



City and Borough of Wrangell
Special Borough Assembly Meeting
AGENDA



NIXLE Registration

Monday, August 12, 2024
5:30 PM

Location: Borough Assembly Chambers

1. CALL TO ORDER

2. PERSONS TO BE HEARD

3. AMENDMENTS TO THE AGENDA

4. CONFLICT OF INTEREST

5. NEW BUSINESS

a. **ORDINANCE No. 1065** 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 1, 2024

b. Approval of a Sole Source Construction Contract with Wrangell Painting, LLC, in conformance with Wrangell Municipal Code, Section 5.10.050 in the amount of \$293,090 for Painting the Evergreen Elementary School's Building Exterior

6. EXECUTIVE SESSION

a. **Executive Session:** Discuss the two Municipal Legal Services Candidates

7. ADJOURNMENT

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 12, 2024
	<u>Agenda Section</u>	5

ORDINANCE No. 1065 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 1, 2024

SUBMITTED BY:

Mason Villarma, Borough Manager

FISCAL NOTE:

Expenditure Required: \$XXX Total		
FY 25:	FY 26:	
Amount Budgeted:		
	FY25	\$0
Account Number(s):		
	XXXXX	XXX XXXX
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	\$XXX	

Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. ORD 1065

RECOMMENDATION MOTION:
Move to approve First Reading of Ordinance No. 1065 and Move to a Second Reading with a Public Hearing to be held on August 27, 2024.

SUMMARY STATEMENT:

Ordinance 1065 allows a bond proposition to be on the ballot this election cycle. It seeks to have voters approve or deny a \$3,000,000 GO Bond so that we can apply for a loan through the USDA community facilities loan/grant program.

Recall that Senator Murkowski has \$2,438,000 in the Senate Bill for the Public Safety Building and as such the loan proceeds and CDS funding from Murkowski would be combined for a \$5.438M project to only address the shell of the building. This is a recapitalization of siding, roof, and degraded structural components of the building. This project will include a pitched roof.

The proposed funding package would be as follows:

- \$2.438M – Murkowski CDS through Rural Development
- \$3.000M – GO Bond through USDA CF Loan Program
- \$3.000M – Interim Financing through Commercial Bank

The debt service if the bonds were issued today is projected to be \$151,570 each year for 40 years. The Borough's operating surplus before capital projects in the FY25 budget is \$350,870. Said differently, if the Borough's expenses stay the same or constant with revenue growth, the Borough will be able to maintain an operating surplus even after accommodating for the debt service. While taxpayer dollars are not needed to afford this loan, they are secured by the voters in a worst-case scenario.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 1065

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 1, 2024

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 dollars (\$3,000,000), for the purpose of paying the Costs of Construction of major exterior 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 three-million dollars (\$3,000,000) 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 1, 2024, 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 three-million dollars (\$3,000,000) 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. 1065).

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 1, 2024. The remaining sections of this Ordinance shall be effective upon adoption.

PASSED IN FIRST READING: _____, 2024.

PASSED IN SECOND READING: _____, 2024.

Patricia Gilbert, 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 12, 2024
	<u>Agenda Section</u>	13

Approval of a Sole Source Construction Contract with Wrangell Painting, LLC, in conformance with Wrangell Municipal Code, Section 5.10.050 in the amount of \$293,090 for Painting the Evergreen Elementary School’s Building Exterior

SUBMITTED BY:

Mason Villarma, Borough Manager
Amber Al-Haddad, Capital Projects Director

FISCAL NOTE:

Expenditure Required: \$293,090	
Amount Budgeted:	
	\$0
Account Number(s):	
	N/A
Account Name(s):	
	N/A
Unencumbered Balance(s) (prior to expenditure):	
	\$0

Reviews/Approvals/Recommendations

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

ATTACHMENTS: None

RECOMMENDATION MOTION:
Move to approve a sole source contract with Wrangell Painting, LLC, in conformance with Wrangell Municipal Code, Section 5.10.050 in the amount of \$293,090 for Painting the Evergreen Elementary School’s building exterior.

SUMMARY STATEMENT:

The Evergreen Elementary School is in need of exterior painting to preserve the integrity of the building. The last time the building wood siding repainted was in approximately 2014. The elementary school building needs were not prioritized for inclusion in the \$10,500,000 Wrangell Schools Renovations project that was submitted to the State of Alaska Department of Education for major maintenance funding this year.

Borough Manager reached out to Wrangell Painting, LLC who is performing work for the federal government on the Post Office building exterior refurbishing project, and they have provided a proposal to prep and paint all exterior surfaces, including wood siding, metal, handrails, hollow metal doors/frames, and to recalk as needed and pressure wash sidewalks. Their price to perform the work during the 2024 season is \$293,090.

Wrangell Municipal Code 5.10.050 When Competitive Bidding or Quotations are Not Required, item G. allows for contractual services to be procured without competition when the assembly declares is impractical or impossible. Given the hardship in finding contractors available to perform work and due to the available nature of the Wrangell Painting crew currently performing painting work in Wrangell, administration requests that the Borough Assembly approve the contract award without competitive bidding under the basis of the impossibility of procuring otherwise a contractor to perform the work this 2024 season.

Financially, the Borough will come back with a budget amendment to the SRS school fund for \$293,090. The Borough has had discussions with Wrangell Public Schools and asked that they approach the School Board to approve an appropriation of 50% of the total job. If the School Board votes to approve, the Borough and Schools' obligation would be \$146,545 each for the combined \$293,090. Given this is a maintenance task and not a capital project, we think a cost-share approach is a reasonable precedent to set as partners.

The proposal includes the following:

Labor, materials, and equipment necessary to repaint the exterior of Evergreen Elementary School located at 350 Bennett Street, Wrangell AK as detailed below.

Painting base bid \$293,090.

Includes:

1. Treat with mildewcide and pressure wash all substrates that are to receive coatings.
2. All surfaces will be properly prepared prior to applying finishes.
3. Remove and replace deteriorated caulking as needed.
4. Prime all substrates with the appropriate primer, as needed.
5. T-1-11 siding – Prepare and paint with two coats Sherwin Williams Woodscapes Solid Acrylic.
6. Metal siding – Two coats Sherwin Williams Bondplex Acrylic coating
7. Wood handrails – One coat of Sherwin Williams SuperDeck semi-transparent stain.
8. Metal handrails – Hand prep rusted areas as needed and paint with two coats Sherwin Williams Mio-Alum Moisture cure urethane finish.

9. HM doors and frames – Prime all bare metal with Sherwin Williams Mio-Alum Moisture cure urethane and paint in two coats with Sherwin Williams Pro Industrial Acrylic s/g.
10. Concrete walkways and sidewalks – Pressure wash.
11. Number and placement of colors – Similar to existing.
12. We will provide samples of the coatings and colors to be used on the project.
13. Lift equipment and scaffolding – Included.

Excludes:

1. Small play shed structure in the playground.

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

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 13, 2024
	<u>Agenda Section</u>	5

Executive Session: Discuss the two Municipal Legal Services Candidates

SUBMITTED BY:

Kim Lane, Borough Clerk

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

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

ATTACHMENTS: 1. None.

RECOMMENDATION MOTION I move, pursuant to 44.62.310 (c) (2), that we recess into executive session to discuss matters that may tend to prejudice the reputation and character of any person, specifically to discuss the two municipal legal services candidates.

SUMMARY STATEMENT:
The Assembly may or may not come out of Executive Session and announce that they have selected a firm to negotiate a contract with to serve as our Municipal Attorney.