



City and Borough of Wrangell
Special Borough Assembly Meeting
AGENDA

Monday, August 08, 2022
5:30 PM

Location: Borough Assembly Chambers

1. CALL TO ORDER

2. ROLL CALL

3. PERSONS TO BE HEARD - *Section WMC 3.05.040 (C) states that: The chair may call to order any person who is breaching the peace or being disorderly by speaking without recognition, engaging in booing or catcalls, speaking vulgarities, name calling, personal attacks, or engaging in other conduct which is determined by the chair to be disruptive of the meeting. Any person so disrupting a meeting of the assembly may be removed and barred from further attendance at the meeting unless permission to return or remain is granted by a majority vote of the assembly.*

4. CONFLICT OF INTEREST

5. NEW BUSINESS

- a. ORDINANCE No. 1029** 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 AND HIGH SCHOOL AND OTHER RELATED CAPITAL IMPROVEMENTS, AND TO SUBMIT THE QUESTION OF ISSUING THE BONDS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE REGULAR ELECTION TO BE HELD ON OCTOBER 4, 2022
- b. ORDINANCE No. 1030** OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE BOROUGH TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE THE MAJOR RENOVATION OF THE PUBLIC SAFETY BUILDING AND OTHER RELATED CAPITAL IMPROVEMENTS, AND TO SUBMIT THE QUESTION OF ISSUING THE BONDS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE REGULAR ELECTION TO BE HELD ON OCTOBER 4, 2022
- c. ORDINANCE No. 1031** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ASKING THE VOTERS OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, TO RATIFY ORDINANCE NO. 1031 THAT ALLOWS THE CITY AND BOROUGH OF WRANGELL TO DISPOSE BY MEANS OF EITHER SELLING OR LEASING THE 6-MILE-DEEP WATER INDUSTRIAL SITE (FORMER MILL SITE PROPERTY)
- d. RESOLUTION No. 08-22-1707** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY TRANSFERRING \$7,801 FROM THE SECURE RURAL SCHOOLS FUND RESERVES TO THE SECURE RURAL SCHOOLS CIP FUND AND AUTHORIZING ITS EXPENDITURE FOR THE HIGH SCHOOL (REID STREET) SIDEWALK REPAIRS PROJECT
- e.** Approval of Caselle Software License & Software Maintenance Agreements for \$295,515; Software to be paid in three annual installments of \$61,395 in FY23, FY24, and FY25; Maintenance and Support to be paid \$3,095 monthly.

6. ADJOURNMENT

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 8, 2022
	<u>Agenda Section</u>	5

ORDINANCE No. 1029 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 AND HIGH SCHOOL AND OTHER RELATED CAPITAL IMPROVEMENTS, AND TO SUBMIT THE QUESTION OF ISSUING THE BONDS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE REGULAR ELECTION TO BE HELD ON OCTOBER 4, 2022

SUBMITTED BY:

Jeff Good, Borough Manager
Mason Villarma, Finance Director

FISCAL NOTE:

Expenditure Required: \$XXX Total

FY 21: \$	FY 22: \$	FY23: \$
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Amount Budgeted:

	FY22 \$XXX
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Account Number(s):

	XXXXX XXX XXXX
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Account Name(s):

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

	\$XXX
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Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. ORD 1029

RECOMMENDATION MOTION:

Move to approve First Reading of Ordinance No. 1029 and move to a Second Reading with a Public Hearing to be held on August 23, 2022.

SUMMARY STATEMENT:

The Borough is considering a combined issuance of municipal debt in the amount of \$12 million to address deferred maintenance of the Public Safety Building and School District

Facilities. The two projects require separate authorizations from the voters. Said differently, it is quite possible one of the bond propositions could pass and the other could not, in which case the Borough would only be authorized to issue debt up to the amount approved by the voters. Ordinance 1029 seeks assembly approval for the purpose of placing the School GO Bond in the amount of \$3.5 million on the October ballot. For those that attended the July 26th work session, this amount is representative of “Option B”

For the School GO Bond, Borough Administration is proposing an amount equivalent to a 35% match (\$3.5 million) for a comprehensive and successful DEED CIP Major Maintenance Project estimated at \$10 million. If granted funds by the State, we would match \$3.5M to the Department of Education’s \$6.5 million grant.

Per discussions with the Alaska Municipal Bond Bank Authority (AMBBA), the Borough speculates that the effective rate of interest will be 4% or less. The School GO Bond will have a 20-year maturity, however, will have callable options at year 10 (the mid-point to bond maturity).

If approved by the voters, the debt service would be approximately \$413,000 annually. The permanent fund could subsidize the debt service up to \$330,000 annually, leaving an immaterial burden to the taxpayer for this specific issuance.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 1029

AN ORDINANCE 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 AND HIGH SCHOOL AND OTHER RELATED CAPITAL IMPROVEMENTS, AND TO SUBMIT THE QUESTION OF ISSUING THE BONDS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE REGULAR ELECTION TO BE HELD ON OCTOBER 4, 2022

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

SEC. 1. Public Purpose. It is hereby determined to be for a public purpose and in the public interest of the City and Borough of Wrangell, Alaska (the “Borough”), to incur general obligation bonded indebtedness in an amount not to exceed Three Million Five Hundred Thousand dollars (\$3,500,000), for the purpose of paying the Costs of Construction of major renovations to the middle school and high school and related capital improvements (the “Facilities”).

SEC. 2. Costs of Construction. “Costs of Construction” means all costs paid or incurred by the Borough in connection with the acquisition and construction of capital additions, improvements and betterments to and extensions of the Facilities, and the placing of the same in operation, including paying all or a portion of the interest on the indebtedness or any portion thereof issued to finance the costs of such improvements during the period of construction of such improvements and for a period of time thereafter; paying amounts required to meet any reserve requirement for the fund or account established or maintained for such bonded indebtedness; paying or reimbursing the Borough or any fund thereof or any other person for expenses incident and properly allocable to the acquisition and construction of such improvements and the placing of the same in operation; and all other items of expense incident and properly allocable to the acquisition and construction of such additions and improvements, the financing of the same, and the placing of the same in operation.

SEC. 3. Bonds Authorized. The Borough is authorized to borrow an amount not to exceed Three Million Five Hundred Thousand dollars (\$3,500,000) to finance the Costs of the Construction of the Facilities, and the borrowing shall be evidenced by the issuance of general obligation bonds of the Borough. The full faith and credit of the Borough are pledged for the payment of the principal of and interest on the bonds, and ad valorem taxes shall be levied without limitation as to rate or amount, as necessary, to pay the principal of and interest on the bonds when due.

SEC. 4. Proposition. The Borough Clerk is authorized and directed to submit the following proposition to the qualified voters of the Borough at the regular election to be held on October 4, 2022, substantially in the following form:

PROPOSITION NO. 1

GENERAL OBLIGATION BONDS FOR

MAJOR RENOVATION OF
MIDDLE SCHOOL AND HIGH SCHOOL

Shall the City and Borough of Wrangell, Alaska, incur debt and issue general obligation bonds in an amount not to exceed Three Million Five Hundred Thousand dollars (\$3,500,000) for the purpose of paying the costs of construction of major renovation of the middle school and high school and related capital improvements?

The bonds shall be secured by a pledge of the full faith and credit of the Borough (Ordinance No. 1029).

☐ Yes A “YES” vote approves the issuance of bonds.

☐ No A “NO” vote opposes the issuance of bonds.

SEC. 5. Majority Required. The proposition must receive a majority vote of the qualified voters of the Borough voting on the question to be approved.

SEC. 6. Work Carried Out. The Borough Assembly shall determine the particular work authorized hereby to be carried out in the event the proceeds of the bonds are insufficient together with other money of the Borough to be used therefor to carry out all such work.

SEC. 7. Bond Anticipation Notes. In the event the issuance of the bonds is approved by the voters, the Borough is authorized to borrow money in anticipation of the sale of the bonds and to issue bond anticipation notes. The amount of the notes to be issued from time to time and the time of their issuance, the form and other details of the notes, and provisions for the sale thereof shall be fixed by the Borough Assembly by resolution, or the Borough Assembly may delegate by resolution to the Borough Mayor or the Borough Manager the authority to make all or any of the foregoing determinations.

SEC. 8. Series. The bonds may be issued in one or more series.

SEC. 9. Classification. This is a non-code ordinance.

SEC. 10. Effective Date. Section 3 of this Ordinance shall be effective only if the proposition described in Section 4 is approved by a majority of qualified voters voting on the proposition at the regular election to be held on October 4, 2022. The remaining sections of this Ordinance shall be effective upon adoption.

PASSED IN FIRST READING: _____, 2022.

PASSED IN SECOND READING: _____, 2022.

Stephen Prysunka, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 8, 2022
	<u>Agenda Section</u>	5

ORDINANCE No. 1030 OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE BOROUGH TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE THE MAJOR RENOVATION OF THE PUBLIC SAFETY BUILDING AND OTHER RELATED CAPITAL IMPROVEMENTS, AND TO SUBMIT THE QUESTION OF ISSUING THE BONDS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE REGULAR ELECTION TO BE HELD ON OCTOBER 4, 2022

SUBMITTED BY:

Jeff Good, Borough Manager
Mason Villarma, Finance Director

FISCAL NOTE:

Expenditure Required: \$XXX Total

FY 21: \$	FY 22: \$	FY23: \$
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Amount Budgeted:

	FY22 \$XXX
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Account Number(s):

	XXXXX XXX XXXX
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Account Name(s):

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

	\$XXX
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Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. ORD 1030

RECOMMENDATION MOTION:

Move to approve First Reading of Ordinance No. 1030 and move to a Second Reading with a Public Hearing to be held on August 23, 2022.

SUMMARY STATEMENT:

In addition to the School GO Bond, the Borough is proposing an \$8.5M GO Bond for the Public Safety Building (PSB). Much of the exterior shell including the roof, siding, and some structural

components have failed and or exceed their useful life. The PSB is in dire need of structural rehabilitation. As such, the \$8.5M in bond proceeds would be used to address these structural deficiencies and preserve the life of the building. This issuance is specifically to address the “shell” of the building, including: a new roof, tearing out decay in walls, new siding, replacing exterior windows and doors, and addressing mechanical systems that preserve the integrity of the building.

The bond is proposed at \$8.5M with a 20-year term. Like the School GO Bond, the AMBBA projects the 20-year municipal bond interest rate to be 4% or less at the time of issuance. This would result in annual debt service of approximately \$628,000. If approved through the voters, the debt service could be reduced through subsidization by the permanent fund or proceeds from the jail contract with the State (as the PSB is home to our community jail).

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 1030

AN ORDINANCE OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE BOROUGH TO ISSUE GENERAL OBLIGATION BONDS TO FINANCE THE MAJOR RENOVATION OF THE PUBLIC SAFETY BUILDING AND OTHER RELATED CAPITAL IMPROVEMENTS, AND TO SUBMIT THE QUESTION OF ISSUING THE BONDS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE REGULAR ELECTION TO BE HELD ON OCTOBER 4, 2022

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

SEC. 1. Public Purpose. It is hereby determined to be for a public purpose and in the public interest of the City and Borough of Wrangell, Alaska (the “Borough”), to incur general obligation bonded indebtedness in an amount not to exceed Eight Million Five Hundred Thousand dollars (\$8,500,000), for the purpose of paying the Costs of Construction of major renovations to the public safety building and related capital improvements (the “Facilities”).

SEC. 2. Costs of Construction. “Costs of Construction” means all costs paid or incurred by the Borough in connection with the acquisition and construction of capital additions, improvements and betterments to and extensions of the Facilities, and the placing of the same in operation, including paying all or a portion of the interest on the indebtedness or any portion thereof issued to finance the costs of such improvements during the period of construction of such improvements and for a period of time thereafter; paying amounts required to meet any reserve requirement for the fund or account established or maintained for such bonded indebtedness; paying or reimbursing the Borough or any fund thereof or any other person for expenses incident and properly allocable to the acquisition and construction of such improvements and the placing of the same in operation; and all other items of expense incident and properly allocable to the acquisition and construction of such additions and improvements, the financing of the same, and the placing of the same in operation.

SEC. 3. Bonds Authorized. The Borough is authorized to borrow an amount not to exceed Eight Million Five Hundred Thousand dollars (\$8,500,000) to finance the Costs of the Construction of the Facilities, and the borrowing shall be evidenced by the issuance of general obligation bonds of the Borough. The full faith and credit of the Borough are pledged for the payment of the principal of and interest on the bonds, and ad valorem taxes shall be levied without limitation as to rate or amount, as necessary, to pay the principal of and interest on the bonds when due.

SEC. 4. Proposition. The Borough Clerk is authorized and directed to submit the following proposition to the qualified voters of the Borough at the regular election to be held on October 4, 2022, substantially in the following form:

PROPOSITION NO. 2

GENERAL OBLIGATION BONDS FOR

MAJOR RENOVATION OF PUBLIC SAFETY BUILDING

Shall the City and Borough of Wrangell, Alaska, incur debt and issue general obligation bonds in an amount not to exceed Eight Million Five Hundred Thousand dollars (\$8,500,000) for the purpose of paying the costs of construction of major renovation of the public safety building and related capital improvements?

The bonds shall be secured by a pledge of the full faith and credit of the Borough (Ordinance No. 1030).

☐ Yes A “YES” vote approves the issuance of bonds.

☐ No A “NO” vote opposes the issuance of bonds.

SEC. 5. Majority Required. The proposition must receive a majority vote of the qualified voters of the Borough voting on the question to be approved.

SEC. 6. Work Carried Out. The Borough Assembly shall determine the particular work authorized hereby to be carried out in the event the proceeds of the bonds are insufficient together with other money of the Borough to be used therefor to carry out all such work.

SEC. 7. Bond Anticipation Notes. In the event the issuance of the bonds is approved by the voters, the Borough is authorized to borrow money in anticipation of the sale of the bonds and to issue bond anticipation notes. The amount of the notes to be issued from time to time and the time of their issuance, the form and other details of the notes, and provisions for the sale thereof shall be fixed by the Borough Assembly by resolution, or the Borough Assembly may delegate by resolution to the Borough Mayor or the Borough Manager the authority to make all or any of the foregoing determinations.

SEC. 8. Series. The bonds may be issued in one or more series.

SEC. 9. Classification. This is a non-code ordinance.

SEC. 10. Effective Date. Section 3 of this Ordinance shall be effective only if the proposition described in Section 4 is approved by a majority of qualified voters voting on the proposition at the regular election to be held on October 4, 2022. The remaining sections of this Ordinance shall be effective upon adoption.

PASSED IN FIRST READING: _____, 2022.

PASSED IN SECOND READING: _____, 2022.

Stephen Prysunka, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 8, 2022
	<u>Agenda Section</u>	5

ORDINANCE No. 1031 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ASKING THE VOTERS OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, TO RATIFY ORDINANCE NO. 1031 THAT ALLOWS THE CITY AND BOROUGH OF WRANGELL TO DISPOSE BY MEANS OF EITHER SELLING OR LEASING THE 6-MILE-DEEP WATER INDUSTRIAL SITE (FORMER MILL SITE PROPERTY)

<u>SUBMITTED BY:</u>
Jeff Good, Borough Manager

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

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

ATTACHMENTS: 1. ORD 1031

RECOMMENDATION MOTION:

Move to approve First Reading of Ordinance No. 1031 and move to a Second Reading with a Public Hearing to be held on August 23, 2022.

SUMMARY STATEMENT:

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 1031

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ASKING THE VOTERS OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, TO RATIFY ORDINANCE NO. 1031 THAT ALLOWS THE CITY AND BOROUGH OF WRANGELL TO DISPOSE BY MEANS OF EITHER SELLING OR LEASING THE 6-MILE-DEEP WATER INDUSTRIAL SITE (FORMER MILL SITE PROPERTY)

WHEREAS, the 6-Mile site was purchased on June 30, 2022, for a total amount of \$2,500,000; and

WHEREAS, both the Borough Charter Section 5-14 and Borough Code Section 5.10.035(A) mandate that the sale of any real property valued at more than \$1,000,000, “shall be made only by the authority of an ordinance enacted or ratified at any election by an affirmative vote of a majority of qualified voters”; and

WHEREAS, the City and Borough of Wrangell is authorized to exercise the power to provide economic development within the Borough; and

WHEREAS, the Borough’s authority includes the disposal of real property owned by the Borough; and

WHEREAS, the 6-Mile Site constitutes approximately 32 acres of uplands land available for economic development opportunities; and

WHEREAS, the Assembly will hold a public forum to discuss the economic development of the Mill Property prior to the sale or lease (over \$1M) of the mill property.

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

SEC. 1 **Authorization.** The Borough Assembly authorizes the Borough Manager, subject to Assembly direction, to be responsible for the administration of the 6-Mile-Deep Water Industrial Site economic development project.

SEC. 2 **Ordinance Ratification Ballot Question.** The Borough Clerk shall place the following question on the ballot at the October 4, 2022, regular election for the City and Borough of Wrangell.

PROPOSITION 3

Ratification of Ordinance 1031

Section 5-14 of the Borough Charter and Section 5.10.035(A) of the Wrangell Municipal

Code requires that any ordinance which provides for “the sale or lease of any Borough property, real or personal, or the sale or lease or other disposal of any interest therein, the value of which property, lease or interest is more than \$1 Million,” be ratified by a majority of voters who vote on the question. Ordinance 1031, enacted by the Assembly on August 23, 2022, provides authority to the Borough Manager to be responsible for the administration of the 6-Mile-Deep Water Industrial Site (former Mill Site Property) Economic Development Project which shall include the disposition of the property, to be sold or leased according to an approved Economic Development Project plan. The value of the 6-Mile-Deep Water Industrial Site is approximately \$2.5 Million Dollars. Shall Ordinance 1031 be ratified?

☐ Yes

☐ No

SEC. 3 **Classification.** This ordinance is not permanent in nature and shall not be codified in the Wrangell Municipal Code.

SEC. 4 **Severability.** If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

SEC. 5 **Effective Date.** This ordinance shall become effective immediately upon adoption and ratification by the voters (thus after the Proposition has been certified on October 6, 2022).

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 23rd DAY OF AUGUST 2022.

CITY & BOROUGH OF WRANGELL

Stephen Prysunka, Borough Mayor

ATTEST:

Kim Lane, MMC, Borough Clerk

PASSED IN FIRST READING: _____, 2022.

PASSED IN SECOND READING: _____, 2022.

Yes: _____

No: _____

Absent: _____

Abstaining: _____

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 8, 2022
	<u>Agenda Section</u>	6

RESOLUTION No. 08-22-1707 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY TRANSFERRING \$7,801 FROM THE SECURE RURAL SCHOOLS FUND RESERVES TO THE SECURE RURAL SCHOOLS CIP FUND AND AUTHORIZING ITS EXPENDITURE FOR THE HIGH SCHOOL (REID STREET) SIDEWALK REPAIRS PROJECT

SUBMITTED BY:

Amber Al-Haddad, Capital Facilities Director

FISCAL NOTE:

Expenditure Required: \$7,801

FY 21: \$	FY 22: \$7,801	FY23: \$
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Amount Budgeted: \$55,000

Account Number(s):

Account Name(s):

Unencumbered Balance(s) (prior to expenditure):

	\$2,009,464
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Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. Res No. 08-22-1707.

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 (*Consent Agenda Item*):

Move to Approve Resolution No. 08-22-1707.

SUMMARY STATEMENT:

At the High School parking lot along Reid Street, the inside perimeter sidewalk and curb was planned for repairs in FY23. The cost estimate upon which the approved budget was based was \$55,000 and intended to serve to cover anticipated construction costs and a level of construction contingency. With the one bid received in the amount of \$54,343.75, this left a minimal amount of reserved budget for contingency.

The contractor has begun the demolition work. We have found though the initial demolition effort that the electrical conduit we expected to be buried and in a good condition to continue using it has rotten conduit with exposed wires in some locations. Considering the condition of the wire and conduit it is in the best interest of the Borough to replace it while it is exposed. The Contractor's cost to replace the wire and conduit is \$2,801. A portion of this expense may be saved if future demolition work determines an underground junction box is not needed.

Because time is of the essence to complete this project before school begins, staff are requesting approval of an additional \$5,000 contingency to be able to any more potential unknown conditions that may arise throughout the construction project. Having the contingency in place would allow us to be able to issue directives for changed work as they arise, reducing contractor standby or down time.

The FY 2023 Budget is amended to reflect a transfer of funds, in the amount of \$7,801, from Secure Rural Schools Reserves to the Secure Rural Schools CIP Fund for the High School (Reid Street) Sidewalk Repairs project and authorizing its expenditures.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 08-22-1707

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2023 BUDGET BY TRANSFERRING \$7,801 FROM THE SECURE RURAL SCHOOLS FUND RESERVES TO THE SECURE RURAL SCHOOLS CIP FUND AND AUTHORIZING ITS EXPENDITURE FOR THE HIGH SCHOOL (REID STREET) SIDEWALK REPAIRS PROJECT

WHEREAS, the sidewalk along Reid Street adjacent to the High School parking lot was approved for replacement in the FY23 capital budget at a projected cost of \$55,000, including a contingency amount; and

WHEREAS, the construction bid received was \$54,343.75, leaving no available contingency to address unknown conditions that arise through the construction project; and

WHEREAS, a construction contingency in the amount of \$7,801 is identified in this budget amendment to address electrical work which has been identified as a changed condition and to have an additional amount available for future changes which may arise during the remainder of the construction project, to assist with reducing contractor standby or down time.

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 \$7,801, from the Secure Rural Schools Reserves to the Secure Rural Schools CIP Fund for the High School (Reid Street) Sidewalk Repairs project and authorizing its expenditures.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 8th DAY OF AUGUST 2022.

CITY & BOROUGH OF WRANGELL, ALASKA

Stephen Prysunka, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 8, 2022
	<u>Agenda Section</u>	5

Approval of Caselle Software License & Software Maintenance Agreements for \$295,515; Software to be paid in three annual installments of \$61,395 in FY23, FY24, and FY25; Maintenance and Support to be paid \$3,095 monthly.

<u>SUBMITTED BY:</u>
Mason Villarma, Finance Director

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

<u>FISCAL NOTE:</u>		
Expenditure Required: \$295,515 Total		
FY 23: \$98,505	FY 24: \$98,505	FY25: \$98,505
Amount Budgeted:		
FY23 \$120,500		
Account Number(s):		
11000 003 7503		
Account Name(s):		
Information Technology - Finance		
Unencumbered Balance(s) (prior to expenditure):		
\$XXX		

ATTACHMENTS: 1. Caselle Software License Agreement 2. Caselle Software Assurance Agreement

RECOMMENDATION MOTION:

Move to approve Caselle Software License & Software Maintenance Agreements for \$295,515.

SUMMARY STATEMENT:

The Borough has used AccuFund as its Accounting and Finance software since 2017. The software has plagued the finance department for years as it was never set up correctly and requires monthly contractor maintenance and software coding in order to keep it operational. The core issues with AccuFund are the following:

- Vast amounts of data such as inactive funds, accounts, payroll information, vendor information, and unused report forms bog the system down. Clearing the system and starting “fresh” would outweigh the cost of a new accounting software.
- Sales Tax, Property Tax, and other municipal revenue streams cannot be filed online through AccuFund. They must be manually processed which results in higher rates of delinquency and human error on the Finance Department side.
- Financial Reporting is cumbersome. All financial statements, budget documents, aging schedules, and other reports must be manipulated and converted in excel by the Finance Director or other members of his staff. The reports cannot be trusted and must be verified by the Finance Director’s independent analysis and review before being released to the Borough Manager and Assembly.
- Timekeeping and payroll functions consistently result in errors which makes the Borough susceptible to timesheet fraud and payroll not being processed on time.
- AccuFund does not integrate with our current Utility Billing Software. All utility billing must be manually processed and trued-up in AccuFund monthly.
- Bank reconciliations and other treasury functions often freeze the system until a contractor can fix the behind-the-scenes software coding.

Many other issues exist within AccuFund. While the Borough’s account balances within the General Ledger are currently accurate, there is a risk that failing to address the deficiencies outlined above will result in major financial reporting complications and inaccuracies within the Borough’s accounting framework. It is not sustainable to keep the status-quo.

Caselle is the preferred choice for municipal government accounting software. It is modern and used by many other Alaskan municipalities as well as hundreds in the lower 48. Although it is expensive, it is an investment that addresses all of the above deficiencies and will allow the Borough to become more streamlined in all operational processes. The Finance Director has sat in on multiple demos and has discussed the software with the Sitka and Haines Finance Directors who are extremely satisfied with the product. Approval of the Caselle agreements will empower the Finance Department to preserve the financial integrity of the Borough and provide accurate and timely information to decision-makers, the General Public and management.

AccuFund Cost Summary	
Annual License Cost	\$ 13,905
Annual Contractor Support	\$ 35,763
Utility Billing Software (Bill Master)	\$ 14,275
Total Annual Cost Not Including CC Fees	\$ 63,942
Caselle Cost Summary	
Total Software Cost - No Reoccurring Licence Fees	\$ 184,095
Annual Support & Maintenance	\$ 37,140

SOFTWARE LICENSE AGREEMENT

CASELLE, INC.
1656 S. East Bay Blvd.
Suite 100
Provo, UT 84606

("Caselle")

**CITY AND BOROUGH
OF WRANGELL**
205 Brueger Street
Wrangell, AK 99929

("You" or "Your")

You agree to License the Software and Purchase the services detailed below ("Items"), and Caselle, Inc. agrees to provide them, subject to the terms and conditions on pages two and three of this Agreement.

Due with Contracts: \$61,365
Due July 2023: \$61,365
Due July 2024: \$61,365

Items

Total Software	112,500.00
Total Training	24,725.00
Total Setup	24,700.00
Total Conversion	22,170.00
Total Price	<u>\$184,095.00</u>

The attached proposal is considered part of this Agreement.

The signatures below indicate each party's acceptance of this Agreement. Each party has caused this Agreement to be executed by its duly authorized representative.

CASELLE, INC.

By:



Name & Title: Alan S. Hutchings, President

Date: July 29, 2022

CITY AND BOROUGH OF WRANGELL

By:

Name & Title:

Date:

CASELLE, INC. SOFTWARE LICENSE AGREEMENT

Grant of License

Caselle, Inc. and its Licensors agrees to grant, and You agree to accept a limited, non-transferable, non-exclusive license ("License") to use the computer programs, with the accompanying manuals, literature and other materials ("Software") as detailed under Items, subject to the terms and conditions of this Software License Agreement and subject to termination as provided herein. The term Software shall also include all revisions, updates, enhancements and new modules or add-ons to the existing Software as detailed under Items.

Payment

The Deposit shall be paid by You upon execution of this Software License Agreement with the Balance due as outlined in the payment schedule on the preceding page. Payment shall be in U.S. Dollars and shall not be deemed to have been received by Caselle until Your check clears the banking process. Any costs incurred in collecting Your check, due to insufficient funds or any other reason, shall be reimbursed by you. Late payments shall be subject to a FINANCE CHARGE OF 1.5% PER MONTH, OR 18% PER ANNUM.

Taxes

Prices and fees are exclusive of all federal, state, municipal, or other government excise, duties, sales, use, occupational, or like taxes now or hereafter in force, and are therefore subject to increase in an amount equal to any tax Caselle may be required to collect or pay upon licensing or delivery of any Items, other than federal, state and local taxes based on Caselle's income. You also agree to pay all personal property taxes which accrue to you by reason of this Agreement.

Title and Confidentiality

Title and full ownership rights to the Software licensed under this Agreement, including, without limitation, all intellectual property rights therein and thereto, and any copies You make, remain with Caselle. It is agreed the Software is the proprietary, confidential, trade secret property of Caselle, whether or not any portions thereof are or may be copyrighted and You shall take all reasonable steps necessary to protect the confidential nature of the Software as You would take to protect Your own confidential and trade secret information. You further agree that You shall not make any disclosure of any or all such Software (including methods or concepts utilized therein) to anyone, except to employees, agents, or contractors working for You to whom such disclosure is necessary to the use for which rights are granted hereunder. You shall appropriately notify all employees, agents, and contractors to whom any such disclosure is made that such disclosure is made in confidence and shall be kept in confidence by them. Upon Caselle's request, such employees, agents, and contractors shall enter into an appropriate confidentiality agreement for secrecy and nonuse of such information which by its terms shall be enforceable by injunctive relief at the request of Caselle. If Caselle makes such a request, it shall provide You with the appropriate confidentiality agreements. The obligations imposed by this section upon You, Your employees, agents, and contractors, shall survive and continue after any termination of rights under this Agreement. It shall not be a breach of this Agreement if you are required to disclose or make the Software available to a third party or to a court if the Software is subpoenaed or otherwise ordered by an administrative agency or court of competent jurisdiction to be produced or disclosed.

License

You may:

- a) Use the Software on a single CPU or network ("System") for the appropriate number of users. The Software may be moved to and used on another System, but shall under no circumstances be used on more than one System at a time.
- b) Make System readable copies of the software media provided with the Software as required for backup protection. Such copies may only be used in support of Your use of the Software on the System and may not be used for any other purpose. Each of these copies must have a label placed on the media indicating the Software is a proprietary product of Caselle.

You may not:

- a) Rent, lease, sublicense, assign, sell, loan or otherwise transfer this Software, in whole or in part, except as expressly permitted by this Agreement.
- b) Inspect, disassemble, decompile, reverse engineer or in any way attempt to determine the internal methods of the Software.
- c) Modify the Software or merge it into any other product without the express written consent of Caselle.
- d) Reproduce, prepare derivative works based upon, transmit or distribute the Software, or any part of it, in any form or by any means except as expressly permitted in this Agreement.
- e) Permanently transfer or assign the Software and the rights under this License to another party without the express written consent of Caselle.

Any attempt to do any of the above (a to e) shall void and terminate this Agreement.

Term

This Software License Agreement is and shall be effective from the date of full execution and shall remain in force until terminated. You may terminate this Agreement at any time by notifying Caselle in writing and returning all copies and modifications of the Software within 30 days of such notification. Your License terminates automatically if you materially fail to comply with any terms or conditions of this Agreement and You must return all copies and modifications of the Software to Caselle within 30 days of receipt of written notification of such termination. For each day You retain the Software without a valid License You agree to pay Caselle \$100.

Warranty

Caselle warrants that it has sufficient right and title to the Software to grant You this License. For one (1) year from the date of receipt of the Software ("Warranty Period"), Caselle also warrants the Software media to be free from defects in materials and workmanship under normal use, and Software operation will substantially conform to the specification published by Caselle. If an error or a defect in the Software or its media becomes apparent within the Warranty Period You must promptly notify Caselle, in writing, describing the defect. Upon confirming the error or defect Caselle will, at its exclusive option, repair or

replace the item or refund the price paid for the defective item. Caselle does not warrant that the functions contained in the Software will meet Your requirements or that the operation of the Software will be uninterrupted or error free. The warranty does not cover Software modified by anyone other than Caselle and problems with, or caused by, computer hardware or non-Caselle software. This limited warranty is VOID if failure of the licensed Software has resulted from accident, abuse or misapplication.

Disclaimers and Limitations of Warranty and Remedies

EXCEPT AS SPECIFICALLY STATED IN THE WARRANTY SECTION OF THIS AGREEMENT, THE SOFTWARE IS LICENSED "AS IS" WITHOUT ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL CASELLE BE LIABLE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS, REVENUE OR SAVINGS, BUSINESS INTERRUPTION OR LOSS OF BUSINESS INFORMATION, ARISING FROM THE USE OF OR INABILITY TO USE THE SOFTWARE OR BREACH OF ANY EXPRESSED OR IMPLIED WARRANTY, EVEN IF CASELLE OR ITS AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF AN ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. CASELLE'S AGGREGATE LIABILITY UNDER THIS AGREEMENT FOR DAMAGE WILL NOT, IN ANY EVENT, WHETHER BASED UPON CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT, WARRANTY, OR ANY OTHER BASIS, EXCEED THE LICENSE FEES PAID BY YOU FOR THE LICENSED SOFTWARE GIVING RISE TO SUCH LIABILITY.

Returns

- a) No returns will be accepted without a written request to Caselle. To receive full credit, less the cancellation fee (set forth below), such requests must be made in writing to and received by Caselle's corporate office within thirty (30) days of this agreement. No returns will be considered for credit until appropriate notice has occurred within the time limits specified and all Software and related materials are returned to Caselle's corporate office within ten (10) days of notice.
- b) Pre-approved returns occurring after the thirty-day period has lapsed will be allowed 75% credit, if such requests are made in writing to and received by Caselle's corporate office within sixty (60) days of this agreement. Any returns attempted after the sixty-day period has lapsed will receive no credit.
- c) A minimum cancellation fee of 10% will be assessed to all pre-authorized returns. Caselle has a right, but not an obligation to retrieve the returned Software. Caselle will assume no liability for Software that is damaged or lost in transit while being returned. Additionally, such returns shall occur at Client's expense.
- d) In addition to the return of the Software, Client agrees that it will delete and remove all copies from all computer systems within its control. Client also agrees that it will return all written materials received from Caselle, including program materials, instruction manuals, and any and all training materials to Caselle.

Additional Services

Support, Training and Data Conversion for the Software will be provided directly by Caselle, or its authorized support centers, and are subject to separate agreements.

General

- a) This Agreement shall be governed and construed in accordance with the laws of the State of Utah and You hereby consent to the jurisdiction of State and Federal courts in Utah. If any part of this Agreement violates applicable law, that part shall be deemed to be amended to the extent necessary to comply with the law.
- b) This Agreement constitutes the entire Agreement between Caselle and You and supersedes any prior Agreement or understanding, written or oral, relating to the subject matter of this Agreement. Except as provided herein, this Agreement may not be amended or supplemented except in writing and properly executed by both parties.
- c) If any provision of this Agreement shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or the validity or the enforceability of this Agreement.
- d) All rights and remedies provided herein are cumulative and are in addition to all other rights and remedies available at law or equity.
- e) In the event that either party successfully takes legal action to enforce any provision of this Agreement the unsuccessful party shall pay full costs and expenses of such action, including reasonable attorney's fees.
- f) Any notice required by this Agreement shall be deemed to have been properly given if sent by registered or certified mail to the address set forth in this Agreement.
- g) The waiver of any breach or default of this Agreement shall constitute a waiver only as to such particular breach or default and shall not constitute a waiver of any other breach or default. Failure to act by either party in exercising any right, power, or remedy under this Agreement, except as specifically provided herein, shall not operate as a waiver of any such right, power or remedy, and will not affect the validity of the whole or any part of this Agreement, or prejudice such party's right to take subsequent action.
- h) Neither party shall be held liable for delays in any of its performance resulting from acts of God, war, civil disturbance, court order, labor dispute or any other cause beyond its control.
- i) The relationship of the Parties shall be solely that of independent contractors. No partnership, joint venture, employment, agency or other relationship is formed, intended or to be inferred under this Agreement. Neither party to this Agreement shall attempt to bind the other, incur liabilities on behalf of the other, act as agent of the other, or authorize any representation contrary to the foregoing.
- j) This Agreement is binding upon and shall inure to the benefit of the parties, their successors and assigns. However, this Agreement is not assignable by you. This Agreement is personal to you and neither the Agreement, nor the rights or duties hereunder, may be voluntarily or involuntarily, directly or indirectly, assigned or otherwise transferred without the prior written consent of Caselle. Any unauthorized assignment or transfer shall constitute a breach hereof and shall be voidable by Caselle.

663884 10/03

SOFTWARE MAINTENANCE & SUPPORT AGREEMENT (SOFTWARE ASSURANCE)

CASELLE, INC.
1656 S. East Bay Blvd.
Suite 100
Provo, UT 84606

and

**CITY AND BOROUGH
OF WRANGELL**
205 Brueger Street
Wrangell, AK 99929

("Caselle")

("You" or "Your")

agree that Caselle will provide You with unlimited telephone support on Caselle's Software, for the purpose of answering Your questions, giving usage instructions, providing updates and attempting to resolve problems on a best efforts basis, for the consideration of \$3,095.00 monthly, subject to the following terms and conditions:

Availability

Support calls, covered by this Agreement, will be answered by Caselle's Support Center, on the designated support telephone number, between 7:30 am and 5:30 pm Mountain Time, Monday through Friday, except holidays.

Coverage

This Maintenance & Support Agreement covers all Caselle application software licensed to You. It does not cover third party software or products. Support may, on a best efforts basis, be provided for third party products, such as operating systems and hardware. Extended, after hours support may be billable at Caselle's regular hourly billing rate.

Charges

Charges cover Software presently installed and will remain fixed for one year providing You license no new applications. If You license new applications or change user levels, charges will be modified. Following the first year, charges may be increased, at Caselle's discretion.

Updates

Caselle will provide program updates within the same operating system through normal software releases at no extra charge. Additional software packages, add-on modules and custom programming are not covered by this Agreement and will be billed at current rates. Caselle will determine which enhancements and/or materials will be part of a software release, add-on package or custom programming.

Upgrades

Caselle will provide software upgrades within the same operating system at no extra charge if this agreement is still in effect at the time the upgrade is made available and if this agreement is not cancelled or terminated.

Term and Termination

This Software Maintenance & Support Agreement is effective for one year from the date of the Agreement. Thereafter, it will automatically be renewed monthly, unless either party gives written notice of termination, at least 30 days in advance. If the Agreement is terminated Caselle will honor commitments to support You until the date of termination.

Payment

Payment terms shall be monthly in advance in U.S. Dollars and shall not be considered received until Your check clears the banking process. Any charges or costs incurred in the collection of Your check, due to insufficient funds or any other reason, shall be reimbursed by You. Late payments shall be subject to extra charges. If payment is not received when due, Caselle reserves the right to suspend Your support until payment is received. Such suspension will not relieve You of payment obligation.

Limitations of Remedies

Your Remedies. Your sole and exclusive recourse and remedy for any loss, including your right to recover damages shall be as set forth in this Section. Caselle's liability with respect to any and all actual losses incurred during the Term (or a Renewed Term) of the Agreement shall not exceed the amount paid by You to Caselle at the last billing. You shall provide Caselle with documentation sufficient to demonstrate any expenses that You actually incurred for which You seek damages from Caselle. Caselle shall not be responsible for any loss incurred by You from a claim that is settled or compromised by You without the prior written approval of Caselle.

No Liability for Consequential Damages. In no event shall Caselle be liable to You or to any third party for any indirect, special, punitive, incidental, consequential or compensatory losses, damages, claims or causes of action in excess of the amount of compensation paid hereunder, including, but not limited to, those arising from loss of business or profits or any other economic loss, even if Caselle was aware of the possibility of such damages.

General

(a) You shall not assign, sublicense or transfer any of Your rights under this Agreement without the prior written consent of Caselle.

(b) This Agreement shall be governed and construed in accordance with the laws of the State of Utah. If any part of this Agreement violates applicable law that part of the Agreement shall be deemed to be amended to the extent necessary to comply with the law.

(c) This Agreement constitutes the entire agreement between Caselle and You and supersedes any prior agreement or understanding, written or oral relating to support services. Except as provided herein, this Agreement may not be varied, amended or supplemented except in writing and properly executed by both parties.

(d) If any provision of this Agreement shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or the validity or the enforceability of this Agreement.

(e) All rights and remedies provided herein are cumulative and are in addition to all other rights and remedies available at law or equity.

(f) In the event either party successfully takes legal action to enforce any provision of this Agreement the non-prevailing party shall pay full costs and expenses of such action, including reasonable attorney's fees.

(g) Any notice required by this Agreement shall be deemed to have been properly given if sent by registered or certified mail to the address stated above or such other address as may be designated in writing by either party.

(h) The waiver of any breach or default of this Agreement shall constitute a waiver only as to such particular breach or default and shall not constitute a waiver of any other breach or default.

(i) Caselle shall not be held liable for delays in any of its performance resulting from acts of God, war, civil disturbance, court order, labor dispute or any other cause beyond its control.

The signatures below indicate each party's acceptance of this Agreement. Each party has caused this agreement to be executed by its duly authorized representative.

CASELLE, INC.

By: 

Name & Title: Alan S. Hutchings, President

Date: July 29, 2022

CITY AND BOROUGH OF WRANGELL

By: _____

Name: _____

Title: _____

Date: _____