Must be able to think critically and creatively. Requires the ability to supervise, train, evaluate and motivate staff in a way that optimizes service. Requires the ability to plan, organize and prioritize complex and technical work processes in order to meet schedules and timelines. Requires the ability to work cooperatively with senior citizens. Requires the ability to work as contributing member of a team, work productively and cooperatively with other teams and external customers, and convey a positive image of the City and its services.

- **Physical Abilities**

Requires the ability to function primarily indoors in an office environment engaged in work of primarily a sedentary nature. Requires sufficient ambulatory ability to move about to office and remote locations. Requires auditory ability to carry on large audience, ordinary, and telephonic conversations. Requires near visual acuity to read printed material, computer screens, and observe physical settings. Requires manual and finger dexterity to write and to operate microcomputers and other office equipment. Requires the ability to alternatively sit and stand for sustained periods of time to deliver presentations and perform work.

- **Education and Experience**

The position typically requires a bachelor's degree in accounting, finance, business administration or a closely related field and eight years of experience in accounting systems and operations, treasury, financial reporting, or audits, including three years in a leadership capacity. Experience in governmental accounting is preferred. An active CPA or CMA certificate and/or a master's degree in business administration may substitute for some experience.

- **Licenses and Certificates**

  CPA certificate desired. May require a valid driver's license.

- **Working Conditions**

  Work is performed indoors where minimal safety considerations exist.

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.

Permanent Non-exempt Employee Pay Plan, City and Borough of Wrangell, Hourly Compensation

Resolution No. 12-22-1737
Effective December 20, 2022

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	15.56	15.88	16.18	16.48	16.79	17.10	17.44	17.78	18.11	18.46	18.81	19.17	19.54
9	16.25	16.55	16.86	17.19	17.53	17.86	18.20	18.54	18.89	19.27	19.64	20.02	20.40
10	16.98	17.32	17.67	18.02	18.38	18.75	19.12	19.51	19.89	20.29	20.69	21.11	21.54
11	17.72	18.07	18.45	18.81	19.18	19.57	19.97	20.36	20.77	21.18	21.61	22.05	22.48
12	18.45	18.80	19.16	19.54	19.91	20.29	20.67	21.09	21.49	21.90	22.33	22.75	23.19
13	19.30	19.66	20.04	20.42	20.81	21.22	21.63	22.05	22.46	22.91	23.36	23.80	24.26
14	20.16	20.55	20.95	21.36	21.77	22.18	22.62	23.06	23.49	23.94	24.41	24.88	25.35
15	21.10	21.53	21.95	22.39	22.84	23.29	23.76	24.24	24.72	25.22	25.72	26.24	26.76
16	22.04	22.45	22.90	23.34	23.78	24.24	24.73	25.20	25.68	26.18	26.69	27.21	27.74
17	23.07	23.50	23.95	24.42	24.90	25.38	25.86	26.38	26.89	27.41	27.95	28.49	29.04
18	24.13	24.61	25.07	25.55	26.04	26.56	27.07	27.59	28.14	28.68	29.25	29.82	30.40
21	27.50	28.05	28.59	29.14	29.71	30.30	30.88	31.48	32.10	32.71	33.34	34.00	34.67
23	29.70	30.29	30.87	31.47	32.09	32.70	33.36	34.00	34.66	35.34	36.03	36.74	37.45
25	32.19	32.81	33.47	34.11	34.77	35.47	36.15	36.87	37.59	38.33	39.08	39.85	40.63
26	33.52	34.17	34.83	35.52	36.21	36.92	37.64	38.38	39.13	39.89	40.67	41.47	42.28

8 Custodian

9 Library Assistant I

12 DMV Assistant
Recreation Coordinator
Library Assistant II
Nolan Center Attendant - Museum Collection
Nolan Center Coordinator

13 Accounting Clerk
Utility Accounts Clerk
Property & Sales Tax Accounting Clerk

14 Dispatch/Corrections Officer

15 Public Works Administrative Assistant
Tourism Coordinator

17 Police Officer Recruit
Accounting Clerk II

18 Administrative Assistant - Police
Corrections Sergeant
Firemedic/Trainer
Accounting Generalist/Technician

21 Police Officer Probationary

23 Police Officer

25 Police Sergeant

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	4,379.04	4,463.32	4,551.75	4,638.10	4,726.54	4,817.05	4,912.77	5,006.40	5,102.12	5,203.04	5,303.96	5,406.96	5,511.00
24	5,358.06	5,464.18	5,569.26	5,677.46	5,790.87	5,902.19	6,015.59	6,135.24	6,253.84	6,378.69	6,502.50	6,630.47	6,760.52
25	5,579.67	5,687.87	5,801.27	5,913.63	6,027.04	6,147.72	6,266.33	6,391.18	6,516.03	6,643.99	6,773.00	6,907.22	7,042.47
27	6,056.17	6,174.77	6,293.38	6,420.31	6,544.12	6,672.09	6,804.22	6,935.31	7,074.72	7,212.05	7,352.51	7,496.08	7,644.86
28	6,315.23	6,441.12	6,565.96	6,696.01	6,826.06	6,959.24	7,096.57	7,232.86	7,377.48	7,520.01	7,667.75	7,819.65	7,972.59
30	6,873.92	7,011.26	7,146.51	7,289.04	7,429.50	7,576.19	7,726.01	7,876.87	8,031.89	8,191.07	8,351.29	8,515.67	8,683.18
31	7,148.59	7,292.16	7,432.62	7,580.35	7,727.05	7,878.95	8,035.01	8,192.11	8,353.37	8,518.80	8,685.26	8,855.88	9,030.67
32	7,434.70	7,583.48	7,730.17	7,893.51	8,036.05	8,194.19	8,356.49	8,519.84	8,687.34	8,859.01	9,032.75	9,210.66	9,391.69
33	7,732.25	7,886.23	8,039.17	8,199.39	8,357.53	8,521.92	8,690.46	8,860.05	9,034.83	9,213.78	9,393.77	9,578.96	9,767.28
34	8,041.25	8,202.51	8,360.65	8,527.12	8,691.50	8,863.17	9,037.95	9,214.82	9,395.85	9,582.08	9,769.36	9,961.83	10,158.47
35	8,362.74	8,530.24	8,694.62	8,868.37	9,039.00	9,217.94	9,400.01	9,583.12	9,772.48	9,965.99	10,160.55	10,360.30	10,564.22

19 Civic Center Manager

24 Library Director
Parks & Recreation Director
Fire Chief
Nolan Center Director

28 Economic Development Director

30 **Borough Controller**
Electrical Superintendent
Director of Public Works & Capital Projects
Port & Harbor Director

35 Police Chief
Deputy Borough Manager

Temporary/Part-time/Seasonal Employees
Hourly Compensation
Note: Each step represents the amount above the prevailing State of Alaska Minimu 10.34

Grade Step →	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
1	0.00	0.31	0.61	0.92	1.22	1.53	1.84	2.14	2.45	2.75	3.06	3.37	3.67
3	0.71	1.02	1.33	1.63	1.94	2.24	2.55	2.86	3.16	3.47	3.77	4.08	4.39
4	1.73	2.04	2.35	2.65	2.96	3.26	3.57	3.88	4.18	4.49	4.79	5.10	5.41
5	2.75	3.06	3.37	3.67	3.98	4.28	4.59	4.90	5.20	5.51	5.81	6.12	6.43
6	3.26	3.57	3.88	4.18	4.49	4.79	5.10	5.41	5.71	6.02	6.32	6.63	6.94
7	3.77	4.08	4.39	4.69	5.00	5.30	5.61	5.92	6.22	6.53	6.83	7.14	7.45
8	4.28	4.59	4.90	5.20	5.51	5.81	6.12	6.43	6.73	7.04	7.34	7.65	7.96
9	4.79	5.10	5.41	5.71	6.02	6.32	6.63	6.94	7.24	7.55	7.85	8.16	8.47
11	6.32	6.63	6.94	7.24	7.55	7.85	8.16	8.47	8.77	9.08	9.38	9.69	10.00

Actual Temp Rates, Calendar Year 2021

	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
1	10.34	10.65	10.95	11.26	11.56	11.87	12.18	12.48	12.79	13.09	13.40	13.71	14.01
3	11.05	11.36	11.67	11.97	12.28	12.58	12.89	13.20	13.50	13.81	14.11	14.42	14.73
4	12.07	12.38	12.69	12.99	13.30	13.60	13.91	14.22	14.52	14.83	15.13	15.44	15.75
5	13.09	13.40	13.71	14.01	14.32	14.62	14.93	15.24	15.54	15.85	16.15	16.46	16.77
6	13.60	13.91	14.22	14.52	14.83	15.13	15.44	15.75	16.05	16.36	16.66	16.97	17.28
7	14.11	14.42	14.73	15.03	15.34	15.64	15.95	16.26	16.56	16.87	17.17	17.48	17.79
8	14.62	14.93	15.24	15.54	15.85	16.15	16.46	16.77	17.07	17.38	17.68	17.99	18.30
9	15.13	15.44	15.75	16.05	16.36	16.66	16.97	17.28	17.58	17.89	18.19	18.50	18.81
11	16.66	16.97	17.28	17.58	17.89	18.19	18.50	18.81	19.11	19.42	19.72	20.03	20.34

1 Lifeguard
Recreation Assistant
Theater Sales Associate

3 Head Lifeguard

4 Sales Assistant
Laborer
Assistant Theater Manager

5 Park Maintenance I

6 Park Maintenance II

9 Library Assistant I

7 Clerical Assistant

8 Museum Clerk

9 Maintenance Custodian

11 Theater Manager

Permanent Non-exempt Employee Pay Plan, City and Borough of Wrangell, Hourly Compensation

Resolution No. 12-21-1653
Effective from July 1, 2021

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
10	16.32	16.65	16.98	17.32	17.67	18.02	18.38	18.75	19.12	19.50	19.89	20.29	20.70
11	17.03	17.37	17.73	18.08	18.44	18.81	19.19	19.57	19.96	20.36	20.77	21.19	21.61
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

9 Library Assistant I

12 DMV Assistant
Recreation Coordinator
Library Assistant II
Nolan Center Attendant - Museum Collection
Nolan Center Coordinator

13 Accounting Clerk
Utility Accounts Clerk
Property & Sales Tax Accounting Clerk

14 Dispatch/Corrections Officer

15 Public Works Administrative Assistant

17 Police Officer Recruit
Accounting Clerk II

18 Administrative Assistant - Poli
Corrections Sergeant
Firemedic/Trainer
Accounting Generalist/Techni

21 Police Officer Probationary

23 Police Officer

25 Police Sergeant

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
31	6,871.00	7,009.00	7,144.00	7,286.00	7,427.00	7,573.00	7,723.00	7,874.00	8,029.00	8,188.00	8,348.00	8,512.00	8,680.00
32	7,146.00	7,289.00	7,430.00	7,587.00	7,724.00	7,876.00	8,032.00	8,189.00	8,350.00	8,515.00	8,682.00	8,853.00	9,027.00
33	7,432.00	7,580.00	7,727.00	7,881.00	8,033.00	8,191.00	8,353.00	8,516.00	8,684.00	8,856.00	9,029.00	9,207.00	9,388.00
34	7,729.00	7,884.00	8,036.00	8,196.00	8,354.00	8,519.00	8,687.00	8,857.00	9,031.00	9,210.00	9,390.00	9,575.00	9,764.00
35	8,038.00	8,199.00	8,357.00	8,524.00	8,688.00	8,860.00	9,035.00	9,211.00	9,393.00	9,579.00	9,766.00	9,958.00	10,154.00

19 Civic Center Manager

24 Library Director
Parks & Recreation Director
Fire Chief
Nolan Center Director

25 Harbormaster

28 Economic Development Director

30 Finance Director
Electrical Superintendent
Director of Public Works & Capital Projects

35 Police Chief
Deputy Borough Manager

Temporary/Part-time/Seasonal Employees
Hourly Compensation
Note: Each step represents the amount above the prevailing State of Alaska Minimum Wage 10.34

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	4.30
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	5.30
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	6.30
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	6.80
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	7.30
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	7.80
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	8.30
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	9.80

Actual Temp Rates, Calendar Year 2021

	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
1	10.34	10.64	10.94	11.24	11.54	11.84	12.14	12.44	12.74	13.04	13.34	13.64	13.94
3	11.04	11.34	11.64	11.94	12.24	12.54	12.84	13.14	13.44	13.74	14.04	14.34	14.64
4	12.04	12.34	12.64	12.94	13.24	13.54	13.84	14.14	14.44	14.74	15.04	15.34	15.64
5	13.04	13.34	13.64	13.94	14.24	14.54	14.84	15.14	15.44	15.74	16.04	16.34	16.64
6	13.54	13.84	14.14	14.44	14.74	15.04	15.34	15.64	15.94	16.24	16.54	16.84	17.14
7	14.04	14.34	14.64	14.94	15.24	15.54	15.84	16.14	16.44	16.74	17.04	17.34	17.64
8	14.54	14.84	15.14	15.44	15.74	16.04	16.34	16.64	16.94	17.24	17.54	17.84	18.14
9	15.04	15.34	15.64	15.94	16.24	16.54	16.84	17.14	17.44	17.74	18.04	18.34	18.64
11	16.54	16.84	17.14	17.44	17.74	18.04	18.34	18.64	18.94	19.24	19.54	19.84	20.14

1 Lifeguard
Recreation Assistant
Theater Sales Associate

3 Head Lifeguard

4 Sales Assistant
Laborer

5 Park Maintenance I

6 Park Maintenance II

9 Library Assistant I

7 Clerical Assistant

8 Museum Clerk

9 Maintenance Custodian

11 Theater Manager

Permanent Non-exempt Employee Pay Plan, City and Borough of Wrangell, Hourly Compensation

Resolution No. 12-21-1653
Effective July 1, 2022

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	15.26	15.57	15.86	16.16	16.46	16.77	17.10	17.43	17.76	18.09	18.44	18.80	19.16
9	15.93	16.23	16.53	16.85	17.19	17.51	17.84	18.18	18.52	18.89	19.26	19.62	20.00
10	16.65	16.98	17.32	17.67	18.02	18.38	18.75	19.13	19.50	19.89	20.29	20.70	21.11
11	17.37	17.72	18.08	18.44	18.81	19.19	19.57	19.96	20.36	20.77	21.19	21.61	22.04
12	18.08	18.43	18.79	19.16	19.52	19.89	20.27	20.68	21.07	21.47	21.89	22.31	22.74
13	18.92	19.28	19.65	20.02	20.40	20.81	21.21	21.61	22.02	22.46	22.90	23.34	23.79
14	19.77	20.15	20.54	20.94	21.34	21.75	22.17	22.60	23.03	23.47	23.93	24.39	24.86
15	20.69	21.10	21.52	21.95	22.39	22.84	23.30	23.77	24.24	24.72	25.21	25.72	26.23
16	21.60	22.01	22.45	22.88	23.32	23.77	24.25	24.70	25.17	25.66	26.16	26.67	27.19
17	22.61	23.04	23.48	23.94	24.41	24.88	25.36	25.87	26.37	26.88	27.40	27.93	28.47
18	23.65	24.12	24.58	25.05	25.53	26.04	26.54	27.05	27.59	28.12	28.67	29.23	29.80
21	26.96	27.50	28.03	28.57	29.13	29.70	30.27	30.87	31.47	32.07	32.69	33.33	33.99
23	29.12	29.69	30.26	30.86	31.46	32.06	32.70	33.33	33.98	34.65	35.32	36.02	36.72
25	31.56	32.17	32.81	33.45	34.09	34.77	35.45	36.15	36.85	37.58	38.31	39.07	39.83
26	32.86	33.50	34.15	34.82	35.50	36.20	36.90	37.63	38.36	39.11	39.87	40.66	41.45

8 Custodian

9 Library Assistant I

12 DMV Assistant
Recreation Coordinator
Library Assistant II
Nolan Center Attendant - Museum Collection
Nolan Center Coordinator

13 Accounting Clerk
Utility Accounts Clerk
Property & Sales Tax Accounting Clerk

14 Dispatch/Corrections Officer

15 Public Works Administrative Assistant

17 Police Officer Recruit
Accounting Clerk II

18 Administrative Assistant - Poli
Corrections Sergeant
Firemedic/Trainer
Accounting Generalist/Techni

21 Police Officer Probationary

23 Police Officer

25 Police Sergeant

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	4,293.18	4,375.80	4,462.50	4,547.16	4,633.86	4,722.60	4,816.44	4,908.24	5,002.08	5,101.02	5,199.96	5,300.94	5,402.94
24	5,253.00	5,357.04	5,460.06	5,566.14	5,677.32	5,786.46	5,897.64	6,014.94	6,131.22	6,253.62	6,375.00	6,500.46	6,627.96
25	5,470.26	5,576.34	5,687.52	5,797.68	5,908.86	6,027.18	6,143.46	6,265.86	6,388.26	6,513.72	6,640.20	6,771.78	6,904.38
27	5,937.42	6,053.70	6,169.98	6,294.42	6,415.80	6,541.26	6,670.80	6,799.32	6,936.00	7,070.64	7,208.34	7,349.10	7,494.96
28	6,191.40	6,314.82	6,437.22	6,564.72	6,692.22	6,822.78	6,957.42	7,091.04	7,232.82	7,372.56	7,517.40	7,666.32	7,816.26
30	6,739.14	6,873.78	7,006.38	7,146.12	7,283.82	7,427.64	7,574.52	7,722.42	7,874.40	8,030.46	8,187.54	8,348.70	8,512.92
31	7,008.42	7,149.18	7,286.88	7,431.72	7,575.54	7,724.46	7,877.46	8,031.48	8,189.58	8,351.76	8,514.96	8,682.24	8,853.60
32	7,288.92	7,434.78	7,578.60	7,738.74	7,878.48	8,033.52	8,192.64	8,352.78	8,517.00	8,685.30	8,855.64	9,030.06	9,207.54
33	7,580.64	7,731.60	7,881.54	8,038.62	8,193.66	8,354.82	8,520.06	8,686.32	8,857.68	9,033.12	9,209.58	9,391.14	9,575.76
34	7,883.58	8,041.68	8,196.72	8,359.92	8,521.08	8,689.38	8,860.74	9,034.14	9,211.62	9,394.20	9,577.80	9,766.50	9,959.28
35	8,198.76	8,362.98	8,524.14	8,694.48	8,861.76	9,037.20	9,215.70	9,395.22	9,580.86	9,770.58	9,961.32	10,157.16	10,357.08

19 Civic Center Manager

24 Library Director
Parks & Recreation Director
Fire Chief
Nolan Center Director

25 Harbormaster

28 Economic Development Director

30 Finance Director
Electrical Superintendent
Director of Public Works & Capital Projects

35 Police Chief
Deputy Borough Manager

Temporary/Part-time/Seasonal Employees
Hourly Compensation
Note: Each step represents the amount above the prevailing State of Alaska Minimum Wage 10.34

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	4.30
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	5.30
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	6.30
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	6.80
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	7.30
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	7.80
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	8.30
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	9.80

Actual Temp Rates, Calendar Year 2021

	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**
1	10.34	10.64	10.94	11.24	11.54	11.84	12.14	12.44	12.74	13.04	13.34	13.64	13.94
3	11.04	11.34	11.64	11.94	12.24	12.54	12.84	13.14	13.44	13.74	14.04	14.34	14.64
4	12.04	12.34	12.64	12.94	13.24	13.54	13.84	14.14	14.44	14.74	15.04	15.34	15.64
5	13.04	13.34	13.64	13.94	14.24	14.54	14.84	15.14	15.44	15.74	16.04	16.34	16.64
6	13.54	13.84	14.14	14.44	14.74	15.04	15.34	15.64	15.94	16.24	16.54	16.84	17.14
7	14.04	14.34	14.64	14.94	15.24	15.54	15.84	16.14	16.44	16.74	17.04	17.34	17.64
8	14.54	14.84	15.14	15.44	15.74	16.04	16.34	16.64	16.94	17.24	17.54	17.84	18.14
9	15.04	15.34	15.64	15.94	16.24	16.54	16.84	17.14	17.44	17.74	18.04	18.34	18.64
11	16.54	16.84	17.14	17.44	17.74	18.04	18.34	18.64	18.94	19.24	19.54	19.84	20.14

1 Lifeguard
Recreation Assistant
Theater Sales Associate

3 Head Lifeguard

4 Sales Assistant
Laborer

5 Park Maintenance I

6 Park Maintenance II

9 Library Assistant I

7 Clerical Assistant

8 Museum Clerk

9 Maintenance Custodian

11 Theater Manager

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	12/20/2022
	Agenda Section	**13**

RESOLUTION No. 12-22-1738 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY APPROPRIATING $75,750 FROM GENERAL FUND UNRESTRICTED FUND BALANCE AND AUTHORIZING ITS EXPENDITURE THROUGH MULTIPLE ACCOUNTS FOR THE PURPOSE OF HIRING AND RETAINING A BOROUGH CONTROLLER IN THE FINANCE DEPARTMENT

SUBMITTED BY:
Mason Villarma, Finance Director

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $75,750		
FY 21: $	FY 22:	FY23: $75,750
Amount Budgeted:		
	n/a	
Account Number(s):		
	11000-003-6001 11000-003-61XX 11000-003-62XX 11000-001-7580	
Account Name(s):		
	Payroll expense accounts and recruiting expense account	
Unencumbered Balance(s) (prior to expenditure):		

ATTACHMENTS: 1. Resolution No. 12-22-1738

RECOMMENDATION MOTION: Move to approve Resolution No. 12-22-1738.

SUMMARY STATEMENT:

This is the budget amendment that corresponds to **RES 12-22-1737**—effectively creating the Borough Controller job description. This budget amendment appropriates $75,750 to the following payroll and hiring expense accounts:

11000 003 6001	Salaries & Wages	$49,145
11000 003 6101	Employer Tax	$ 857
11000 003 6103	SBS	$ 3,625
11000 003 6210	Employee Health Benefits	$10,706
11000 003 6220	Life Insurance	$ 75
11000 003 6222	Worker's Compensation	$ 1,342
11000 001 7508	Recruiting & Hiring	$10,000
		$75,750

The Borough Controller compensation and benefits package is modeled out for 6 of 12 working months in the FY2023 budget. There is also $10,000 allocated for reimbursable moving expense.

CITY AND BOROUGH OF WRANGELL

RESOLUTION No. 12-22-1738

RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY APPROPRIATING $75,750 FROM GENERAL FUND UNRESTRICTED FUND BALANCE AND AUTHORIZING ITS EXPENDITURE THROUGH MULTIPLE ACCOUNTS FOR THE PURPOSE OF HIRING AND RETAINING A BOROUGH CONTROLLER IN THE FINANCE DEPARTMENT

WHEREAS, the Finance Department has demonstrated a critical need for a full-time Borough Controller; and

WHEREAS, it is necessary to amend the budget to reflect the total compensation cost for the six month impact this position will have in FY 2023; and

WHEREAS, the City & Borough of Wrangell has established a permanent full-time job description for the Borough Controller position.

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

Section 1: The FY 2023 Budget in the General Fund is amended to authorize an increase of expenditure in the following payroll and recruiting expense accounts:

11000 003 6001	Salaries & Wages	$ 49,145
11000 003 6101	Employer Tax	$ 857
11000 003 6103	SBS	$ 3,625
11000 003 6210	Employee Health Benefits	$ 10,706
11000 003 6220	Life Insurance	$ 75
11000 003 6222	Worker's Compensation	$ 1,342
11000 001 7508	Recruiting & Hiring	$ 10,000

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 20th DAY OF DECEMBER.

CITY & BOROUGH OF WRANGELL

_____

Patricia Gilbert, Borough Mayor

ATTEST:_____

Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**13**

RESOLUTION No. 12-22-1739 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY2023 BUDGET BY TRANSFERRING $52,000 FROM THE GENERAL FUND RESERVE TO THE GENERAL FUND CAPITAL BUDGET FOR THE PUBLIC SAFETY BUILDING IMPROVEMENTS PROJECT

SUBMITTED BY:
Amber Al-Haddad, Capital Facilities Director

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $52,000		
FY 21: $	FY 22: $	FY23: $52,000
Amount Budgeted:		
Account Number(s):		
Account Name(s):		
Unencumbered Balance(s) (prior to expenditure):		

ATTACHMENTS: 1. Res No 12-22-1739; 2. NorthWind Architects' Fee Proposal dated November 30, 2022

RECOMMENDATION MOTION:
Move to Approve Resolution No. 12-22-1739.

SUMMARY STATEMENT:

The City and Borough of Wrangell has a need to repair and renovate the Public Safety Building.

Outside funding opportunities are limited; however, the USDA/RD has a Community Facilities program funds has been identified as a funding opportunity for this building improvement project. USDA/RD offers low interest rate loans, loan guarantees, and grant funding that can be used in conjunction with this program. Upon application, a credit analysis would be performed by USDA/RD to determine whether Wrangell qualifies for a loan, a loan and grant combination, or a grant only, subject to the availability of program funds.

CBW has had preliminary discussions with USDA to review their Community Facilities program and its application to this improvement project, and they have advised us of the preapplication requirements. To apply for this program, we must submit a Preliminary Architectural Report (PAR)

We have requested a fee proposal from the A&E team, who performed the Conditions Assessment and cost estimates for the Public Safety Building's improvement project, to develop the Preliminary Architectural Report (PAR). With the PAR in hand, Wrangell would be eligible to apply to USDA's Community Facilities program.

The PAR requires a much higher level of detail in the report than what was previously performed, and NorthWind and their team have reviewed the USDA/RD guidelines to determine what additional work is necessary to satisfy the federal agency requirement. While the condition assessment was the basis of development of a more comprehensive renovation and replacement project, the PAR requires the rational for the project need. It is further complicated by identifying and rationalizing the reduced scope of our proposed Phase I renovation project.

The cost for this level of PAR is proposed by NorthWind as a lump sum fee in the amount of $47,204.60. Staff have added a 10% contingency, bringing the total of the budget amendment to $52,000 as requested under Resolution 12-22-1742.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 12-22-1739

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY2023 BUDGET BY TRANSFERRING $52,000 FROM THE GENERAL FUND RESERVE TO THE GENERAL FUND CAPITAL BUDGET FOR THE PUBLIC SAFETY BUILDING IMPROVEMENTS PROJECT

WHEREAS, a multi-disciplinary Preliminary Architectural Report of the Public Safety Building Improvements project is necessary to determine the best option for repair or replacement of the facility to satisfy the requirements of the USDA/RD Community Facilities Program; and

WHEREAS, funding in the amount of $52,000 is required for the development of the Preliminary Architectural Report for the Public Safety Building Improvements project.

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

Section 1: The FY 2023 Budget is hereby amended to reflect a transfer from the General Fund Reserve to the General Fund Capital Budget for the Public Safety Building Improvement project and authorize its expenditures.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 20th Day of December 2022.

CITY & BOROUGH OF WRANGELL, ALASKA

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

Wrangell Public Safety Building Improvements
City of Wrangell

NorthWind Architects, LLC **Juneau, AK** NWA-2216
Date: November 30, 2022

Wrangell Public Safety Building PAR

Project Analysis Report

	Principal Arch	Staff Architect	SUB TOTAL
($/HR)	$ 165.00	$ 110.00	($)
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document data coordination	40		
drawings/diagrams for estimator and report	24	24	
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review meeting #1	4		
Integrate review comments	8		
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final submittal	8		
Subtotal Hours	128	40	
Subtotal Fees	$21,120.00	$4,400.00	

Subtotal Northwind Arch Fees:	$	25,520.00

Consultant Fees:

Cost Estimating - Estimations	$8,592.00
Structural fesibility analsysis and support - PND	$12,060.00
MPE support - AMC Engineers	$7,740.00
Subtotal Consultant Fees:	$20,652.00
Markup: 5%	$1,032.60

Subtotal Consultant Fees:	$	21,684.60

Reimbursable Expenses:

Markup: 5%	$0.00	
Subtotal Reimb. Expenses		$0.00

TOTAL PROPOSAL:	**$**	**47,204.60**

Sean Boily

From: Dave Boggs <dboggs@amc-engineers.com>
Sent: Monday, November 28, 2022 11:16 AM
To: Sean Boily
Subject: RE: Community Facilities Grant for Public Safety Building (20813)
Attachments: 2023 AMC Rates.pdf

Sean:

Sorry for being delinquent and getting a fee back to you.

AMC's scope is for mechanical control upgrades and limited support for the other three areas you referenced below. No support for economics narratives, ROI, or LCCA analysis is required.
For the MEP support for the PAR my budget fee recommendations for mechanical support is 24 hours (12 hrs E8 and 12 hrs E5) and electrical is 12 hours (6 hrs E8 and 6 hrs E6), per our 2023 attached rate sheet.
AMC budget fee estimate breakdown: mechanical - $ 5,100 and electrical - $ 2,640; for a total budget estimate of $7,740.

The above is based upon my current understanding of AMC's requested scope of services.

Regards,

Dave Boggs, PE, MS, CHC
Principal Mechanical Engineer
AMC ENGINEERS
Anchorage, AK | **Bellingham, WA**
t. 907.257.9100 | d. 907.257.9120
amc-engineers.com | facebook | linkedIn

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NorthWind Architects, LLC
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Dave –
Can I get an fee proposal for AMC to assist with the M/P/E portions of reconfiguring the data we have assembled to date to this Project Analysis report format? Would be great to have something before Thanksgiving, call it November 22? I will ask the same of PND for structural. And of course from Jay for estimating.

NorthWind Architects, LLC
Sean M. Boily, AIA

From: Amber Al-Haddad <aal-haddad@wrangell.com>
Sent: Tuesday, November 1, 2022 10:38 AM
To: Dave Boggs <dboggs@amc-engineers.com>; Sean Boily <sean@northwindarch.com>
Subject: Community Facilities Grant for Public Safety Building

Good morning Dave and Sean,

Carol Rushmore, our Economic development Director, had communication with USDA/RD staff last month and shared the below communication with me, for consideration of funding from their Community Facilities Loan/Grant program. As you can see, there is a lot of work that has to be done up front to be able to apply to this program. The one piece that we need your assistance with is the Preliminary Architectural Feasibility Report. The attached PAR Guidance document and the Guide 6 1942-A documents are referenced as the outline for the Preliminary Architectural Feasibility Report (PAR) that we discussed on the phone last week.

Please review these documents to understand the scope of what USDA requires to be included in the PAR. We wish to obtain your fee proposal to develop this report based on using the work you have performed to date through the condition assessment and probable costs preparation for the various alternates we have discussed. For the financial portion of the report, we expect you will work with our finance director to obtain the information needed there. Once you've had the chance to review the scope of the PAR, please let me know if you have questions or if we need to discuss any portion of the scope.

701 East Tudor Road, Suite 250
Anchorage, AK 99503 | 907.257.9100

2950 Newmarket Street, Suite 101 PMB 265
Bellingham, WA 98226 | 360.255.7235
amc-engineers.com

2023 RATE SCHEDULE

A. The following rates are effective January 1, 2023

	Straight Time Rate Per Hour
Principal Engineer 8	$235.00
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Senior Engineer 6	$205.00
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Staff Engineer 2	$150.00
Staff Engineer 1	$135.00
BIM/CAD Technician	$130.00
Administrative Support	$95.00
Expert Witness and Related Services	By Negotiation

B. Expenses for direct reimbursable items, such as the following, will be billed at cost x 1.10:

1. Expenses incurred in necessary travel.
2. Third party subcontracts.

C. Travel by company furnished automobiles will be billed at the current IRS approved rate. (Area within Municipality of Anchorage and Whatcom County is excluded.) Charges for air travel will be billed at the prevailing commercial coach airfare in effect at the time of booking.

D. Billings are normally calculated from the first through the end of each month. Monthly invoices are mailed the second week of the next month. Payments are due three weeks from the date of invoice.

PND ENGINEERS, INC.

November 22, 2022 PND 20J053

Sean Boily, AIA
Principal Architect
Northwind Architects, LLC
126 Seward St
Juneau, AK 99801

Re: Wrangell Public Safety Building
Project Analysis Report
Structural Engineering Fee Proposal

Dear Sean:

PND Engineers, Inc. (PND) appreciates the opportunity to provide this proposal for the Wrangell Public Safety Building (WPSB). We understand that Northwind Architects is developing a Project Analysis Report (PAR) for a USDA Community Facilities Loan/Grant. You have asked PND to provide minimal structural engineering services to develop the PAR. Civil services are not included in this proposal.

Scope of Services:

PND's scope of work will include the following:

1) Review proposed envelope improvements and provide structural recommendations. Recommendations will also be provided at area where emergency shoring was installed due to rot uncovered during the condition assessment in 2020.
2) Review proposed roof overframing and provide structural recommendations. Minimal calculations to determine feasibility of overframing are included.
3) Recommendations will be provided in a narrative report. Narrative report will include limited structural drawings as necessary for cost estimation. Structural drawings will consist of PDF markups on the original drawings or the as-built drawings.

Fee Proposal: PND proposes to perform this work on a Time and Expenses basis and have prepared the attached breakdown of fees for your consideration. We estimate fees for the above scope of services will be approximately $12,060. We will be bill monthly for hours worked and expenses incurred in accordance with our standard billing rates at the time of services.

Schedule: PND understands that the narrative will be provided at the end of January, which can be accommodated if PND's proposal is approved by Jan 3.

9360 Glacier Hwy., Suite 100 · JUNEAU, ALASKA 99801 · Phone 907.586.2093 · Fax 907.586.2099

Please let us know if we have perceived your needs adequately or whether you desire modifications to our proposal. We look forward to working with Northwind and CBW on this project.

Sincerely,
PND Engineers, Inc. | Juneau Office

Brian Nielsen, P.E, S.E.
Senior Engineer/Principal

Attachment

9360 Glacier Hwy., Suite 100 · JUNEAU, ALASKA 99801 · Phone 907.586.2093 · Fax 907.586.2099

PND Engineers, Inc.
Wrangell Public Safety Building - Project Analysis Report
Structural Engineering Fee Proposal - Novemeber 22, 2022
PND Proposal No. 20J053

Scope of Services	PND Senior Engineer VI	PND Senior Engineer V	PND Senior Engineer IV	PND Senior Engineer III	PND Staff Engineer VI	PND Staff Engineer IV	PND Land Surveyor III	PND Tech VI	PND Tech V	PND CAD Designer VI	Line Item Costs	Task Subtotal Costs
	$210.00	$175.00	$165.00	$140.00	$130.00	$110.00	$125.00	$150.00	$115.00	$115.00		
Engineering Design Services												
1. Project Management	1							2			$510	
2. Internal team meetings (2)	2										$420	
3. Structural calculations	8										$1,680	
4. Structural narrative	40										$8,400	
5. Review structural cost estimate	4										$840	
6. Meeting with owner to review report	1										$210	**$12,060**
Total Estimated Manhours	56							2				

Estimated Third Party & Reimbursable Expenses

No site visits		
Admin Fee	None	

TOTAL ESTIMATED FEE (T&E) **$12,060**

ESTIMATIONS

November 2022

Sean Boily
NorthWind Architects, LLC
126 Seward Street
Juneau, Alaska 99801

Re: Wrangell Public Safety Building Renovations
Reduced Scope Fee Proposal

Sean,

We can provide you with cost estimating services for this project for the fee, outlined below. We have based our proposal on the SOW and attachment in your email on 11NOV22. The fee includes one estimate, with a revision based on your review comments.

Please allow 3 weeks for us to develop a draft for review by the design team. Let us know at least 6 weeks in advance of when to block time on our calendar for the estimating efforts.

This proposal is a Fixed Fee, if there is any change in scope we reserve the opportunity to renegotiate our fee.

Item		Admin	Estimator	Sr Estimator		Firm Fixed Fee
	Rate	$108.00	$87.00	$170.00		
Construction Cost Estimating						
PAR Design Level Submittal						
Exterior Siding, Doors & Window	1	$108.00	$0.00	16 $2,720.00	17	$2,828.00
Roof Replacement	1	$108.00	$0.00	16 $2,720.00	17	$2,828.00
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Elevator Replacement	1	$108.00	$0.00	8 $1,360.00	9	$1,468.00
Totals	4	$432.00		48 $8,160.00	52	$8,592.00

We look forward to continue working with you on this project.

Sincerely,

Maureen E. Benner

Maureen E. Benner
Senior Office Administrator

1225 E. International Airport Road, Suite 235, Anchorage, Alaska 99518
(907) 561-0790 I www.estimations.com

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**13**

Approval of a Professional Services Agreement with NorthWind Architects in the Amount of $47,204.60 for the Public Safety Building Improvements Project

SUBMITTED BY:
Amber Al-Haddad, Capital Facilities Director

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $47,204.60		
FY 21: $	FY 22: $	FY23: $47,204.60
Amount Budgeted:		
Account Number(s):		
Account Name(s):		
Unencumbered Balance(s) (prior to expenditure):		

ATTACHMENTS: 1. NorthWind Architects' Fee Proposal dated November 30, 2022

RECOMMENDATION MOTION:

Move to Approve a Professional Services Agreement with NorthWind Architects in the Amount of $47,204.60 for the Public Safety Building Improvements Project.

SUMMARY STATEMENT:

The City and Borough of Wrangell has a need to repair and renovate the Public Safety Building.

Outside funding opportunities are limited; however, the USDA/RD has a Community Facilities program funds has been identified as a funding opportunity for this building improvement project. USDA/RD offers low interest rate loans, loan guarantees, and grant funding that can be used in conjunction with this program. CBW has had preliminary discussions with USDA to review their Community Facilities program and its application to this improvement project, and they have advised us of the preapplication requirements. To apply for this program, we must submit a Preliminary Architectural Report (PAR).

We have requested a fee proposal from the A&E team, who performed the Conditions Assessment and cost estimates for the Public Safety Building's improvement project, to develop the Preliminary Architectural Report (PAR). With the PAR in hand, Wrangell would be eligible to apply to USDA's Community Facilities program.

The PAR requires a much higher level of detail in the report than what was previously performed, and NorthWind Architects and their team have reviewed the USDA/RD guidelines to determine what additional work is necessary to satisfy the federal agency requirement. While the condition assessment was the basis of development of a more comprehensive renovation and replacement project, the PAR requires the rational for the project need. It is further complicated by identifying and rationalizing the reduced scope of our proposed Phase I renovation project. The cost for this level of PAR is proposed by NorthWind as a lump sum fee in the amount of $47,204.60.

Staff recommend approving a PSA with NorthWind Architects in the amount of $47,204.60 for the development of the Preliminary Architectural Report (PAR), making Wrangell eligible to move forward with an application to the USDA/RD Community Facilities program requesting project funding for the Public Safety Building Improvements project.

Wrangell Public Safety Building Improvements
City of Wrangell

NorthWind Architects, LLC **Juneau, AK** NWA-2216
Date: November 30, 2022

Wrangell Public Safety Building PAR

Project Analysis Report

	Principal Arch	Staff Architect	SUB TOTAL
($/HR)	$ 165.00	$ 110.00	($)
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Markup: 5%	$1,032.60

Subtotal Consultant Fees:	$	21,684.60

Reimbursable Expenses:

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TOTAL PROPOSAL:	**$**	**47,204.60**

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PND ENGINEERS, INC.

November 22, 2022 PND 20J053

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Principal Architect
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Juneau, AK 99801

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Schedule: PND understands that the narrative will be provided at the end of January, which can be accommodated if PND's proposal is approved by Jan 3.

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PND Engineers, Inc. | Juneau Office

Brian Nielsen, P.E, S.E.
Senior Engineer/Principal

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PND Engineers, Inc.
Wrangell Public Safety Building - Project Analysis Report
Structural Engineering Fee Proposal - Novemeber 22, 2022
PND Proposal No. 20J053

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Admin Fee	None		

TOTAL ESTIMATED FEE (T&E) **$12,060**

ESTIMATIONS

November 2022

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NorthWind Architects, LLC
126 Seward Street
Juneau, Alaska 99801

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We look forward to continue working with you on this project.

Sincerely,

Maureen E. Benner

Maureen E. Benner
Senior Office Administrator

1225 E. International Airport Road, Suite 235, Anchorage, Alaska 99518
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CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**13**

RESOLUTION No. 12-22-1740 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY TRANSFERRING $98,500 FROM THE SECURE RURAL SCHOOLS FUND RESERVES TO THE SECURE RURAL SCHOOLS FUND CIP FUND FOR THE HIGH SCHOOL AND MIDDLE SCHOOL FIRE ALARM REPLACEMENT PROJECT AND AUTHORIZING ITS EXPENDITURES

SUBMITTED BY:
Amber Al-Haddad, Capital Facilities Director

Reviews/Approvals/Recommendations	
■	Commission, Board or Committee
Name(s)	Planning and Zoning Commission
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $98,500		
	FY 23: $98,500	
Amount Budgeted:		
	FY23 $675,484	
Account Number:		
	25300 101 9999 00 25001	
Account Name:		
High School and Middle School Fire Alarm System Replacement		

ATTACHMENTS: 1. Resolution No. 12-22-1740.

RECOMMENDATION MOTION (*Consent Agenda Item)*:

Move to Approve Resolution No. 12-22-1740.

SUMMARY STATEMENT:

The Wrangell High School and Middle School Fire Alarm System Replacement has been listed on the School District's renewal and replacement schedule for several years. The existing fire alarm system does not meet current codes. The fire alarm panel does not have a connection to a digital

communicator; therefore, it is not monitored by a remote third party as required by code and is needed for a quick response to the building in the event of fire. This project serves to increase the safety of the occupants of the existing space, and to further protect the property itself.

This project was elevated to the Borough's #2 priority capital projects for FY22 and FY23. Recognized as a community priority, the Borough submitted a grant application to the CDBG program for funding for this project. The CDBG has granted $494,734 and there is a local Borough-contribution of $180,750 for a total project funding to date of $675,484.

The CBW first bid the project in October 2022, but subsequently rejected all bids due to a final determination of a non-responsive low bidder and based on the second low bid for consideration was more than 10% above the engineer's estimate. An Invitation to (Re-)Bid the same project was issued in November with bids due on December 6th. The low bid from the Rebid project was received in the amount of $655,000.

The engineer's estimate was updated since the first estimate by including new device pricing which was significantly higher due to inflation and an update to the device quantities per the addendums from the first bid. The low bid received through the Rebid phase is within 10% of the latest engineer's estimate; however, current project funding is not sufficient to cover the cost based on the bids received.

The level of bidding assistance services from the engineer for this project was significantly more than anticipated based on the level of complexity of the project and an unusual amount of bidder questions, as well as the rework of the contract documents and responding to bidder questions for the Rebid project; therefore, an additional level of funding, approximately $12,000, is included in the budget amendment to cover the additional engineer services.

To consider making an award, an additional amount of project funding, in the amount of $98,500 is required through a budget amendment. This additional amount would fully fund the construction phase services, including construction administration and inspection, construction, and a ten percent construction phase cost contingency.

Resolution No 12-22-1743 requests that the FY 2023 Budget be amended to reflect a transfer of funds, in the amount of $98,500, from Secure Rural Schools Fund Reserves to the Secure Rural Schools Fund CIP Fund for the High School and Middle School Fire Alarm System Replacement project and authorization of its expenditures.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 12-22-1740

A RESOLUTION OF THE ASSEMBLY OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY TRANSFERRING $98,500 FROM THE SECURE RURAL SCHOOLS FUND RESERVES TO THE SECURE RURAL SCHOOLS FUND CIP FUND FOR THE HIGH SCHOOL AND MIDDLE SCHOOL FIRE ALARM REPLACEMENT PROJECT AND AUTHORIZING ITS EXPENDITURES

WHEREAS, the Wrangell High School and Middle School Fire Alarm System Replacement project was elevated to the City and Boroug of Wrangell's CIP Priority list for FY22-23 as the number two priority project; and

WHEREAS, funds are available through the CDBG grant, in the amount of $494,734, with a local contribution, in the amount of $180,750, for a total project funding to date of $675,484; and

WHERAS, following receipt of construction bids, in order to fully fund the construction phase services, including bidding assistance, construction administration and inspection, general construction, and a ten percent construction contingency, an additional $98,500 is necessary to be allocated to this project.

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

Section 1: The FY 2023 Budget is amended to reflect a transfer of funds, in the amount of $98,500, from Secure Rural Schools Fund Reserves to the Secure Rural Schools Fund CIP Fund for the High School and Middle School Fire Alarm Replacement project and authorizing its expenditures.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 20th DAY OF DECEMBER, 2022.

CITY & BOROUGH OF WRANGELL, ALASKA

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**13**

Approval of a contract award to Sitka Electric Company in the amount of $655,000 for the High School and Middle School Fire Alarm Replacement Rebid Project

SUBMITTED BY:
Amber Al-Haddad, Capital Facilities Director

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $655,000		
FY 22:	FY 23: $655,000	FY24:
Amount Budgeted:		
Account Number(s):		
	25300 101 9999 00 25001	
Account Name(s):		
	High School and Middle School Fire Alarm Replacement Rebid Project	

ATTACHMENTS: 1. Bid Opening Checklist and Tabulation Summary for the High School and Middle School Fire Alarm Replacement Rebid project

RECOMMENDATION MOTION:

Move to approve a contract award to Sitka Electric Company in the amount of $655,000 for the High School and Middle School Fire Alarm Replacement Rebid project.

SUMMARY STATEMENT:

The Wrangell High School and Middle School Fire Alarm System Replacement has been listed on the School District's renewal and replacement schedule for several years. The existing fire alarm system does not meet current codes. The fire alarm panel does not have a connection to a digital communicator; therefore, it is not monitored by a remote third party as required by code and is needed for a quick response to the building in the event of fire. This project serves to increase the safety of the occupants of the existing space, and to further protect the property itself.

This project was elevated to the Borough's #2 priority capital projects for FY22 and FY23. Recognized as a community priority, the Borough submitted a grant application to the CDBG program for funding for this project. The CDBG has granted $494,734 and there is a local Borough-provided match in the amount of $303,750 (this figure assumes Resolution 12-22-1743 for a budget amendment is passed on December 20, 2022) for a total project funding of $798,484.

The City & Borough of Wrangell issued an Invitation to Bid for the construction of the High School and Middle School Fire Alarm Replacement Rebid project. On December 6 2022, the CBW received two bids, according to the attached bid opening summary. All required preaward submittals have been received, and staff recommend awarding the procurement contract to the low bidder, Sitka Electric Company, in the amount of $655,000.

*The City and Borough of Wrangell's procedures for submitting documentation for the purpose of award, involves the withholding of detailed information from each Bidder until an award has been made. The reason for this procedure is that in case all bids are rejected, or the project is rebid, the details of each Bidder's bid should remain confidential between potential competitive bidders.

City and Borough of Wrangell, Alaska
High School and Middle School Fire Alarm Replacement Rebid
Bid Opening Checklist and Tabulation Summary
Bid Opening Date: December 6, 2022 @ 2:00 p.m. - City Hall

Bidder Name	Bid Form, Section 00300	Bid Schedule, Section 00310	Bid Security, Section 00320	Bid Form Supplement, Unit Prices, Section 00432	Addenda #1	Addenda #2	Addenda #3	Addenda #4	Base Bid Amount	Base Bid Modification Amount	Add Alt A Amount	Add Alt A Modification Amount	Add Alt B Amount	Add Alt B Modification Amount	Add Alt C Amount	Add Alt C Modification Amount
Kencove Inc. DBA Sitka Electric Company	✓	✓	✓	✓	✓	✓	N/A	N/A	$655,000		$1,536		$285	+ $325	$340	+ $360
Northern Support Services Inc.	✓	✓	✓	✓	✓	✓	N/A	N/A	$689,000		$650		$650		$650	

Verified By: Ruth Mulloy

Witnessed By: Amber Al-Haddad

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**13**

Approval of a contract award to Schmolck Mechanical Contractors, Inc. in the amount of $424,100 for the Recreation Center HVAC Upgrades Project

SUBMITTED BY:
Amber Al-Haddad, Capital Facilities Director

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $424,100		
FY 22:	FY 23: $424,100	FY24:
Amount Budgeted:		
Account Number(s):		
	24300 000 9999 00 24008	
Account Name(s):		
	Recreation Center HVAC Upgrades Project	

ATTACHMENTS: 1. Bid Opening Checklist and Summary for the Recreation Center HVAC Upgrades Project

RECOMMENDATION MOTION:

Move to approve a contract award to Schmolck Mechanical Contractors, Inc. in the amount of $424,100 for the Recreation Center HVAC Upgrades project.

SUMMARY STATEMENT:

In 2014, the Borough conducted a condition assessment of the Recreation Center facility to identify building improvement needs. One of the critical building system concerns identified through that evaluation was the heating and ventilation system (HVAC) mechanical devices, many of which have failed normal operation.

This project, funded through a grant from the CDBG-COVID program replaces mechanical devices within the HVAC system which have either failed or have exceeded their effective operational life. This project serves to increase the health and safety of the occupants of the existing space against contracting the Coronavirus by correcting building system deficiencies leading to health and safety hazards and bring the systems up to current state of the art building systems and its equipment.

The City & Borough of Wrangell issued an Invitation to Bid for the construction of the Recreation Center HVAC Upgrades Project. On December 9, 2022, the CBW received two bids, as reflected in to the attached bid opening summary. All required preaward submittals have been received, and staff recommend awarding the procurement contract to the low bidder, Schmolck Mechanical Contractors, Inc., in the amount of $424,100.

*The City and Borough of Wrangell's procedures for submitting documentation for the purpose of award, involves the withholding of detailed information from each Bidder until an award has been made. The reason for this procedure is that in case all bids are rejected, or the project is rebid, the details of each Bidder's bid should remain confidential between potential competitive bidders.

City and Borough of Wrangell, Alaska
Recreation Center HVAC Upgrades
Bid Opening Checklist and Tabulation Summary
Bid Opening Date: December 9, 2022 @ 2:00 p.m.

Bidder Name	Bid Form, Section 00300	Bid Schedule, Section 00310	Bid Bond/Security, Section 00320	Addenda #1	Addenda	Base Bid Amount	Base Bid Modification Amount	Add Alt A Amount	Add Alt A Modification Amount
Ketchikan Mechanical Inc.	✓	✓	✓	✓		600,000	-11,049.42	35,000	+10,705
Summit Mechanical Contractors Inc.	✓	✓	✓	✓		328,914	+46,093	49,705	No change

Verified By: [illegible]

Witnessed By: Amber A. Haddan.

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	December 20, 2022
	Agenda Section	**13**

Approval of a Sole Source Procurement, in Conformance with Section 5.10.050 (B) of the Wrangell Municipal Code, from NC Power Systems for a Caterpillar Generator in the amount of $80,756 for the Nolan Center Standby Generator Upgrades project

SUBMITTED BY:
Amber Al-Haddad, Capital Facilities Director

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $$80,756		
	FY 21: $$80,756	
Amount Budgeted:		
	FY20 $0	
Account Number:		
	21300-120-9999-43-21001	
Account Name(s):		
	Nolan Center Generator Upgrades	

ATTACHMENTS: 1. NC Power Systems' Quote dated 10/18/22; 2. Caterpillar letter confirming NC Power Systems as Authorized Caterpillar Alaska Dealer; 3. State Homeland Security Program Procurement Method Report for Sole Source

RECOMMENDATION MOTION:

Move to approve a Sole Source Procurement, in Conformance with Section 5.10.050 (B) of the Wrangell Municipal Code, from NC Power Systems for a Caterpillar Generator in the amount of $80,756 for the Nolan Center Standby Generator Upgrades project.

SUMMARY STATEMENT:

The design of the Nolan Center Standby Generator Upgrades project is underway, and calculations for full building backup diesel generator power support has confirmed the size equipment required.

We seek approval to sole source the procurement of the Nolan Center Standby Generator project's generator equipment as a Caterpillar product. We also request approval to single source the Caterpillar equipment from NC Power Systems, the Caterpillar power systems dealer for Alaska in the amount of $80,756.

Justification for the sole source of the Caterpillar equipment is based on compatibility, as the City and Borough of Wrangell has been standardizing our heavy equipment and machinery with the Caterpillar brand for many years. Further, the Borough maintains diagnostics equipment and an annual software subscription for Caterpillar equipment.

Justification for the single source from NC Power Systems is based on the attached letter from Caterpillar stating that NC Power Systems is the only distributor serving our area. Further, NC Power Systems maintains sales representatives and service technicians throughout various regions of Alaska. Over the course of the last eight years, three Caterpillar generators have been purchased, and they were all purchased from NC Power Systems.

Under Wrangell's procurement code, WMC Section 5.10.050, Section B., competitive bidding is not required when materials can be furnished only by a single dealer. As referenced by the attached letter from Lacey Owen, Global Power Solutions Division, Caterpillar Inc., NC Power Systems is the Caterpillar authorized Alaska dealer.

Funding for this procurement comes from the State of Alaska Division of Homeland Security and Emergency Management grant for the Nolan Center Standby Generator Upgrades project. Because the State funding agency must follow strict federal procurement guidelines, we have secured their approval for the single source/sole source procurement prior to asking for Borough Assembly approval. The same justification was provided, as referenced by the attached, approved Procurement Method Report for Sole Source.

Further, based on the significant time savings for a Brazilian-made unit (36-38 weeks) over an American made unit (70-74 weeks), we requested a waiver of the Buy American requirement to be able to purchase the shorter lead time unit, saving at least 34 weeks of lead time. The State agency approved the procurement of a non-American made Caterpillar equipment unit manufactured in Brazil.

10/18/2022

QUOTATION: 31109710-3

WRANGELL NOLAN CENTER

Caterpillar C7.1 PGABR Packaged Generator Set, Standby Rated @ 175 Ekw, 120/208V, Three Phase, 60HZ, 1800 RPM

Note : This unit will be assembled and tested In Piracicaba, Brazil

STANDARD CONSIST INFORMATION:

ENGINE PACKAGE DESCRIPTION

ENGINE
Electrical system,12 VDC
Coolant and lube drains piped to the edge of base
D125-8,D150-10,D175-4,D200-2 product includes ADEM-A4
electronic engine control w/Speed Adjust thru EMCP
Tier 3 EPA Approved Emissions Certified
EPA certified for stationary use only during defined emergency conditions.

INTEGRATED VOLTAGE REGULATOR (Digital):
EM10 Excitation Module
Voltage within +/- 0.25% at steady state from no load to full load
Provides fast recovery from transient load changes

CHARGING SYSTEM

CAT Premium High Output Battery(s) with rack & cables
Installed (wet);1000CCA;90amp hr;12V

CONTROL SYSTEM

CONTROL PANEL
NEMA 1 enclosure with hinged door
Wiring loom
DC and AC wiring harness
EMCP 4.2B controls including:
std -Run / Auto / Stop Control
std -Speed Adjust
optional -Voltage Adjust
std -Engine Cycle Crank
std -Emergency Stop pushbutton
optional -Audible Alarm
EMCP 4.2B controller features:
std -12-volt DC operation
std -Environmental sealed front face
std -Text alarm/event descriptions
Digital indication for:
std -RPM
std -DC Volts
std -Operating Hours
std -Oil Pressure (psi)
std -Coolant Temperature
std -Volts (L-L & L-N), frequency (Hz)
std -Amps (per phase & average)
std -Power Factor (per phase & average)
std -kW (per phase,average & percent)

Rob Collins
Engine Sales Representative
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Email: rcollins@ncpowersystems.com

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Anchorage, AK 99518-1532
Office: (907) 786-7563
Fax: (907) 786-7567

std -kVA (per phase,average & percent)
std -kVAr (per phase,average & percent)
std -kW-hr (total)
std -kVAr-hr (total)
Warning/shutdown with common LED indication of shutdowns for:
std -Low Oil pressure
optional -Low Coolant level
std -Low Coolant temp alarm (detects jkt water heater failure)
std -High Coolant temperature shutdown
Programmable protective relaying functions:
std -Generator phase sequence
std -Over/Under voltage (27/59)
std -Over/Under Frequency (81 o/u)
std -Reverse Power (KW) (32)
std -Reverse Reactive Power (kVAr) (32RV)
std -Overcurrent (50/51)
Communications
std -Customer DATA link (Modbus RTU)
optional -Accessory module DATA link
std -RS485 Serial DATA link (terminals only)
std -8 programmable digital outputs available
std -2 relays pre-programmed
optional -4 programmable relay outputs (Form A)
std -8 programmable digital inputs available
std -2 pre-programmed
optional -6 programmable digital inputs
optional -1 analog inputs
Compatible with the following optional modules:
optional -Remote CAN annunciator

CIRCUIT BREAKERS
Optional UL/CSA listed mainline breakers
Optional Multiple Breakers 100% Rated 3-pole with solid neutral
NEMA 1 steel enclosure
Electrical stub-up area directly below circuit breaker

COOLING SYSTEM
Radiator and cooling fan complete with protective guards
Standard ambient temperatues up to 50degC (122degF)
50% coolant antifreeze/corrosion inhibitor
Coolant Reservoir

GENERATORS
GENERATOR SET
Complete system designed and built at ISO 9001:2000 certified facilities
Factory tested to design specifications at full load conditions and all protective devices and control functions simulated and checked

GENERATOR
Insulation system,class H
Drip proof generator air intake (NEMA 2, IP23)
Electrical design in accordance with BS5000 Part 99,EN61000-6, IEC60034-1,NEMA MG-1.33

EQUIPMENT FINISH
All electroplated hardware or stainless steel
Anticorrosive paint protection
High gloss polyurethane paint for durability and scuff resistance

QUALITY STANDARDS
BS4999,BS5000,BS5514,EN61000-6,IEC60034,NEMA MG-1.33,NFPA 110 (with optional equipment)

LITERATURE

DOCUMENTATION
Operation and maintenance manual pack and OMM Storage Compartment
Wiring diagrams included

MOUNTING SYSTEM
Heavy-duty fabricated steel base with lifting points
Anti-vibration pads to ensure vibration isolaton
Complete OSHA guarding
Stub-up pipe ready for connection to silencer pipework
Flexible fuel lines to base with NPT connections

GENERAL
NAMEPLATE
A. KVA/KW rating
B. Output voltage
C. Output amperes
D. Specifies the power factor
E. Specifies the number of phases being provided
F. Manufacturer
G. Serial number

EXTENDED WARRANTY
Warranty per SELF5611

PACKAGE SUMMARY

D125-8,D150-10,D175-4,D200-2

EPA STATIONARY EMERGENCY (EPA TIER 3 EMISSIONS LEVELS)

EPA STATIONARY EMERGENCY **Meets USA Environmental Protection Agency (EPA).** **Stationary Emergency Certifications for Stationary Use only during defined emergency conditions.** **Standby ratings - Stationary Emergency emissions levels Tier 3** **Outside EPA-regulated territories and in Guam, American Samoa or the** **Commonwealth of the Northern Mariana Islands, these restrictions do not apply.**
60Hz 3PH 208/120V VOP610 **60Hz 3PH 208/120V VVoltage indicators**
STANDBY POWER **STANDBY POWER APPLICATION** **Output available with varying load for duration of the interruption of the normal source power.** **Average power output is 70 % if the standby power rating.** **Typical operation is 200 hours per year, with the maximum expected usage of 500 hours per year.**
60 Hz, 175 kW
D175 60HZ 208V
ENGLISH PANEL LANGUAGE
UL 2200 LISTED PACKAGE GEN SET
IBC SEISMIC CERT OF COMPLIANCE **Provides IBC Seismic labeling and mounting groups** **for open and enclosed generator set with or without sub base fuel tanks.**
ENGLISH INSTRUCTION LANGUAGE
GENERAL EPG **All engines and generator sets utilized in the generation of electrical power for** **general residential, commercial, utility, construction and communications, commercial** **and residential building, agricultural, construction, mining, manufacturing,** **public and civil services.**
PUBLIC OR CIVIL SERVICES
STANDBY POWER
ALT SPACE HEATER **Anti-condensation Alternator Space heater. Installed in generator, shuts down on genset start.** **Refer: LEHE4017**
130C TEMP RISE OVER 40C AMB

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LC5014F 60Hz SE ALT AC **SE LC Frame Generator frame. Temp Rise 130Deg C**
PERMANENT MAGNET EXCITATION **Permanent magnet generator provides improved source of excitation to alternators.**
SKID WITH FUEL TANK **Fuel Sub base tank**
SUB BASE TANK 408 GAL **48 Hr 784Gal Usable capacity Sub Base fuel tank.** **Refer LEHE0406**
FUEL TANK FILL PIPE & LOCK CAP **Locking fuel fill**
NO TANKS RISER
VENT PIPE-STD **Standard Vent pipe**
Fuel Level Alarms / SD **Fuel Level Reading (Alarms Low/High & Shutdown)** **Low fuel level (alarm)** **Low fuel main tank (shutdown)** **High fuel level 90% (alarm)**
EMERGENCY FUEL VENT PIPE UL-4"
L2 SOUND ATTENUATED ENC (c) **SA Level-2 Enclosure. Upto 74dBA. Foam enclosure with endbox Critical Silencer**
CAT WHITE
STANDARD PANEL DOOR WITH ENC **Standard Panel Door with Enclousre**
EMCP4.2B CONTROL PANEL **The Cat® EMCP 4.2B offers fully featured power metering, protective relaying** **and engine and generator control and monitoring.** **Engine and generator controls, diagnostics, and operating information are** **accessible via the control panel keypads; diagnostics from the EMCP 4 optional modules** **can be viewed and reset through the EMCP 4.2B**
NFPA BUNDLE **Bundled option to include:** **FSS low fuel level alarm & indication panel circuitry required when sub-base tank is selected** **WSS1 Low Coolant level shut down WCA1 Low Coolant temperature alarm.** **PAA1 Panel mounted audible alarm PBC10NU NFPA Battery Charger.** **A coolant heater, remote annunciator or 0.8 power factor test may be required** **depending on the application.**
WET BATTERY (B1W) **Wet Battery**
NFPA BATT CHARGER UL10A 120VAC **NFPA,UL & CSA Compliant Battery charger, 120VAC.** **Note: NFPA,UL & CSA compliant** **Refer LEHE2076**
JACKET WATER HEATER **Coolant Heater,1000W, 110/120 Volt (VAC 120) for 60Hz & 240 Volt(VAC240) 1500W for 50 Hz AC auxiliary supply**
NO EXTERNAL EMERGENCY STOP
VOLT FREE CONTACTS GENSET RUN **VOLT FREE CONTACTS GENSET RUN & COMMON ALARM.** **1. Main breaker voltage** **2. ATS position (Contact from ATS)** **3. Battery charger failure (From Battery Charger)** **4. Low coolant level** **5. Oil pressure** **6. Main breaker amperage** **7. Fuel tank level (actual level of fuel)** **Note: Requires FFS Input** **8. Low oil pressure (Alarm)** **9. Fuel pressure** **10. Normal voltage** **11. Radiator coolant temperature** **12. System leak detection (Lube Oil and Coolant)**
LOW COOLANT LEVEL SHUTDOWN 1 **Part of the NFPA110 Bundle. Low coolant level shutdown**
SEISMIC VIBRATION ISOLATOR (C) **Refer LEHE4004**

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LOW COOLANT TEMP ALARM **Set at 69 Deg F and off at 80 Deg F**
CONTROL PANEL OPTIONS BOX
PANEL MOUNTED AUDIBLE ALARM
ENGINE OPTION HARNESS
GFCI AC RECEPTACLE & WIRING
NO POWER TERMINAL STRIP
SINGLE CIRCUIT BREAKER **Circuit Breaker**
800A LSI 100% RATED BREAKER **800A LSI 100% RATED BREAKER**
NO 2ND CIRCUIT BREAKER
NO SUSE DECALS & FILMS **No Suitable for Use as Service Equipment (SUSE) Decals & Films**
AUXILIARY CONTACTS **Shunt Trip & Auxiliary Contact**
NO SUSE 1ST CB 600A TO 800A **NO Suitable for Use as Service Equipment (SUSE). 1ST CB 600A TO 800A**
NOT REQUIRED.
STD AIR CLEANER - LIGHT DUTY **Cat Light Duty Standard Air Cleaner (Single Element) standard engine air cleaners are well-suited for normal duty applications, delivering increased engine protection and preventing equipment downtime.**
STANDARD RADIATOR
ENCLOSURE SILENCER **Standard enclosure silencer - Installed**
(1) REMOTE ANNUNC
PRODUCT LINK 4G LTE TELEMATICS **Cat PL444 is a factory installed 4G LTE, Bluetooth capable Telematics hardware used with Cat Remote Asset Monitoring (RAM) to** **remotely monitor several genset parameters like fault codes, Alerts and notifications, remote start/stop, geofencing and more.** **ReferLEHE20360/61**
AMERICAS BAND
STD TEST - PKG GEN SET 0.8 PF

DEALER SITE SERVICES:
START UP/COMMISSIONING

FOB WRANGELL, AK ***$ 80,756.00***

Expected current factory lead time 36-38 weeks

Thank you,

Rob Collins
Engine Sales Representative
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rcollins@ncpowersystems.com

TERMS AND CONDITIONS:

1. **The above quoted prices are subject to change without notice; price quoted is valid for 30 days.**
2. **The above quoted prices do not include state and local taxes, if applicable.**
3. **All orders to purchase or lease based on this quotation shall be subject to acceptance by N C Power Systems Co. All transactions shall be made on, and subject to N C Power Systems Co.'s standard terms, conditions and warranties, or modified documents reflecting mutually-agreeable terms.**

4. **Provides Caterpillar Warranty for parts and labor on Caterpillar products. All other manufacturer's warranties apply per their respective warranty statements.**
5. **N C Power Systems Co. will not be responsible for, or subject to, penalties attributed to force majeure.**
6. **This proposal represents N C Power Systems Co.'s best interpretation of the project requirements, which may vary from other's interpretation. If equipment or services are not described, they cannot be construed to be included in this scope of supply.**

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Caterpillar Inc.
Electric Power Division
P.O. Box 610, AC 6109
Mossville, Illinois 61552 USA

January 28, 2021

Subject: Authorized Caterpillar Dealer

To Whom It May Concern:

Caterpillar is pleased to inform you that NC Power Systems is and has been an authorized Caterpillar dealership since 1926. Over these years, NC Power Systems Cat has been selling Caterpillar product and providing excellent customer service and support to Electric Power Generation equipment customers. NC Power Systems Cat is Caterpillar's designated dealership in Alaska. NC Power Systems Cat is Caterpillar's only authorized servicing dealer for Alaska.

We are sure you will find that NC Power Systems Cat has all the people and resources to satisfy your EPG needs.

Sincerely,

Lacey Owen
Global Power Solutions Division
Caterpillar Inc.
361-564-6850
Owen_lacey_j@cat.com

Caterpillar: Confidential Green

Procurement Method Report Sole Source / Inadequate Competition

Use this form for Procurements (purchases/orders) that are Sole Source or Inadequate Competition. (Note: this is not the same as a pre-bid contract, if the purchase if using a pre-bid contract please use the appropriate form.)

Subrecipients shall accomplish **three (3)** requirements with this form: **(1)** identification of procurement method, **(2)** SAMS check, and **(3)** certification signature. (Project Manager's signature is adequate certification that competition was done, and that the Subrecipient is complying with the most stringent procurement procedures-whether federal, state, or local).

Reminder: Procurements must be conducted applying the most stringent of applicable procurement requirements (whether federal, state of local). Jurisdictions must adhere to their local requirements for all procurements if they are more stringent than those listed below.

Subrecipient: City and Borough of Wrangell

Grant Award/Disaster Number:_ EMW-2020-SS-00012-S01 and EMW-2021-SS-0025-S01

Procurement Method (per each Purchase/Order)

This may include multiple invoices for each purchase or order.

NOTE: DHS&EM will no longer approve (nor reimburse) this type of procurement after the purchase is made. E-mail to mva.grants@alaska.gov for approval

Sole Source/Inadequate Competition	
Vendor:	NC Power Systems
Purchase Amount:	80,756.00 (see notes below)

Justification for Vendor Selection – Provide justification for Vendor Selection in the below box. Please include any written supporting documents providing justification for vendor selection. Explanations of exemptions must contain findings of fact. Evidence must be included, consisting of material facts sufficient to independently determine that the findings of fact listed are true and accurate. Factual evidence may consist of written documents, records, supporting data, affidavits, or other information proving that the findings of fact are true and accurate. Itemized listings of findings of fact and material factual evidence should be included or attached.

The City and Borough of Wrangell hereby requests approval to sole source the procurement of the Nolan Center Standby Generator project's generator equipment as a Caterpillar product. We also request approval to single source the Caterpillar equipment from NC Power Systems, the Caterpillar power systems dealer for Alaska.

Justification for the sole source of the Caterpillar equipment is based on compatibility, as the City and Borough of Wrangell has been standardizing our heavy equipment and machinery with the Caterpillar brand for many years. Further, the Borough maintains diagnostics equipment and an annual software subscription for Caterpillar equipment. Over the course of the last eight years, three generators have been purchased, and they were all of the Caterpillar brand, purchased from NC Power Systems.

Justification for the single source from NC Power Systems is based on the attached letter from Caterpillar stating that NC Power Systems is the only distributor serving our area. Further, NC Power Systems maintains sales representatives and service technicians throughout various regions of Alaska.

If the single source from NC Power Systems for the Caterpillar equipment is approved, we have attached two proposals from NC Power Systems for your review. One is for a unit that would be made in Texas with a 70-74 week factory lead time at a cost of $83,672. And another for a unit that would be made in Brazil with a 36-38 week factory lead time at a cost of $80,756. Based on the significant time savings for the Brazil-made unit, which provides a $2,916 savings from the American made unit, we request a waiver of the Buy American to be able to purchase the shorter lead time unit, saving at least 34 weeks of time to acquire the equipment.

Send to DHS&EM for approval prior to purchase

System for Award Management (SAMS) report is required for selected vendor

	SAMS Report is a Mandatory Subrecipient Action
☒	1. Check System for Award Management (SAM) for debarment/suspension.
☒	2. Print SAMS report page and attach to this form.

Certification

I certify the above information is true and accurate. Documents related to this procurement are on file and available upon request.

Amber Al-Haddad

Subrecipient Project Manager's Signature

December 1, 2022
Date

Amber Al-Haddad, Capital Facilities Director
Printed Name and Title

E-mail signed form to mva.grants@alaska.gov

DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT			
☒ Approved	☐ Disapproved	☐ Returned for Further Justification	Date
SAA/GAR Point of Contact or Authorized Representative Bill Dennis / Bill			Date 12-2-22

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	12/20/2022
	Agenda Section	**13**

RESOLUTION No. 12-22-1741 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE BOROUGH TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE THE MAJOR RENOVATION OF THE MIDDLE SCHOOL, HIGH SCHOOL, AND ELEMENTARY SCHOOL AND OTHER RELATED CAPITAL IMPROVEMENTS; FIXING CERTAIN DETAILS OF SUCH BONDS; AND AUTHORIZING THEIR SALE

SUBMITTED BY:
Mason Villarma, *Finance Director*

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 21: $0	FY 22: $0	FY23: $0
Amount Budgeted:		
	FY22 $0	
Account Number(s):		
	N/A	
Account Name(s):		
	N/A	
Unencumbered Balance(s) (prior to expenditure):		
	N/A	

ATTACHMENTS: 1) 12-22-1741 2) Wrangell 2023 – Preliminary Numbers 2) Wrangell Credit Summary

RECOMMENDATION MOTION:
Move to Approve Resolution 12-22-1741

SUMMARY STATEMENT:
After submission to the qualified voters of the Borough, the citizens of Wrangell approved the Borough issuing general obligation bond debt in the amount of $3.5M. Resolution 12-22-1746 is a formality that seeks to fix terms of the bond and authorize their sale. The attached preliminary numbers and credit

summary explain the long-term costs as a result of issuance and elaborate on the Borough's credit profile.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 12-22-1741

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE BOROUGH TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE THE MAJOR RENOVATION OF THE MIDDLE SCHOOL, HIGH SCHOOL, AND ELEMENTARY SCHOOL AND OTHER RELATED CAPITAL IMPROVEMENTS; FIXING CERTAIN DETAILS OF SUCH BONDS; AND AUTHORIZING THEIR SALE

WHEREAS, pursuant to Ordinance No. 1029, passed on August 23, 2022, the Assembly of the City and Borough of Wrangell, Alaska (the "Borough"), submitted to the qualified voters of the Borough the question of whether to issue general obligation bonds in the principal amount of not to exceed $3,500,000 (the "Bonds") to finance the major renovation of the middle school, high school, and elementary school and other related capital improvements, at the election held in the Borough on October 4, 2022; and

WHEREAS, the qualified voters of the Borough approved the issuance of the Bonds at the election held in the Borough on October 4, 2022; and

WHEREAS, the Assembly finds that it is in the best interest of the Borough to issue the Bonds; and

WHEREAS, the Alaska Municipal Bond Bank has agreed to purchase the Bonds pursuant to the terms of a loan agreement relating to the Bonds;

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

Section 1. The following terms shall have the following meanings in this resolution:

(a) "Bond" means each bond issued by the Borough pursuant to this resolution as evidence of the indebtedness authorized pursuant to Ordinance No. 1029.

(b) "Bond Bank" means the Alaska Municipal Bond Bank.

(c) "Bond Bank Bonds" means the bonds issued by the Bond Bank to provide funds to purchase the Bonds.

(d) "Bond Register" means the registration books maintained by the Registrar, which include the names and addresses of the owners or nominees of the Registered Owners of the Bonds.

(e) "Borough" means the City and Borough of Wrangell, Alaska, a municipal corporation duly organized as a unified home-rule borough under Title 29 of the Alaska Statutes.

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time, together with all regulations applicable thereto.

(g) "Continuing Disclosure Certificate" means a certificate executed and delivered by the Borough with respect to compliance with paragraph (b)(5) of Rule 15c2-12 of the Securities and Exchange Commission, as such certificate may be amended or supplemented from time to time in accordance with its terms.

(h) "Costs" means the costs of planning, designing, site preparation, construction, acquiring, renovating, installing, and equipping the Project, including interest on the Bonds during the period of planning, designing, site preparation, constructing, acquiring, renovating, installing, and equipping the Project; the cost, whether incurred by the Borough or by another, of field surveys and advance planning undertaken in connection with the Project properly allocable to the Project; the cost of acquisition of any land or interest therein required as the site or sites of the Project or for use in connection therewith; the cost of any indemnity and surety bonds and premiums on insurance incurred in connection with the Project prior to or during construction thereof; all related direct administrative and inspection expenses, whether incurred by the Borough or by another, in connection with the Project prior to or during construction thereof and allocation of portions of direct costs of the Borough; legal fees and other costs of issuance of the Bonds by the Borough, including financing charges and fees and expenses of bond counsel, financial advisors, and consultants in connection therewith; the cost of any bond insurance premium; the cost of audits; the cost of all machinery, apparatus, and equipment, engineering, architectural services, designs, plans, specifications and surveys, estimates of cost, and reimbursement of all money advanced from whatever source for the payment of any item or items of cost of the Project; expenses necessary or incidental to determining the feasibility or practicability of the Project; and such other expenses not specified herein as may be necessary or incidental to the acquisition and development of the Project, the financing thereof, and the putting of the same in use and operation.

(i) "Government Obligations" means direct obligations of, or obligations the payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

(j) "Loan Agreement" means each loan agreement between the Borough and the Bond Bank relating to the Bonds.

(k) "Project" means the major renovation of the middle school, high school, and elementary school and other related capital improvements, all as further described in Ordinance No. 1029.

(l) "Registered Owner" means the person named as the registered owner of a Bond in the Bond Register.

(m) "Registrar" means the Clerk of the Borough, or any successor that the Borough may appoint by resolution.

Section 2. For the purpose of providing the funds required to pay Costs of the Project, the Borough hereby authorizes and determines to issue and to sell the Bonds in the aggregate

principal amount of not to exceed $3,500,000. The Bonds shall be designated "City and Borough of Wrangell, Alaska General Obligation Bonds," together with such other series designation as may be determined by the Borough Manager.

Section 3. The Bonds shall be direct and general obligations of the Borough, and the full faith and credit of the Borough are hereby pledged to the payment of the principal of and interest on the Bonds. The Borough hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable property within the Borough without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on the Bonds as the same become due and payable.

Section 4. The Bonds shall be dated the date of their initial delivery, shall be in the denomination of $5,000 or any integral multiple thereof, or such other date and denominations as may be determined by the Borough Manager, and shall be numbered separately in such manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Bonds shall bear interest payable semi-annually and shall mature and become due and payable in each of the years and in the principal amounts to be set forth in the Loan Agreement. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Borough Manager is authorized to fix and determine the principal amount, principal amount per series, prepayment rights, maturity date, principal installments and payment dates, and the rate or rates of interest to be borne by such principal installments, provided that (a) no rate of interest on any principal installment shall exceed the rate of interest on the corresponding maturity of the Bond Bank Bonds; (b) the true interest cost of the Bonds shall not exceed 5.5% unless approved by resolution of the Assembly; and (c) all of the Bonds shall mature on or before the day that is 21 years after the date of their initial delivery.

Section 5. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. For so long as the Bond Bank is the Registered Owner of all outstanding Bonds, payments of principal thereof and interest thereon shall be made as provided in the Loan Agreement. If the Bond Bank is no longer the Registered Owner of all outstanding Bonds, payments of principal thereof and interest thereon will be made by check or draft mailed by first-class mail to the Registered Owner of each Bond at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the payment date, provided that the final installment of principal of and interest on each Bond will be payable at the office of the Registrar upon surrender of the Bond to the Registrar. If the principal installment of any Bond is not paid when due, the Borough shall pay interest on such principal installment at the same rate provided therein from and after its due date until such principal installment is paid in full or provision for payment thereof has been made.

Section 6. Principal installments of the Bonds may be subject to prepayment, at the Borough's option, on the dates and at the prices to be set forth in the Loan Agreement. If less than all of the principal installments of the Bonds are to be prepaid, the principal installments to be prepaid shall be determined by the Borough. Notice of any such prepayment shall be sent by the Borough not less than 50 days prior to the date fixed for prepayment by first-class mail to the Registered Owner of each Bond to be prepaid at such Registered Owner's address as it then appears on the Bond Register. Notice of prepayment having been duly given and money for prepayment

being held by the Borough, interest on the principal installments to be prepaid shall cease to accrue on the date fixed for prepayment.

Section 7. Each Bond shall be in substantially the following form, subject to the provisions of the Loan Agreement, and together with such changes not inconsistent herewith as may be approved by the Borough Manager (such approval to be conclusively evidenced by the execution and delivery of the Bond):

No. _____ $_____

UNITED STATES OF AMERICA

STATE OF ALASKA

CITY AND BOROUGH OF WRANGELL

GENERAL OBLIGATION BOND

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City and Borough of Wrangell, Alaska (the "Borough"), a municipal corporation of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the registered owner set forth above (the "Registered Owner"), or its registered assigns, the principal amount set forth above in the following installments on _____ 1 of each of the following years, and to pay interest on each such principal installment from the date hereof until paid or provision for payment thereof has been made, payable on _____ 1, _____, and semiannually thereafter on _____ 1 and _____ 1 of each year, at the following rates per annum:

Year	Principal Installment	Interest Rate

For so long as the Alaska Municipal Bond Bank (the "Bond Bank") is the Registered Owner, payments of principal hereof and interest hereon shall be made as provided in the loan agreement between the Bond Bank and the Borough relating to this bond (the "Loan Agreement"). In the event that the Bond Bank is no longer the Registered Owner, payments of principal hereof and interest hereon will be made by check or draft mailed by first-class mail to the Registered Owner at the address for such Registered Owner appearing on the Bond Register on the 15th day of the month preceding the payment date, provided that the final installment of principal of and interest on this bond will be payable at the office of the Borough Clerk (the "Registrar") upon surrender of this bond to the Registrar. Interest on this bond shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

This bond is one of the general obligation bonds of the Borough (the "Bonds"), together aggregating $_____ in principal amount and constituting bonds authorized for the purpose of paying the Costs of the Project, and issued under Resolution No. _____ of the Borough titled:

> A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE BOROUGH TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE THE MAJOR RENOVATION OF THE MIDDLE SCHOOL, HIGH SCHOOL, AND ELEMENTARY SCHOOL AND OTHER RELATED CAPITAL IMPROVEMENTS; FIXING CERTAIN DETAILS OF SUCH BONDS; AND AUTHORIZING THEIR SALE

(the "Resolution").

The principal installments of this bond due on or after _____ 1, _____, shall be subject to prepayment, at the Borough's option, on and after _____ 1, _____, in whole or in part, at a prepayment price of _____% of the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment. If less than all the principal installments of the Bonds are to be prepaid, the principal installments to be prepaid shall be determined by the Borough. Notice of any such prepayment shall be sent by the Borough not less than 50 days prior to the date fixed for prepayment by first-class mail to the Registered Owner of each Bond to be redeemed at such Registered Owner's address as it then appears on the Bond Register. Notice of prepayment having been duly given and money for prepayment being held by the Borough, interest on the principal installments to be prepaid shall cease to accrue on the date fixed for prepayment.

This bond is transferable as provided in the Resolution, (i) only upon the Bond Register and (ii) upon surrender of this bond together with a written instrument of transfer duly executed by the Registered Owner or the duly authorized attorney of the Registered Owner, and thereupon a new fully registered Bond or Bonds in the same aggregate unpaid principal amount, series, and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution upon the payment of charges, if any, as therein prescribed. The Borough may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or prepayment price, if any, hereof and interest due hereon and for all other purposes whatsoever.

This bond is a direct and general obligation of the Borough, and the full faith and credit of the Borough are pledged to the payment of the principal hereof and interest hereon. The Borough has irrevocably pledged and covenanted to levy and collect taxes upon all taxable property within the Borough without limitation as to rate or amount, in amounts sufficient, together with other funds legally

available therefor, to pay the principal hereof and interest hereon as the same become due and payable.

Reference is hereby made to the Resolution and any resolution supplemental thereto for a description of the rights of the Registered Owner of this bond and of the rights and obligations of the Borough thereunder, to all of the provisions of which Resolution the Registered Owner of this bond, by acceptance hereof, assents and agrees.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, or things required by the constitution or statutes of the State of Alaska or the ordinances or resolutions of the Borough to exist, to have happened, or to have been performed precedent to or in the issuance of this bond, exist, have happened, and have been performed, and that the series of Bonds of which this is one, together with all other indebtedness of the Borough, is within every debt and other limit prescribed by said constitution, statutes, ordinances, or resolutions.

IN WITNESS WHEREOF, THE CITY AND BOROUGH OF WRANGELL, ALASKA, has caused this bond to be signed in its name and on its behalf by its Mayor and its corporate seal to be hereunto impressed or otherwise reproduced and attested by its Clerk, all as of the _____ day of _____, _____.

CITY AND BOROUGH OF WRANGELL, ALASKA

_____/specimen/_____
Mayor

ATTEST:

_____/specimen/_____

Clerk

Section 8. The Bonds shall be executed manually or in facsimile in the name of the Borough by the Mayor, and its corporate seal shall be impressed or otherwise reproduced thereon and attested by the Clerk. The execution of a Bond on behalf of the Borough by persons that at the time of the execution are duly authorized to hold the proper offices shall be valid and sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the Bond or shall not have held office on the date of the Bond.

Section 9. The Bonds shall be issued only in registered form as to both principal and interest. The Borough designates the Clerk as Registrar for the Bonds. The Registrar shall keep, or cause to be kept, the Bond Register at the office of the Borough. The Borough, in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes, and neither the Borough nor the Registrar shall be affected by any notice to the contrary. Each payment made as described in this resolution shall be valid and shall satisfy and discharge the liability of the Borough on the Bonds to the extent of the amount or amounts so paid. Bonds may be transferred only upon the Bond Register. Upon surrender for transfer or exchange of any

Bond at the office of the Registrar, with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or its duly authorized attorney, the Borough shall execute and the Registrar shall deliver an equal aggregate principal amount of Bonds of the same series and maturity of any authorized denominations, subject to such reasonable regulations as the Registrar may prescribe and upon payment sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid in connection with such transfer or exchange. All Bonds surrendered for transfer or exchange shall be canceled by the Registrar. The Borough covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

Section 10. Upon surrender for cancellation to the Registrar of a mutilated Bond, the Borough shall execute and deliver a new Bond of like series, maturity, and principal amount. Upon filing with the Registrar of evidence satisfactory to the Borough that a Bond has been destroyed, stolen, or lost and of the ownership thereof and upon furnishing the Borough with indemnification satisfactory to it, the Borough shall execute and deliver a new Bond of like series, maturity, and principal amount. The person requesting the execution and delivery of a new Bond pursuant to this section shall comply with such other reasonable regulations as the Borough may prescribe and pay such expenses as the Borough may incur in connection therewith. Any Bonds issued pursuant to this section in substitution for Bonds alleged to be destroyed, stolen, or lost shall constitute original additional contractual obligations on the part of the Borough, whether or not the Bonds alleged to be destroyed, stolen, or lost are or become at any time enforceable by anyone.

Section 11. The sale proceeds of the Bonds shall be applied to pay Costs of the Project and shall be deposited in the appropriate funds or accounts of the Borough for such purposes.

Section 12. The Borough covenants to comply with any and all applicable requirements set forth in the Code in effect from time to time to the extent that such compliance shall be necessary for the exclusion of the interest on the Bonds from gross income for federal income tax purposes. The Borough covenants that it will make no use of the proceeds of the Bonds that will cause the Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code. The Borough covenants that it will not take or permit any action that would cause the Bonds to be "private activity bonds" as defined in Section 141 of the Code.

Section 13. The sale of not to exceed $3,500,000 aggregate principal amount of the Bonds, as provided in the Loan Agreement and this resolution, is hereby authorized and approved. The preliminary official statement relating to the Bond Bank Bonds in substantially the form filed with this resolution, a final official statement relating to the Bond Bank Bonds in substantially the form of such preliminary official statement, and the distribution of each in connection with the sale of the Bond Bank Bonds are hereby approved. The Mayor, the Borough Manager, and the Clerk are each hereby individually authorized and directed to provide such information for inclusion in such preliminary official statement and final official statement as such officials may deem necessary or desirable in connection with the sale of the Bond Bank Bonds. The Loan Agreement in substantially the form filed with this resolution is hereby approved. The Mayor and the Borough Manager are each hereby authorized to execute and deliver the Loan Agreement in such form, together with such changes not inconsistent herewith as may be approved by the Mayor

or the Borough Manager (such approval to be conclusively evidenced by such official's execution and delivery of such document).

Section 14. The Mayor, the Borough Manager, and the Clerk are each hereby individually authorized and directed execute the Continuing Disclosure Certificate and such other documents, agreements, and certificates and to do and perform such things and determine such matters necessary and desirable for the Borough to carry out its obligations under the Bonds, the Loan Agreement, the Continuing Disclosure Certificate, and this resolution.

Section 15. The Assembly from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this resolution, for any one or more of the following purposes: (a) to add to the covenants and agreements of the Borough in this resolution other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Borough; or (b) to make such provisions for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provision contained in this resolution or in regard to matters or questions arising under this resolution as the Assembly may deem necessary or desirable and not inconsistent with this resolution and which shall not materially adversely affect the interest of the Registered Owners. Any such supplemental resolution may be adopted without the consent of any Registered Owner.

With the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds at the time outstanding, the Assembly may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this resolution or of any supplemental resolution; provided, that no such supplemental resolution shall: (a) extend the stated maturity date of any of the Bonds, or reduce the amount or change the payment date of any principal installment, or reduce the rate of interest thereon, or extend the stated dates for payments of such interest, or reduce any prepayment price, without the consent of the Registered Owner of each Bond so affected; or (b) reduce the aforesaid percentage of Registered Owners required to approve any such supplemental resolution, without the consent of all Registered Owners of the Bonds then outstanding. It shall not be necessary for the consent of the Registered Owners to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent approves the substance thereof.

Upon the adoption of any supplemental resolution under this section, this resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this resolution of the Borough and all Registered Owners shall thereafter be subject in all respects to such modification and amendment, and all the terms and conditions of the supplemental resolution shall be deemed to be part of the terms and conditions of this resolution for any and all purposes. Bonds executed and delivered after the execution of any supplemental resolution adopted under this section may bear a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new Bonds modified so as to conform, in the opinion of the Borough, to any modification of this resolution contained in any such supplemental resolution may be prepared by the Borough and delivered without cost to the Registered Owners, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 16. Payment of any Bonds may be provided for by the irrevocable deposit in trust of cash, noncallable Governmental Obligations, or any combination thereof. The cash and the maturing principal and interest income on such Government Obligations, if any, must be sufficient and available without reinvestment to pay when due the principal, whether at maturity or upon fixed prepayment dates, of and interest on such Bonds. The cash and Government Obligations shall be held irrevocably in trust for the Registered Owners of such Bonds solely for the purpose of paying the principal or prepayment price of and interest on such Bonds as the same shall mature or become payable upon prepayment, and, if applicable, upon the giving of notice of prepayment and notification of all Registered Owners of affected Bonds that the deposit required by this section has been made and that such Bonds are deemed to be paid in accordance with this resolution. Bonds the payment of which has been provided for in accordance with this section shall no longer be deemed outstanding hereunder. The obligation of the Borough in respect of such Bonds shall nevertheless continue but the Registered Owners thereof shall thereafter be entitled to payment only from the cash and Government Obligations deposited in trust to provide for the payment of such Bonds.

Section 17. All payments made by the Borough of, or on account of, the principal of or interest on the Bonds shall be made on the several Bonds ratably and in proportion to the amount due thereon, respectively, for principal or interest as the case may be. No recourse shall be had for the payment of the principal of or the interest on the Bonds or for any claim based thereon or on this resolution against any member of the Assembly or officer of the Borough or any person executing the Bonds. The Bonds are not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the Borough, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral, or otherwise, of State of Alaska or of any political subdivision thereof, except the Borough.

Section 18. If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

Section 19. This resolution shall become effective immediately.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, this 20th day of December, 2022.

_____
Patricia Gilbert, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

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2023 Series One - General Obligation Bonds
Preliminary Numbers
Rates as of 10/25/2022

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SOURCES AND USES OF FUNDS

AMBBA - City and Borough of Wrangell
2023 Series One - General Obligation Bonds
Preliminary Numbers
Rates as of 10/25/2022

Dated Date	02/01/2023
Delivery Date	02/01/2023

Sources:	
Bond Proceeds:	
Par Amount	3,390,000.00
Premium	154,159.90
	3,544,159.90
Other Sources of Funds:	
Bond Bank Grant for COI	100,000.00
	3,644,159.90

Uses:	
Project Fund Deposits:	
Project Fund	3,500,000.00
Delivery Date Expenses:	
Cost of Issuance	100,000.00
Underwriter's Discount	16,950.00
Local Cost of Issuance	25,000.00
	141,950.00
Other Uses of Funds:	
Additional Proceeds	2,209.90
	3,644,159.90

Note: Assumes UD $5.00/bond

BOND DEBT SERVICE

AMBBA - City and Borough of Wrangell
2023 Series One - General Obligation Bonds
Preliminary Numbers
Rates as of 10/25/2022

Dated Date	02/01/2023
Delivery Date	02/01/2023

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2023	85,000	5.000%	141,250	226,250
12/01/2024	110,000	5.000%	165,250	275,250
12/01/2025	115,000	5.000%	159,750	274,750
12/01/2026	120,000	5.000%	154,000	274,000
12/01/2027	125,000	5.000%	148,000	273,000
12/01/2028	130,000	5.000%	141,750	271,750
12/01/2029	140,000	5.000%	135,250	275,250
12/01/2030	145,000	5.000%	128,250	273,250
12/01/2031	150,000	5.000%	121,000	271,000
12/01/2032	160,000	5.000%	113,500	273,500
12/01/2033	165,000	5.000%	105,500	270,500
12/01/2034	175,000	5.000%	97,250	272,250
12/01/2035	185,000	5.000%	88,500	273,500
12/01/2036	195,000	5.000%	79,250	274,250
12/01/2037	205,000	5.000%	69,500	274,500
12/01/2038	215,000	5.000%	59,250	274,250
12/01/2039	225,000	5.000%	48,500	273,500
12/01/2040	235,000	5.000%	37,250	272,250
12/01/2041	250,000	5.000%	25,500	275,500
12/01/2042	260,000	5.000%	13,000	273,000
	3,390,000		2,031,500	5,421,500

Note: Assumes UD $5.00/bond

BOND DEBT SERVICE

AMBBA - City and Borough of Wrangell
2023 Series One - General Obligation Bonds
Preliminary Numbers
Rates as of 10/25/2022

Dated Date	02/01/2023
Delivery Date	02/01/2023

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2023			56,500	56,500	
12/01/2023	85,000	5.000%	84,750	169,750	226,250
06/01/2024			82,625	82,625	
12/01/2024	110,000	5.000%	82,625	192,625	275,250
06/01/2025			79,875	79,875	
12/01/2025	115,000	5.000%	79,875	194,875	274,750
06/01/2026			77,000	77,000	
12/01/2026	120,000	5.000%	77,000	197,000	274,000
06/01/2027			74,000	74,000	
12/01/2027	125,000	5.000%	74,000	199,000	273,000
06/01/2028			70,875	70,875	
12/01/2028	130,000	5.000%	70,875	200,875	271,750
06/01/2029			67,625	67,625	
12/01/2029	140,000	5.000%	67,625	207,625	275,250
06/01/2030			64,125	64,125	
12/01/2030	145,000	5.000%	64,125	209,125	273,250
06/01/2031			60,500	60,500	
12/01/2031	150,000	5.000%	60,500	210,500	271,000
06/01/2032			56,750	56,750	
12/01/2032	160,000	5.000%	56,750	216,750	273,500
06/01/2033			52,750	52,750	
12/01/2033	165,000	5.000%	52,750	217,750	270,500
06/01/2034			48,625	48,625	
12/01/2034	175,000	5.000%	48,625	223,625	272,250
06/01/2035			44,250	44,250	
12/01/2035	185,000	5.000%	44,250	229,250	273,500
06/01/2036			39,625	39,625	
12/01/2036	195,000	5.000%	39,625	234,625	274,250
06/01/2037			34,750	34,750	
12/01/2037	205,000	5.000%	34,750	239,750	274,500
06/01/2038			29,625	29,625	
12/01/2038	215,000	5.000%	29,625	244,625	274,250
06/01/2039			24,250	24,250	
12/01/2039	225,000	5.000%	24,250	249,250	273,500
06/01/2040			18,625	18,625	
12/01/2040	235,000	5.000%	18,625	253,625	272,250
06/01/2041			12,750	12,750	
12/01/2041	250,000	5.000%	12,750	262,750	275,500
06/01/2042			6,500	6,500	
12/01/2042	260,000	5.000%	6,500	266,500	273,000
	3,390,000		2,031,500	5,421,500	5,421,500

Note: Assumes UD $5.00/bond

BOND SUMMARY STATISTICS

AMBBA - City and Borough of Wrangell
2023 Series One - General Obligation Bonds
Preliminary Numbers
Rates as of 10/25/2022

Dated Date	02/01/2023
Delivery Date	02/01/2023
First Coupon	06/01/2023
Last Maturity	12/01/2042
Arbitrage Yield	4.332736%
True Interest Cost (TIC)	4.537857%
Net Interest Cost (NIC)	4.662294%
All-In TIC	4.958489%
Average Coupon	5.000000%
Average Life (years)	11.985
Weighted Average Maturity (years)	11.940
Duration of Issue (years)	8.847
Par Amount	3,390,000.00
Bond Proceeds	3,544,159.90
Total Interest	2,031,500.00
Net Interest	1,894,290.10
Bond Years from Dated Date	40,630,000.00
Bond Years from Delivery Date	40,630,000.00
Total Debt Service	5,421,500.00
Maximum Annual Debt Service	275,500.00
Average Annual Debt Service	273,352.94
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	104.047490

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	PV of 1 bp change
Serial Bonds	3,390,000.00	104.547	5.000%	11.985	01/26/2035	2,361.90
	3,390,000.00			11.985		2,361.90

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,390,000.00	3,390,000.00	3,390,000.00
+ Accrued Interest			
+ Premium (Discount)	154,159.90	154,159.90	154,159.90
- Underwriter's Discount	-16,950.00	-16,950.00	
- Cost of Issuance Expense		-100,000.00	
- Other Amounts		-25,000.00	
Target Value	3,527,209.90	3,402,209.90	3,544,159.90
Target Date	02/01/2023	02/01/2023	02/01/2023
Yield	4.537857%	4.958489%	4.332736%

Note: Assumes UD $5.00/bond

BOND PRICING

AMBBA - City and Borough of Wrangell
2023 Series One - General Obligation Bonds
Preliminary Numbers
Rates as of 10/25/2022

Bond Component	Maturity Date	Amount	Rate	Yield	Price		Yield to Maturity	Call Date	Call Price	Call Date for Arb Yield	Call Price for Arb Yield	Premium (-Discount)
Serial Bonds:												
	12/01/2023	85,000	5.000%	3.400%	101.299							1,104.15
	12/01/2024	110,000	5.000%	3.480%	102.672							2,939.20
	12/01/2025	115,000	5.000%	3.550%	103.870							4,450.50
	12/01/2026	120,000	5.000%	3.640%	104.820							5,784.00
	12/01/2027	125,000	5.000%	3.690%	105.745							7,181.25
	12/01/2028	130,000	5.000%	3.790%	106.274							8,156.20
	12/01/2029	140,000	5.000%	3.860%	106.784							9,497.60
	12/01/2030	145,000	5.000%	3.920%	107.218							10,466.10
	12/01/2031	150,000	5.000%	3.990%	107.451							11,176.50
	12/01/2032	160,000	5.000%	4.050%	107.637							12,219.20
	12/01/2033	165,000	5.000%	4.150%	106.800	C	4.211%	12/01/2032	100.000	12/01/2032	100.000	11,220.00
	12/01/2034	175,000	5.000%	4.300%	105.559	C	4.392%	12/01/2032	100.000	12/01/2032	100.000	9,728.25
	12/01/2035	185,000	5.000%	4.380%	104.904	C	4.492%	12/01/2032	100.000	12/01/2032	100.000	9,072.40
	12/01/2036	195,000	5.000%	4.430%	104.497	C	4.558%	12/01/2032	100.000	12/01/2032	100.000	8,769.15
	12/01/2037	205,000	5.000%	4.480%	104.093	C	4.615%	12/01/2032	100.000	12/01/2032	100.000	8,390.65
	12/01/2038	215,000	5.000%	4.520%	103.770	C	4.660%	12/01/2032	100.000	12/01/2032	100.000	8,105.50
	12/01/2039	225,000	5.000%	4.580%	103.289	C	4.714%	12/01/2032	100.000	12/01/2032	100.000	7,400.25
	12/01/2040	235,000	5.000%	4.640%	102.810	C	4.764%	12/01/2032	100.000	12/01/2032	100.000	6,603.50
	12/01/2041	250,000	5.000%	4.690%	102.413	C	4.803%	12/01/2032	100.000	12/01/2032	100.000	6,032.50
	12/01/2042	260,000	5.000%	4.710%	102.255	C	4.822%	12/01/2032	100.000	12/01/2032	100.000	5,863.00
		3,390,000										154,159.90

Dated Date	02/01/2023	
Delivery Date	02/01/2023	
First Coupon	06/01/2023	
Par Amount	3,390,000.00	
Premium	154,159.90	
Production	3,544,159.90	104.547490%
Underwriter's Discount	-16,950.00	-0.500000%
Purchase Price	3,527,209.90	104.047490%
Accrued Interest		
Net Proceeds	3,527,209.90	

Note: Assumes UD $5.00/bond

Alaska Municipal Bond Bank
Application Credit Review Summary Page

Applicant:	City and Borough of Wrangell ("CBW" or "Wrangell")
Loan Amount:	$3,500,000
Project Type:	School Improvements
Project Description:	Wrangell, on behalf of the Wrangell Public School District ("WPSD"), intends to finance major renovations to the local elementary school, middle school, and high school, and other related capital improvements
Term of Loan:	20 years
Revenues Pledged to Loan:	Property taxes (Full Faith and Credit)
Most recent FY Net Pledged Revenues:	General Fund Unassigned Fund Balance: $9,267,260 Total Property Tax Revenues: $1,903,618 (2021)
Estimated Maximum Annual Debt Service on Requested Loan:	$275,500
Estimated Maximum Annual Debt Service (all outstanding debt plus requested loan):	$275,500
Total Revenue Subject to Intercept	$6,279,719
Most Recent FY Debt Service to Intercept Coverage Ratio:	22.79x
Loan Subject to State Debt Service Reimbursement:	No
No Litigation Letter Received:	Yes

Loan Application Evaluation
City and Borough of Wrangell[1]

Introduction

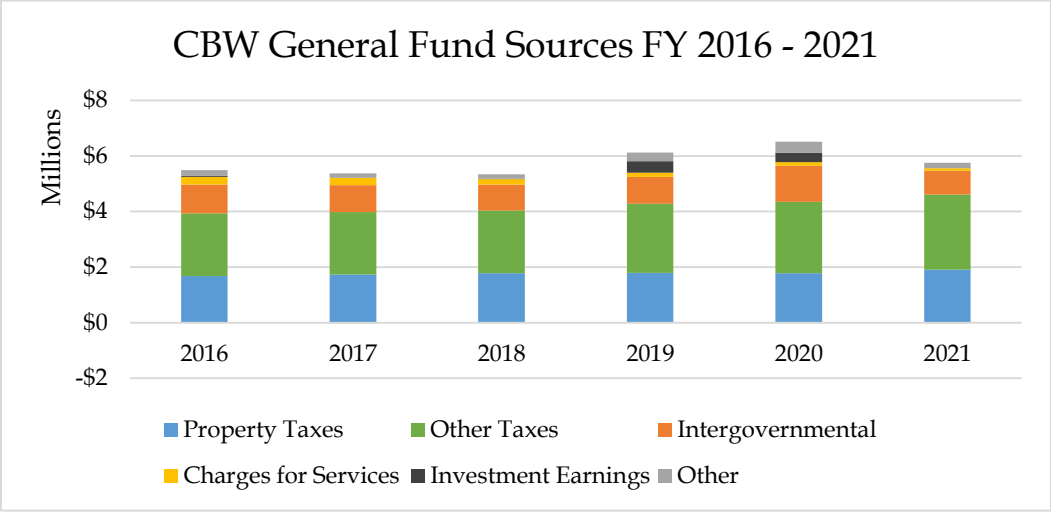
The City and Borough of Wrangell ("CBW" or "Wrangell") has applied to the Alaska Municipal Bond Bank Authority (the "Bond Bank") for a loan backed by CBW's General Obligation pledge. Wrangell will use its loan to fund school improvements on behalf of Wrangell Public School District ("WPDS"). The loan request is for $3,500,000. We have completed our review of this application and following is our overview of this project and the security provisions associated with the loan.

The Project

CBW is seeking financing for the renovation of WPDS's Elementary School, Middle School, and High School, and other related capital improvements. The proposed loan amount is equivalent to a 35% match for a comprehensive and successful DEED CIP Major Maintenance Project estimated at $10 million. The bond election was passed by the voters on October 4, 2022, with 64.8% voting to approve the financing.

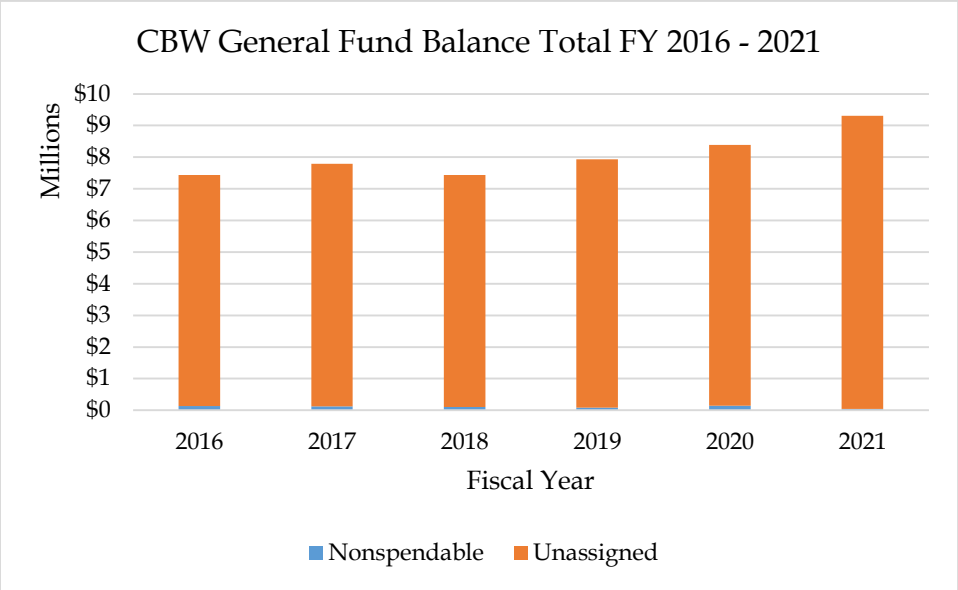
Wrangell Financial Position

CBW's largest sources of revenue comes from sales and property taxes. In Fiscal Year 2021, total sales and property tax revenues were $2,221,497 and $1,903,618, respectively. This represents a 16.70% increase in sales taxes and a 6.76% increase in property taxes from FY 2020. Despite the increase in tax collections, total revenue fell in FY 2021 by 11.96% due to fewer decreases across each of the other categories.

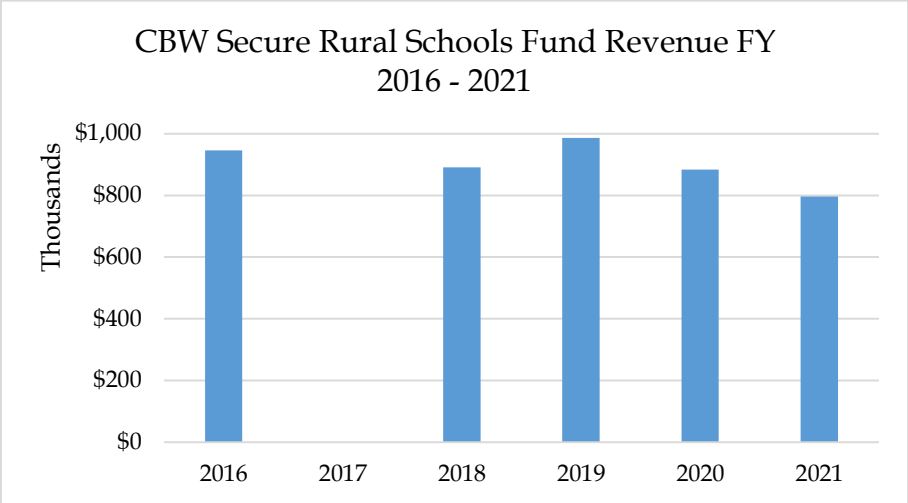


[1] Sources: The City and Borough of Wrangell, AMBBA Application, ACFR 2016-2020

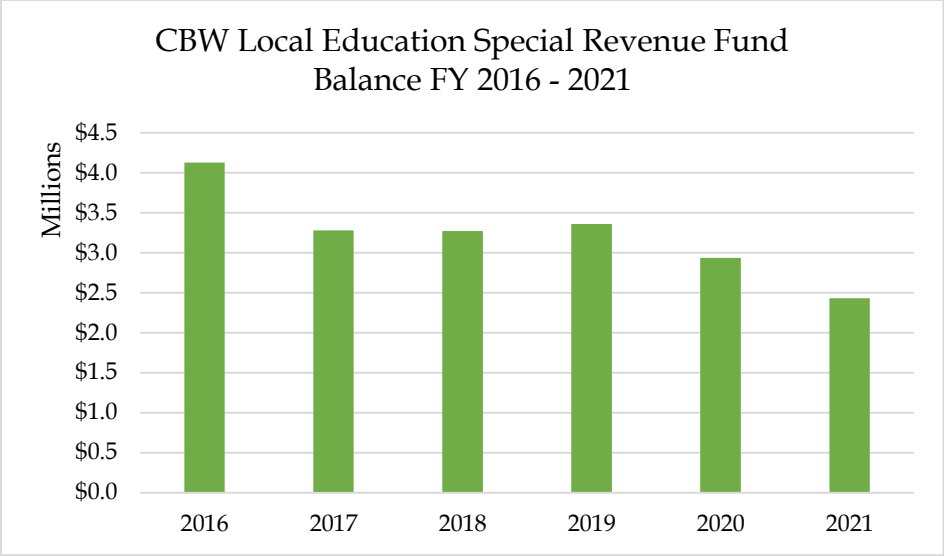
Despite the aggregate decrease in revenue in FY 2021, CBW's General Fund balance grew by 5.67%, which is largely attributable to a substantial decrease in operating expenditures. The ending General Fund Balance in FY 2021 was $9,310,412.



The CBW intends to appropriate Secure Rural Schools ("SRS") funds to cover debt service on their requested loan. The SRS fund was established to provide for the receipt and subsequent use of National Forest Receipt monies for roads and education. In recent history, the SRS funds provided by the USDA-Forest Service have served as the majority or all of CBW's local contribution to the Wrangell Public School District. Between FY's 2016 and 2020, deposits to the SRS fund have ranged between -$731 (FY 2017, due to investment losses and no deposits) and $986,580 (FY2019).



Continued public school expenditures and the lack of transfer in 2017 have caused a downward trend in SRS fund balance during this time (witnessed in the graph below).



COVID-19 Impact

The Borough's operations are heavily dependent upon the ability to collect sales taxes and assess fees for services. Additionally, the Borough also receives significant grant funding from the federal government and State of Alaska. The coronavirus pandemic has adversely impacted economic and financial market conditions, both globally and locally.

Despite the adverse financial market conditions, the Borough was minimally impacted by the coronavirus pandemic. The Borough's tax revenue base, demand for services, access to federal and state grant funding all remained financial viable sources to support Borough operations. Previously unbudgeted expenditures were offset by CARES Act funding where the Borough received $3.821M in financial aid from the department of treasury. Collectability of property taxes, sales taxes and user fees were actually higher than before the pandemic. Sales Tax revenue increased from $2.850M in FY19 to over $3.627M in FY22. The increase in sales tax revenue was constant over that period. Federal stimulus received by citizens was often deployed to cover their obligations to the Borough (i.e., utilities and user fees).

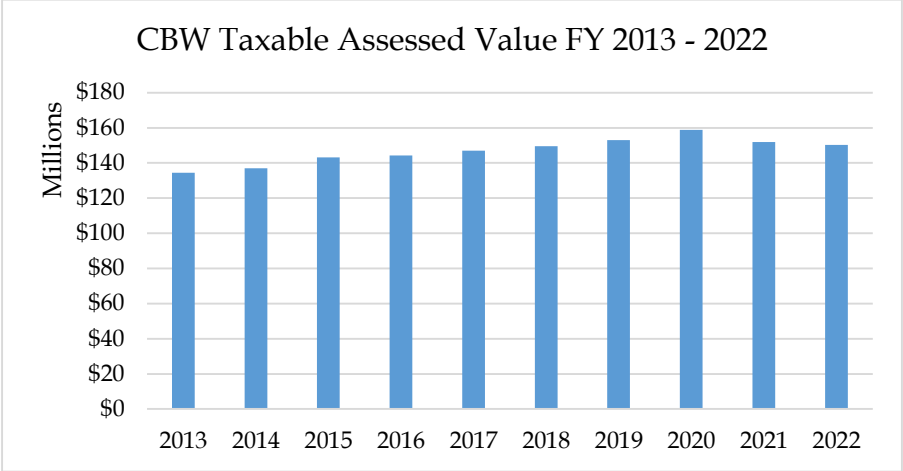
The Permanent Fund, which has exposure to higher risk securities as opposed to the rest of the central treasury, experienced the effects of financial market instability throughout the period, however the Permanent Fund has rebounded since the onset of the pandemic and the magnitude of unrealized losses on marketable securities did not impact the Borough's operations or ability to meet short and long term obligations.

Management has and is continuing to evaluate the impact of COVID-19. The full impact of COVID-19 and the scope of any adverse impact on the Borough's financial condition, results from operations and liquidity cannot be fully determined at this time.

Security Pledge

Wrangell will pledge its full faith and credit for repayment of the Bond Bank loan. The taxable assessed value ("AV") of property within its service area for Fiscal Year 2022 is $134,724,900, while outside the service area is $15,586,100, for a total of $150,311,000.

Wrangell sets separate mill rates for property inside and outside its service area. For FY 2023, mill rates were set at 12.75 mills for property inside the service area and 4.00 mills for property outside the service area. The mill rate has not changed over the last five years; however, CBW has indicated that they intend to adjust the mill rate to cover debt service costs in the upcoming fiscal year. Taxable AV has remained relatively constant in recent years. AV peaked in 2020 with a $158,912,300 valuation on taxable property. Fiscal Year 2022 AV ($150,311,000) is 6% lower than the 2020 peak. The graph below presents the taxable assessed value of CBW from FY 2013 – FY 2022.



State-Aid

In addition to the pledge of Wrangell's full faith and credit, the Bond Bank has the ability to intercept state-shared revenues that will otherwise flow to CBW. This is an additional source of security for this loan. The table below summarizes the revenues subject to intercept, along with the maximum annual debt service on CBW's bonds, including this proposed loan.

Shared Taxes and Fees	$352,629
Reimbursement and Other Education Funding	$291,566
Education Support Funding	$3,057,487
Matching Grants	$1,867,529
Community Jails	$325,274
PILT Transfers	-
Revenue Sharing	$385,234
Total Revenue Subject to Intercept	$6,279,719
Other Fiscal Year 2023 Debt Service	-
Maximum Annual Debt Service on Proposed Loan (est)	$275,500
Debt Service Intercept Coverage	**22.79x**

Future Capital Plans

A ballot measure in 2022 to finance $8,500,000 of upgrades to the Public Safety building did not pass. The Borough does intent to revisit this project but is looking for alternative methods of funding. CBW does not expect to seek other GO authorizations.

Statement of No Litigation

Wrangell has provided a letter of no litigation in connection with their application which states in part that: there is no litigation, in any court, affecting the corporate existence of the applicant's government…or seeking to restrain or enjoin the issuance, sale or delivery of the bonds, or the right of the applicant to levy and collect taxes pledged or to be pledged to pay the principal of and interest on the bonds…or in any way contesting or affecting the validity or enforceability of the bonds or the loan agreement between the applicant and the Bond Bank…There is no litigation against the applicant's government.

Summary

Based on our assessment, the security offered by the City and Borough of Wrangell, as set forth in the Agency's loan application and supplemental materials, provides sufficient security to justify approval of the application. The security for this loan, which is primarily provided by the pledge of full faith and credit of CBW, CBW having no existing outstanding general obligation debt, and fund balances in excess of the expected principal amounts for the loan, is augmented by the ability to intercept state revenues that would otherwise flow to CBW.

We recommend approval of this loan application. If you or any of the Board members have any questions regarding our analysis prior to the board meeting, please feel free to call me at (206) 858-5370.

For PFM Financial Advisors LLC

Fred Eoff, Director

Appendix A – Wrangell Community Economic and Demographic Information[2]

The City and Borough of Wrangell, located on Wrangell Island near the Stikine River, represents approximately 3% of the total population, jobs, and earnings for Southeast Alaska. As of 2022, the population of Wrangell is 2,096, according to the Alaska Department of Commerce, Community and Economic Development. This represents an 11.5% decrease since 2010. Continued outmigration, due to erosion of employment opportunities or other factors, may result in a downward trend in revenue collections for the municipal government.

Key industries within CBW include social, health and education services, seafood, local government, tourism, and retail trade. Healthcare is the largest sector in CBW, representing 22% of wages in 2021. This marks a shift in employment, as the seafood industry had historically been the largest source of employment. The three other largest sectors (seafood, government, and tourism) have all witnessed job losses in recent years. The closing of a Trident Seafood processing plant in 2019 coupled with back-to-back poor fishing seasons in 2020 and 2021 means the seafood industry has continued to struggle. Government jobs are also down substantially, with an estimated 20% decrease between 2019 and 2021, and 41% (131 jobs) since 2010. Some of this is attributable to the privatization of healthcare, as 55 people transferred to the not-for-profit SouthEast Alaska Regional Health Consortium in 2018.

The downturn of the tourism industry is directly related to the COVID-19 pandemic. Canada's prohibition of cruise ships in their waters crippled tourism for all of 2020 and most of 2021. In 2020, passenger arrivals for all forms of travel decreased from 40,702 to just 7,641, an 81% decline. This resulted in an estimated $6.24 million loss of money spent in the local economy. The tourism industry is expected to rebound with cruises returning to Alaska and the increase in air travel.

2022 has seen steep increases in oil prices, which has been a boost to the economics of the state of Alaska as a whole, reversing a trend in previous years. If oil prices were to fall back to prior levels, revenue shortfalls could be significant and some of these costs will be shifted down to local municipalities. This may result in higher property tax rates, reductions in local public works projects, and further increases in the cost of core services. In addition, it is anticipated that the State would need to implement alternative revenue streams to achieve long-term fiscal stability. This could include a State income tax, which will add further downward pressure to the economy.

[2] Source: Draft Wrangell Alaska Economic Conditions Report 2022, Rain Coast Data; City and Borough of Wrangell