



**City and Borough of Wrangell  
Borough Assembly Meeting  
AGENDA**

**Tuesday, October 24, 2017  
7:00 p.m.**

**Location: Assembly Chambers, City Hall**

**WORK SESSION ~ 6:00PM  
TOPIC: BYFORD JUNKYARD TREATED SOIL DISPOSAL OPTIONS**

**1. CALL TO ORDER**

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Steve Prysunka
- b. INVOCATION to be given by \_\_\_\_\_
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introduction*
  - i. **PROCLAMATION** – *Extra Mile Day, November 1, 2017*
  - ii. **Certificates of Service** for:
    - *Rolland Howell – Planning & Zoning Commission*
    - *Robert Rang – School Board*

**2. ROLL CALL**

**3. AMENDMENTS TO THE AGENDA**

**4. CONFLICT OF INTEREST**

**5. CONSENT AGENDA**

- a. Item (\*) 6a & 7a through 7e

**6. APPROVAL OF MINUTES**

- a. Borough Assembly Minutes: Special Assembly meeting held October 9, 2017; PH & Regular Assembly meetings held October 10, 2017

**7. COMMUNICATIONS**

- a. School Board Action: Special Meeting held October 5, 2017
- b. Parks & Recreation Board Minutes: June 7, 2017
- c. Southeast Alaska by the Numbers 2017
- d. POA-2017-475, Application for Permit from Brett Woodbury to the US Army Corps of Engineers to create usable uplands in the Wrangell Harbor
- e. Correspondence from Senator Murkowski, congratulating Wrangell on SE Conference's Community of the Year for 2017 award.

**8. BOROUGH MANAGER'S REPORT**

- Water System Report

**9. BOROUGH CLERK'S FILE**

**10. MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS**

- a. Reports by Assembly Members
- b. Hospital Board Vacancy – Unexpired until 10-2018
- c. Vacant City Boards and Committee Appointments

**11. PERSONS TO BE HEARD**

**12. UNFINISHED BUSINESS**

**13. NEW BUSINESS**

- a. **PROPOSED ORDINANCE No. 937:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF CHAPTER 3.05 OF THE WRANGELL MUNICIPAL CODE, ASSEMBLY – RULES OF PROCEDURE (*first reading*)
- b. Approval of Consent to Assignment of Lease for Financing Purposes for the Facility Lease Agreement for Lot 1, Wrangell Marine Service Center with Don Sorric (*postponed from the Sept. 12<sup>th</sup> and Oct. 10<sup>th</sup> Regular Assembly meetings*)
- c. **PROPOSED RESOLUTION No. 10-17-1383:** A RESOLUTION OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE RENEWAL OF THE LINE OF CREDIT AGREEMENT BETWEEN THE CITY AND BOROUGH OF WRANGELL AND THE WRANGELL MEDICAL CENTER
- d. Approval of the Letter to Governor Walker regarding Transboundary Waters (*postponed from the Oct. 10<sup>th</sup> Regular Assembly meeting*)
- e. Approval of Alternative Option for the Wrangell Island Project Timber Harvest and Withdrawing the Draft Record of Decision Objection by the City & Borough of Wrangell
- f. Approval of Borough Goals

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

**15. EXECUTIVE SESSION** - None

**16. ADJOURNMENT**

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

|                           |              |            |      |                  |
|---------------------------|--------------|------------|------|------------------|
| <u>AGENDA ITEM TITLE:</u> | <u>NO's.</u> | <b>1-6</b> | Date | October 24, 2017 |
| <u>SUBMITTED BY:</u>      |              |            |      |                  |
| Kim Lane, Borough Clerk   |              |            |      |                  |

**RECOMMENDATION:**

**CONSENT AGENDA - RECOMMENDED ACTION:**

Move to approve those Agenda items listed under the Consent Agenda and those marked with an asterisk (\*) Item(s):

***\*6a and 7a through 7e***

**ITEM NO. 1 CALL TO ORDER:**

*INFORMATION: The Mayor, by code, is required to call the meeting to order at 7:00 p.m. in the Borough Assembly Chambers. Special meetings or continued meetings may be called for at differing times but at the same location. Notice of such will be required by the Borough Clerk. The Mayor will call the meeting to order according to such special or continued meeting notice. At all meetings of the assembly, four assembly members or three members and the mayor shall constitute a quorum for the transaction of business, but a smaller number less than a quorum may adjourn a meeting to a later date.*

**RECOMMENDED ACTION:**

The Mayor, as presiding officer, is to call the meeting of the Borough Assembly to order, with the following actions to follow:

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Stephen Prysunka
- b. INVOCATION to be given by \_\_\_\_\_
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introduction*
  - i. **PROCLAMATION** – *Extra Mile Day, November 1, 2017*
  - ii. **Certificates of Service** for:
    - *Rolland Howell – Planning & Zoning Commission*
    - *Robert Rang – School Board*

**ITEM NO. 2 ROLL CALL – BOROUGH CLERK:**

*INFORMATION: The Borough Clerk shall conduct a roll call of each elected and duly qualified Assembly Member. Such call shall result in an entry of those present or absent from the meeting. The roll call is primarily utilized in determining if sufficient member(s)*

are present to conduct a meeting. The Borough Clerk may randomly change the conduct of the roll to be fair to the members of the governing body unless the council determined an adopted procedure for roll call which is different than currently in use.

**RECOMMENDED ACTION:**

Borough Clerk to conduct a roll call by voice vote. Each member to signify by saying here, present (or equal) to give evidence of attendance.

**ITEM NO. 3    AMENDMENTS TO THE AGENDA:**

INFORMATION: *The assembly may amend the agenda at the beginning of its meeting. The outline of the agenda shall be as from time to time prescribed and amended by resolution of the assembly. (WMC 3.04.100)*

**RECOMMENDED ACTION:**

The Mayor should request of the members if there are any amendments to the posted agenda. ***THE MAYOR MAY RULE ON ANY REQUEST OR THE ASSEMBLY MEMBERS MAY VOTE ON EACH AMENDMENT.***

**ITEM NO. 4    CONFLICT OF INTEREST:**

INFORMATION: *The purpose of this agenda item is to set reasonable standards of conduct for elected and appointed public officials and for city employees, so that the public may be assured that its trust in such persons is well placed and that the officials and employees themselves are aware of the high standards of conduct demanded of persons in like office and position.*

*An elected city official may not participate in any official action in which he/she or a member of his/her household has a substantial financial interest.*

**ITEM NO. 5    CONSENT AGENDA:**

INFORMATION: *Items listed on the Consent Agenda or marked with an asterisk (\*) are considered part of the Consent Agenda and will be passed in one motion unless the item has been removed by an Assembly Member or the Mayor and placed on the regular agenda under Unfinished Business.*

**ITEM NO. 6    APPROVAL OF MINUTES:**

INFORMATION:

\*6a Borough Assembly Minutes: Special Assembly meeting held October 9, 2017; PH & Regular Assembly meetings held October 10, 2017



**Extra Mile Day  
PROCLAMATION  
November 1, 2017**

**WHEREAS**, Wrangell, Alaska, is a community which acknowledges that a special vibrancy exists within the entire community when its individual citizens collectively “go the extra mile” in personal effort, volunteerism, and service; and

**WHEREAS**, Wrangell, Alaska, is a community which encourages its citizens to maximize their personal contribution to the community by giving of themselves wholeheartedly and with total effort, commitment, and conviction to their individual ambitions, family, friends, and community; and

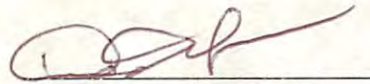
**WHEREAS**, is a community which chooses to shine a light on and celebrate individuals and organizations within its community who “go the extra mile” in order to make a difference and lift up fellow members of their community; and

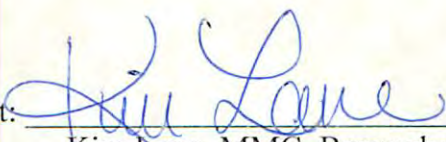
**WHEREAS**, acknowledges the mission of Extra Mile America to create 575 Extra Mile cities in America and is proud to support “Extra Mile Day” on November 1, 2017.

**NOW THEREFORE**, I, David L. Jack, Mayor of the City & Borough of Wrangell, Alaska, do hereby proclaim November 1, 2017, to be:

**Extra Mile Day**

And I urge each individual in the community to take time on this day to not only “go the extra mile” in his or her own life, but to also acknowledge all those who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place.

  
David L. Jack, Mayor

Attest:   
Kim Lane, MMC, Borough Clerk





# ***CERTIFICATE OF SERVICE***

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

**Rolland Howell**

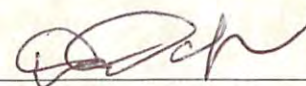
for his service and dedication as a member of the Planning & Zoning Commission

*February 2016 to October 2017*



ATTEST: Kim Lane, MMC, Borough Clerk

Dated this 24th day of October, 2017



David L. Jack, Mayor





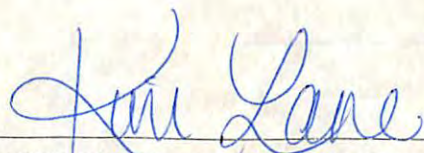
# *CERTIFICATE OF SERVICE*

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

**Robert Rang**

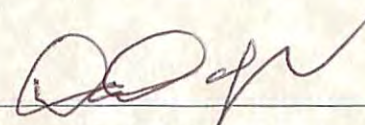
for his service and dedication as a member of the School Board

*April 2017 to October 2017*



ATTEST: Kim Lane, MMC, Borough Clerk

Dated this 24th day of October, 2017



David L. Jack, Mayor





**Minutes of Special Assembly Meeting  
Held October 9, 2017**

Mayor David Jack called the Special Assembly meeting to order at 12:30 p.m., October 9, 2017, in the Borough Assembly Chambers. Assembly Members Decker, Gilbert, Prysunka, Powell, and Mitchell were present. Assembly Member Rooney was absent. Borough Manager Lisa Von Bargen and Borough Clerk Kim Lane were also in attendance.

**CONFLICT OF INTEREST** – None

**PERSONS TO BE HEARD** – None

**ITEMS OF BUSINESS**

**5a** Certification of Election Results for the October 4, 2016 Regular Election

*M/S: Prysunka/Decker, moved that the Borough Assembly of the City and Borough of Wrangell, Alaska, hereby certifies the results of the Regular Election held October 3, 2017, as prepared by the Canvass Board, and that the following persons were elected to office by a majority of votes cast.*

|                                   |                                |                                       |
|-----------------------------------|--------------------------------|---------------------------------------|
| <i><b>Rolland C. Howell</b></i>   | <i><b>Borough Assembly</b></i> | <i><b>Three Year Term</b></i>         |
| <i><b>Stephen Prysunka</b></i>    | <i><b>Borough Assembly</b></i> | <i><b>Three Year Term</b></i>         |
| <i><b>Mark Mitchell</b></i>       | <i><b>Port Commission</b></i>  | <i><b>Three Year Term</b></i>         |
| <i><b>Jessica Rooney</b></i>      | <i><b>School Board</b></i>     | <i><b>Three Year Term</b></i>         |
| <i><b>David Wilson</b></i>        | <i><b>School Board</b></i>     | <i><b>Two Year Unexpired Term</b></i> |
| <i><b>Jennifer Bates</b></i>      | <i><b>Hospital Board</b></i>   | <i><b>Four Year Term</b></i>          |
| <i><b>Rebecca Christensen</b></i> | <i><b>Hospital Board</b></i>   | <i><b>Four Year Term</b></i>          |
| <i><b>none</b></i>                | <i><b>Hospital Board</b></i>   | <i><b>Two Year Unexpired Term</b></i> |

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

**5b** Certificates of Service were distributed to the following outgoing Elected Officials:

- *Mark Mitchell – Borough Assembly (June 2014 to Oct 2017)*
- *Walter Moorhead – Port Commission (Oct 2014 to Oct 2017)*

- *Susan Eagle – School Board (Jan 2009 to Oct 2017)*
- *Bernie Massin – Hospital Board (Oct 2012 to Oct 2017)*
- *Terri Henson – Hospital Board (Oct 2012 to Oct 2017)*

**5c** Administer Oath of Office

Borough Clerk Lane administered Oath of Office to Stephen Prysunka and Rolland C. Howell.  
All other elected officials were absent.

Special meeting adjourned at 12:36 p.m.

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David L. Jack, Mayor

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

**Minutes of the Public Hearing  
Held October 10, 2017**

Mayor David L. Jack called the Public Hearing to order at 6:30 p.m., October 10, 2017, in the Borough Assembly Chambers. Assembly Members Powell, Howell, Gilbert and Prysunka were present. Assembly Member Decker participated by telephone. Assembly Member Rooney was absent. Borough Manager Von Barga and Clerk Kim Lane were also in attendance.

**Public Hearing Item:**

Community Development Block Grant Application Project Selection

**WRITTEN TESTIMONY**

There was no written testimony.

**ORAL TESTIMONY**

*Carol Rushmore, Economic Development Director* explained that the Community Development Block Grant (CDBG) was an annual program that the State does; funded through the Housing Urban Development (HUD); 2.4 million available Statewide this year.

Rushmore stated the grant was only available to communities that met the eligibility of were low to moderate income. There are set guidelines that the Federal Government provides to establish if the particular household is LMI. Wrangell was originally at 46% Low Moderate Income (LMI). We did a survey last winter/spring and the State has certified Wrangell at about 53% LMI; will be good until the 2020 Census.

Rushmore stated that this was our second required Public Hearing; have solicited input from the community, a variety of projects that meet the eligibility requirements for the Community Development Block Program through the Public Hearing, Facebook, and in the Newspaper; we did receive an additional project form a community member to put in infrastructure at the Institute Property; believe that it would meet the requirements; the rest of the projects in the packet are projects that Staff has proposed. Rushmore stated that there are a list of different community development projects; planning projects; special economic development activities, if they create jobs.

Rushmore asked the public if there were any questions on those types of projects. There were none.

Rushmore described the seven projects that were eligible for the CDBG program:

1. Public Safety and Fire Department Building Rehabilitation, specifically all areas that affected the Fire Department facilities. She stated that the total buildings estimated project cost was \$549,633; estimated cost associated with the Fire Department was \$294,273; estimated community match was 25% of the total project cost (\$137,408).
2. Fire Truck Replacement: estimated cost for a relatively new used pumper truck was \$315,000 to \$450,000; could use the CDBG funding for this if the assembly chose to do so.

3. Water Treatment Facility Construction: estimated cost is \$9,051,000; although the rehabilitation of the Treatment Plant is the top priority for the community, Staff is still working on the final analysis of the component new vs. old of what we need for the design; won't have all of the information needed before the CDBG application is due.
4. Shoemaker Bay Harbor Construction project: estimated cost is \$11,453,472; not recommended because we do have the funding in place for this project; coming out of the Enterprise Fund, not the General Fund; will be bonding for some of this project.
5. Mill Property Acquisition: can use the CDBG funding to purchase land; have to know what you will be using the land for and at this time, we do not know what the exact use would be.
6. Pool Roof Replacement and facility improvements: estimated cost is \$1,700,000; will need to address the roof soon; however, since the recent discovery of the repairs needed for the public safety building, this project was not chosen.
7. Institute Property Infrastructure: can do improvements and design work; do not have any cost details at this time.

Rushmore stated that we had been seeking public input for alternative proposals through our Website, Facebook, Public Notices, and the Newspaper; today we had received the request for infrastructure at the Institute property; that was the only one that we had received.

This Public Hearing essentially is for the public and the Assembly to discuss the different proposed projects and to determine which project was the most critical to the community.

Gilbert stated that the recommended project was a good project; looked at the point system online and we more that meet the requirement of 25 points; probably the best option for the community.

In response to Prysunka, Von Bargaen stated that the envelope survey on the Public Safety Building had been completed and was in the packet this evening.

Von Bargaen stated that the two main reasons for choosing this project was because it was currently the most critical and also because the general fund that funds the Public Safety Building is the one that we have the most difficulty in getting the money for. Von Bargaen further said that for the Shoemaker project, we have the ability to bond for that project; cannot bond for the public safety building.

Von Bargaen also said that because this program is very competitive, we are asking for a very reasonable amount of funding that doesn't take up too much of the 2.4 million available.

Gilbert agreed since we are looking at funding 46% match for that criteria.

Prysunka wanted to recognize that a community member took the time to send in a project; however, don't have enough information to support the plan with so many other projects needing attention.

Von Bargaen stated that we could possibly look at the community member's project for next year.

**There were no comments from the public.**

Public Hearing Meeting adjourned at 6:47 p.m.

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

\_\_\_\_\_  
David L. Jack, Mayor



**Minutes of Regular Assembly Meeting  
Held on October 10, 2017**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., October 10, 2017, in the Borough Assembly Chambers. Assembly Members Powell, Howell, Gilbert and Prysunka were present. Assembly Member Decker participated by telephone. Assembly Member Rooney was absent. Borough Manager Von Barga and Clerk Kim Lane were also in attendance.

The Pledge of Allegiance was led by Assembly Member David Powell.

The Invocation was given by Nettie Covalt of the Presbyterian Church.

Mayor Jack presented a Plaque that was given to the Community of Wrangell at Southeast Conference for Community of the Year.

Dan Neumeister, CEO of SEARHC provided the Assembly and the community with an update on some of the activities within Alaska Island Community Services.

Prysunka thanked SEARHC for paying their property taxes, which was \$62,720; also stated that SEARHC/AICS would have fallen into tax exempt status so this is huge.

Recessed Regular meeting at 7:12 p.m.

Reconvened Regular meeting at 7:21 p.m.

**AMENDMENTS TO THE AGENDA** - None

**CONFLICT OF INTEREST** – None

**CONSENT AGENDA**

*M/S: Prysunka/Rooney, to approve Consent Agenda Items marked with an (\*) asterisk; Items 6a and 7a through 7f. Motion approved unanimously by polled vote.*

**APPROVAL OF MINUTES**

The Minutes of the Regular Assembly meeting held September 26, 2017 were approved as presented.

**COMMUNICATIONS**

- a. POA-1999-377, Burnett Inlet - Application to the US Army Corps from Bret Hiatt
- b. NRC – Weekly Project Status Update Report (Wrg. Solid Waste Monofill)
- c. School Board Minutes: Regular – August 21, 2017; Special – September 11, 2017
- d. State of Alaska DCCED – FY18 Community Assistance Supplemental Payment
- e. State of Alaska ADEC – Soil Disposal Alternatives for the Wrangell Junkyard Cleanup
- f. Federal Lobbyist Status Report

**BOROUGH MANAGER'S REPORT**

Manager Von Barga's report was provided.

In addition to her report, Von Barga reported on the following:

- Water Treatment System Update (report)
- Evergreen (lot next to Ferry Terminal sold – issue)
- Nuisance Burning
- Scrap Steel Recycling Update
- Goals (To be distributed to the Assembly at the meeting for future review)
- Public Safety Building Update

#### **BOROUGH CLERK'S FILE**

Clerk Lane's report was provided.

In addition to her report, Lane also reported on the upcoming ordinance that would make modifications to Chapter 3.05 of the Wrangell Municipal Code.

#### **MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS**

##### **10a** Reports by Assembly Members

Decker reported on Southeast Conference

##### **10b** City Board and Committee Annual Appointments

Mayor Jack appointed the following people to the following boards/committees:

- Cindy Martin to the Parks & Recreation Board
- Holly Padilla to the Parks & Recreation Board
- Don McConachie to the Planning & Zoning Commission
- Julie Decker to the Economic Development Committee
- Kim Covalt to the Economic Development Committee
- Corree Delabruue to the Wrangell Convention & Visitors Bureau

As there were still boards and committees left with vacant seats, the Mayor directed Clerk Lane to advertise for the vacancies.

There were no objections from the Assembly.

##### **10c** Prior Vacant City Boards and Committee Appointments

Planning & Zoning Commission (Unexpired until 10-2018 and 10-2019)

As there were no letters of interest received for these appointments, Jack directed Clerk Lane to continue advertising.

##### **10d** Nomination of Vice-Mayor

***M/S: Powell/Gilbert: to appoint Steve Prysunka for Vice-Mayor. Motion approved unanimously by polled vote.***

**PERSONS TO BE HEARD** - None

## **UNFINISHED BUSINESS**

### **12a Approval of Community Development Block Grant Application Project Selection**

***M/S: Prysunka/Powell, moved to approve the Public Safety and Fire Department Building Rehabilitation (PSB rehab), specifically all areas affecting the Fire Department facilities. Total building rehabilitation project cost is \$549,633., estimated cost associated with the Fire Department is \$294,273. Estimated minimum match required is \$137,408 (25% of total project costs).***

In response to Gilbert, Von Bargaen stated that the cash match will come from the money that was allocated to replace siding on the public safety building this year, to replace the roof on the public safety building this year, and we will have to dip into the money that was set aside to replace the pool roof this year, and a handful of other small pots of money that we will have to pull from; will come back to the Assembly with a contract award that will show the funding sources.

Gilbert asked that when a motion is recommended, that the funding source be identified as well; always want to know where the funding is coming from.

Von Bargaen stated that she would make sure from now on that it is identified.

Rushmore stated that we would have to come back to the Assembly with a Resolution for them to consider; the funding will also be in the Resolution; the costs are estimated at this point.

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

## **NEW BUSINESS**

**13a Approval of Revised Funding Source for Amendment #2 to Professional Services Agreement with PND Engineers for Shoemaker Bay Harbor Additional 90% Engineering Design in the Amount of \$51,227**

***M/S: Powell/Prysunka, moved to approve the revised Funding Source for Amendment #2 to Professional Services Agreement with PND Engineers for the Shoemaker Bay Harbor Additional 90% Engineering Design in the Amount of \$51,227.***

Von Bargaen explained that this item was to change the funding source; this amendment had previously been approved by the assembly.

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

**13b Approval of Amendment #3 to Professional Services Agreement with PND Engineers for Shoemaker Bay Harbor 100% Engineering Design in the Amount of \$122,331**

***M/S: Prysunka/Mitchell, moved to approve Amendment #3 to the Professional Services Agreement with PND Engineers for Shoemaker Bay Harbor for 100% Engineering Design, in the amount of \$122,331. Motion approved unanimously by polled vote.***

**13c** PROPOSED RESOLUTION NO. 10-17-1381, AMENDING THE FY 2018 BUDGET BY TRANSFERING \$9,215 FROM PORTS AND HARBORS RESERVES TO THE PORTS AND HARBORS CAPITAL IMPROVEMENT EXPENDITURES, ACCOUNT NO. 74020-000-7900, BY \$9,215 FOR THE CITY DOCK ELECTRICAL PROJECT

***M/S: Gilbert/Prysunka, moved to adopt Resolution No. 10-17-1381. Motion approved unanimously by polled vote.***

**13d** Approval of Change Order #2 to BW Enterprises, LLC for Changed Conditions for the Waterfront Armor Rock – City Dock Project in the Amount of \$50,412.50.

***M/S: Prysunka/Gilbert, to approve Change Order #2 to BW Enterprises, LLC for Changed Conditions for the Waterfront Armor Rock – City Dock Project in the Amount of \$50,412.50.***

Wrangell Harbormaster, Greg Meissner explained why the change order was necessary.

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

**13e** PROPOSED RESOLUTION NO. 10-17-1382, AMENDING THE FY 2018 BUDGET BY TRANSFERING \$81,692.50 FROM PORTS AND HARBORS RESERVES TO THE PORTS AND HARBORS CAPITAL IMPROVEMENT EXPENDITURES, ACCOUNT NO. 74020-000-7900, FOR THE PURPOSE OF PROVIDING FUNDING FOR THE WATERFRONT ARMOR ROCK – CITY DOCK PROJECT

***M/S: Powell/Prysunka, moved to adopt Resolution No. 10-17-1382. Motion approved unanimously by polled vote.***

**13f** Approval of an Application from the Totem Bar & Liquor Package Store to the Alaska Alcoholic Beverage Control Board, requesting approval of a change in the floor plan

***M/S: Prysunka/Gilbert, to approve of an application from the Totem Bar & Liquor Package Store, with the condition of the approval is dependent on the issuance of both the Fire Marshal's approval to construct and a Wrangell Building Permit, to the Alaska Alcoholic Beverage Control Board, requesting approval of a change in the floor plan. Motion approved unanimously by polled vote.***

**13g** Approval of the FY18 Wrangell Regional and Community Jail Contract, Amendment #4

***M/S: Gilbert/Prysunka, moved to approve FY18 Wrangell Regional and Community Jail Contract, Amendment #4.***

Von Barga explained that the Police Department's Chief was in agreement with the additional duties; state will be hiring a diversion coordinator that will help communities develop options locally for diversion programs.

Prysunka stated that he wanted to make sure that this additional funding would in fact be going towards the additional duties and not being used for budget shortfalls.

Von Barga said that definitely yes, the funding would go towards the additional duties.

Prysunka stated that he saw this as a collaborative effort and that we need to involve Wrangell Cooperative Association (Tribe), SEARHC (for substance abuse), the medical practitioner in the community, the Schools, and the Wrangell Medical Center.

Gilbert asked if the Youth Court was disbanded; if so she would like to see it brought back.

Van Barga said that she would report back to the Assembly on this.

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

**13h** Approval of Consent to Assignment of Lease for Financing Purposes for the Marine Service Center, Yard Lot 1, leased by Don Sorric

***M/S: Prysunka/Powell, moved to postpone this item until the next Assembly meeting on October 24, 2017. Motion approved unanimously by polled vote.***

**13i** Approval of the modified Assembly meeting calendar for November

***M/S: Gilbert/Powell, moved to approve the modified Assembly meeting calendar for November 2017. Motion approved unanimously by polled vote.***

**13j** Approval of the Letter to Governor Walker regarding Transboundary Waters

***M/S: Gilbert/Powell, moved to postpone this item until the next Assembly meeting on October 24, 2017. Motion approved unanimously by polled vote.***

**13k** Approval of Professional Services Agreement with Shannon & Wilson for Task 1 Dam Tap Alternatives in the Amount of \$25,585

***M/S: Powell/Prysunka, moved to approve a Professional Service Agreement with Shannon & Wilson for the Task 1 Dam Tap Alternatives Analysis in the amount of \$25,585.***

Gilbert stated that she had talked to Finance Director Burgess about where the funding would be coming from and that he stated that it would come from the DCCED Grant.

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

**13l** Approval of Professional Services Agreement with CRW Engineering Group, LLC. for Final Evaluation of Water Treatment Plant Improvements in the Amount of \$15,750

***M/S: Prysunka/Gilbert: moved to approve a Professional Service Agreement to CRW Engineering Group for Final Evaluation of Water Treatment Plant Improvements, in the amount of \$15,750. Motion approved unanimously by polled vote.***

**ATTORNEY'S FILE – None**

**EXECUTIVE SESSION – None**

Regular Assembly Meeting adjourned at 8:22 p.m.

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

\_\_\_\_\_  
David L. Jack, Mayor

|   |  |  |  |  |
|---|--|--|--|--|
| <b>CITY &amp; BOROUGH OF WRANGELL, ALASKA</b><br><b>BOROUGH ASSEMBLY AGENDA STATEMENT</b> |  |  |  |  |
|---|--|--|--|--|

|                           |            |          |      |                  |
|---------------------------|------------|----------|------|------------------|
| <u>AGENDA ITEM TITLE:</u> | <u>NO.</u> | <b>7</b> | Date | October 24, 2017 |
| <u>SUBMITTED BY:</u>      |            |          |      |                  |
|                           |            |          |      |                  |
| Kim Lane, Borough Clerk   |            |          |      |                  |
|                           |            |          |      |                  |

*INFORMATION: Matters listed under the consent agenda are considered to be routine and will be enacted by one motion and one vote. If the Mayor or an Assembly Member requests discussion on an item, that item will be removed from the consent agenda and will be considered under Unfinished Business*

**A MAIL BOX IS ALSO AVAILABLE IN THE BOROUGH CLERK'S OFFICE FOR EACH MEMBER OF THE ASSEMBLY AND SHOULD BE CHECKED ON A ROUTINE SCHEDULE.**

All items appearing under Communications on the Agenda have been approved under the Consent Agenda unless removed by an Assembly Member or the Mayor and placed on the regular agenda under Unfinished Business.

- a. School Board Action: Special Meeting held October 5, 2017
- b. Parks & Recreation Board Minutes: June 7, 2017
- c. Southeast Alaska by the Numbers 2017
- d. POA-2017-475, Application for Permit from Brett Woodbury to the US Army Corps of Engineers to create usable uplands in the Wrangell Harbor
- e. Correspondence from Senator Murkowski, congratulating Wrangell on SE Conference's Community of the Year for 2017 award.

**BOARD ACTION**

FOR DETAILS, CONTACT:  
PATRICK MAYER,  
SUPERINTENDENT  
DIRECT PHONE: 907-874-2347

**WRANGELL PUBLIC SCHOOL BOARD  
SPECIAL MEETING (PAGE 1)  
OCTOBER 5, 2017**

- Recessed into Executive Session
- Reconvened into Regular Session
- Rejected a motion to approve the Negotiated Agreement with Wrangell Teachers' Association as presented
- Ratified the Negotiated Agreement with Wrangell Teachers' Association with revisions
- Adjourned

**WRANGELL PUBLIC SCHOOLS**

**FOR RELEASE: 8:00 AM  
OCTOBER 6, 2017**



**WRANGELL PARKS & RECREATION ADVISORY BOARD  
REGULAR MEETING JUNE 7, 2017  
7:00 P.M. ASSEMBLY CHAMBERS**

**CALL TO ORDER:** Holly Padilla called the Parks and Recreation Advisory Board to order in the Assembly Chamber at 7:00 p.m.

**ROLL CALL:** Board members in attendance were Haig Demerjian, Cindy Martin, Alice Rooney and Holly Padilla

**AMENDMENT TO AGENDA:**

**APPROVAL OF MINUTES:** April 5, 2017 Parks & Recreation Advisory Board meeting minutes were moved to approval 1<sup>st</sup> Rooney by 2<sup>nd</sup> by Demerjian motion passed.

**CORRESPONDENCE:** Draft outline of desire MOU components from the Wrangell Swim Club was presented.

**PERSON'S TO BE HEARD:** NONE

**BOARD MEMBER REPORTS:**

- Martin reported that the staircase leading to Mount Dewey was brushed and looks great.
- Demerjian requested an update on the Trail resurfacing RFP
- Martin suggested that the Needs Assessment survey breakdown the components of parks to a greater degree; for example, putting parks, shelters, and campgrounds in separate categories.
- Padilla reported that the Volunteer Park project shows improvement, especially to the concessions stand. She inquired about the status of the wood chipping project.

**DIRECTOR'S REPORT:**

- Thomas provided a verbal report of each department's status; highlighting the LED lighting replacement for the Community Center and Swimming Pool this summer.
- Thomas suggested that the department advisory board begin investigating potential funding opportunities for developing a new site location for a upgraded recreational facility.

**UNFINISHED BUSINESS:**

- a. Final Budget
  - a. Four capital projects were recommended
    - i. Pool Roof replacement
    - ii. Pneumatic Controls upgrade
    - iii. Hot Water Tank Replacement
    - iv. Pool Lighting replacememnt
- b. Swim Club and WPR Facility Use Agreement
  - a. No further action has been taken with the WSC agreement
  - b. Kate is currently consulting with Susan Erickson from the City's Insurance agency about liability issues related to the agreement.

- c. Kate believes the long-term sustainability of the WSC is enhanced by the club becoming a 501C3.
- c. Pet Waste Outreach Campaign-
  - a. Alice made a recorded tape on the song Hernado's Hideaway song with Laura Davies and the fifth-grade class. The song will be played with a slide show of photos for online media blasting.
  - b. Kate will create the media for the campaign, along with purchasing yard signs that will be staged in various greenspaces around town. Cindy offered to help.

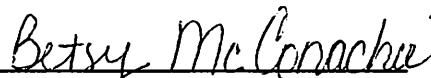
#### NEW BUSINESS

- a. Bikes and Trails
  - a. The board discussed and determined that the trail will be best maintained, managed, and used as a singular use trail system. Signage will be posted deterring uses from bringing bikes on the trail.

#### CLOSING

- A. Next agenda items ordinance in September
  - a. Present funding opportunities for new site development
  - b. Helping Our Parks project plans for 2018
- B. Adjourn meeting 8:15

  
Chairman - Holly Padilla

  
Recording Secretary, Betsy McConachie

**WRANGELL PARKS & RECREATION ADVISORY BOARD  
REGULAR MEETING MAY 3, 2017  
7:00 P.M. ASSEMBLY CHAMBERS**

**CALL TO ORDER:** Holly Padilla called the Parks and Recreation Advisory Board to order in the Assembly Chamber at 7:00 p.m.

**ROLL CALL:** Board members in attendance were Alice Rooney, Holly Padilla, Cindy Martin and Haig Demerjian.

**AMENDMENT TO AGENDA:** None

**APPROVAL OF MINUTES:** April 5, 2017 Parks & Recreation Advisory Board meeting minutes were moved to approve 1<sup>st</sup> by Demerjian 2<sup>nd</sup> by Rooney motion passed.

**CORRESPONDENCE:**

Wrangell Swim Club-Annual Coach's Report

**PERSON'S TO BE HEARD:**

**BOARD MEMBER REPORTS:**

- Lippert laid 300-400 ft. of hardware cloth on Mount Dewey, also removed a large standing rock that fell from the trail tread.
- Padilla referenced the success of HOP. Inquired further on next steps to clean debris and finish various aspect of the project.
- Demerjian reviewed a community request to evaluate the use of bikes on the trail? The ordinance suggested no motorized vehicles. Does this include bicycles?
- Padilla was in opposition to the bikes being allowed on the trail.
- Demerjian said maybe put signs on the trail about the bikes.

**DIRECTOR'S REPORT:**

- Budget draft completed and year end spending prioritized.
- Finalizing various aspect of the HOP project; drafting RFP, sending thank you notes, educating community on goals etc.
- WPR has fundraised over \$12,000 for the trail resurfacing.
- Summer program planning, development and staff training ongoing.
- Swim Lesson begin in June.
- Water Safety Instructor Training is currently active.
- 3 Lifeguards were certified in the April class, all of which will be working for the department.

**UNFINISHED BUSINESS:**

- a. Pet Waste Outreach Campaign
- a. Lippert wrote a note on more dog receptacles around town.
- b. Alice wrote a Song to the tune of "Roll out the Barrel" or Tune of "Hernando's Hideaway"
- c. A letter to the editor and on the radio from the board or do a tutorial, for promotional material.
- d. 5th grade class would like to volunteer with the Parks and Recreation department. This may be an opportunity for them to get involved. Kate and Alice will be in contact with Mrs. Davies.

UNFINISHED BUSINESS:

- a. Pet Waste Outreach Campaign
  - a. Lippert wrote a note on more dog receptacles around town.
  - b. Alice wrote a Song to the tune of "Roll out the Barrel" or Tune of "Hernando's Hideaway"
  - c. A letter to the editor and on the radio from the board or do a tutorial, for promotional material.
  - d. 5<sup>th</sup> grade class would like to volunteer with the Parks and Recreation department. This may be an opportunity for them to get involved. Kate and Alice will be in contact with Mrs. Davies.
- b. Budget
  - a. Currently not feasible to gain hours towards a new aquatics director. It may be possible for the current recreation coordinator hours to be expanded, however it is unlikely this fiscal year.
  - b. Kate responded to inquiries about the expense of painting the multipurpose room and other areas.
  - c. The sloped roof leak is being investigated and may be prioritized in capital
  - d. Over 1 million dollars in capital is required between the swimming pool and community center.
  - e. Final submission of WPR draft budget will be next week.

NEW BUSINESS:

- a. Swim Club and WPR Facility Use Agreement
  - a. Bruce McQueen suggested that the Swim Club would be unwilling to sign a document of this magnitude as it suggests that the Club is a formal entity of some kind, which it is not.
  - b. Both coaches expressed that the club is viewed as an extension of the WPR aquatics programs.
  - c. Coach Roberts suggested that it is very difficult to be a 501C3 in a small community like Wrangell, and referenced other organizations that have dissolved over time.
  - d. Kate stated that the document was an all-encompassing beginning to a long needed formal agreement between the two parties. The document was tailored to a relationship between a municipal department and a 501C3.
  - e. Coaches re-emphasized that the program is for the youth of Wrangell, however it is not sustainable for the two to run the program entirely on their own. The combination of administrative tasks and coaches is challenging.
  - f. Board member Rooney suggested partnering with another community. Perhaps Craig or Petersburg.
  - g. A brief discussion was held on the liability and protection from USA swimming for Coaches. Liability is an area where Coaches may be vulnerable since they are not an insured formal entity.
  - h. Coaches Roberts stated that the revised fees structure is something that alerted her in her review of the document.
  - i. Board Member Demerjian inquired about the Coaches ability to fall under, Volunteer Liability coverage through the swimming pool policy.
  - j. Board Members Demerjian and Padilla suggested drafting bottom line for both parties.

CLOSING

- A. Next agenda items. Bicycles and Trails
- B. Adjourn meeting at 8:20

  
Chairman-Holly Padilla

  
Recording Secretary-Betsy McConachie

# SOUTHEAST ALASKA by the Numbers 2017



SOUTHEAST  
CONFERENCE

VISITORS  
PAGE 5

MARITIME, SEAFOOD  
PAGE 6,7

HEALTH, MINING  
PAGE 8

TIMBER, CONSTRUCTION  
PAGE 9

GOVERNMENT  
PAGE 10

DEMOGRAPHICS  
PAGE 11

BUSINESS SURVEY  
PAGE 13-14

SEPTEMBER 2017

## CHANGES IN THE REGION 2014 TO 2016

## SOUTHEAST ALASKA'S ECONOMY



REGIONAL **POPULATION**  
DECREASED BY **648**  
**PEOPLE TO 73,812**  
-1%



LABOR FORCE  
DECREASED BY **434**  
**JOBS TO 45,260 JOBS**  
-1%



STATE GOVERNMENT  
JOBS DECREASED BY  
**565 JOBS TO 4,940**  
-10%



PASSENGER ARRIVALS  
FROM OUTSIDE THE  
REGION INCREASED BY  
**110,425 PEOPLE +8%**



TOTAL POUNDS OF  
SEAFOOD LANDED  
IN THE REGION  
DECREASED BY **77**  
**MILLION POUNDS A**  
LOSS OF **-26%**

Last year was a tough year for the Southeast Alaska economy. Jobs and workforce earnings were down for the first time since 2007. Population dropped for the second year in a row, the first losses in a decade as well. The reason for our economic distress is clear. Dropping oil prices combined with falling oil production have drastically reduced the state's share of oil earnings, which previously provided up to 90 percent of the state's unrestricted revenues. Despite diminished returns, no state fiscal solution has been enacted. Deep cuts have been made to jobs and spending levels, but not enough to balance the budget, and the state made up the difference using savings accounts, which are rapidly being depleted. Southeast Alaska is uniquely dependent on state government, which directly provides 14% of all wages in the region, along with being a key client to many private sector businesses. State spending is also a critical part of community budgets. In the last two and a half years, the region has lost 750 state jobs, a 14% decrease. The negative economic impacts are projected to intensify once the savings are gone. In other words, we are not nearing the end of this economic disruption, we are merely at the beginning of it.

An embattled state government also directly impedes the sectors it supports, such as the construction industry, which relies on the state to fund large-scale infrastructure projects for construction workers to build. With fewer

projects in the state capital budget, construction, architecture, and engineering jobs are all declining.

Unfortunately, it is not only state government that is struggling. Last year was the worst year for our seafood sector in over a decade. The visitor industry surpassed seafood as being the top private sector industry in terms of both jobs and wages for the first time, ever. In fact, tourism is booming, and 2017 will be a record year for cruise and air passengers, along with jobs and spending. Alaska's popularity is growing, and Southeast Alaska is the most visited region of the state. The visitor sector grew by five percent last year, and is slated to grow another six percent in 2018. However, with the lowest wages of any sector in the region (39% lower than the average annual regional wage), it is rarely the primary source of household income. Other sectors that grew in 2016 included mining and healthcare, albeit with much smaller gains.

Despite so many falling economic indicators, Southeast Alaska business leaders are generally optimistic. While 99% say they are concerned about the region overall, two-thirds say they expect their own business or industry to remain stable or to improve in the upcoming year, and they have invested accordingly. With so many volatile components of our economy at play—such as oil and metal prices, seafood harvest levels, and federal decision making—many future outcomes are possible.



# A Message from Southeast Conference

## Incoming President Jan Hill



Southeast Alaska by the Numbers is our regional report card. The following pages outline how the economy of Southeast Alaska has performed over the past year. It shows the trends and which areas need the greatest attention.

As a lifelong Southeast Alaska resident and three-term mayor, I have had the privilege of working with business, municipal and Tribal leaders throughout the region. The collaborative work through our committees

and partnering in the region and state has led to unprecedented achievements over the years. Now we are faced with unprecedented challenges. And now is not the time to withdraw into our individual boundaries, more than ever before, this is the time for us to come together and work our committees with focus and resolve.

We have many things to be proud of and much to work to improve. There are many uncertainties that cause concern for our communities. Political and fiscal instability is one of the greatest threats at every level of government, local regional and federal. But the one constant in the region since 1958 is Southeast Conference and the hard-working members that gather throughout the year to meet the challenges of the day.

Haines has been passionate about the ferry system since before statehood and is very proud to have been the community that was instrumental in starting what was to become the Alaska Marine Highway System. The ferry system is a critical part of our local and regional economic and social fabric.

Please join us throughout the year as our committees work to strengthen and support our industries from transportation, energy, mining, maritime, seafood, tourism, mining, timber, and economic development. There is much at stake but together we can achieve the Southeast Conference. Please sign up for the committees that are of primary interest to you. Thank you for doing your part to make Southeast Conference a success.

## Executive Director Robert Venables



Navigating the Southeast economy. That's been the goal of Southeast Conference since 1958 when our first board gathered and advocated for the creation of the Alaska Marine Highway System and began to come together and work to promote strong economies and healthy communities in the region. Southeast Alaska has seen significant blows to the economy. Those impacts have forced major changes at

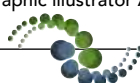
Southeast Conference, caused economic concerns to communities in the region and has slowed investment in the region. But Southeast Alaska is resilient. With our collective efforts to partner and plan strategically, we have already laid the foundation to support and strengthen the capacities that can lead to an economic rebound as part of our regional planning efforts. Our annual meetings allow our regional stakeholders an opportunity to gather information, network, and collaborate toward success. Our members and partners are the strength of Southeast Conference – and the reason for our successes, past, present and future.

It is fitting to meet this year in Haines, the birthplace of the Alaska Marine Highway System. Southeast Conference gathered in 1958 to advocate for its formation, and now our statewide stakeholders gather here to reform AMHS. The AMHS Reform project ([www.AMHSreform.com](http://www.AMHSreform.com)) is a historic opportunity that allows Alaskans the opportunity to articulate their vision and need for marine transportation and work together to propose significant changes to make AMHS a more sustainable entity that integrates as a viable component of the intermodal state transportation system. We are particularly appreciative to the Walker/Mallott Administration for the opportunity to lead this statewide initiative.

From transportation, energy, mining, maritime, seafood, tourism, healthcare, timber and the arts, and all other facets of our economy, we work to make sure that the interests of Southeast communities are front and center on the regional, state, and national level. This work will continue throughout the year.

The mission of Southeast Conference is to **undertake and support activities that promote strong economies, healthy communities and a quality environment in Southeast Alaska**. As the state and federally designated regional economic development organization, Southeast Conference serves as the collective voice for advancing the region's economy. We have 180 member organizations representing 1,200 people from 32 regional communities. We started 59 years ago with a group of people supporting the establishment of a regional transportation system, leading to the formation of the Alaska Marine Highway System. Our members stayed together through more than a half-century to focus on concerns unique to the region.

**Credit:** Cover photo of Haines by Judi Rice Photography. Cover icons created by graphic illustrator Averyl Veliz.



# TWO YEARS OF CHANGE: 2014 to 2016

Table tracks key Southeast indicators over the past 2 years, along with associated changes.

| DEMOGRAPHICS   | 2014  | 2016            | % CHANGE<br>2014-2016 | CHANGE<br>2014-2016 |
|--|---|-----------------|-----------------------|---------------------|
| Population <sup>1</sup>  | 74,460  | 73,812          | -1%                   | -648                |
| Ages 65 and older <sup>2</sup>   | 9,243   | 10,144          | 10%                   | 901                 |
| Under Age Five <sup>2</sup>  | 4,622   | 4,368           | -5%                   | -254                |
| Twenty somethings <sup>2</sup>   | 9,398   | 8,866           | -6%                   | -532                |
| K-12 School District Enrollment <sup>3</sup>                             | 11,804  | 11,571          | -2%                   | -233                |
| GENERAL ECONOMIC CONDITIONS  |   |                 |                       |                     |
| Total Labor Force (jobs, includes self-employed & USCG) <sup>1,5,6</sup> | 45,694  | 45,260          | -1%                   | -434                |
| Total Job Earnings <sup>1,5,6</sup>                                      | \$2.174 billion                                       | \$2,178 billion | 0.2%                  | 4,067,261           |
| Total Private Sector Payroll <sup>1,6</sup>                              | \$1.408 billion                                       | \$1.407 billion | -0.1%                 | -1,140,735          |
| Average Annual Wage <sup>1</sup>   | \$47,593  | \$48,673        | 2.3%                  | 1,080               |
| Annual Unemployment Rate <sup>1</sup>                                    | 7.10%   | 6.10%           | -1%                   | -1%                 |
| TOP ECONOMIC SECTORS   | 2014  | 2016            | % CHANGE              | CHANGE              |
| GOVERNMENT   | PUBLIC SECTOR: 35% OF ALL EMPLOYMENT EARNINGS         |                 |                       |                     |
| Total Government Employment <sup>1,5</sup>                               | 13,602  | 13,052          | -4%                   | -550                |
| Federal Employment <sup>1,5</sup> (8% of all employment earnings)        | 2,110   | 2,108           | -0.1%                 | -2                  |
| State Employment <sup>1</sup> (14% of all job earnings)                  | 5,504   | 4,939           | -10%                  | -565                |
| City and Tribal Employment <sup>1</sup> (14% of all job earnings)        | 5,988   | 6,005           | 0.3%                  | 17                  |
| Total Government Payroll (includes USCG) <sup>1,5</sup>                  | \$765.8 million                                       | \$771.0 million | 1%                    | \$5.2 million       |
| Total State of Alaska Payroll  | \$311.3 million                                       | \$301.6 million | -3%                   | -\$9.7 million      |
| VISITOR INDUSTRY   | KEY INDUSTRY: 11% OF ALL EMPLOYMENT EARNINGS          |                 |                       |                     |
| Total Visitor Industry Employment <sup>1,6</sup>                         | 6,923   | 7,752           | 12%                   | 829                 |
| Total Visitor Industry Wages/Earnings <sup>1,6</sup>                     | \$188.5 million                                       | \$229.4 million | 22%                   | \$40.9 million      |
| Total Southeast Alaska Passenger Arrivals                                | 1,362,737   | 1,473,162       | 8%                    | 110,425             |
| Cruise Passengers <sup>10</sup>  | 967,500   | 1,025,900       | 6%                    | 58,400              |
| Total Air Passenger Arrivals from Outside SE <sup>11</sup>               | 372,197   | 425,939         | 14%                   | 53,742              |
| Total AMHS Passengers from Outside SE <sup>12</sup>                      | 23,040  | 21,323          | -7%                   | -1,717              |
| COMMERCIAL FISHING & SEAFOOD INDUSTRY                                    | KEY INDUSTRY: 10% OF ALL EMPLOYMENT EARNINGS          |                 |                       |                     |
| Total Seafood Employment (includes fishermen) <sup>1,6</sup>             | 4,372   | 3,854           | -12%                  | -518                |
| Total Seafood Employment Earnings <sup>1,6</sup>                         | \$259.0 million                                       | \$209.7 million | -19%                  | -\$49.3 million     |
| Pounds of Seafood Processed <sup>7</sup>                                 | 232.9 million   | 168.4 million   | -28%                  | -64.5 million       |
| Pounds Landed (commercial seafood pounds by SE residents) <sup>8</sup>   | 300.9 million   | 223.4 million   | -26%                  | -77.5 million       |
| Estimated Gross Earnings (ex-vessel value of pounds landed) <sup>8</sup> | \$275.7 million                                       | \$221.0 million | -20%                  | -\$54.7 million     |
| Shared Fish Taxes <sup>13</sup>  | \$5.8 million   | \$2.7 million   | -53%                  | -\$3.1 million      |
| HEALTH CARE INDUSTRY (PUBLIC & PRIVATE HEALTH)                           | KEY INDUSTRY: 9% OF ALL EMPLOYMENT EARNINGS           |                 |                       |                     |
| Health Care Employment <sup>1,6</sup>                                    | 3,323   | 3,344           | 1%                    | 21                  |
| Health Care Wages <sup>1,6</sup>   | \$174.5 million                                       | \$189.3 million | 8%                    | \$14.8 million      |
| MARITIME ECONOMY (Includes employment from all industries)               | TOP SECTOR: 27% OF PRIVATE SECTOR EMPLOYMENT EARNINGS |                 |                       |                     |
| Private Maritime plus USCG Employment <sup>1,5,6</sup>                   | 6,768   | 6,386           | -6%                   | -382                |
| Private Maritime plus USCG Wages <sup>1,5,6</sup>                        | \$395.5 million                                       | \$354.3 million | -10%                  | -\$41.2 million     |
| OTHER SELECTED STATISTICS  | 2014  | 2016            | % CHANGE              | CHANGE              |
| Construction Employment <sup>1,6</sup> (6% all employment earnings)      | 2,168   | 2,033           | -6%                   | -135                |
| Mining Employment <sup>1</sup> (4% of all employment earnings)           | 783   | 798             | 2%                    | 15                  |
| Price of Gold <sup>15</sup>  | \$1,266   | \$1,251         | -1%                   | -15                 |
| Cost of Living: Consumer Price Index <sup>1</sup>                        | 215.805   | 217.83          | 1%                    | 2                   |
| Housing Starts: Housing Permitted /Completed <sup>4,1</sup>              | 321   | 369             | 15%                   | 48                  |
| Avg. Daily Volume ANS Oil Production (mbbls/day) <sup>14</sup>           | 513,318   | 517,191         | 1%                    | 3,873               |
| Annual Avg. Domestic Crude WTI Oil Prices (in \$/Barrel) <sup>14</sup>   | \$52.08   | \$43.34         | -17%                  | -\$9                |

Sources: <sup>1</sup>Alaska Department of Labor (ADOL); <sup>2</sup>ADOL Southeast Alaska Population by Age, 2014 to 2016; <sup>3</sup>Alaska Department of Education and Early Development; <sup>4</sup>Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; <sup>5</sup>US Coast Guard; <sup>6</sup>2015 US Census Nonemployer (self-employment) Statistics; <sup>7</sup>ADF&G Seafood Production of Shorebased Plants in Southeast Alaska, 2004 and 2016; <sup>8</sup>ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information, 2014-2016; <sup>9</sup>McDowell Group & Cruise Line Agencies of Alaska; <sup>10</sup>US Bureau of Transportation Statistics (BTS); <sup>11</sup>US Bureau of Transportation Statistics (BTS); <sup>12</sup>Alaska Marine Highway System data for 2015; <sup>13</sup>Shared Taxes and Fees Annual Report FY16, ADOR; <sup>14</sup>Alaska Department of Revenue Revenue Sources Book; <sup>15</sup>Kitco Metals Inc.

# The Whole Southeast Alaska Economy 2016

In 2016, Southeast Alaska lost 885 year round equivalent jobs, along with \$29 million in workforce earnings over 2015. Approximately a quarter (26.1%) of regional workers are non-residents.

## Annual Average Jobs

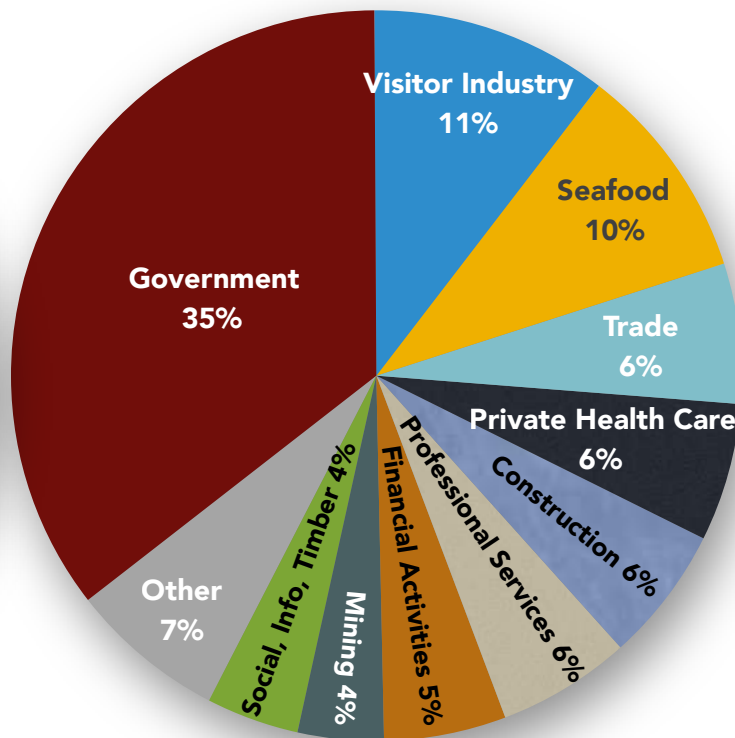
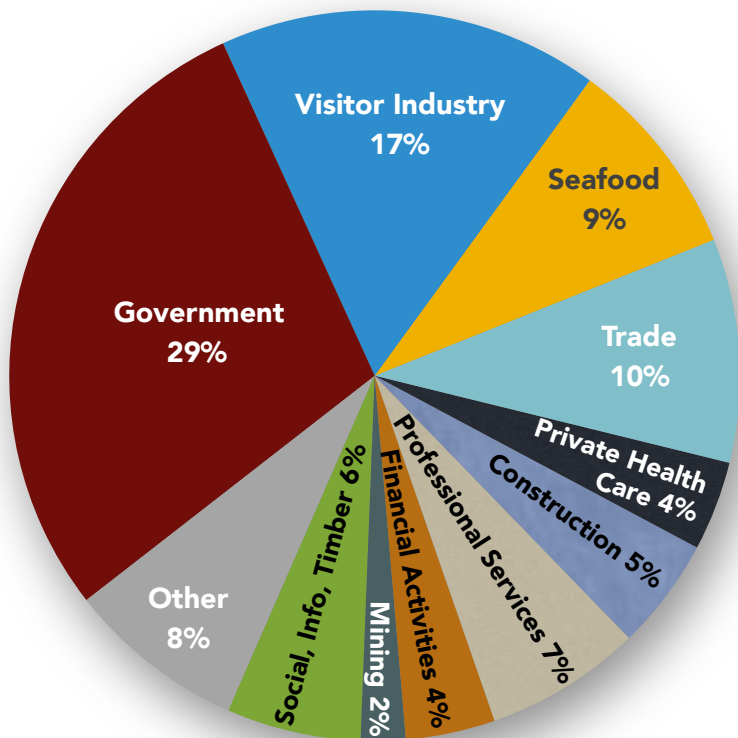
44,763 Jobs

DOWN 885 JOBS IN 2016 -2%

## Employment Related Earnings

\$2.2 Billion Workforce Earnings

DOWN \$29 MILLION -1%

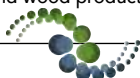


## 2016 Southeast Alaska Employment Earnings

|   | EMPLOYMENT RELATED EARNINGS |                                 |                        | EMPLOYMENT NUMBERS               |                      |                  |
|---|-----------------------------|---------------------------------|------------------------|----------------------------------|----------------------|------------------|
|   | Wages (2016)                | Self-Employment Earnings (2015) | Total Earnings         | Annual Average Employment (2016) | Self-Employed (2015) | Total Employment |
| Government (includes Coast Guard)                 | \$716,921,060               | \$54,109,413*                   | \$771,030,473          | 12,417                           | 635*                 | 13,052           |
| Seafood Industry                                  | \$61,211,763                | \$148,481,000                   | \$209,692,763          | 1,573                            | 2,281                | 3,854            |
| Visitor Industry                                  | \$197,410,968               | \$32,001,000                    | \$229,411,968          | 6,875                            | 877                  | 7,752            |
| Trade: Retail and Wholesale                       | \$111,004,533               | \$24,653,000                    | \$135,657,533          | 3,766                            | 584                  | 4,350            |
| Construction Industry                             | \$98,568,394                | \$33,235,000                    | \$131,803,394          | 1,461                            | 572                  | 2,033            |
| Health Care Industry (private only)               | \$119,011,614               | \$13,720,000                    | \$132,731,614          | 2,197                            | 251                  | 2,448            |
| Professional and Business Services                | \$83,148,173                | \$44,736,000                    | \$127,884,173          | 1,668                            | 1,304                | 2,972            |
| Financial Activities                              | \$50,195,660                | \$67,927,000                    | \$118,122,660          | 956                              | 732                  | 1,688            |
| Mining Industry                                   | \$82,759,540                | \$92,000                        | \$82,851,540           | 791                              | 7                    | 798              |
| Warehousing, Utilities, & Non-Visitor Transport   | \$48,102,126                | \$11,503,000                    | \$59,605,126           | 852                              | 154                  | 1,006            |
| Social Services                                   | \$45,285,800                | \$4,045,000                     | \$49,330,800           | 1,486                            | 217                  | 1,703            |
| Information (publishing, broadcasting, telecomm.) | \$22,313,713                | \$1,973,000                     | \$24,286,713           | 526                              | 58                   | 584              |
| Timber Industry                                   | \$14,474,886                | \$1,554,000                     | \$16,028,886           | 268                              | 45                   | 313              |
| Other   | \$63,090,981                | \$27,231,000                    | \$90,321,981           | 1,732                            | 975                  | 2,707            |
| <b>Total</b>                                      | <b>\$1,713,499,211</b>      | <b>\$465,260,413</b>            | <b>\$2,178,759,624</b> | <b>36,568</b>                    | <b>8,692</b>         | <b>45,260</b>    |

**Sources:** Alaska Department of Labor 2016 Employment & Wage data; 2015 (latest available) US Census Nonemployer (self-employment) Statistics; 2016 US Coast Guard employment & wage data.\*These cells in Government refer to 2016 active duty Coast Guard personnel employment and wages, and not self-employment data.

**Notes:** **Seafood Industry** includes animal aquaculture, fishing & seafood product preparation (NAICS 1125, 1141, 3117), and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Visitor Industry** includes leisure & hospitality, and visitor transportation (air, water, scenic) (NAICS 71, 72, 481, 487, 483). **Timber** includes forestry and logging support activities for forestry, and wood product manufacturing (NAICS 113, 1153, 321).





# THE VISITOR INDUSTRY



## Visitor Industry 7,752 Annual Avg. Jobs

### UP 350 JOBS IN 2016 +5%

In 2016 the visitor industry took a giant step forward, replacing the seafood industry as the most important private sector industry, both in jobs (which it has been for a while) but also in total workforce earnings (see chart on page 4). The visitor industry accounted for **19% of regional employment** (7,752 annual average jobs) and nearly a quarter (24%) of all private sector employment. Since 2010, visitor industry employment has grown by 32%, with 1,900 new jobs. Those working in the visitor industry earned \$229 million in 2016—or 11 percent of all regional employment income.

In 2016, 1.5 million air, ferry, and cruise passengers came to Southeast Alaska from outside the region, a 3.7% increase over 2015. Airline passenger traffic was up 5%, and cruise passenger traffic to the region increased by 3%. Most visitors to the region (70%) come by cruise ship.

### KEY ECONOMIC DRIVER

Southeast Alaska is the most visited part of the state, with two-thirds of all tourists coming to the region. One-third of all Alaska visitor spending occurs in Southeast, where visitors spent an estimated \$657 million in 2016 (excluding transportation to and from Alaska).

### INCREASED JET SERVICE

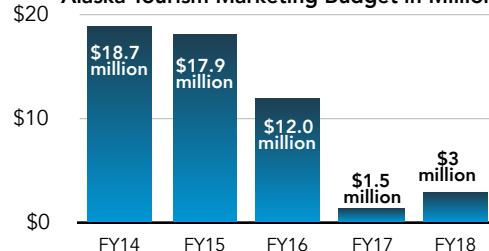
Southeast Alaska saw a record-breaking number of airline passengers in 2016 for the second year in a row. A total of 425,939 passengers arrived from outside the region, and 2017 is likely to break records as well. As of July 2017, airline passenger arrivals were up 1.4% over the first half of 2016. Delta Airlines began summer flight services between Juneau and Seattle in 2014, joining Alaska Airlines as a service provider for the first time since 1996, accounting for some of this increase.

### CRUISE SHIP TRAFFIC

Cruise passengers are also having a record year. In 2017, a projected 1,055,000 cruise ship passengers will visit the region, making 498 voyages on 33 cruise ships. Southeast Alaska is continuing to see larger ships replacing smaller vessels. To handle this change Juneau has built two new panamax docks that opened in 2016 and 2017, meaning Juneau has the capacity to host four 1,000-foot vessels at a time. Icy Strait Point completed a 400-foot floating dock, Adventure Center, and restaurant in 2016. Southeast Alaska is expected to receive 4.2% of all global cruise ship passengers in 2017.

The Alaska Tourism Marketing budget by the state was doubled in FY18, but still lags behind previous years and other states.

### Alaska Tourism Marketing Budget in Millions



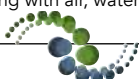
### VISITOR OUTLOOK

The visitor industry has the strongest outlook of all Southeast Alaska industries, and 2017 will be the best year ever for this sector. As the national economy grows stronger, Alaska's popularity grows, and perceived security risks for international travel destinations increase, Southeast Alaska becomes even more attractive to visitors.

Cruise passenger arrivals will hit a new record in 2017—with a projected 25,000 more passengers than the current record set in 2008. In 2018, analysts are projecting an additional six percent increase in Southeast Alaska cruise passengers. Princess Cruises ship is adding a 7th ship, while Norwegian Cruises will add brand new Norwegian Bliss, the first cruise ship custom designed for Alaska waters. Windstar Cruises will begin service to the region in 2018, with Viking, Cunard and the upscale Azamara sending ships for the first time in 2019.

The number of cruise passengers coming to the region is expected to continue to rise as larger, higher capacity vessels visit the region. Airline passenger numbers are also expected to grow. Along with increased visitors, the number of jobs and related income in this sector will continue to improve.

**Sources:** Combination of ADOL 2016 Employment and Wage data and 2015 US Census Nonemployer (self-employment) Statistics; McDowell Group; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System; Cruise Line Agencies of Alaska; Cruise Market Watch; Juneau International Airport Passenger Statistics; Economic Impact of Alaska's Visitor Industry. Forecast 2020 U.S. Department of Commerce, US Office of Travel and Tourism Industries. OMB budgets. **Note:** In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies.





# SOUTHEAST MARITIME: 6,386 Jobs

Private and US Coast Guard Maritime Employment & Workforce Earnings



## Fishing & Seafood Processing

Jobs: 3,854

Wages: \$209.7 M

Change in jobs

2014-16: -19%



## Marine Tourism

Jobs: 1,034

Wages: \$34.4 M

Change in jobs

2014-16: +13%



## US Coast Guard

Jobs: 782 (Active Duty and Civilian)

Wages: \$65.5 M

Change in jobs

2014-16: +2%



## Marine Transportation (Excluding Tourism)

Jobs: 370

Wages: \$25.6M

Change in jobs

2014-16: -7%



## Ship Building, Repair, Marinas

Jobs: 309

Wages: \$15.2 M

Change in jobs

2014-16: +39%



## Marine-Related Construction

Jobs: 37

Wages: \$3.9 M

Change in jobs

2014-16: -45%

24%

Maritime as a % of all private sector earnings in SE

## Southeast Private & USCG Maritime Economy 2014-2016

Total Jobs 2016: 6,386

Total Wages 2016: \$354 Million

Change in jobs since 2014: -354

Change in jobs by percent: -5%

Change in earnings since 2014: -\$41 Million

Change in earnings by percent: -10%

Maritime icons created by graphic illustrator Averyl Veliz. Photo by Vigor Ketchikan.

For methodology, notes, and sources, see [www.raincoastdata.com/sites/default/files/Maritime by the Numbers.pdf](http://www.raincoastdata.com/sites/default/files/Maritime%20by%20the%20Numbers.pdf)



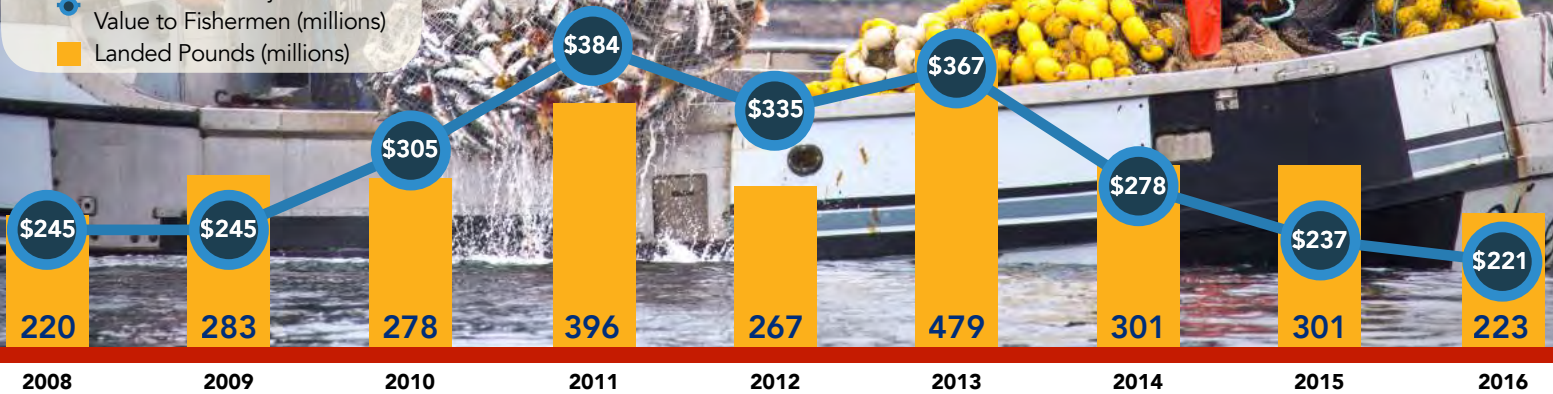
# THE SEAFOOD INDUSTRY

## VALUE & POUNDS OF SEAFOOD LANDED SOUTHEAST ALASKA 2008 TO 2016

Inflation Adjusted

Value to Fishermen (millions)

Landed Pounds (millions)



## Southeast Seafood Industry 3,854 Jobs

**DOWN 500 JOBS -12%**

**DOWN \$45 MILLION IN EARNINGS IN 2016 -18%**

By most measures, 2016 was the worst fishing season in the region in more than a decade. The Southeast Alaska seafood harvest in 2016 was 223 million pounds with a total ex-vessel value of \$221 million—a 40% decline in value and 53% decline in pounds landed from 2013—and 27% below the 10-year average.

### THE SEAFOOD INDUSTRY IS A KEY ECONOMIC DRIVER

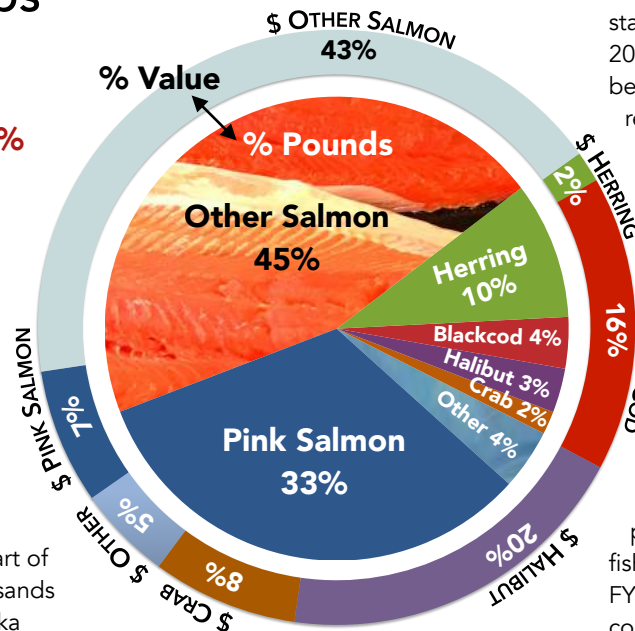
Seafood harvests have been a critical part of the Southeast Alaska economy for thousands of years, and it was over Southeast Alaska salmon that statehood itself was fought. The regional seafood industry (including commercial fishermen and seafood processors) generated 3,854 annual regional jobs in 2016, making up **10% of all regional employment earnings** and **9% of all jobs**. Those working in our region's seafood industry earned \$45 million fewer dollars than in 2015. Nonresident commercial fishermen and crew members are excluded from these figures.

In 2016, the five salmon species represented 78% of the overall regional seafood catch in

### SEAFOOD LANDED IN SE ALASKA BY SPECIES, 2016

Outer ring = % of harvest by dollar value: \$221 million

Inner pie = % of harvest by pounds landed: 223 million pounds



terms of the volume—but only half of total ex-vessel value (\$111 million). Halibut and blackcod—while just seven percent of the total pounds landed—accounted for more than one-third of the total catch value in 2016. (See double pie chart above).

The majority of the statewide catch of the chinook, coho, chum, shrimp, dunguiness crab, and the dive fisheries occurs in Southeast Alaska; and Southeast Alaska generally accounts for more than three-quarters of all Alaska Chinook caught in the

state. However Southeast Alaska's 2017 king salmon season has been the worst since 1975 resulting in an emergency order to stop both commercial and sports fishing of kings.

### SEAFOOD PROCESSING

In 2016, shore-based seafood facilities in Southeast Alaska processed 168 million pounds of seafood, with a wholesale value of \$433 million, a 30% decline in seafood pounds processed over 2015. State-shared fisheries taxes for processing activity in FY16 generated \$2.7 million for regional communities, a 53% drop from FY2014.

### SEAFOOD INDUSTRY OUTLOOK

The preseason forecast for 2017 predicted 51 million salmon. As of August 2017, 42 million had been captured. King and sockeye levels were far below expectations, while coho levels were up. Prices were up in 2017 including chums, which were garnering up to 85 cents a pound, compared to just 60 cents on average last year, due to demand for roe. However, uncertainty regarding commercial fisheries budget cuts, along with global advances in salmon farming, threaten the industry.

**Sources:** Combination of ADOL 2015 Employment and Wage data; 2014 US Census Nonemployer (self-employment) Statistics; ADF&G Seafood Production of Shorebased Plants in Southeast Alaska; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Run Forecasts and Harvest Projections for 2016 Alaska Salmon Fisheries and Review of the 2015 Season; ADF&G April 2015; ADF&G 2016 Preliminary Alaska Commercial Salmon Harvest - Blue Sheet Updated August 29, 2016; Shared Taxes and Fees Annual Report FY15, ADOR; Alaska Commercial Salmon Harvests and Ex-vessel Values, ADF&G. Seafood price source Laine Welch. **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation (NAICS 1125,1141,3117) and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Photo Credits:** Top: FV Obsession taken near Hoonah by Debbie Douglass. Right: Helen Decker on the MV McCrea near Wrangell by Gig Decker.





## Southeast Healthcare Industry 3,344 Jobs

**UP 45 JOBS IN 2016 +1.4%**

When both private and local hospital healthcare services are taken into account, Southeast Alaska's 3,344 healthcare workers earned 9% (\$182 million) of all regional wages in 2016. Regional healthcare employment grew for the first time in five years last year. Healthcare needs in the region have been increasing due to an aging populace. Regional providers are experiencing increasing patient volumes, and healthcare is one of the fastest growing sectors of the state; but regionally growth has stalled.

There appear to be several reasons for this. The healthcare sector faces uncertainty due to the state's continued budget shortfall and the debate over healthcare on a national level. Regional medical institutions have been conservative in replacing departing staff as they wait to see how the state will resolve its budget distress, along with monitoring Affordable Care Act replacement efforts. Also, as healthcare becomes more expensive, providers are pressured to contain costs and consolidate "shared services"—meaning that jobs like accounting, payroll, and human resources that used to be local are increasingly being done outside of Southeast Alaska in places where the cost of living is less. Another contributing factor is the influence of medical tourism, as travel to Anchorage and the lower-48 for medical care becomes more common. Finally, there has been intense demand for medical workers at all levels nationwide, which makes local retention and recruitment for regional medical industry jobs more difficult than it had been in the past, leading to fewer hires.

### HEALTHCARE INDUSTRY OUTLOOK

Early employment numbers for 2017 show job gains; and the forecast for this industry is for slow growth in 2017 and 2018 as demand increases. However, the pressures that have limited growth will continue to hinder the healthcare industry.



**Sources:** ADOL 2016 Employment and Wage data; Kitco Metals Inc; Coeur Mining Inc. 2016 Annual Report; Hecla Mining Company 2016 Annual Report. Photo credits: Peter Metcalfe and Hecla Greens Creek Mine.

## Southeast Mining Industry 798 Jobs

**UP 3 JOBS IN 2016**



In 2016, there were 798 annual average mining jobs in Southeast Alaska, with a payroll of \$83 million. The two large mines operating in the region account for nearly all mining employment. In August 2017 Hecla Greens Creek employed 423 full-time permanent employees, while Kensington had a staff of 368. With an average annual wage of \$104,000, mining jobs pay the highest wages in the region of any sector.

Hecla Greens Creek is one of the largest silver mines in the world, while the Coeur owned Kensington is exclusively a gold mine. At Hecla Greens Creek silver production was up by 9% to 9.3 million ounces in 2016. This increase was driven by higher grade and an increase in recovery. The mine also produces zinc, gold, and lead. Production at Kensington was similar to last year, with 124,331 ounces of gold produced in 2016.

After several years of downward trends, metal prices are rising, most notably for zinc, which is at its highest value in more than a decade following supply cuts and continued strong demand out of China. Mike Satre of Greens Creek notes, "The latest zinc increases are encouraging. However, metals prices are very volatile and it is too soon to tell if this trend is indicative of any fundamental long term changes in the market." Regionally, mineral exploration has remained dormant, with the exception of Constantine's copper-zinc-silver-gold Palmer Project near Haines, which is in the exploration stage.

The mining sector is expected to grow in 2017 and 2018.







## Southeast Timber Industry 315 Jobs

**DOWN 8 JOBS IN 2016 -2%**

Regional timber jobs were down again in 2016 by 2%. This comes on top of significant recent job losses. In the past five years, employment in this industry has been reduced by 10%. In 1991, there were 3,543 year-round timber jobs in the region, peaking in that year with 4,200 timber workers. In 2016 dollars, those job losses represent \$258 million in annual direct wages, a reduction that represents more lost wages than all the workers in the seafood or visitor industry earned last year. The number of board feet harvested annually has fallen by 96% from peak levels.

Today, most of the regional timber jobs are divided between two organizations: Sealaska, the regional Alaska Native corporation, and Viking Lumber on Prince of Wales Island—the last remaining mid-sized sawmill in the region. Alcan Forest Products is another key employer. Timber workforce earnings were \$17.3 million for 2016.

### TIMBER OUTLOOK

Timber industry employment will continue to decline into 2017 and beyond for the following reasons:

- The Forest Service's pending Tongass Transition Plan to substitute old growth with young growth will reduce, and then terminate, access to old-growth timber before young growth timber becomes economic;
- Litigation over nearly every timber sale has made log deliveries to Viking Lumber uncertain and is a barrier to potential new mills obtaining the financing needed to join the Southeast industry;
- Timber available for sale is often uneconomic, thereby constraining supply to mills; and
- The poor outlook for future economic timber is a disincentive for continued participation in the Southeast timber industry.



## Southeast Construction Industry 2,030 Jobs

**DOWN 90 JOBS IN 2016 -4%**

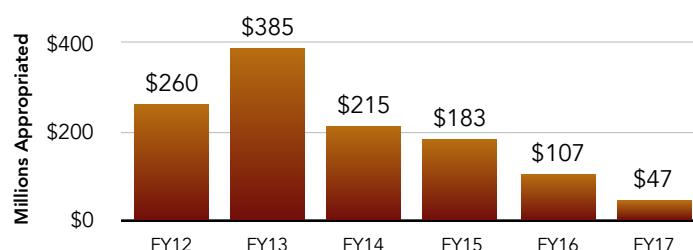
For the third year in a row construction employment is down. Jobs fell by 90 last year to 2,030, a combined loss of 240 jobs over three year. Early employment data from 2016 indicates that construction related employment will drop another 50 jobs in 2017. Construction workers in the region earned \$132 million in 2016—or 6% of all Southeast Alaska employment earnings.

### CONSTRUCTION OUTLOOK

High-profile publicly-funded projects created a construction boom. Unfortunately, the contraction of the State capital budget and decreased federal spending meant that future projects were no longer being added to the lists of planned activity. Large-scale endeavors are unable to obtain funding, construction projects will be put on hold, and employment levels will continue to drop. Legislative capital appropriations in the region dropped 88% from \$385 million in FY13 to just \$47 million in the FY17 budget. In FY18, just \$8.7 million has been directly appropriated to Southeast in addition to DOT Public Facilities funding that can no longer be broken out in a way that adequately compares to previous years.



**State Budget Capital Appropriations in Southeast Alaska**

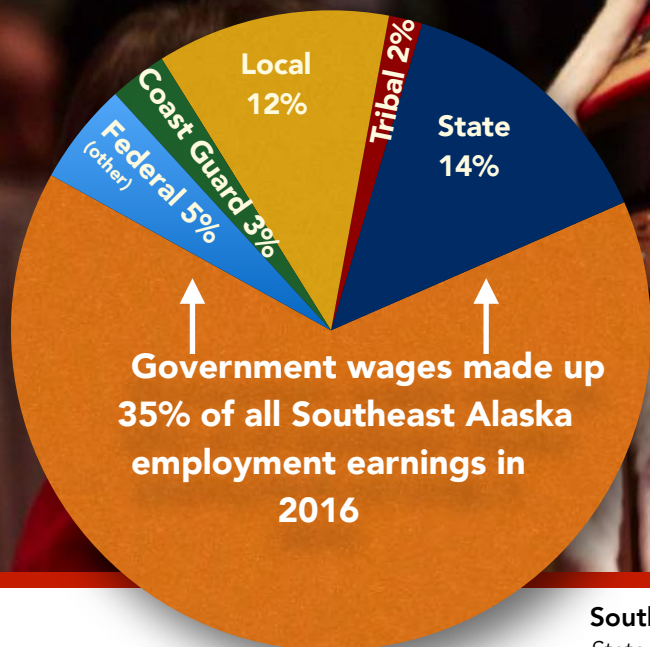


On a positive note, home construction was up 87% from the year before, with 369 new housing units permitted or completed in 2016, mostly due to an increase in multi-family unit construction in Juneau.

**Sources:** Combination of Alaska Department of Labor 2016 Employment and Wage data and 2015 US Census Nonemployer (self-employment) Statistics; State of Alaska Capital Budget FY12-17. **Photography credit:** Peter Metcalfe.



# SOUTHEAST ALASKA GOVERNMENT



**Local and Tribal 6,000 Jobs**  
**State 4,940 Jobs**  
**Federal 2,110 Jobs**

- 782 Coast Guard
- 1,328 Other Federal

## Government 13,050 Jobs

### DOWN 450 JOBS IN 2016 -3%

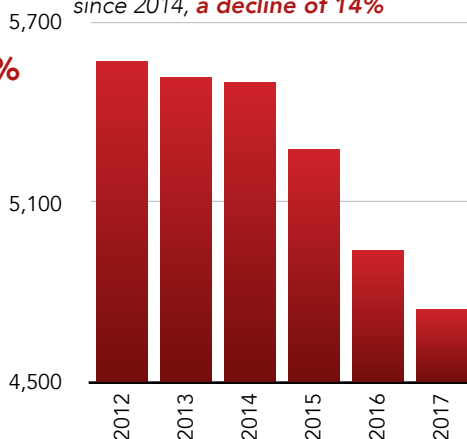
Government wages made up 35% of all regional employment earnings (\$771 million) and 29% of the region's jobs (13,050) in 2016, but this sector is on the decline, especially at the state government level.

#### STATE GOVERNMENT LOSSES

The biggest economic story of the year in the region is the decline in state government employment and spending. In Southeast Alaska, 14% of all direct wages come from the State. From 2014 through July 2017, more than 750 State of Alaska jobs were lost, along with associated annual wages of \$46 million. This is a loss of 14% of all regional state jobs during that period. Three-quarters of these jobs came out of Juneau, with Ketchikan losing most of the rest. Declining oil production and prices have devastated the State of Alaska budget and are creating a

#### Southeast State Jobs

State jobs in the region are down 200 in 2017 so far, for a total of 750 job lost since 2014, **a decline of 14%**



significant downward drag on the regional economy. State spending has nearly been cut in half over the last four years, but despite significant cuts the state still faces a \$2.5 billion budget gap this year. The state has drawn \$11.3 billion from state savings over the past four years. As these accounts are depleted, reductions will intensify, and fewer options for remediation remain. Public services across the region are being cut or paired back (such as the closure of public health centers in Wrangell and Haines). Reduced state spending also has a direct negative impact on the private sector since many local businesses provide the majority of their services to the public sector. Reduced government employment will therefore also decrease demand for goods and services across the region.

Moreover, because Alaska has not adopted a fiscal plan, its bond rating has been downgraded. Alaskans continue to receive an annual dividend from the state's \$60 billion Permanent Fund account.

#### FEDERAL GOVERNMENT

Federal government employment losses are compounding state job cuts. Since 2004, jobs in this sector have fallen by 28%, translating into a loss of \$48 million in wages across the region annually. Federal spending decline also means fewer projects and programs that support the region.

#### LOCAL GOVERNMENT

Communities across the region are struggling financially, and relying on savings to cover unexpected shortfalls stemming from state budget cuts that have been passed onto municipalities. Despite these challenges, local government employment levels have remained flat, and total municipal and tribal wages were equivalent to the earnings of all state workers in 2016.

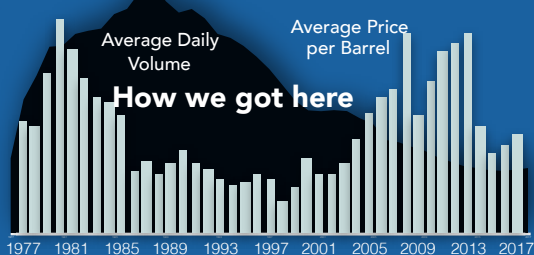
#### GOVERNMENT OUTLOOK

Early job reports from 2017 are grim. Federal employment is predicted to decline by 2%, while State employment is expected to fall by another 4%. Since no legislative fiscal solution has been put in place and our savings are all but depleted, the negative impacts of the state fiscal crisis on our region will continue to intensify moving forward.

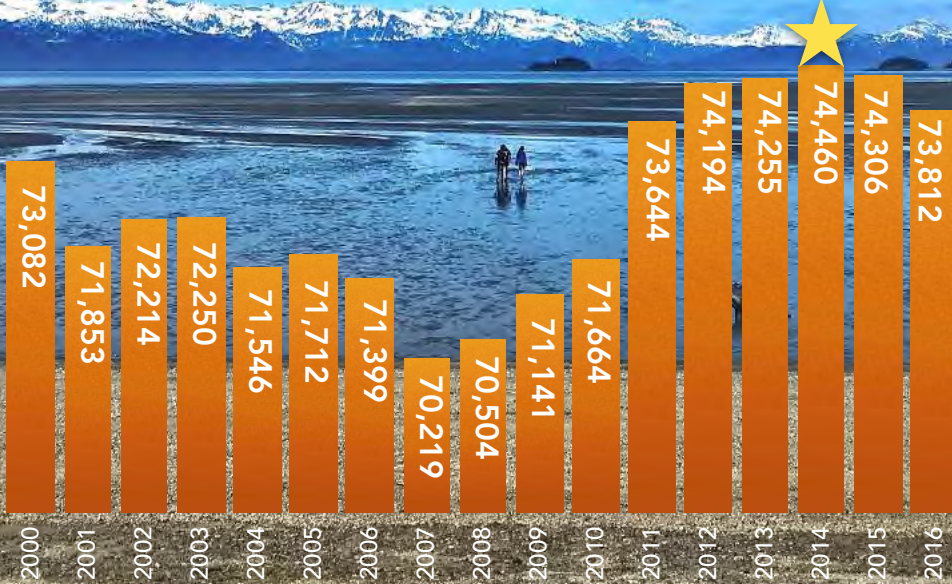
**Sources:** ADOL 2016 Employment and Wage data; U.S. Coast Guard; Alaska Department of Revenue. Photo Credit: Alaska Framed.

#### Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1977-2017

Oil revenues historically accounted for 90 percent of the state's unrestricted revenues



# DEMOGRAPHICS



## POPULATION CHANGE 2014 TO 2016

|                        | 2014          | 2016          | Change     |
|------------------------|---------------|---------------|------------|
| Juneau Borough         | 33,022        | 32,739        | -1%        |
| Ketchikan Borough      | 13,871        | 13,758        | -1%        |
| Sitka Borough          | 9,084         | 8,920         | -2%        |
| Petersburg Borough     | 3,206         | 3,179         | -1%        |
| Haines Borough         | 2,550         | 2,466         | -3%        |
| Wrangell Borough       | 2,415         | 2,458         | 2%         |
| Metlakatla             | 1,485         | 1,467         | -1%        |
| Craig                  | 1,205         | 1,102         | -9%        |
| Skagway Municipality   | 1,034         | 1,065         | 3%         |
| Klawock                | 806           | 814           | 1%         |
| Hoonah                 | 790           | 793           | 0%         |
| Kake                   | 627           | 605           | -4%        |
| Yakutat City & Borough | 631           | 594           | -6%        |
| Gustavus               | 519           | 558           | 8%         |
| Thorne Bay             | 533           | 532           | 0%         |
| Angoon                 | 417           | 408           | -2%        |
| Hydaburg               | 407           | 404           | -1%        |
| Coffman Cove           | 176           | 204           | 16%        |
| Tenakee Springs        | 127           | 140           | 10%        |
| Hollis                 | 93            | 112           | 20%        |
| Naukati Bay            | 120           | 104           | -13%       |
| Klukwan                | 84            | 95            | 13%        |
| Kasaan                 | 75            | 89            | 19%        |
| Hyder                  | 93            | 84            | -10%       |
| Pelican                | 76            | 78            | 3%         |
| Port Alexander         | 45            | 58            | 29%        |
| Port Protection        | 54            | 51            | -6%        |
| Whale Pass             | 40            | 45            | 13%        |
| Edna Bay               | 47            | 41            | -13%       |
| Game Creek             | 18            | 21            | 17%        |
| Point Baker            | 13            | 14            | 8%         |
| Elfin Cove             | 16            | 13            | -19%       |
| Other (POW, H/A CA)    | 781           | 801           | 3%         |
| <b>Total</b>           | <b>74,460</b> | <b>73,812</b> | <b>-1%</b> |

## Population 73,812

**DOWN 500 PEOPLE IN 2016 -1%**

Between 2014 and 2016 Southeast Alaska's population decreased by 648 people after two years of consecutive decline. These losses were more significant in 2016 and centered in Juneau, where the cuts to State jobs led to a reduction of nearly 300 residents. But the losses were region-wide, with six of the region's seven boroughs reporting population decline (only the Borough of Wrangell was spared).

### SCHOOL ENROLLMENT UP

Despite population losses, school enrollment was up in 2017 over 2016. While the size of the increase was tiny (half a percent, 90 kids) it was the largest increase in more than two decades, during which time annual enrollment shrank by 3,250 K-12 students.

### AGING CONTINUES

Despite relatively flat trends, there were some significant shifts in the region since 2010. The number of people in their 40s shrank by 1,700 (-16%) and we ended up with 600 fewer teenagers (-6%). As expected, the most pronounced shift was the continued explosion of baby boomers into their older years. Those aged 60 plus grew by 4,100 people (+8%) simply through aging in place, meaning 27% of all adults in the region are over the age of 60, a percentage that is growing.

### COMMUNITY CHANGE

Gustavus continues to have the most pronounced growth of any community. Since 2010 that community has grown by 26% for a total gain of 116 people. Factors influencing this growth include new ferry service and lower cost hydro power electricity displacing diesel. Significant population growth (of 19% or higher) was experienced by some of our smaller communities over the past two years, including Port Alexander, Hollis, and Kasaan.

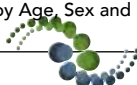
Among communities with over 1,000 residents, only Wrangell and Skagway grew, both experiencing moderate growth (2% and 3% respectively). The island of Prince of Wales grew by nearly 6%, thanks to strong growth in places like Klawock, Thorne Bay, and Coffman Cove. Places with double-digit percentage population losses since 2010 include Pelican and Elfin Cove.

### POPULATION OUTLOOK

As long as the state continues to reduce jobs, payments to communities, and infrastructure investments in the region, job losses will continue, and these will continue to be paired with population declines.



**Sources:** Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area, 2010 to 2016; Alaska Department of Education and Early Development; Alaska Population Projections





# SOUTHEAST ALASKA REGIONAL OVERVIEW

78%

THE FEDERALLY-MANAGED TONGASS MAKES UP NEARLY  
4/5TH OF ALL SOUTHEAST ALASKA

16%

OTHER FEDERAL HOLDINGS  
MAKE UP NEARLY ALL THE REST  
(MOSTLY GLACIER BAY)

3.4%

ALASKA NATIVE ORGANIZATIONS  
ARE THE REGION'S NEXT LARGEST  
LAND OWNER

2.5%

STATE OF ALASKA  
LANDS INCLUDE THOSE MANAGED AS  
PART OF THE MENTAL HEALTH TRUST

0.25%

MUNICIPAL LAND HOLDINGS

0.05%

PRIVATE LAND OWNERS

## THE REGION

The Southeast Alaska Panhandle extends 500 miles along the coast from Metlakatla to Yakutat, encompassing approximately 33,500 square miles of land and water. The full saltwater shoreline of Southeast Alaska is approximately 18,500 miles. More than 1,000 islands make up 40 percent of the total land area. The region is home to 34 communities. The three largest communities—Juneau, Ketchikan, and Sitka—together are home to 75 percent of the regional population.

## CULTURE

The dominant culture in the region is indigenous. Alaska Natives—the Tlingit, Haida, and Tsimshian—make up nearly a quarter (22.4%) of the region's population. The Tlingit have resided in the region for 11,000 years. The region's mild climate, abundant food and raw materials supported the development of highly organized and culturally advanced societies with extensive trade routes.

## ECONOMIC TRENDS

Beginning in the 1880s, the economy of Southeast Alaska experienced a century of growth that intensified after statehood in 1959. From statehood into the 1990s, population and employment levels in Southeast more than doubled as the workforce expanded in the areas of mining, government, fishing, tourism, and timber. In the beginning of the 1990's seafood and timber directly accounted for a fifth of the regional economy. However, over that next decade pulp mills and sawmills in the region closed, laying off 3,200 workers. During the same period, the value of salmon declined and catch levels fell. Total Southeast Alaska wages hit bottom in 1997. Population continued to decline through 2007. Between 2008 and 2015 the region staged an economic recovery, rebounding to record numbers of jobs, wages, and residents. However, the recent state budget crisis has changed the economic trajectory of the region. Population and employment levels are once again declining, and the adverse economic consequences of state job and budget cuts will continue.

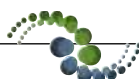
## LAND OWNERSHIP

The lack of privately owned land and land available for development is unique in Southeast Alaska and impedes the ability of the region to nurture the private sector. (See infographic on the left.) Southeast Alaska's land ownership is dominated by the federal government, which manages 94 percent of the land base. Most of this (78%, or 16.75 million acres) is the Tongass National Forest. The remaining federal lands are mostly in Glacier Bay National Park. The State manages 2.5 percent of the total land base (511,500 acres), including the Alaska Mental Health Trust Authority and University of Alaska lands. Boroughs and communities own 53,000 acres—a quarter of one percent of the entire regional land base. Alaska Native organizations, including village, urban, and regional corporations and the Annette Island Reservation, own 3.4 percent (728,100 acres) of the land base. Other private land holdings account for 0.05 percent of the remaining land base.

Southeast Alaska Land Ownership  
Circle size = Number of Acres



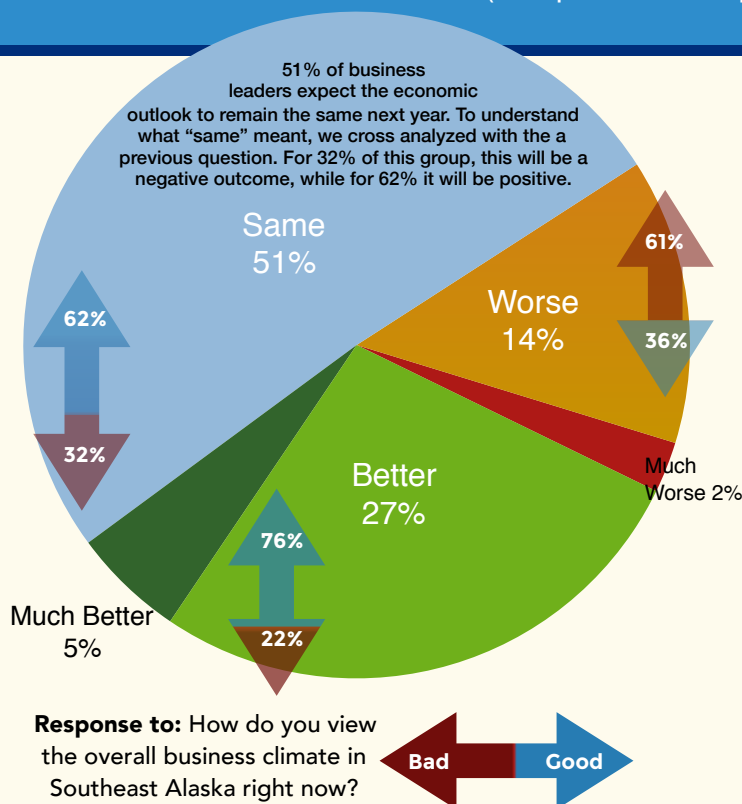
**Sources:** Personal communications with Kyle Moselle, State of Alaska; Susan Jennings, US Forest Service; Brian Kleinhenz, Sealaska. *Economies in transition: An assessment of trends relevant to management of the Tongass National Forest, USDA 1998.*  
**Photo Credit:** Canoe by Annie Caufield.





# SOUTHEAST ECONOMIC OUTLOOK SURVEY

“What is the economic outlook for your business or industry over the next year (compared to the previous year)?”



## Current Regional Business Climate Survey

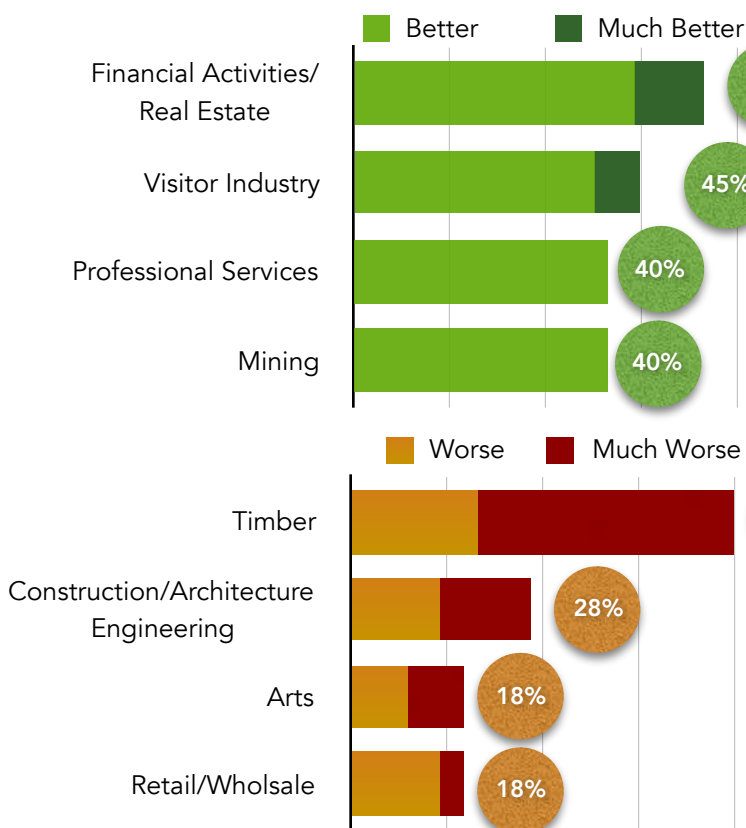
In the Spring of 2017, 209 Southeast Alaska business owners and top managers from 22 communities and 21 sectors responded to Southeast Conference's Business Climate and Private Investment Survey. Nearly two-thirds (64%) of regional business leaders were positive about the economy, calling the current business climate “good” or “very good.”

## Southeast Alaska Economic Outlook

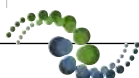
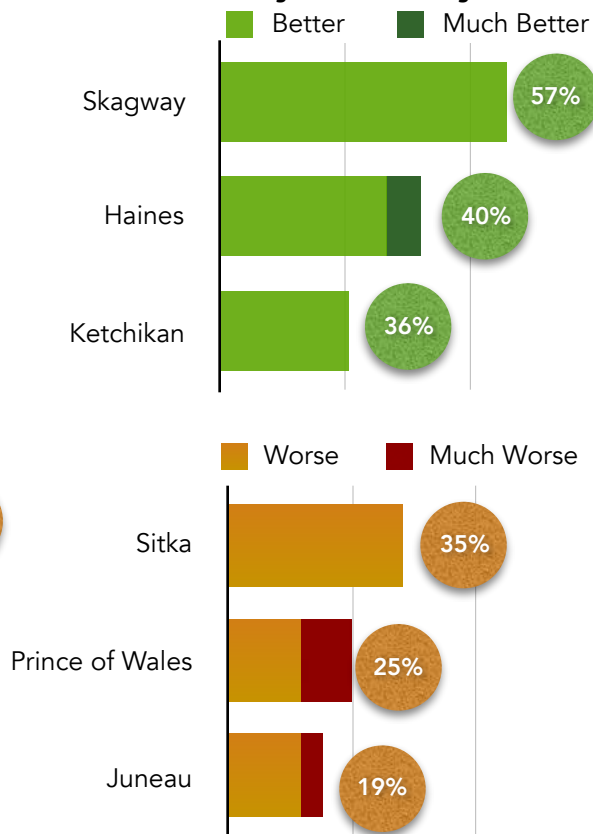
Regardless of the regional indicators, businesses in Southeast Alaska are largely optimistic about the future. While 99% are concerned about the region overall moving forward, one-third of Southeast Alaska business leaders expect their own sectors or businesses to improve and 16% expect decline. More than half (51%) expect the outlook to remain status quo. For nearly 2/3rds of this group, that is a good thing—of that 51%—1/3rd reported a negative current business climate, while 62% reported a positive business climate. Businesses in Skagway and Haines reported the brightest outlook; while Sitka and Prince of Wales reported a deteriorating economic outlook. The financial sector (including insurance, accounting, and real estate) reported the most positive outlook of any industry, with more than half of respondents foreseeing improved outcomes, followed by the visitor industry. The sectors most concerned about their future include the timber industry—where 60% of respondents say their industry will continue to decline—and the construction sector, including architecture and engineering.

## What is the economic outlook for your business or industry?

### By Industry

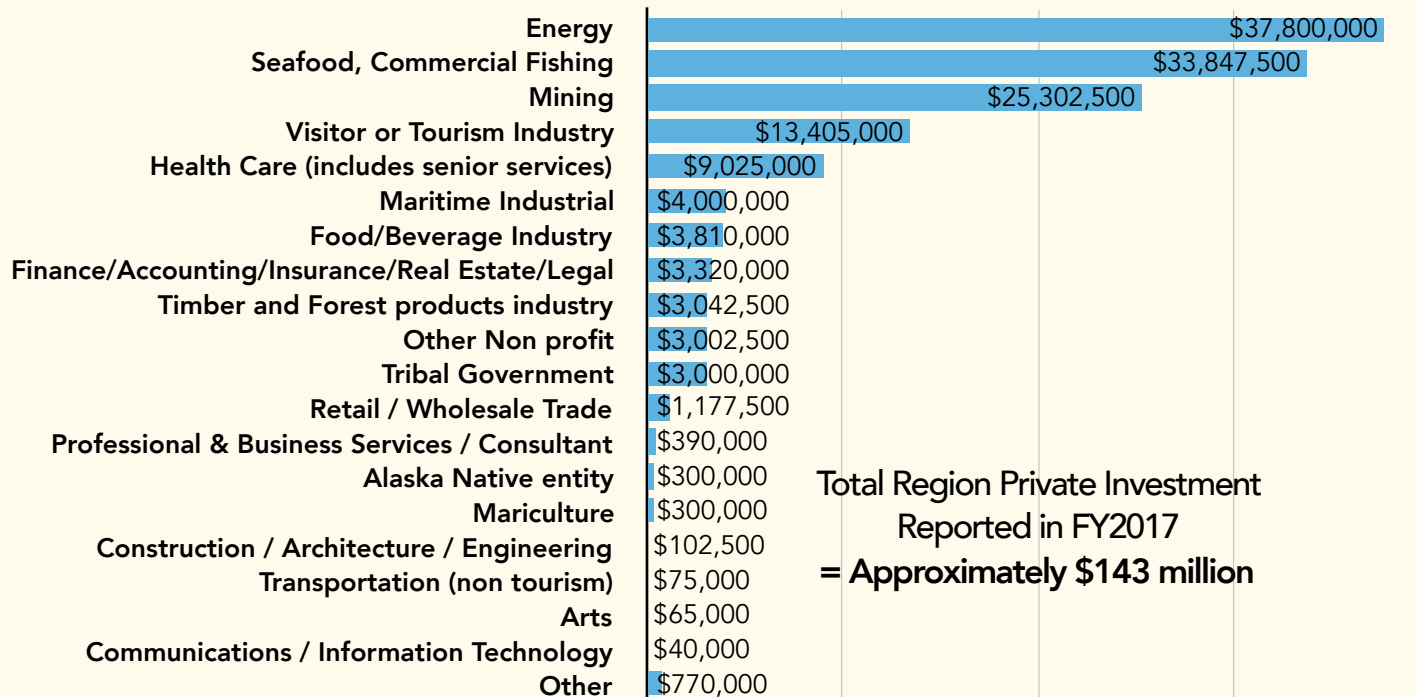


### By Community



# BUSINESS INVESTMENTS

The annual Southeast Alaska private investment survey provides insight into the levels of private capital invested in the region. Business owners and operators across the region report expenditures beyond typical business and payroll expenses. Rather than disclosing exact dollar amounts, respondents report investments by range. Overall, \$114.5 million to \$178.4 million of private investment in the Southeast Alaska region in the 12-month period between July 2016 and June 2017, with a mid-point investment of approximately \$143 million. The energy, seafood, mining and visitor industries attracted the highest level of regional private investment last year. More than three-quarters (83%) of respondents reported investments. The average investment was \$1.1 million, while the median investment (including no investment) was \$7,500. This process measures and reports economic investments made by survey respondents only.



Business leaders that made investments last year were asked to provide a short description of the purpose of these investments. This word cloud is a visualization of the responses, with more frequently used words appearing more prominently.



# SOUTHEAST 2020 STRATEGIC PLAN SUMMARY

In June 2017, Southeast Conference updated the Southeast Alaska 2020 Economic Plan, a five-year strategic plan for the region. The membership worked together to develop an overall vision statement, 46 objectives, and 7 priority objectives, along with regional and industry specific SWOT analyses. More than 400 people representing small businesses, tribes, Native organizations, municipalities, and nonprofits were involved in various elements of the planning process. The Plan's objectives are listed below.

## Transportation

- ★ **Priority** Minimize Impacts of Budget Cuts to AMHS and Develop Sustainable Operational Model.
- Road Development.
- Move Freight to and from Markets More Efficiently.
- Ensure the Stability of Regional Transportation Services Outside of AMHS.



## Energy

- ★ **Priority** Promote Priorities Of The Regional Energy Plan Including Infrastructure and Diesel Displacement
- Support Community Efforts to Create Sustainable Power Systems That Provide Affordable/Renewable Energy.
- Complete Regional Hydrosite Evaluation for Southeast Alaska.



## Maritime

### Maritime Industrial Support

- ★ **Priority** Maritime Industrial Support Sector Talent Pipeline: Maritime Workforce Development Plan.
- Continue to Grow the Regional Maritime Sector.
- Increase Access to Capital for the Regional Maritime Industrial Support Sector.
- Support Capital Investments in Expanded Marine Industry Support Infrastructure.
- Harbor Improvements.
- Examine Arctic Exploration Opportunities That the Region as a Whole Can Provide.



### Seafood Industry

- ★ **Priority** Mariculture Development.
- ★ **Priority** Full Utilization and Ocean Product Development.
- Increase Energy Efficiency and Reduce Energy Costs.
- Regional Seafood Processing.
- Seafood Markets.
- Sea Otter Utilization and Sustainable Shellfish.
- Maintain Stable Regulatory Regime.
- Seafood Workforce Development.



## Visitor Industry

- ★ **Priority** Market Southeast Alaska to Attract More Visitors.
- Improve Access to Public Lands.
- Increase Flexibility in Terms of Permit Use.
- Increase Yacht and Small Cruise Ship Visitations.
- Improve Communications Infrastructure.
- Advocate for Funding to Maintain Existing Recreational Infrastructure.
- Grow Cultural and Arts Tourism.



## Timber Industry

- ★ **Priority** Provide an Adequate, Economic and Dependable Supply of Timber from the Tongass National Forest to Regional Timber Operators.
- Stabilize the Regional Timber Industry.
- Work with USFS to Direct Federal Contracts Toward Locally-Owned Businesses.
- Support Small-Scale Manufacturing of Wood Products in Southeast Alaska.
- Continue Old-Growth Harvests Until Young-Growth Supply is Adequate.
- Community-Based Workforce Development.
- Update Young Growth Inventory.



## Other Objectives

**Housing:** Support Housing Development.

**Food Security:** Increase Production, Accessibility, and Demand of Local Foods.

**Communications:** Improved Access to Telemedicine in Southeast Alaska.

**Marketing:** Market Southeast Alaska as a Region.

**Solid Waste:** Regional Solid Waste Disposal.

**Education:** Partner with University & K-12 to Meet Workforce Needs

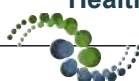
**Arts:** Increase Recognition of Southeast Alaska's Thriving Arts Economy.

**Mining:** Minerals & Mining Workforce Development.

**Research:** Attract Science and Research Jobs to Southeast Alaska.

**Cultural Wellness:** Support Activities and Infrastructure That Promote Cultural Wellness

**Healthcare:** Meet Regional Needs.







## SOUTHEAST CONFERENCE

### Southeast Conference Board

**Chelsea Goucher – President**

Sales Representative, Alaska Marine Lines

**Jan Hill – Vice President**

Mayor, Haines Borough

**Dennis Watson – 2nd Vice President**

Mayor, City of Craig

**Garry White – Past President**

Executive Director, Sitka Economic Development Association

**Alec Mesdag – Treasurer**

Director of Energy Services for AEL&P Juneau

**Stephen Bradford – Secretary**

Assembly Member, Ketchikan Gateway Borough

**Carol Rushmore – Director**

Economic Development Director, City and Borough of Wrangell

**Rorie Watt – Director**

City Manager, City & Borough of Juneau

**Bryce Dahlstrom – Director**

Vice President, Viking Lumber

**Liz Cabrera – Director**

Economic Development Director, Petersburg

**Markos Sheer – Director**

Attorney for Williams Kastner, Sitka

**Dennis Gray Jr. – Director**

City Administrator for City of Hoonah

## SOUTHEAST ALASKA AND THE AMHS FERRY ROUTE

Yakutat

Klukwan

Skagway

Haines

Elfin  
Cove

Gustavus

Pelican

Hoonah

Juneau

Tenakee

Angoon

Sitka

Kake

Port Alexander

Petersburg

Point Baker

Port Protection

Edna Bay

Wrangell

Naukati

Coffman Cove

Klawock

Thorne Bay

Craig

Kasaan

Hydaburg

Hollis

Hyder

Ketchikan

Metlakatla

Rain Coast  
Data

Publication developed by  
[www.raincoastdata.com](http://www.raincoastdata.com)

Southeast Conference 612 West Willoughby Avenue, Suite B Juneau, AK 99801  
(907) 586-4360 [www.seconference.org](http://www.seconference.org)





US Army Corps  
of Engineers  
Alaska District

ANCHORAGE  
Regulatory Division (1145)  
CEPOA-RD  
Post Office Box 6898  
JBER, Alaska 99506-0898

# Public Notice of Application for Permit

|                            |                          |
|----------------------------|--------------------------|
| <b>PUBLIC NOTICE DATE:</b> | <b>October 13, 2017</b>  |
| <b>EXPIRATION DATE:</b>    | <b>November 13, 2017</b> |
| <b>REFERENCE NUMBER:</b>   | <b>POA-2017-475</b>      |
| <b>WATERWAY:</b>           | <b>Wrangell Harbor</b>   |

Interested parties are hereby notified that a Department of the Army permit application has been received for work in waters of the United States as described below and shown on the enclosed project drawings.

All comments regarding this Public Notice should be sent to the address noted above. If you desire to submit your comments by email, you should send it to the Project Manager's email as listed below or to [regpagemaster@usace.army.mil](mailto:regpagemaster@usace.army.mil). All comments should include the Public Notice reference number listed above.

Comments on the described work, with the reference number, should reach this office no later than the expiration date of this Public Notice to become part of the record and be considered in the decision. Please contact Michael R. Gala at (907) 753-2821, toll free from within Alaska at (800) 478-2712, by fax at (907) 753-5567, or by email at [michael.r.gala@usace.army.mil](mailto:michael.r.gala@usace.army.mil) if further information is desired concerning this notice.

**APPLICANT:** Mr. Brett Woodbury (BW Enterprise), Post Office Box 2121, Wrangell, Alaska 99929

**AGENT:** Mr. George Woodbury (Woodbury Enterprise), Post Office Box 1934, Wrangell, Alaska 99929

**LOCATION:** The project site is located within Section 25, T. 62 S., R. 83 E., Copper River Meridian; USGS Quad Map Petersburg B-2; Latitude 56.4659° N., Longitude 132.3776° W.; Subdivision Name, Block 24A, Lot 5; in Wrangell, Alaska

PURPOSE: The applicant's stated purpose is to create usable uplands to provide additional storage space, parking lot, safer access to adjacent lot, and 65 linear feet of moorage space.

PROPOSED WORK: The proposed project would discharge 2,850 cubic yards of clean shot rock and 390 cubic yards of stacked rock into 0.9-acre of waters of the U.S., in order to create additional uplands for parking, storage, and safer access to adjacent property, and to construct a new 65 linear foot floating moorage dock and associated structures. All work would be performed in accordance with the enclosed plan (sheets 1-2), dated September 1, 2017.

APPLICANT PROPOSED MITIGATION: The applicant proposes the following mitigation measures to avoid, minimize, and compensate for impacts to waters of the United States from activities involving discharges of dredged or fill material.

a. Avoidance: The applicant believes he has avoided to the maximum amount practical as this is the only available site and design to meet his stated purpose and need.

b. Minimization: The project is minimized due to no other project location meeting the stated minimum needed for his purpose and need of the proposed project.

c. Compensatory Mitigation: The applicant does not believe compensatory mitigation should be required due to the proposed fill location being utilized for the past 50 years to store log floats and does not believe the area is undisturbed tide land and in low value mud flats.

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued until a certification or waiver of certification, as required under Section 401 of the Clean Water Act (Public Law 95-217), has been received from the Alaska Department of Environmental Conservation.

CULTURAL RESOURCES: The latest published version of the Alaska Heritage Resources Survey (AHRs) has been consulted for the presence or absence of historic properties, including those listed in or eligible for inclusion in the National Register of Historic Places. There are no cultural resources in the permit area or within the vicinity of the permit area. The permit area has been determined to be the proposed projects footprint within waters of the U.S. Consultation of the AHRs constitutes the extent of cultural resource investigations by the Corps of Engineers (Corps) at this time, and we are otherwise unaware of the presence of such resources. The Corps has made a No Historic Properties Affected (No Effect) determination for the proposed project. This application is being coordinated with the State Historic Preservation Office (SHPO). Any comments SHPO may have concerning presently unknown archeological or historic data that may be lost or destroyed by work under the requested permit will be considered in our final assessment of the described work. The Corps is requesting the SHPO's concurrence with this determination.

ENDANGERED SPECIES: The project area is within the known or historic range of the Humpback whale (*Megaptera novaeangliae*).

We have determined the described activity would have no effect on Humpback whale, and would have no effect on any designated or proposed critical habitat, under the Endangered Species Act of 1973 (87 Stat. 844) because of the location within a busy small harbor, and the work being conducted when the site is dewatered. Therefore, no consultation with the U.S.

Fish and Wildlife Service or the National Marine Fisheries Service (NMFS) is required. However, any comments they may have concerning endangered or threatened wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

**ESSENTIAL FISH HABITAT:** The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996, requires all Federal agencies to consult with the NMFS on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH).

The project area is within the known range of the chum salmon (*Oncorhynchus keta*), pink salmon (*Oncorhynchus gorbuscha*), coho salmon (*Oncorhynchus kisutch*), Chinook salmon (*Oncorhynchus tshawytscha*), sockeye salmon (*Oncorhynchus nerka*), Big Skate (*Raja binoculata*), Longnose Skate (*Raja rhina*), Octopus (*Octopoda spp.*), Sharks (*Selachimorpha spp.*), and Gulf of Alaska Shallow Water Flatfish Complex.

We are currently gathering information regarding these species and have yet to make a determination of effect. Should we find that the described activity may affect the species listed above, we will follow the appropriate course of action under Section 305(b)(2) of the Magnuson-Stevens Act. Any comments the National Marine Fisheries Service may have concerning essential fish habitat will be considered in our final assessment of the described work.

**TRIBAL CONSULTATION:** The Alaska District fully supports tribal self-governance and government-to-government relations between Federally recognized Tribes and the Federal government. Tribes with protected rights or resources that could be significantly affected by a proposed Federal action (e.g., a permit decision) have the right to consult with the Alaska District on a government-to-government basis. Views of each Tribe regarding protected rights and resources will be accorded due consideration in this process. This Public Notice serves as notification to the Tribes within the area potentially affected by the proposed work and invites their participation in the Federal decision-making process regarding the protected Tribal right or resource. Consultation may be initiated by the affected Tribe upon written request to the District Commander during the public comment period.

**PUBLIC HEARING:** Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, reasons for holding a public hearing.

**EVALUATION:** The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts of the proposed activity and its intended use on the public interest. Evaluation of the probable impacts, which the proposed activity may have on the public interest, requires a careful weighing of all the factors that become relevant in each particular case. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. The outcome of the general balancing process would determine whether to authorize a proposal, and if so, the conditions under which it will be allowed to occur. The decision should reflect the national concern for both protection and utilization of important resources. All factors, which may be relevant to the proposal, must be considered including the cumulative effects thereof. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation,

shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Commander determines that it would be contrary to the public interest.

The Corps of Engineers is soliciting comments from the public; Federal, State, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

AUTHORITY: This permit will be issued or denied under the following authorities:

(X) Perform work in or affecting navigable waters of the United States – Section 10 Rivers and Harbors Act 1899 (33 U.S.C. 403).

(X) Discharge dredged or fill material into waters of the United States – Section 404 Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).

Project drawings and a Notice of Application for State Water Quality Certification are enclosed with this Public Notice.

District Commander  
U.S. Army, Corps of Engineers

Enclosures



# STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION  
DIVISION OF WATER  
401 Certification Program  
Non-Point Source Water Pollution Control Program

DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
WQM/401 CERTIFICATION  
410 WILLOUGHBY AVENUE  
JUNEAU, ALASKA 99801-1795  
PHONE: (907) 465-5321/FAX: (907) 465-5274

## NOTICE OF APPLICATION FOR STATE WATER QUALITY CERTIFICATION

Any applicant for a federal license or permit to conduct an activity that might result in a discharge into navigable waters, in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the Alaska Department of Environmental Conservation that the discharge will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. By agreement between the U.S. Army Corps of Engineers and the Department of Environmental Conservation, application for a Department of the Army permit to discharge dredged or fill material into navigable waters under Section 404 of the Clean Water Act also may serve as application for State Water Quality Certification.

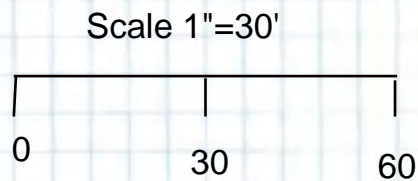
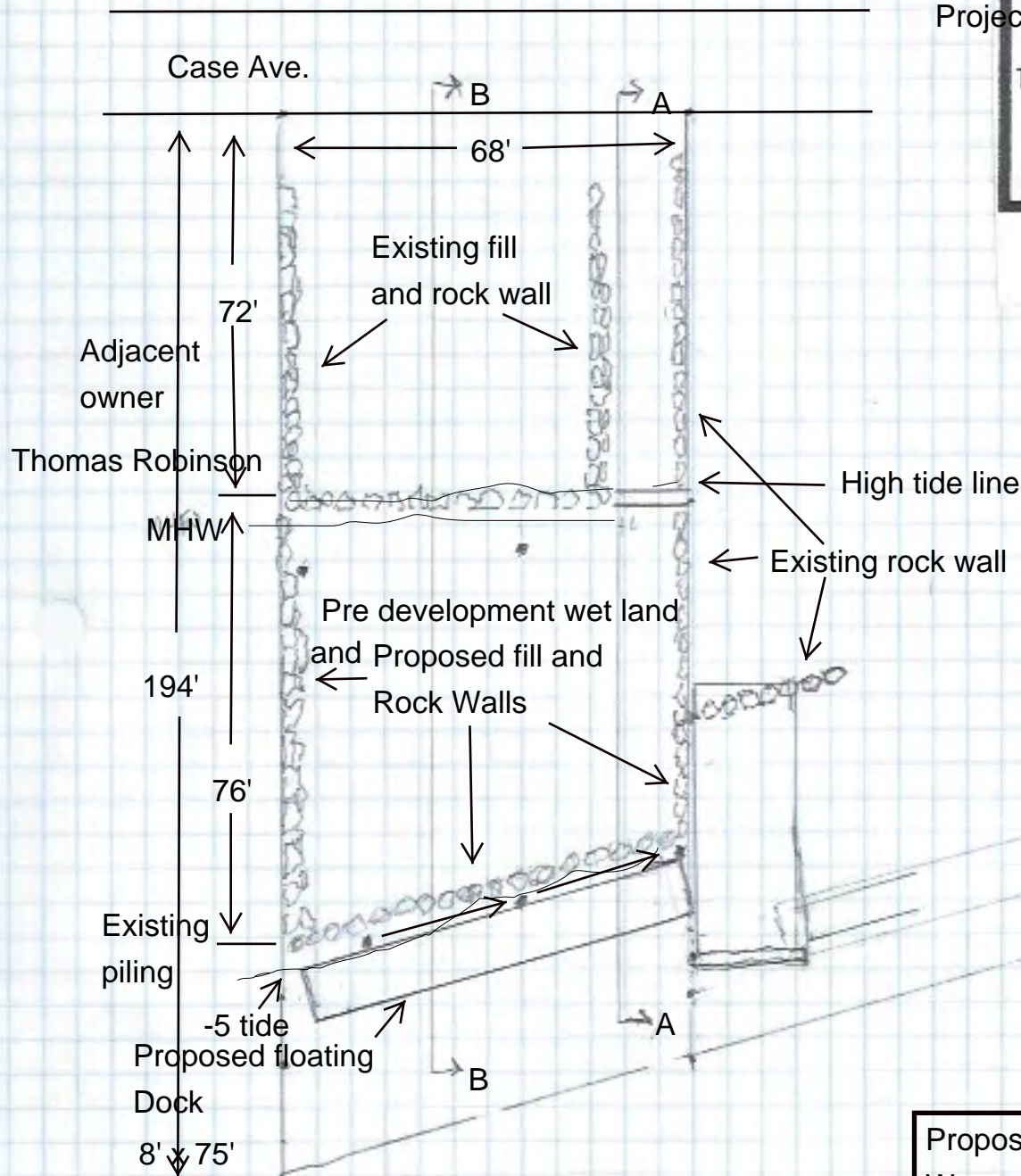
Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers' Public Notice No. **POA-2017-475, Wrangell Harbor**, serves as application for State Water Quality Certification from the Department of Environmental Conservation.

After reviewing the application, the Department may certify there is reasonable assurance the activity, and any discharge that might result, will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. The Department also may deny or waive certification.

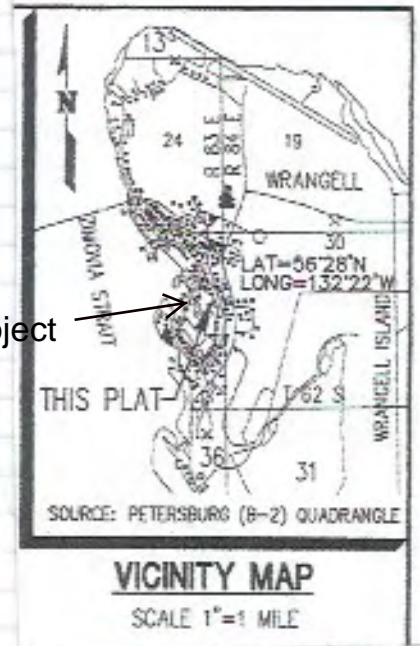
Any person desiring to comment on the project, with respect to Water Quality Certification, may submit written comments to the address above by the expiration date of the Corps of Engineer's Public Notice.

# Proposed Fill Wrangell Inner Harbor

Lot 5 Brett Woodbury



Project



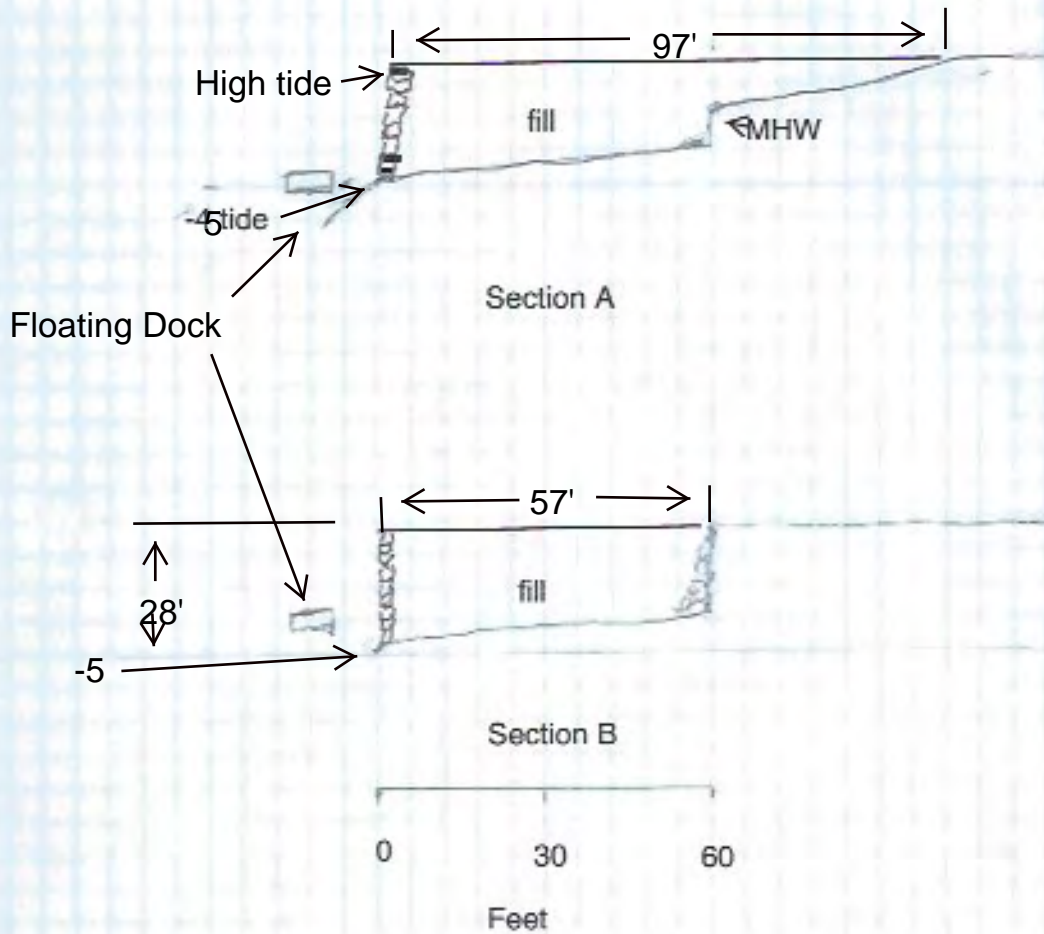
Proposed fill and Floating Dock  
Wrangell Inner Harbor  
Applicant Brett Woodbury  
Sep 1 2017  
Zimovia St  
Applicant: Brett Woodbury  
POA-2017-475  
Sheet 1 of 2

Proposed fill Wrangell Inner Harbor

Lot 5 Brett Woodbury



VICINITY MAP  
SCALE 1"=1 MILE



Proposed fill and Floating Dock  
Wrangell Inner Harbor  
Applicant Brett Woodbury  
Sep 1 2017  
Zimovia St.,\nPOA-2017-475  
Sheet 2 of 2



LISA MURKOWSKI  
ALASKA



**United States Senate**

WASHINGTON, D.C. 20510

October 4, 2017

Mayor David L. Jack  
City and Borough of Wrangell  
C/o Lisa Von Bargen  
Post Office Box 531  
Wrangell, AK 99929-0531

Dear David,

Congratulations on being the recipient of the Southeast Conference's "Community of the Year" 2017 award. This is a tremendous accomplishment for the community of Wrangell. The community has proven it is possible to embrace change, commit to a new course of action and to continue to provide critical jobs and ensure continued economic development.

I send my best to the entire community and please know I am committed to keeping Alaska's communities strong. Keep up the great work!

Sincerely,

A handwritten signature in blue ink, appearing to read "Lisa Murkowski".

Lisa Murkowski  
United States Senator



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

|   |                                |          |  |                  |
|---|--------------------------------|----------|--|------------------|
| <u>AGENDA ITEM TITLE:</u>                           | <u>NO.</u>                     | <b>8</b> | <u>DATE:</u>   | October 24, 2017 |
| Borough Manager's Report                            |                                |          |  |                  |
| <u>SUBMITTED BY:</u>                                |                                |          | <u>FISCAL NOTE:</u>                                    |                  |
|   |                                |          | <b>Expenditure Required:</b>                           |                  |
| Lisa Von Bargen, Borough Manager                    |                                |          | \$0  |                  |
|   |                                |          | <b>Amount Budgeted:</b>                                |                  |
|   |                                |          | \$0  |                  |
|   |                                |          | <b>Account Number(s):</b>                              |                  |
|   |                                |          | N/A  |                  |
|   |                                |          | <b>Account Name(s):</b>                                |                  |
|   |                                |          | N/A  |                  |
| <u>Reviews/Approvals/Recommendations</u>            |                                |          | N/A  |                  |
| _____   | Commission, Board or Committee |          | <b>Unencumbered Balance(s) (prior to expenditure):</b> |                  |
| Name(s)   |                                |          | N/A  |                  |
|   |                                |          |  |                  |
| _____   | Attorney                       |          |  |                  |
| _____   | Insurance                      |          |  |                  |
|   |                                |          |  |                  |
| <u>ATTACHMENTS:</u>                                 |                                |          |  |                  |
| 1. Borough Manager's Report; 2. Water System Report |                                |          |  |                  |

**RECOMMENDATION:**

None. Report only.

**SUMMARY STATEMENT:**

Please see the attached Borough Manager's Report and Water System Report.

# MEMORANDUM

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

**FROM: LISA VON BARGEN  
BOROUGH MANAGER**

**SUBJECT: MANAGER'S REPORT**

**DATE: October 20, 2017**

## **INFORMATION:**

### **Youth Court Status Update:**

Wrangell Youth Court is still a recognized chapter at the state level. However, locally things have gone dormant. My understanding is that there was a significant period of no youth activity resulting in no referrals to Youth Court. Each year a group of students would be trained, but with no cases there was no activity for them. Wrangell reached out to Petersburg to see if referrals from Petersburg could be used to keep the group active. Parents in Petersburg were apparently unwilling to participate in the process via conference call. At this time the program remains recognized, but inactive.

### **Goal Setting:**

Draft Goals, including timelines and deliverables were distributed to the Assembly at the October 10<sup>th</sup> meeting for review. Two Assembly members responded with comments, and some comments were also received from Department Directors. Those comments are reflected in the agenda statement for the goals on this agenda. Some information received late Thursday regarding considerations for a new hospital and hospital operating partner require significant attention and work. This could not be accomplished prior to the time the packet was required to be published on Friday; and actually will take some further consideration by the Assembly and the Hospital Board. Given this and that the Assembly meeting will only have four members I am requesting a postponement of the Goals until the next meeting.

### **Healthcare Continuum:**

The joint work session with the Assembly and the Hospital Board is scheduled for November 6<sup>th</sup> at 5:30pm in the Assembly Chambers. BDO will be giving a presentation regarding the financial feasibility of a new hospital facility. Prior to the close of the work session a subsequent joint work session should be scheduled to begin the discussion about the process for a new facility a third-party operating partnership for the Hospital (existing facility and/or new facility) and how the process will unfold.

### **Wrangell Island Project Draft Record of Decision:**

There is an item on the agenda for consideration by the Assembly regarding the CBW letter of objection and the alternative proposed by the USFS.

### **USFS M/V Chugach:**

Staff met early this week to go over the draft agreement and financial plan provided by the USFS. Some follow-up information from the Forest Service is necessary. Once that information is obtained the item will be brought before the Assembly.

### **Wrangell Junkyard Cleanup:**

The Assembly and WCA are having a work session prior to this Assembly meeting to discuss how to move forward with disposal alternatives. Please see the work session agenda statement for more information.

**Proposed ANSEP Boarding School:**

Patrick Mayer, Superintendent and Esther Ashton, WCA Director, are at AFN this week. The resolution of support is scheduled for consideration. We are awaiting the outcome of action at AFN. At the Assembly goal setting work session there were concerns about this proposed concept. Following AFN I am proposing to have a work session with the Assembly and local stakeholders to talk about the next phases of this concept.

**Nuisance Abatement:**

The scrap metal program continues throughout this month. Staff is working on additional outreach to the community. The Police Chief, Harbor Master and Public Works Foreman met to discuss the removal of junk cars from the harbor parking areas. The Harbor is going to provide the Police Department with a list of vehicles to be considered for removal. The Police Department will conduct a review of ownership. The team will get back together to determine which vehicles are candidates for scrap, and which will require being impounded. Of course, every opportunity will be provided for owners to retrieve their property prior to final removal. This work will take place over the next couple of weeks. Additionally, the Harbor will be working on some revised parking policies to help keep this type of vehicle abandonment from happening again.

**Nuisance Burning:**

The manager met with Mr. Brewster to follow up with him about the process for reporting nuisance burning.

**Community Jail Contract:**

Amendment #4 to the Community Jail Contract was approved by the Assembly at the October 10<sup>th</sup> meeting. The signed contract was submitted to the Department of Corrections. The Police Department is awaiting contact from them about training for the new programs.

**Community Development Block Grant:**

The second public hearing was held by the Assembly on October 10<sup>th</sup>. The Assembly took action and approved the Fire Department portion of the Public Safety Building as the preferred project. The formal resolution authorizing the CDBG application will be on the November 7<sup>th</sup> agenda. It will include a full funding package recommendation for the Assembly to review.

**Water System:**

Please see the attached water system report.

## **MEMORANDUM**

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

**FROM: LISA VON BARGEN  
BOROUGH MANAGER**

**SUBJECT: WATER SYSTEM REPORT**

**DATE: October 20, 2017**

### **INFORMATION:**

#### **CRW System Solution Evaluation:**

At the October 10<sup>th</sup> meeting the Assembly approved a professional services agreement amendment with CRW to perform an evaluation between a revitalization and replacement solution of the water treatment system. That evaluation is underway and is expected to be complete in mid-November.

#### **Shannon & Wilson Desktop Groundwater Evaluation:**

At the second meeting in September the Assembly approved a professional services agreement with Shannon & Wilson to perform a desktop groundwater evaluation. The purpose of this is to understand if there is a possible groundwater source to serve part of the water source needs in Wrangell. That evaluation is underway and is expected to be complete at the end of November.

#### **Shannon & Wilson Dam Tap Phase I Evaluation:**

At the October 10<sup>th</sup> meeting the Assembly approved a professional services agreement with Shannon & Wilson to review existing dam conditions and assess the best approach to tap the upper reservoir dam and connect with the portion of the existing bypass pipe installed years ago. This will lead to Phase II (design and engineering) of the project. Phase I is expected to be complete by mid-November.

Following receipt of this information, specifically the treatment system solution evaluation by CRW, the Assembly will be engaged to make a decision which solution they would like staff to pursue. This will likely take place in early to mid December.



| CITY & BOROUGH OF WRANGELL, ALASKA |     |   |      |                  |
|------------------------------------|-----|---|------|------------------|
| BOROUGH ASSEMBLY AGENDA STATEMENT  |     |   |      |                  |
| AGENDA ITEM TITLE:                 | NO. | 9 | Date | October 24, 2017 |
| SUBMITTED BY:                      |     |   |      |                  |
| Kim Lane, Borough Clerk            |     |   |      |                  |
|                                    |     |   |      |                  |

CALENDAR:

- 11-01 Parks & Recreation Board meeting, scheduled for 7pm in the Assembly Chambers
- 11-02 Port Commission meeting, scheduled for 7pm in the Assembly Chambers
- 11-06 Joint Work Session with the Wrangell Medical Center, Borough Assembly, BDO, and Staff at 5:30 pm in the Assembly Chambers
- 11-07 Public Hearing - Borough Assembly, scheduled for 6:30 pm in the Assembly Chambers
- 11-07 **Rescheduled - Regular Assembly meeting, scheduled for 7pm in the Assembly Chambers**
- 11-09 Planning & Zoning Commission mtg., scheduled for 7pm in the Assembly Chambers+
- 11-10 Veteran's Day observed - City Hall Closed

SEAPA Board meeting to be held in Petersburg on November 8th & 9th

**AML (ACoM, NEO & Conference)**

Alaska Municipal League Conference schedule is as follows:

- Pre-Conference (NEO-Newly Elected Officials Training) - Nov. 13 & 14, 2017 (none attending)
- Regular Conference - Nov. 15 - 18, 2017 (Prysunka, Rooney, Jack attending)
- ACoM (Alaska Conference of Mayors) - Nov. 15, 2016 (Jack attending)

Mayor Jack will be attending ACoM and the Regular AML Conference (Nov. 15 - 18, 2017), Assembly Members Prysunka and Rooney will be attending the Regular AML Conference (Nov. 15 - 18, 2017).

Annual Ethics, Open Meetings Act (OMA), and Parliamentary Procedure Training...

**I am looking at setting the date for this training for Saturday, December 2nd from 10:00 to noon'ish**

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

|  |            |           |      |                  |
|--|------------|-----------|------|------------------|
| <u>AGENDA ITEM TITLE:</u>  | <u>NO.</u> | <b>10</b> | Date | October 24, 2017 |
| <u>SUBMITTED BY:</u>   |            |           |      |                  |
| Kim Lane, Borough Clerk  |            |           |      |                  |
|  |            |           |      |                  |
| <b>ATTACHMENTS:</b>  |            |           |      |                  |
| 1. Letter of Interest from Bernie Massin (WMC Unexpired Seat); 2. Letter of Interest from Don McConachie Sr. (WMC Unexpired Seat); 3. Letter of Interest from Charles Haubrich (P&Z – 2018 Seat) |            |           |      |                  |

**MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS:**

INFORMATION: This agenda item is reserved for the Mayor and Assembly Member's special reports. Such information items as municipal league activities, reports from committees on which members sit, conference attendance, etc., are examples of items included here.

➤ **Item 10a** Reports by Assembly Members

➤ **Item 10b** Hospital Board Vacancy (Unexpired until October 2018) – One Available

*Letter's received for the above vacancy from:*

|                    |
|--------------------|
| Bernie Massin      |
| Don McConachie Sr. |
|                    |
|                    |

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

**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 \_\_\_\_\_.***

➤ **Item 10c**    **City Boards and Committee Appointments**

- Planning & Zoning Commission (unexp. until 10-2018) – **One Available**
- Planning & Zoning Commission (unexp. until 10-2019) – **One Available**
- Planning & Zoning Commission (unexp. until 10-2020) – **One Available**
- Wrangell Convention & Visitors Bureau (unexp. until 10-2020) – **One Available**

*Letter's received for the above vacancies from:*

|                  |  |
|------------------|--|
| Charles Haubrich | Planning & Zoning Commission until 10-2018 |
|                  |  |
|                  |  |
|                  |  |

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

**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 \_\_\_\_\_.***

Kim Lane

---

**From:** Bernie Massin <berniemassin@yahoo.com>  
**Sent:** Wednesday, October 04, 2017 8:03 AM  
**To:** Wrangell  
**Subject:** Re: Hospital board

Two year one is fine.

Sent from my iPhone

> On Oct 4, 2017, at 6:32 AM, Wrangell <[clerk@wrangell.com](mailto:clerk@wrangell.com)> wrote:

>

> There were 2 four-yr term seats available if you filed a Declaration  
> of Candidacy or a Letter of intent as a Write-in. The seat that didn't  
> receive interest was the 2 year unexpired term. That will have to be  
> advertised and will be an appointment until the next election and will  
> be on the ballot for just a 1 year term,

>

> I will hold on to your email and submit your name as "interested" for that 1 year term. Again, I will have that appointment on the Agenda for the October 24th Agenda.

>

> Kim

>

> Sent from my iPad

>

>> On Oct 3, 2017, at 8:19 PM, Bernie Massin <[berniemassin@yahoo.com](mailto:berniemassin@yahoo.com)> wrote:

>>

>> I thought there was a 4 year seat. If not the other would work.

>>

>> Sent from my iPad

>>

>>> On Oct 3, 2017, at 4:46 PM, Kim Lane <[clerk@wrangell.com](mailto:clerk@wrangell.com)> wrote:

>>>

>>> Hi Bernie,

>>>

>>> There will be a seat available (Unexpired until October 2018) coming up.

>>> Since there were no Write-In letters received and the deadline was

>>> Friday September 29th we will advertise for that seat and the

>>> Mayor/Assembly will appoint based on letters of interest received at the October 24th meeting.

>>>

>>> Would you like me to put your name in for that?

>>>

>>> Also, the Mayor appointed Assembly Member Gilbert to the IFA Seat to  
>>> represent Wrangell.

>>>

>>> Kim

>>> -----

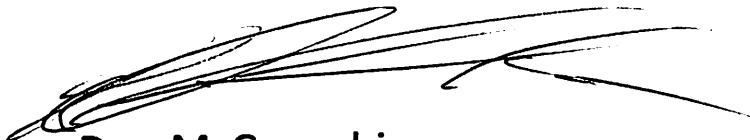


Don McConachie Sr.

October 16, 2017

Mayor David Jack

I would like to submit my name to serve on the Hospital Board.  
I have long been interested and feel this would be an  
opportunity to try it.

A handwritten signature in black ink, appearing to read 'Don McConachie', with a stylized, sweeping flourish extending to the right.

Don McConachie

Box 361

622 Zimovia Highway

Wrangell Alaska

99929

Charles Haubrich

10/12/17

To: City of WRAUWELL  
Fr: Charles Haubrich

I would like to renew my  
position on the Planning & Zoning  
Commission for 1 more year the  
term starting Oct 1<sup>st</sup> 2017 thru  
Oct 1<sup>st</sup> 2018

Sincerely

A handwritten signature in cursive script, appearing to read "C. Haubrich", with a long horizontal flourish extending to the right.

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

|  |                                |            |   |                  |
|--|--------------------------------|------------|---|------------------|
| <u>AGENDA ITEM TITLE:</u>  | <u>NO.</u>                     | <b>13a</b> | <u>DATE:</u>                                    | October 24, 2017 |
| <b>PROPOSED ORDINANCE No. 937:</b> AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF CHAPTER 3.05 OF THE WRANGELL MUNICIPAL CODE, ASSEMBLY – RULES OF PROCEDURE (first reading) |                                |            |   |                  |
| <u>SUBMITTED BY:</u>   |                                |            | <u>FISCAL NOTE:</u>                             |                  |
| Kim Lane, Borough Clerk  |                                |            | Expenditure Required: none                      |                  |
|  |                                |            |   |                  |
|  |                                |            | Amount Budgeted: none                           |                  |
|  |                                |            | Account Number(s): none                         |                  |
|  |                                |            |   |                  |
|  |                                |            | Account Name(s): none                           |                  |
|  |                                |            |   |                  |
| <u>Reviews/Approvals/Recommendations</u>   |                                |            |   |                  |
| n/a  | Commission, Board or Committee |            | Unencumbered Balance(s) (prior to expenditure): |                  |
| Name(s)  |                                |            |   |                  |
|  |                                |            |   |                  |
| <input checked="" type="checkbox"/>  | Attorney                       |            |   |                  |
| n/a  | Insurance                      |            |   |                  |
|  |                                |            |   |                  |
| <u>ATTACHMENTS:</u>  |                                |            |   |                  |
| 1. Ordinance No. 937   |                                |            |   |                  |

**RECOMMENDATION:**

Move to approve first reading of Ordinance No. 937 and move to a second reading with a Public Hearing to be held on November 7, 2017.

**SUMMARY STATEMENT:**

The Clerk and Manager are recommending some revisions to the order and manner in which the Assembly agenda and meetings are managed. The first recommendation is that Public Hearings become a part of the regular meeting agenda. That way if there is little or no public comment, the hearing can be closed and the Assembly can commence with the rest of the Agenda business. Second, Persons to be Heard is currently used to allow members of the public to comment on both items not on the agenda and items on the agenda. The code specifically states this portion of the agenda is for the public to comment on subjects not on the agenda. If members of the public are not allowed to speak regarding an item on the agenda when it is brought to the floor by the assembly then comments

are being made out of context of the Assembly's discussion of the matter and there is no opportunity for discourse with the public. The recommended change is twofold: 1) Persons to be Heard will be limited to comments about items not on the agenda; and 2) the Assembly will take public comment during each agenda item. It may seem as if this will lengthen meetings, but appropriate meeting management will keep this type of public interaction appropriate in both time and scope.

At the Assembly meeting held on October 10<sup>th</sup>, the Assembly requested some amendments to the proposed Ordinance. Those changes have been incorporated.

1. Rules on Presentations: added under 3.05.020(A)(3)
2. Persons to be heard: added "agenda items or non-agenda items"
3. Amendments to the Agenda: keeping this section but made a few changes. Note: for removing Consent Agenda items, the Assembly does not need to amend the agenda. Any one assembly member, the manager, or the clerk may request that an item be removed from the Consent Agenda, to be considered under New Business.



CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 937

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CERTAIN SECTIONS OF CHAPTER 3.05 OF THE WRANGELL MUNICIPAL CODE, ASSEMBLY – RULES OF PROCEDURE

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

SEC. 1. Action. The purpose of this ordinance is to amend certain sections of Chapter 3.05 of the Wrangell Municipal Code, Assembly – Rules of Procedure.

SEC. 2. Amendment of Sections. Sections 3.05.020, 3.05.030 and 3.05.040 of Chapter 3.05 of the Wrangell Municipal Code are amended to read:

**3.05.020 Order of business.**

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

A. Call to order. The mayor shall call the meeting to order at 7:00 p.m. in the Borough Assembly Chambers.

1. Pledge of Allegiance.

2. Invocation.

3. Ceremonial matters – community presentations, proclamations, awards, certificates of service, guest introductions. Presentations shall be limited to 10 minutes. Presenters are encouraged to submit written presentations and exhibits. Any such materials shall be given to the borough clerk for distribution to the assembly. Presenters shall not distribute materials to the public or address the public directly.

B. Roll call. The borough clerk shall conduct a roll call of each elected and duly qualified member of the assembly. The roll call will result in a record entry of those present or absent from the meeting. The roll call is primarily used to determine if sufficient members are present to conduct a meeting.

C. Persons to be heard. This agenda item is reserved to provide an opportunity for persons to address the assembly on agenda items or non-agenda items. The rules of public participation for “persons to be heard” are set out in WMC 3.05.040(A).

**Comment [K1]:** Added guidelines for “Presentations”

**Comment [K2]:** Added “addenda items” to this section just in case someone didn’t want to stick around until the item came up on the agenda.

[C]D. Amendments to the agenda. The assembly may amend the agenda as provided in WMC 3.05.030(E). Removal of an item from the consent agenda, as provided in subsection F, is not considered an amendment to the agenda. **[The manager also may request agenda changes.]**

**Comment [K3]:** Added this section back into the procedures with a few additions.

[D]E. Conflict of interest. The purpose of this agenda item is to provide a time for any conflict of interest disclosures and determinations on such disclosures by the mayor, as may be necessary and appropriate under WMC 3.04.112.

[E]E. Consent agenda. Items listed on the consent agenda or marked with an asterisk (\*) are considered routine and will be passed in one motion; provided, upon the request of any member, the manager, or the clerk, an item on the consent agenda shall be removed from the consent agenda and placed under new business for assembly action. **[unless the item has been removed from the consent agenda by the manager, the mayor, or an assembly member.]**

1. Approval of minutes.
2. Communications.

[F]G. Borough manager's report.

[G]H. Borough clerk's file.

[H]I. Mayor and assembly **[reports and appointments]** business. This agenda item is reserved for the mayor and assembly to provide reports or comments and to introduce items not previously on the agenda which need to be brought to the attention of the entire assembly or the staff. Assembly members may hold limited discussion on these topics or ask the borough manager or the borough clerk for clarifying information. By majority consent of the assembly, the mayor or assembly may give direction to the borough manager or the borough clerk to add an item for consideration for the next regular assembly meeting. Other than as described in this subsection I, no action may be taken by the assembly under this agenda item.

J. Mayor and assembly appointments.

**[I. Persons to be heard. This agenda item is reserved to provide an opportunity for persons to address the assembly on non-agenda items. The rules of public participation for "persons to be heard" are set out in WMC 3.05.040(A).]**

K. Public hearing and public participation on agenda items. Public hearings are required on certain agenda items, including ordinances. An opportunity for public participation will be allowed on all other agenda items other than appeals. Persons wishing to speak during a public hearing on an agenda item, or otherwise on an agenda item, will sign up on a sheet provided by the clerk and list the agenda item they intend to speak on. Persons on the list will be called by the mayor to speak in the order in which they signed up for the agenda item, when

that item is brought up for consideration, following any administrative or committee reports on the item. Additional rules on the conduct of public hearings and public participation on agenda items are set out in WMC 3.05.040(B).

[J]L. Unfinished business. This agenda item includes unfinished matters transferred from previous meetings and other items of unfinished business.

- 1. Administrative or committee reports**
- 2. Public hearing**
- 3. Assembly action]**

[K]M. New business. This agenda item includes items not previously addressed by the assembly, and items moved from the consent agenda during a meeting.

- 1. [Administrative or committee reports**
- 2. Public hearing**
- 3. Assembly action]**

[L]N. Attorney's file.

[M]O. Executive session. The procedure for executive session is set out in WMC 3.04.120.

[N]P. Adjournment.

### **3.05.030 Assembly agenda. [- Amendment of agenda.]**

A. The agenda shall be prepared by the clerk subject to review and revision by the manager and the mayor. An agenda shall be prepared before every regular meeting of the assembly and the agenda shall be posted at City Hall by noon (12:00 p.m.) on the Friday preceding the meeting.

B. Borough staff submission of items for agenda. All reports, ordinances, resolutions, contracts, and other matters proposed by borough staff to be included on the assembly agenda at a regular meeting must be submitted to the borough manager or borough clerk no later than noon (12:00 p.m.) on the **[Thursday]** Tuesday preceding the next regular meeting.

C. Requests by members of the public for placement of items on agenda.

1. Persons other than borough staff or a member of the assembly requesting that an item be placed on the assembly agenda at a regular meeting are urged to meet with borough staff first, in an effort to come to a resolution on the item before the item may be placed on the agenda. If resolution cannot be reached, the person must submit a written request either:
  - a. In the form of a letter stating that this is a request for an item to

- be placed on the borough assembly agenda, and explaining in detail what is requested; or
  - b. By completing an “Agenda Item Request Form” provided by the borough clerk’s office.
2. Deadline for written request. A written request from a member of the public to place an item on the agenda must be received by the borough clerk no later than noon (12:00 p.m.) on the ~~[Thursday]~~ Tuesday preceding the next regular meeting. Any request received after deadline will be considered for the next succeeding regular meeting agenda. The borough clerk or manager have the authority to postpone an item submitted by the public to the next regular meeting if it is determined that insufficient supporting documentation has been provided or additional review time by staff is necessary.

D. Guidelines for Proclamations.

Proclamations are ceremonial documents that are approved and signed by the mayor.

1. Proclamations shall not be issued for:
  - a. Any political issue, political subject, political controversy, ideological or religious subjects or beliefs, faith based subject or appearing to be faith based, or individual conviction; or
  - b. Campaigns or events contrary to borough policies or contrary to borough programs, projects or decisions.
2. Additional guidelines:
  - a. The mayor, the borough clerk, or the borough manager may deny or modify any proclamation request in the sole discretion of the mayor, clerk or manager.
  - b. Proclamations must affect a broad group of people in a positive way. Proclamations will not be issued for individuals or as a matter of protest. All requests must be made in writing. Requests can be emailed, mailed, faxed or hand-delivered to the office of the borough clerk at City Hall. Requests must be received at least 10 days before the meeting for which the proclamation is being sought. By submitting a request for a proclamation, the person submitting the request agrees and acknowledges that there is no right to have a proclamation issued and the proclamation may be denied in the sole discretion of the mayor, borough clerk or borough manager, with no right or process of appeal.
3. Requests for proclamations must include the following:
  - a. Contact person’s first and last name, address, and telephone number.
  - b. The name and date(s) of the day, week, month or event to be



proclaimed.

- c. Draft text for the proclamation, which must be in electronic format and shall include 4 – 6 “whereas” clauses.
- d. An indication of whether the proclamation should be mailed or if the requestor will be present at the meeting to receive the proclamation.
- e. A date when the proclamation is desired.

**[D. An agenda is not required for special meetings of the assembly; the list of topics contained in the notice given for a special meeting shall instead suffice.]**

**E. Amendment of agenda.** The assembly may by majority consent, amend the agenda as published to add or delete items, or change the order in which unfinished and new business is considered. **[from the published agenda]** The assembly, manager or borough clerk may request amendments to the agenda. Amendments are [during the course of a meeting,] subject to the limitations in this section.

**1. No action item may be added to the agenda [by a motion to amend the agenda]. An action item is an item which:**

- a. Introduces an ordinance;
- b. Is a resolution;
- c. Awards a contract;
- d. Expends non-budgeted funds;
- e. Expends budgeted funds or authorizes expenditure of budgeted funds in excess of twenty-five thousand dollars (\$25,000); or
- f. Is a matter which, due to its significant or complex nature, requires more extensive public notice.

**2. This amendment of agenda provision is intended to allow the addition of agenda items that are in the nature of:**

- a. Requests or directives that the manager, borough clerk, or borough attorney investigate and report on an issue, or prepare a document, report, or other item for future consideration by the assembly;
- b. Naming mayoral appointees selected, or the low bidder for a contract, when the fact of the appointment or contract award has appeared on the published agenda, and the name(s) of the appointee(s) or recommended choice(s) have been made available at the start of the meeting;
- c. A call for an executive session concerning an item that appears on the published agenda; or
- d. Is for purposes of receiving information only without making a decision.

**Comment [K4]:** Added this section back in with a couple of changes.

### 3.05.040 Public Participation.

A. Persons to be heard. There shall be an opportunity for public participation on agenda items or non-agenda items at each regular meeting of the assembly, which shall be listed on the agenda as “Persons to be heard” and conducted according to the following rules outlined in subsections 1-7, which shall be posted in the assembly chambers. Limited opportunity to speak under persons to be heard on items on the agenda may be allowed by the mayor if a member of the public is unable to be at the meeting during the time the agenda item is brought to the floor. The mayor may allow this in conformance with subsection B.

1. Any person desiring to address the assembly on non-agenda items under “persons to be heard” shall first sign up on the sheet provided at the meeting and be recognized by the presiding officer prior to speaking.
2. The speaker will precede their remarks by stating their name[s] and, unless otherwise allowed by the mayor, their place of residence.
3. The mayor or an assembly member may ask questions of the speaker, but shall not deliberate at that time on matters raised, or answer questions directed by the speaker to the members.
4. Speakers shall address their remarks to the assembly as a body and not to any individual member of the assembly, or to members of the public.
5. Inquiries made by speakers regarding borough business may be referred to the borough manager. Answers shall not be provided at the meeting by assembly or staff. By majority consent of the assembly, the assembly may direct the borough manager or borough clerk to report back to the assembly at a regular meeting for consideration.
6. The mayor may, prior to the call for persons to be heard, prescribe time limits, request designated speakers for groups, determine redundancy, and other effective meeting procedures.
7. Any exhibits or materials shall be given to the borough clerk for distribution to the assembly. Individuals shall not distribute materials to the public or address the public directly.

B. Public [H]hearings and [P]public participation on agenda items. Public participation during public hearings on ordinances[, **resolutions,**] and other

matters, and public participation on other agenda items, other than appeals, will be conducted according to the following rules, which shall be posted in the assembly chambers:

1. The hearing will be conducted by the mayor as chair.
2. The mayor will open the hearing by summarizing its purpose and reemphasizing the rules of procedure. Any person desiring to address the assembly during a public hearing on an agenda item, or otherwise on an agenda item, shall first sign up on the sheet provided at the meeting and be recognized by the presiding officer prior to speaking, as provided in WMC 3.05.020(J).
3. The mayor may request the borough manager provide background information regarding the item so as to provide clarification to the assembly and the public.
- ~~[3]~~4. The mayor may set a time limit for public testimony, for individual speakers, or both, if it appears necessary to gain maximum participation and conserve time. The time limit may be extended by a majority vote of the assembly. The time limit shall be uniform for all speakers, provided the mayor may grant additional time to a person speaking on behalf of a group present in the chambers. The time limit may be extended by the mayor to allow an individual speaker to answer clarifying questions asked by members of the assembly.
- ~~[4]~~5. The mayor may request designated speakers be chosen for groups of persons wishing to address the assembly on the same subject.
- ~~[5]~~6. Citizens will be encouraged to submit written presentations and exhibits. Any such materials shall be given to the borough clerk for distribution to the assembly, staff and members of the public. Individuals shall not distribute materials to the public at the public hearing.
- ~~[6]~~7. Members of the public will precede their remarks by stating their names and, unless otherwise allowed by the mayor, their place of residence.
- ~~[7]~~8. All speakers, members of the public, and members of the assembly, must be recognized by the chair before speaking.
- ~~[8]~~9. All speakers, members of the public, and members of the assembly, will be recognized by the chair by name.
- ~~[9]~~10. The mayor will set forth the item or subject to be discussed and will

rule inappropriate comments, or comments that are not germane to the subject, out of order.

[10]11. Members of the assembly will not direct questions to each other or to the chair during public participation except as to the conduct of the hearing.

[11]12. Members of the assembly may direct questions to members of the public only to obtain clarification of material presented. The questions may not be argumentative.

[12]13. Speakers may direct questions to the assembly or the borough administration. The questions may not be argumentative. Speakers shall address their remarks to the assembly as a body and not to any individual member of the assembly.

[13]14. Speakers may direct questions to the chair only as it pertains to the conduct of the hearing.

[14]15. The assembly and members of the public will refrain from argument and debate as between them.

[15]16. The manager may participate in the same manner as the members of the assembly.

[16]17. After public hearing has been closed and a motion made by the assembly, no person shall address the assembly without first obtaining permission from the chair.]

- C. Disorderly conduct at meetings prohibited. 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 on 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.

SEC. 3. Classification. This ordinance is of a permanent nature and shall 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 be effective upon adoption.

PASSED IN FIRST READING:   \_\_\_\_\_, 2017.

PASSED IN SECOND READING: \_\_\_\_\_, 2017.

\_\_\_\_\_  
David L. Jack, Mayor

ATTEST:

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

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

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

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

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

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

|  |                 |            |   |                  |
|--|-----------------|------------|---|------------------|
| <u>AGENDA ITEM TITLE:</u>  | <u>NO.</u>      | <b>13b</b> | DATE:   | October 24, 2017 |
| Approval of Consent to Assignment of Lease for Financing Purposes for the Marine Service Center, Yard Lot 1, leased by Don Sorric ( <i>postponed from the Sept. 12<sup>th</sup> and Oct. 10<sup>th</sup> Regular Assembly meetings</i> ) |                 |            |   |                  |
| <u>SUBMITTED BY:</u>   |                 |            | <u>FISCAL NOTE:</u>                             |                  |
| Lisa Von Bargaen, Borough Manager &<br>Kim Lane, Borough Clerk   |                 |            | Expenditure Required: none                      |                  |
|  |                 |            | Amount Budgeted: none                           |                  |
|  |                 |            | Account Number(s): none                         |                  |
|  |                 |            | Account Name(s): none                           |                  |
| <u>Reviews/Approvals/Recommendations</u>   |                 |            |   |                  |
| <input checked="" type="checkbox"/>  | Port Commission |            | Unencumbered Balance(s) (prior to expenditure): |                  |
| Name(s)  |                 |            |   |                  |
|  |                 |            | none  |                  |
| <input checked="" type="checkbox"/>  | Attorney        |            |   |                  |
| n/a  | Insurance       |            |   |                  |
|  |                 |            |   |                  |
| <u>ATTACHMENTS:</u>  |                 |            |   |                  |
| 1. Consent to Assignment of Lease (First Bank) – <a href="#">waiting</a> ; 2. Existing Lease and modification  |                 |            |   |                  |

**RECOMMENDATION:**

Move to postpone this item until the November 7, 2017 rescheduled Regular Assembly meeting.

**SUMMARY STATEMENT:**

The person at First Bank (in Ketchikan) who needs to review and sign off on the Consent to Assignment of Lease document has been out of town and will not return until October 24<sup>th</sup> (today). Therefore, we are asking that the Assembly make the motion to postpone this item until the next assembly meeting of November 7th.

The Borough has a Facility Lease Agreement with Mr. Don Sorric for Lot 1, Wrangell Marine Service Center. His current five-year lease runs through July 31, 2019. Mr. Sorric is making significant improvements to the lease area, specifically pouring concrete pads. It is necessary for Mr. Sorric to

obtain a bank loan to finance these improvements. The bank is only willing to lend Mr. Sorric money through the term of his existing lease – ending two years from now. The size of the loan makes it nearly impossible for Mr. Sorric to absorb what the monthly loan payments would be if only able to be amortized over two years. The bank is also concerned about the short time frame. Therefore, the bank is requesting a three-year term extension to July 3, 2022.

The request for the lease term extension was addressed under the previous agenda item.

In addition to a lease extension, as a condition of the loan, the bank is requesting what is called an Assignment of Lease. This is a very standard process for lessees who are financing improvements on leased property. The assignment allows for the bank to automatically assume the lease if the lessee defaults on the loan. The bank is able to protect the loan investment in this way. The Assignment requires a separate action which is the next item on the agenda.

**WRANGELL MARINE SERVICE CENTER (WMSC)  
FACILITY LEASE AGREEMENT**

This Lease is entered into on the 1st day of August, 2009, by and between the City and Borough of Wrangell (hereinafter "Lessor"), a municipal corporation, and Don Sorric (hereinafter "Lessee"), a business person, doing business in the State of Alaska, for purpose of leasing borough-owned land in Wrangell. The parties hereby agree to the following conditions:

**1. DURATION**

This Lease shall be in effect for a five year term, more specifically, from the date above until the 31st day of July, 2014.

**2. LEASED PROPERTY**

The property subject to this Lease is described as: Yard Lot 1, 8,000 square feet

**3. PERMISSIBLE USES**

A. Lessee shall utilize the property only for the purpose of conducting a boat building and/or boat repair business. Assessory uses of the property are allowed if pre-approved in advance in writing by the Borough Assembly and/or Port Commission.

B. Lessee agrees to abide by all federal, State, and local laws in the operation and maintenance of the permitted commercial activity.

C. The Lessor does not warrant that the property is suitable for the purposes sought. Lessee assumes all risks associated with the location of the leased premises.

**4. CONDITIONS OF LEASING**

A. Lease payments shall be in the amount of \$ 640.00, payable in advance on the 1st day of each month.

B. Lessee shall comply with all rules and yard Best Management Practices as set forth by the Harbor Department or Port Commission.

C. Lessee must sign and agree to fully comply with the WRANGELL MARINE SERVICE CENTER (WMSC) FACILITY USE AGREEMENT.

**5. RENEWAL**

A. The Lease may be renewed at the option of the Lessor upon written request by the Lessee within at least sixty (60) days of the expiration of the current term, provided that the Lessee is current in the payment of all fees, and that the Lessee has been compliant with all yard rules and all provisions of this agreement as determined by the Port Commission.

B. The terms and conditions of this Lease for each renewal term shall be identical with the original term except for the lease payment.

**6. OPERATION AND MAINTENANCE**

A. Lessee shall at all times provide sufficient personnel to operate and maintain the leased premises. Lessee shall keep and maintain the leased premises in good, clean, safe, and sanitary condition.

B. Items stored on the leased premises must be directly related to the commercial business operating on the property.

C. Lessee shall be responsible for any and all special assessments for public improvements which may be made against the leased premises during the term of this Lease or any option to renew by the Lessee.



D. Lessee shall pay all property taxes owed on the leased premises in accordance with the Wrangell Municipal Code. Lessee shall also collect and remit sales tax in accordance with Wrangell Municipal Code.

E. Lessee shall promptly repair, rebuild, or restore the leased premises, facilities or surrounding property damaged or destroyed by any event whatsoever, with the exception of events caused by the act, error, or omissions of borough employees, contractors or representatives, or by inherent condition of normal wear and tear.

F. Lessor may, at all reasonable times and without prior notice, enter upon and inspect the leased premises. If the Lessor demonstrates that the Lessee has failed to perform maintenance or repair work required under the Lease, and if the Lessee, after prior notice of the deficiencies, fails to correct the deficiency or to begin corrective action within a reasonable time, the Lessor may enter any part of the Leased premises and perform the necessary work. The Lessee shall reimburse the Lessor for all reasonable expenses incurred by this work.

## **7. INDEMNITY AND INSURANCE**

A. Lessee shall defend, indemnify, and hold harmless the Lessor from any and all claims or actions for injuries or damages sustained by any person or property arising, or in connection with, or incident to the operation of the leased premises.

B. Lessee shall provide adequate liability property and personal injury damage insurance as described below. The insurance shall not contain any exclusions for pollution, environmental impairment, or nuisance. The Lessor shall be listed as an additional insured on this policy. Proof of such insurance shall be provided to the Lessor as a condition of entering into the Lease. Lessee must notify the Lessor thirty (30) days in advance of any cancellation or alteration of such insurance. Failure to maintain insurance as specifically described in this section shall constitute default by Lessee.

C. Lessee shall keep the leased premises insured at Lessee's expense against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage. Lessee covenants that it shall maintain at all times and pay the premiums on such policy or policies of casualty insurance to the building and leased premises designated the Lessor as loss payee, said policy to be in such amount and contain such terms as shall be from time to time determined sufficient by the Lessor. Lessee shall furnish the Lessor with a copy of said policy and all amendments or modifications thereto.

### **D. INSURANCE REQUIREMENTS**

**The Lessee shall not commence with use of the City and Borough's facility/land until the Lessee has obtained the insurance required under this contract. All coverage shall be with insurance carriers licensed and admitted to do business in the State of Alaska. All coverage shall be with carriers acceptable to the City and Borough of Wrangell. The required lines and limits of insurance are as follows:**

1. **General Liability Insurance:** The User shall procure and maintain during the life of this agreement, General Liability Insurance on an "occurrence basis" with limits of liability not less than \$ 1,000,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury and property damage.
2. **Motor Vehicle Liability Insurance:** The user shall procure and maintain during the life of this agreement, Motor Vehicle Liability Insurance, including applicable no fault coverages, with limits of liability of not less than \$1,000,000 per occurrence combined single limit. If the vehicle is a boom truck or is a boom truck combination, the policy must contain **LOAD/UNLOAD** coverage.

3. **Workers Compensation Insurance:** If the facility user has employees, they shall procure and maintain during the life of this agreement, Workers Compensation Insurance, including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Alaska.
4. **Additional Insured:** General liability insurance and vehicle liability insurance, as described above, shall include an endorsement stating the following shall be an Additional Insured:

The City and Borough of Wrangell, its elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof.

This coverage shall be primary to the Additional Insured's, and not contributing with any other insurance or similar protection available to the Additional Insured's, whether the other available coverage be primary, contributing or excess.

5. **Cancellation Notice:** General liability insurance and vehicle liability insurance, as described above, shall include an endorsement stating the following: "Sixty" (60) days advance written notice of cancellation, non-renewal, reduction and/or material change shall be sent to: Greg Meissner, Harbormaster, City and Borough of Wrangell, PO Box 531, Wrangell, AK 99929
  6. **Proof of Insurance Coverage:** Prior to commencement of any maintenance or repair activities at the WMSC, the user shall provide the city with certificates of insurance and/or policies, acceptable to the City and Borough of Wrangell, for each of the insurance policies described above.
8. **ENVIRONMENTAL INDEMNITY**

A. Lessee acknowledges and agrees that environmental contamination may exist on or adjacent to the leased premises. Lessor has not made, and Lessee has not relied on, any representations as to the presence, absence, nature, or extent of any such environmental contamination by Lessor. Lessee hereby expressly assumes the risk that any such environmental contamination may cause loss of or damage to Lessee's real and personal property and improvements and may render the leased premises unfit for Lessee's purposes.

B. Lessee shall use, store, handle, and deal with all Environmental Substances (as defined below) in compliance with all Environmental Laws (as defined below). Lessee shall take prompt and responsible action to correct any noncompliance reported by Lessee or alleged by DEC or EPA with any requirements of any Environmental Law or any contamination or pollution caused by a release (as defined below) of an Environmental Substance. Lessee shall obtain all necessary permits, licenses, and other authorizations issued pursuant to Environmental Laws required for Lessee to own or operate the leased premises. Operation of the leased premises shall be in compliance with any terms and/or conditions of such permits, license, and other authorizations. "Environmental Laws" means all federal, State, or local laws, statutes, ordinance, codes, rules, regulations, orders, decrees, and directives imposing liability or standards of conduct for or relating to the protection of health, safety, or the environment. "Environmental Substances" include without limitation any substance, material, waste, pollutants, contaminant or chemical, regardless of how it is referred to or defined, that is regulated in, or pursuant to, any Environmental Laws. "Release" includes an actual or potential

discharge, deposit, spill, leak, pumping, pouring, emission, emptying, injection, escape, leaching, seepage, or disposal which is or may be in breach of any Environmental Law, regardless of cause. "Lessee" includes Lessee, any subsidiaries of the Lessee, any partnership or joint ventures involving the Lessee, Lessee's agents, representatives, employees, invitees, or contractors or any agents, representatives, employees, invitees, or contractors of Lessee's subsidiaries, partnerships, or joint ventures.

C. Lessee acknowledges and agrees that the creation, use, handling, storage, release, and disposal of waste, garbage, pollutants, and toxic or hazardous substances, and the investigation, remediation, and clean-up of environmental contamination, are governed by a wide variety of Environmental Laws. Lessee shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of hazardous substances and Environmental Substances and shall take all practicable measures to minimize the quantity and toxicity of hazardous substances and Environmental Substances used, handled, or stored on the leased premises.

D. Lessee shall defend, indemnify, and hold harmless Lessor from and against all claims, including nuisance described in 9 of this Lease liabilities, suits, obligations, fines, judgments and penalties (and any other expenses, including attorneys' fees and other costs of litigation, raised, sought, or imposed by third parties in connection with Lessee's violation of any Environmental Laws or in connection with Lessee's creation, use, handling, storage, release, or disposal of any waste, garbage, pollutants, or toxic or hazardous substances (regardless of whether such creation, use, handling, storage, release, or disposal violated an Environmental Law) on the leased premises or in connection with Lessee's use of the leased premises or by any persons or entity associated with the Lessee as outlined in paragraph 8.B above.

E. Nothing in this Lease alters any obligation Lessor or Lessee may have to investigate, remediate, or clean up any environmental contamination that may exist on the leased premises.

F. Lessee shall defend, indemnify and hold harmless the Lessee for any contamination on the leased premises or any violation of any local, State, or federal Environmental Law occurring after the baseline study required under paragraph 4.D of this Lease.

## **9. WASTE AND NUISANCE PROHIBITED**

During the term of this Lease, Lessee shall comply with all federal, State, and local laws affecting the leased premises, the breach of which might result in any penalty on Lessor or forfeiture of Lessor's title to the leased premises. Lessee shall not commit, or suffer to be committed, any waste on the leased premises, or any nuisance. Lessee shall not operate the leased premises in any manner which might constitute a nuisance.

## **10. ABANDONMENT OF LEASED PREMISES**

Lessee shall not vacate or abandon the leased premises at any time during the term of this Lease. If Lessee shall abandon, vacate, or surrender the leased premises, or be dispossessed by process of law or otherwise, any personal property belonging to Lessee and left on the leased premises shall be deemed to be abandoned, and at the option of the Lessor, the personal property shall become the property of the Lessor, except such property as may be encumbered to the Lessor. Lessee agrees to defend, indemnify, and hold harmless the Lessor for any harm, damage, or injury to person or property, alleged to arise out of the actions of the Lessee in vacating or abandoning the leased premises, and as to any harm, damage, or injury to

person or property arising out of the condition of the property at the time of vacating or abandoning the leased premises.

**11. LIENS**

Except with respect to activities for which Lessor is responsible, Lessee shall pay all claims for work done on and for services rendered or material furnished to the leased premises, and shall keep the leased premises free from any liens. If Lessee fails to pay such claims or to discharge any lien, the Lessor may do so and collect the cost as additional rent. Any amount so added shall bear interest at the highest legal rate as allowed by law from the date of payment by the Lessor. Any amount paid by the Lessor on behalf of the Lessee shall be payable on demand. Such action by the Lessor shall not constitute a waiver of any right or remedy which the Lessor may have on account of Lessee's default.

**12. LESSOR'S RIGHTS UNDER THIS LEASE**

A. The Lessor may sue periodically to recover damages during the period corresponding to the remainder of the Lease term, and no action for damages shall bar a later action for damages subsequently accruing.

B. If Lessee fails to perform any obligation under this Lease, the Lessor shall have the option to do so after twenty (20) days written notice to Lessee. All of the Lessor's expenditures to correct the default shall be reimbursed by Lessee on demand with interest at the highest legal rate of interest allowed by law from the date of payment by the Lessor. Such action by the Lessor shall not waive any other remedies available to the Lessor because of the default.

C. All remedies in this Lease shall be in addition to and shall not exclude any other remedy available to the Lessor under any applicable law.

**13. GOVERNING LAW**

Any dispute arising under this Lease shall be governed by Alaska law. Any claim based upon this Lease or any agreement pertaining to this Lease shall be filed in the First Judicial District, State of Alaska.

**14. DEFAULT**

If the Lessor determines that the provisions of the Lease are not being met and attempts to resolve the dispute in a reasonable manner are unsuccessful, written notice shall be given to the Lessee stating the nature of the deficiency and the necessary corrective action. Lessee shall either take immediate corrective action or respond to the Lessor within ten (10) calendar days stating the reason for the noncompliance and a schedule for compliance. If the Lessor determines that this response is unacceptable, the Lessor shall give Lessee written notice of default and the Lease is terminated. Lessee shall have a reasonable amount of time to remove all personal property. If the personal property is not removed within the time stated in the notice of default, the Lessor may take possession of the property.

**15. TERMINATION**

Each party shall have the right to terminate this Lease upon providing written notice of the intent to terminate sixty (60) days prior to the date of termination.

**16. NOTICE**

All notices and requests concerning this lease shall be in writing and addressed as follows:  
Lessee:

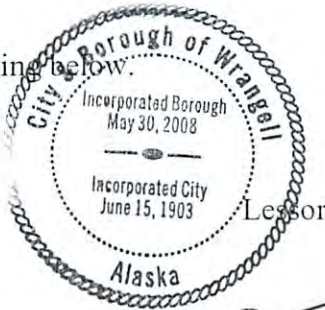


Lessor: City and Borough of Wrangell  
P.O. Box 531  
Wrangell, AK 99929

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the their duly

authorized representative(s) signing below.

Date: 9/25, 2009  
Alaska



City and Borough of Wrangell,

Attest:

Christie L. Jamieson  
Christie L. Jamieson  
City and Borough Clerk

By Timothy D. Rooney  
~~Robert S. Pruncella~~ ~~Jeff Jabusch~~, Acting  
City and Borough Manager  
Timothy D. Rooney

*Timothy D. Rooney*  
The foregoing instrument was acknowledged before me this 25<sup>th</sup> day of September, 2009, by ~~Robert S. Pruncella~~ and Christie L. Jamieson, City and Borough Manager and City and Borough Clerk, respectively, of the City and Borough of Wrangell, Alaska, an Alaska home rule municipal corporation, on behalf of the corporation.



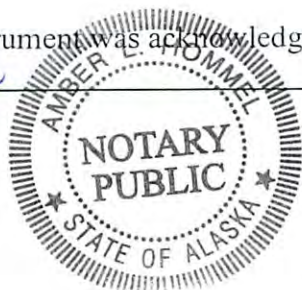
Carol Bean  
Notary Public for Alaska  
Commission expires: 3/23/2010

Date: August 14, 2009

Lessee

By Don Sorric  
Name  
Business Person  
Title

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of Aug., 2009, by Don Sorric



Amber L. Nomme  
Notary Public for Alaska  
Commission expires: 10.14.2012

**Amendment to the Wrangell Marine Service Center (WMSC)**  
**Facility Lease Agreement**

This **third** modification to extend the Facility Lease Agreement is made and entered into as of September \_\_\_\_\_, 2017 by and among:

Don Sorric, dba Superior Marine, P.O. Box 2296 Wrangell, Alaska 99929, and the City and Borough of Wrangell, Alaska, P.O. Box 531, Wrangell, Alaska 99929.

Now therefore, both parties agree as follows:

- A. Don Sorric entered into an original WMSC Facility Lease Agreement dated August 1, 2009 with the City and Borough of Wrangell as follows: Yard Lot 1—originally 80 x 100= 8000 square feet;
- B. The Borough Assembly granted a modification on February 23, 2010, to boat yard lease as follows:

Yard Lot 1 – from 80 x 100 = 8,000 square feet (\$640.00 per month) to 101 x 143 = 14,443 square feet (\$1,155.44 per month);

- C. This amendment is reflected in the original agreement as follows:

**DURATION**

This lease shall be in effect for a five year term, more specifically, from the date above until the 31<sup>st</sup> day of July, 2019.

- D. **This amendment changes Section 1, Duration, of the original agreement and second extension as follows:**

**DURATION**

**This lease shall be in effect for an additional three years, more specifically, from the date above until the 31<sup>st</sup> day of July, 2022.**

\_\_\_\_\_  
Don Sorric, Lessee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Greg Meissner, Harbormaster  
City and Borough of Wrangell

\_\_\_\_\_  
Date



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

|   |                                |            |  |                  |
|---|--------------------------------|------------|--|------------------|
| <u>AGENDA ITEM TITLE:</u>   | <u>NO.</u>                     | <b>13c</b> | <u>DATE:</u>   | October 24, 2017 |
| <b>APPROVAL OF PROPOSED RESOLUTION 10-17-1383</b> OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL AUTHORIZING THE RENEWAL OF THE LINE OF CREDIT AGREEMENT BETWEEN THE CITY & BOROUGH OF WRANGELL AND THE WRANGELL MEDICAL CENTER                        |                                |            |  |                  |
| <u>SUBMITTED BY:</u>  |                                |            | <u>FISCAL NOTE:</u>                                    |                  |
| Lisa Von Bargaen, Borough Manager   |                                |            | <b>Expenditure Required:</b>                           |                  |
|   |                                |            | \$250,000  |                  |
|   |                                |            | <b>Amount Budgeted:</b>                                |                  |
| Lisa Von Bargaen, Borough Manager   |                                |            | \$0  |                  |
|   |                                |            | <b>Account Number(s):</b>                              |                  |
|   |                                |            | N/A  |                  |
|   |                                |            | <b>Account Name(s):</b>                                |                  |
|   |                                |            | General Fund Account with Cash                         |                  |
|   |                                |            | <b>Unencumbered Balance(s) (prior to expenditure):</b> |                  |
| <u>Reviews/Approvals/Recommendations</u>  |                                |            | General Fund Account with Cash                         |                  |
| _____   | Commission, Board or Committee |            | N/A  |                  |
| Name(s)   |                                |            |  |                  |
|   |                                |            |  |                  |
| _____   | Attorney                       |            |  |                  |
| _____   | Insurance                      |            |  |                  |
|   |                                |            |  |                  |
| <b><u>ATTACHMENTS:</u></b>  |                                |            |  |                  |
| 1. Resolution No. 10-17-1383; 2. 2017 Line of Credit Agreement; 3. WMC Line of Credit Request; 4. WMC Cash Flow Statement; 5. TruBridge Statement; 6. Failed Resolution 07-15-1327; 7. Excerpt Minutes of July 28, 2015; 8. 2015 Line of Credit Agreement |                                |            |  |                  |

**RECOMMENDATION:**

Approve Resolution 10-17-1383 of the Assembly of the City & Borough of Wrangell Authorizing the Renewal of the Line of Credit Agreement between the City & Borough of Wrangell and the Wrangell Medical Center.

**SUMMARY STATEMENT:**

In July of 2015 the Wrangell Medical Center came to the Assembly requesting assistance in obtaining a line of credit through a bank to have a “back-up plan” in the event of unfavorable cash flow circumstances. The Assembly was in favor of the concept, but did not pass the resolution on July 28, 2015. Instead, the Assembly gave direction to Administration to create a line of credit from the



Borough for the WMC, thus eliminating the need for WMC to pay interest on borrowed money. A copy of the failed resolution from that meeting and the minutes are attached for reference.

A Line of Credit Agreement was developed between the Borough and WMC with the following parameters:

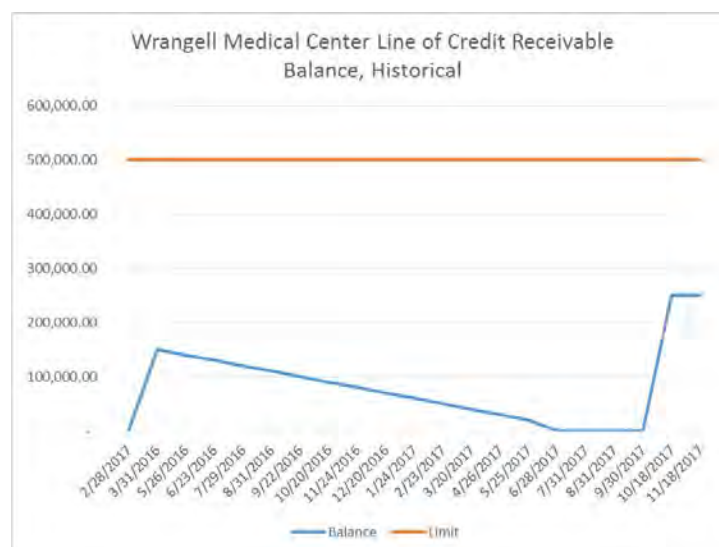
- Line of Credit requests require both WMC CEO/Administrator and Borough Manager approval
- Reporting of the repayment process and outstanding balance shall be reported to the Assembly monthly by both WMC and the Borough Finance Department
- Borrowed money shall be interest free
- Repayment is based on the capacity of WMC
- The Line of Credit Agreement is to be brought back to the Assembly for review and renewal the first Assembly meeting of September each year

The original Line of Credit (a copy of which is attached) was signed by both parties in August of 2015. It has not been brought back to the Assembly for review and renewal since that time – making the Agreement invalid in the opinion of Administration.

WMC has submitted a Line of Credit Request for \$250,000 which they need by October 25, 2017. Despite having more than \$2 Million in outstanding receivables, the cash flow is such that WMC needs money to maintain operations. Therefore, time is of the essence in renewing this agreement. A revised Agreement has been attached to this agenda statement for review and approval. This agreement is being approved by Resolution for ease of tracking and clarity of purpose.

Mr. Rang has provided a copy of WMC cash flow and a copy of a statement from TruBridge who does the hospital billing. Mr. Rang will be at the meeting to answer any questions. If this resolution is approved by the Assembly the Borough will cut a check first thing Wednesday morning.

This money is being taken from the General Fund Account with Cash, and will be debited to a Wrangell Medical Center receivable account. WMC currently has no other draws outstanding from this line of credit. Below is a chart showing the repayment history of the \$150,000 draw WMC took 2016 and paid off in June of this year.



CITY AND BOROUGH OF WRANGELL, ALASKA  
RESOLUTION #10-17-1383

A RESOLUTION OF THE ASSEMBLY OF THE CITY & BOROUGH  
OF WRANGELL, ALASKA, AUTHORIZING THE RENEWAL OF  
THE LINE OF CREDIT AGREEMENT BETWEEN THE CITY AND  
BOROUGH OF WRANGELL AND THE WRANGELL MEDICAL  
CENTER

WHEREAS, the Wrangell Medical Center experiences times of unfavorable cash flow; and

WHEREAS, Wrangell Medical Center requires financial assistance to bridge financial gaps during these times; and

WHEREAS, in 2015 the Borough Assembly authorized a Line of Credit Agreement between the City & Borough of Wrangell and the Wrangell Medical Center in the amount of \$500,000; and

WHEREAS, that Line of Credit Agreement is required to be renewed annually by the Assembly; and

WHEREAS, Wrangell Medical Center is in need of a line of credit in the amount of \$250,000 and time is of the essence in renewing this Agreement.

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

THE ASSEMBLY AUTHORIZES THE RENEWAL OF THE LINE OF CREDIT AGREEMENT BETWEEN THE CITY AND BOROUGH OF WRANGELL AND THE WRANGELL MEDICAL CENTER.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, this 24th day of October, 2017.

CITY AND BOROUGH OF WRANGELL, ALASKA

---

Dave L. Jack, Mayor

ATTEST:

---

Kim Lane, MMC, Borough Clerk



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

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

## Line of Credit Agreement

Between the City and Borough of Wrangell and the  
Wrangell Medical Center

The City and Borough of Wrangell authorizes the Wrangell Medical Center a line of credit from the Borough in an amount not to exceed \$500,000.

### PURPOSE:

The purpose of the line of credit is to assist the Wrangell Medical Center ~~with during times of unfavorable~~ cash flow ~~while the new collection processes are adopted and implemented~~. It is also needed and can be used to balance cash flow when unexpected expenditures or the timing of large expenditures are required to be made in a timely manner and a temporary cash infusion is needed.

### REQUEST AND AUTHORIZATION PROCESS:

Line of Credit requests will be submitted on a form provided by the ~~B~~orough and will require approval by both the ~~Wrangell Medical Center Hospital~~ CEO/Administrator and the Borough Manager prior to a payment being made. In the event a request is needed and one or both of the above parties are not present, their designee can approve the request. Once the request is approved, a check will be cut immediately or in the time frame needed by Wrangell Medical Center. It is encouraged, but not required, that requests be planned out so that one large request be made instead of many smaller ones in a short period of time. Example: If it is anticipated that a sum of \$50,000 will be needed over a two month period of time, requesting the \$50,000 rather than requesting \$6,500 every week for two months is the preferred method.

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### REPORTING PROCESS:

The Wrangell Medical Center will include reporting of the transactions and the balance to the Wrangell Medical Board on a monthly basis and will also include this information in the monthly report they give to the ~~A~~assembly.

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In addition, the Borough Finance Department will include a report to the Assembly each month of the activity in the Line of Credit Account. ~~Although this is a duplication, there may be times when one or the other is unable or unavailable to report and this will give a better chance that the information will be presented to the Assembly.~~

TERMS:

~~Any Mm~~ money loaned to the Wrangell Medical Center through the Line of Credit Agreement will be interest free. At the time a Line of Credit is requested the Wrangell Medical Center will provide an anticipated repayment schedule. The schedule may be amended based on the financial capacity of Wrangell Medical Center at the time a payment is due. ~~Any funds borrowed can be paid back in a manner that works best for the Medical Center. It is encouraged that any Mm~~ money borrowed is to be returned to the Line of Credit Account with the Borough as soon as funds become available to do so. ~~Payment back to the Borough will be made by check and a description of what the money if for needs to be part of the payment so the money goes to the correct account. This line of credit has no time limit.~~

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~~This agreement shall be brought before the Borough Assembly for review and renewal, at the first Regular Assembly meeting of September each year.~~

RENEWAL:

Annually, the Board of Directors of the Wrangell Medical Center shall request renewal of this Agreement, should it be warranted. A written request shall be submitted by the Wrangell Medical Center CEO/Administrator to the Borough Manager no later than the third week of August each year. Review and renewal of this Agreement shall be considered by the Assembly at the first regular meeting in September each year.

TERMINATION OF THIS AGREEMENT:

The Borough Assembly reserves the right at any time to cancel this ~~arrangement~~ Agreement and ~~request for an alternate repayment schedule of~~ any money owed to the Borough ~~be paid back to the Borough unless otherwise decided by the Borough.~~

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By signing below, we agree to the terms of the Line of Credit Agreement between and City and Borough of Wrangell and the Wrangell Medical Center:

\_\_\_\_\_  
City and Borough of Wrangell  
Borough Manager

\_\_\_\_\_  
Date

\_\_\_\_\_

\_\_\_\_\_



Borough Assembly, Mayor

Date

---

Wrangell Medical Center CEO

---

Date

---

Wrangell Medical Center  
Board President

---

Date



# LINE OF CREDIT REQUEST

Wrangell Medical Center

Requested by: Robert Rang, CEO

Date: 10-17-17

Wrangell Medical Center

Date Required: 4-21-2016

☒ One payment/transfer  
☐ Multiple payments (explain below)

To: City and Borough of Wrangell

Attn: Lee Burgess, Finance Director

Address: PO Box 531

City, State, Zip Wrangell, AK 99929

Phone: (907) 874-2381

Email: lburgess@wrangell.com; arclerk@wrangell.com

Fax: (907) 874-3591

| # OF PAYMENTS | DESCRIPTION                          | AMOUNT  |
|---------------|--------------------------------------|---------|
| 1             | Payroll and other operating expenses | 250,000 |
|               |                                      |         |
|               |                                      |         |
| Total         |                                      | 250,000 |

## Additional notes, explanation, payment instructions, etc.

Line of credit needed to cover payroll and other operating costs, due to unexpected Medicaid payment delays and new fiscal year one time expenses.

Repayment to begin after WMC re-establishes a minimum of 30-days cash reserve.

Approvals Required:

Requested by:

  
 Hospital CEO/Administrator

Approved:

  
 Borough Manager

Wrangell Medical Center  
FYE 2018  
Statement of Cash Flows

10/13/2017

|                                | 2017              |                   |                   |                   |             | 2018        |             |             |             |             |             |             |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| GENERAL FUND - 10100000        | July              | August            | September         | October           | November    | December    | January     | February    | March       | April       | May         | June        |
| Cash on Hand                   | 6,569.11          | 50,046.65         | 287,155.35        | 28,137.74         |             |             |             |             |             |             |             |             |
| Deposits & Transfers           | 977,270.12        | 1,134,208.50      | 818,275.09        | 475,445.36        |             |             |             |             |             |             |             |             |
| Interest                       |                   |                   |                   |                   |             |             |             |             |             |             |             |             |
| Bank Fees                      | -2,216.71         | 0.00              | 0.00              | 0.00              |             |             |             |             |             |             |             |             |
| Expenditures                   | -931,575.87       | -897,099.80       | -1,077,292.70     | -462,446.85       |             |             |             |             |             |             |             |             |
| <b>BALANCE</b>                 | <b>50,046.65</b>  | <b>287,155.35</b> | <b>28,137.74</b>  | <b>41,136.25</b>  | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> |
| PETTY CASH - 10110000          |                   |                   |                   |                   |             |             |             |             |             |             |             |             |
| Cash on Hand                   | 300.00            | 300.00            | 300.00            | 300.00            |             |             |             |             |             |             |             |             |
| Checks                         |                   |                   |                   |                   |             |             |             |             |             |             |             |             |
| Receipts                       |                   |                   |                   |                   |             |             |             |             |             |             |             |             |
| <b>BALANCE</b>                 | <b>300.00</b>     | <b>300.00</b>     | <b>300.00</b>     | <b>300.00</b>     | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> |
| MONEY MARKET - 10120000        |                   |                   |                   |                   |             |             |             |             |             |             |             |             |
| Cash on Hand                   | 127,533.15        | 118,722.04        | 283,721.02        | 195,500.39        |             |             |             |             |             |             |             |             |
| Deposits                       | 391,188.24        | 869,998.98        | 611,779.37        | 254,895.30        |             |             |             |             |             |             |             |             |
| Interest                       | 0.65              | 0.00              | 0.00              | 0.00              |             |             |             |             |             |             |             |             |
| Bank Fees                      |                   |                   |                   |                   |             |             |             |             |             |             |             |             |
| Transfers to General Fund      | -400,000.00       | -705,000.00       | -700,000.00       | -375,000.00       |             |             |             |             |             |             |             |             |
| <b>BALANCE</b>                 | <b>118,722.04</b> | <b>283,721.02</b> | <b>195,500.39</b> | <b>75,395.69</b>  | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> |
| FIRST BANK - 10130000          |                   |                   |                   |                   |             |             |             |             |             |             |             |             |
| Cash on Hand                   | 195,540.96        | 10,690.80         | 46,179.78         | 62,131.39         |             |             |             |             |             |             |             |             |
| Deposits                       | 35,682.83         | 36,552.75         | 17,132.84         | 14,876.92         |             |             |             |             |             |             |             |             |
| Interest                       | 6.79              | 2.67              | 7.61              |                   |             |             |             |             |             |             |             |             |
| Bank Fees                      | -539.78           | -1,066.44         | -1,188.84         | -569.23           |             |             |             |             |             |             |             |             |
| Transfer to Checking           | -220,000.00       |                   |                   | -60,000.00        |             |             |             |             |             |             |             |             |
| <b>BALANCE</b>                 | <b>10,690.80</b>  | <b>46,179.78</b>  | <b>62,131.39</b>  | <b>16,439.08</b>  | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> |
| BOARD DESIGNATED - 10150000    |                   |                   |                   |                   |             |             |             |             |             |             |             |             |
| Cash on Hand                   | 508,661.00        | 288,661.00        | 25,000.00         | 25,000.00         |             |             |             |             |             |             |             |             |
| Transfer from Money Market     |                   |                   |                   |                   |             |             |             |             |             |             |             |             |
| Transfer to Checking           | -220,000.00       | -263,661.00       |                   |                   |             |             |             |             |             |             |             |             |
| <b>BALANCE</b>                 | <b>288,661.00</b> | <b>25,000.00</b>  | <b>25,000.00</b>  | <b>25,000.00</b>  | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> |
| Accounts Receivable - 10310000 | 2,714,403.45      | 2,564,254.89      | 2,740,078.74      | 2,871,592.19      |             |             |             |             |             |             |             |             |
| Accounts Payable - 20200000    | 471,744.42        | 488,228.36        | 463,833.97        | 513,377.33        |             |             |             |             |             |             |             |             |
| <b>TOTAL CASH ON HAND</b>      | <b>468,420.49</b> | <b>642,356.15</b> | <b>311,069.52</b> | <b>158,271.02</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> |

10/13/2017



Hospital Name: Wrangell Medical Center

As of Date: 10/06/17

|                | Goals | 10/06/17    | 09/29/17    | 09/22/17    | 09/15/17    |
|----------------|-------|-------------|-------------|-------------|-------------|
| AR Days        |       | 79.0        | 80.2        | 82.5        | 81          |
| ATB            |       | \$2,682,147 | \$2,721,348 | \$2,781,646 | \$2,696,814 |
| ADR            |       | \$33,914    | \$33,930    | \$33,713    | \$33,291    |
| Unchecked      | 3     | 3.0         | 7.3         | 7.1         | 4.2         |
| Uncoded        | 2     | 0.6         | 2.7         | 2.2         | 3.0         |
| BBUP >90       | 2%    | 50%         | 41%         | 48%         | 45%         |
| BCBS >90       | 10%   | 38%         | 33%         | 37%         | 47%         |
| Medicaid >90   | 20%   | 51%         | 56%         | 45%         | 40%         |
| Medicare >90   | 5%    | 43%         | 43%         | 40%         | 33%         |
| Commercial >90 | 25%   | 60%         | 64%         | 63%         | 58%         |
| Private Pay %  |       | 25%         | 24%         | 24%         | 29%         |

| MTD Cash (As of 10/11/17) | Projected Cash | TB Monthly Goal |
|---------------------------|----------------|-----------------|
| \$273,418                 | \$751,898.59   | \$876,592       |

#### SEARHC

- SEARHC totals 24% (\$141K) of the Commercial AR. 62% (\$102K) has aged over 90 days.
  - \$89K is at the billed status
  - \$38K is at the pending status
  - \$13K is at the approved status
  - \$1K is at the ready to bill status
  - \$166 is at the unchecked status

#### Miscellaneous

- Timely Filing
  - \$3,239.44 was adjusted for Timely Filing for week of 09/30-10/06.

CITY AND BOROUGH OF WRANGELL, ALASKA  
RESOLUTION No. 07-15-1327

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING THE REQUEST OF THE WRANGELL MEDICAL CENTER TO ENTER AN AGREEMENT WITH A BANK OR OTHER FINANCIAL INSTITUTION FOR A LINE OF CREDIT FOR WRANGELL MEDICAL CENTER OPERATIONS

**WHEREAS**, fiscal responsibility is one of Wrangell Medical Center's core values; and

**WHEREAS**, Wrangell Medical Center is implementing new processes directed toward attaining the ability to increase available cash; and

**WHEREAS**, a Line of Credit is a recognized and accepted financial planning arrangement; and

**WHEREAS**, a Line of Credit would assist the Wrangell Medical Center in the management of cash flow while the new processes are adopted and implemented; and

**WHEREAS**, a Line of Credit will not adversely impact the financial resources of the Wrangell Medical Center; and

**WHEREAS**, the City and Borough of Wrangell is authorized under Wrangell Charter 6-3 to borrow money when authorized by the assembly for use by a utility or enterprise of the borough and that repayment of the loan including interest comes exclusively from the said utility; and

**WHEREAS**, a Line of Credit in the amount of Five Hundred Thousand Dollars (\$500,000.00) will assist the Wrangell Medical Center in providing the highest quality services for the benefit of the patients and community.

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

1. The City and Borough of Wrangell Assembly supports the Wrangell Medical Center obtaining a Line of Credit for Five Hundred Thousand Dollars (\$500,000.00) with the bank or financial institution that offers the most favorable terms to the Wrangell Medical Center.
2. The City and Borough of Wrangell Assembly authorizes the CEO of the Wrangell Medical and the Wrangell Medical Center Board to enter a Line of Credit in the manner set forth in this Resolution.
3. The City and Borough of Wrangell Assembly authorizes the Borough Manager to assist the Wrangell Medical Center as determined may be helpful by the Borough Manager and the Wrangell Medical Center CEO.



ADOPTED: \_\_\_\_\_, 2015

\_\_\_\_\_  
David L. Jack, Mayor

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

Failed

***Excerpt of the Minutes from the July 28, 2015 Regular Assembly meeting***

**13k PROPOSED RESOLUTION No. 07-15-1327:** A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING THE REQUEST OF THE WRANGELL MEDICAL CENTER TO ENTER AN AGREEMENT WITH A BANK OR OTHER FINANCIAL INSTITUTION FOR A LINE OF CREDIT FOR WRANGELL MEDICAL CENTER OPERATIONS

***M/S: Powell/Decker to adopt Resolution No. 07-15-1327, approving a line of credit for the Wrangell Medical Center in the amount of \$500,000.***

Assembly Member Rooney asked if this would hurt the City's credit rating. Manager Jabusch said that no, it would not.

Assembly Member Prysunka stated that he was pleased that the Hospital had forethought to plan ahead. Prysunka further stated that they were hopeful that TruBridge would improve the Hospital's cash flow; was concerned with moving forward with large plans like a new hospital when taking on a line of credit; would like some guidance from the Assembly if moving forward with this because the City (community) is on the hook for this expenditure if something goes seriously wrong with the Hospital. Prysunka also wanted to know the interest rate and charge to the community for this line of credit.

Assembly Member Mitchell agreed with Prysunka that he would like to see some sort of structure and safe guards put in place so that the Hospital would need to come to the Assembly for approval.

***Marla Sanger, Wrangell Medical Center, CEO,*** stated that in order to obtain an interest rate from the banks or lending institution, they would need the approval of the Assembly. Ms. Sanger stated that they would seek the most favorable terms for the line of credit however; they are hopeful that they can borrow locally.

Prysunka questioned if instead of the Hospital borrowing money from a line of credit, if the City could set aside money for the Hospital to borrow against so that they wouldn't have to pay interest. Prysunka also said that he had a hard time voting yes on this when there was no way to know what the interest rate would be.

In response to Prysunka, Ms. Sanger stated that there had been a pretty strong message from the City that they (Hospital) should not be coming to the City for money if the Hospital had a shortfall, so they were looking for a way to even out the variability in their cash flow. Ms. Sanger stated that over the long haul the reimbursements are going to continue to decrease and costs are going to continue to go up.

Manager Jabusch stated that if the Assembly wanted to do a line of credit for the Hospital, it could be done.

In response to Powell, Jabusch stated that the City could have as much control over a bank line of credit as they would for a City line of credit; approval processes could be included in a bank line of credit as well as a City line of credit.

In response to Mitchell, Jabusch stated that the City could set aside a portion of the General Fund to be used as a line of credit for the Hospital.

Assembly Member Rooney asked if there was an upside to going with a financial institution for a line of credit. Ms. Sanger said that no, there was not.

Assembly Member Decker asked if the monthly reporting to the Assembly would cover the when the line of credit was used.

Jabusch stated that the reporting could be done however the Assembly chose for it to be done; either monthly or the Assembly could be notified whenever it was used.

There was discussion on if the Resolution could be amended.

After more discussion on whether to approve this Resolution as is, amend it, or to vote it down and have a Special Assembly Meeting in the near future to consider a City Line of Credit, the Assembly spoke in favor of doing away with the commercial option and going with the City line of credit.

***Motion failed unanimously by polled vote.***

Assembly Member Prysunka requested that the Borough Manager work with the Hospital CEO in order to set up a fund, not to exceed \$500,000 that would be derived from the General Fund, in order to meet short falls in the future. There were no objections from the Assembly.



CITY AND BOROUGH OF WRANGELL  
INCORPORATED MAY 30, 2008

P.O. BOX 531  
Wrangell, AK 99929

(907)-874-2381  
(907)-874-3952

## *Line of Credit Agreement*

### Between the City and Borough of Wrangell and the Wrangell Medical Center

The City and Borough of Wrangell authorizes the Wrangell Medical Center a Line of Credit from the Borough in an amount not to exceed \$500,000.

#### PURPOSE:

The purpose of the line of credit is to assist the Wrangell Medical Center with cash flow while the new collection processes are adopted and implemented. It is also needed and can be used to balance cash flow when unexpected expenditures or the timing of large expenditures are required to be made in a timely manner and a temporary cash infusion is needed.

#### REQUEST AND AUTHORIZATION PROCESS:

Line of Credit requests will be submitted on a form provided by the Borough and will require approval by both the Hospital CEO/Administrator and the Borough Manager prior to a payment being made. In the event a request is needed and one or both of the above parties are not present, their designee can approve the request. Once the request is approved, a check will be cut immediately or in the time frame needed by Wrangell Medical Center. It is encouraged, but not required, that requests be planned out so that one large request be made instead of many smaller ones in a short period of time. Example: If it is anticipated that a sum of \$50,000 will be needed over a two month period of time, requesting the \$50,000 rather than requesting \$6,500 every week for two months is the preferred method.

#### REPORTING PROCESS:

The Wrangell Medical Center will include reporting of the transactions and the balance to the Wrangell Medical Board on a monthly basis and will also include this information in the monthly report they give to the Assembly.

In addition, the Finance Department will include a report to the Assembly each month of the activity in the Line of Credit Account. Although this is duplication, there may be times when one or the other is unable or unavailable to report and this will give a better chance that the information will be presented to the Assembly.

#### TERMS:



August 12, 2015


Any money loaned to the Wrangell Medical Center through the Line of Credit Agreement will be interest free. Any funds borrowed can be paid back in a manner that works best for the Medical Center. It is encouraged that any money borrowed is returned to the Line of Credit Account with the Borough as soon as funds become available to do so. Payment back to the Borough will be made by check and a description of what the money is for, needs to be part of the payment so the money goes to the correct account. This line of credit has no time limit

This agreement shall be brought before the Borough Assembly for review and renewal, at the first Regular Assembly meeting in September of each year.


**TERMINATION OF THIS AGREEMENT:**

The Borough Assembly reserves the right at any time to cancel this arrangement and for any money owed to be paid back to the Borough, unless otherwise decided by the Borough.

By signing below, we agree to the terms of the Line of Credit Agreement between and City and Borough of Wrangell and the Wrangell Medical Center:

  
City and Borough of Wrangell  
Borough Manager

8-12-15  
Date

  
Borough Assembly, Mayor

8.14.15  
Date

  
Wrangell Medical Center CEO

8/19/15  
Date

  
Hospital Board President

8/19/15  
Date

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

|  |            |  |              |                  |
|--|------------|--|--------------|------------------|
| <u>AGENDA ITEM TITLE:</u>  | <u>NO.</u> | <b>13d</b>   | <u>DATE:</u> | October 24, 2017 |
| Approval of the Letter to Governor Walker regarding Transboundary Waters ( <i>postponed from the October 10<sup>th</sup> Regular meeting</i> ) |            |  |              |                  |
| <u>SUBMITTED BY:</u>   |            | <u>FISCAL NOTE:</u>                                    |              |                  |
| Lisa Von Bargaen, Borough Manager  |            | <b>Expenditure Required:</b>                           |              |                  |
|  |            | \$0  |              |                  |
|  |            | <b>Amount Budgeted:</b>                                |              |                  |
|  |            | \$0  |              |                  |
|  |            | <b>Account Number(s):</b>                              |              |                  |
|  |            | N/A  |              |                  |
|  |            | <b>Account Name(s):</b>                                |              |                  |
|  |            | N/A  |              |                  |
|  |            | <b>Reviews/Approvals/Recommendations</b>               |              |                  |
| Commission, Board or Committee   |            | <b>Unencumbered Balance(s) (prior to expenditure):</b> |              |                  |
| Name(s)  |            | N/A  |              |                  |
|  |            |  |              |                  |
| Attorney   |            |  |              |                  |
| Insurance  |            |  |              |                  |
|  |            |  |              |                  |
| <b><u>ATTACHMENTS:</u></b>   |            |  |              |                  |
| 1. Transboundary Water Letter to Governor Walker; 2. Resolution 09-17-1378   |            |  |              |                  |

**RECOMMENDATION:**

Approve letter to Governor Walker regarding Transboundary Waters.

**SUMMARY STATEMENT:**

At the second meeting in September the Assembly approved Resolution 09-17-1378 regarding Transboundary Waters. This letter is an accompanying document to that Resolution and will be sent to the Governor and Lt. Governor upon review and approval by the Assembly. This item was postponed at the October 10<sup>th</sup> meeting because the letter was not complete.

This issue will also be added to the list of both state and federal priorities. More correspondence and action on this issue may be required in the future.



## CITY AND BOROUGH OF WRANGELL

INCORPORATED MAY 30, 2008

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

October 20, 2017

Honorable Bill Walker, Governor  
State of Alaska  
PO Box 11001  
Juneau, Alaska 99811-0001

Honorable Byron Mallott, Lt. Governor  
State of Alaska  
PO Box 110001  
Juneau, Alaska 99811-0001

Re: Transboundary Waters

Dear Governor Walker & Lt. Governor Mallott:

Thank you for your efforts to work with British Columbia (BC) regarding Alaska's interests in the transboundary waters we share.

Much has happened since the community of Wrangell submitted its first letter on this matter in 2014. This is the same year British Columbia's Mount Polley mine tailings dam failed. In May of 2016 the Auditor General released *An Audit of Compliance and Enforcement of the Mining Sector* finding significant inadequacies in both compliance and enforcement; and recommending the creation of a new ministry to properly address mining oversight. Your efforts to improve transparency with BC through a Statement of Cooperation are laudable, but the State of Alaska must also seek enforceable protections through a binding federal framework between the United States (US) and Canada. There is far too much at stake for Alaska and Alaskans not to do everything possible to protect ourselves from the risks of potential contamination resulting from the Canadian mines in BC on the Taku, Stikine and Unuk Rivers.

This is an extremely significant issue for the coastal communities of Southeast Alaska whose local economies are deeply rooted in the seafood industry. Commercial fishing, processing, and marine support services directly comprise a large portion of our economies and virtually every business benefits from commercial fishing dollars. Tourism is another large part of Southeast's economy that is connected to our pristine waters. Even the perception of compromised water quality integrity in Southeast Alaska's waters could be catastrophic to our economic well-being as terms such as "pure" and "natural" define the marketing of our region's seafood and visitor destinations.

Most recently, Canada has allowed two mines in transboundary river watersheds to begin operation without adequate consultation with Alaska - the Red Chris mine in the Stikine River watershed and the Brucejack mine in the Unuk River watershed. In addition, Canada has authorized Seabridge Gold at the Kerr-Sulphurets-Mitchell project to dump its mine tailings into the headwaters of the Nass River, a significant salmon producing system which is part of the salmon sharing arrangements with Canada under the Pacific Salmon Treaty. This transpired, again, without consultation with Alaska. At least ten mines are currently proposed or developing along Alaska/British Columbia transboundary river systems.

Alaskans deserve to be confident that there are enforceable regulations for the mining industry in Canada to prevent contamination of these shared transboundary watersheds. Alaskans also need to know that emergency response plans and

financial assurances to compensate fishermen and communities are in place if the waters do suffer damage. These enforceable protections and financial assurances can only be secured through a binding federal framework.

It is imperative Canadian mining industry regulations for transboundary waters reflect the understanding that Alaska's downstream economies are equally as vital as the mining industry in BC. It is a matter of mutual international respect. In addition to the passage of our Assembly's second resolution on this matter, and in joining with our congressional delegation, I respectfully ask you to send a written request to US Secretary of State Tillerson explicitly asking for US federal government engagement in this issue.

Sincerely,

David Jack, Mayor

## CITY AND BOROUGH OF WRANGELL

RESOLUTION No. 09-17-1378

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, SUPPORTING ENFORCEMENT OF THE BOUNDARY WATERS TREATY IN THE SOUTHEAST ALASKA/NORTHWEST BRITISH COLUMBIA TRANSBOUNDARY REGION

**WHEREAS**, the Wrangell Borough Assembly represents the residents of the City and Borough of Wrangell; and

**WHEREAS**, the Stikine River is exceptionally vital to Wrangell's cultural and economic health and well-being, all of the transboundary watersheds of the Northwest British Columbia and Southeast Alaska region are of tremendous and unique ecological, economic subsistence, cultural and recreational value, and the clean water and intact habitat of these river systems are some of the most productive wild salmon rivers on the entire west coast of North America; and

**WHEREAS**, transboundary rivers and their tributaries are facing a significant increase in new large-scale mining development that will impact wild salmon watersheds that cross the U.S. and Canada border, including the Red Chris open-pit mine that began operations in the headwaters of the Stikine River in February 2015; and

**WHEREAS**, this large-scale open pit mining development is occurring in known acid-generating ore bodies, along with associated waste rock storage facilities and tailings dams, roads and other infrastructure, will threaten the productivity and health of watersheds and fish and wildlife habitat through cumulative impacts and contamination or possible catastrophic failures; and

**WHEREAS**, Alaska Native Tribes, B.C. First Nations, commercial fishermen, traditional and customary and recreational users local communities, and conservation groups on both sides of the U.S./Canadian border have raised concerns about the mining development in British Columbia presenting significant potential for harm to water quality, fish and wildlife, cultural practices, and local economy; and

**WHEREAS**, the members of the Wrangell Borough Assembly agree to share information and seek all opportunities for collaboration to address these issues, promote methods to protect these vital rivers from harm, and seek to facilitate and promote meaningful dialogue and engagement at the local, state, federal, provincial, and Tribal levels to assure protection of resources on both sides of the border; and

**WHEREAS**, maintaining and protecting healthy wild salmon populations throughout these river systems is the priority of local communities and all user groups



and individuals downstream from these projects must be addressed in all transboundary watershed development decision-making; and

**WHEREAS**, the Auditor General of British Columbia, in her report issued May 3, 2016, found that the British Columbia Ministry of Energy and Mines and Ministry of the Environment's "compliance and enforcement activities of the mining sector are inadequate to protect the province from significant environmental risks"; and

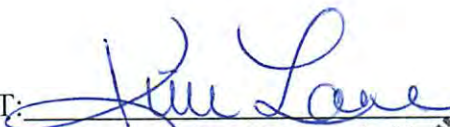
**WHEREAS**, the Statement of Cooperation on Protection of Transboundary Waters, signed by Lieutenant Governor Byron Mallott, Bill Bennett, British Columbia Minister of Energy and Mines, and Mary Polak, British Columbia Minister of the Environment, on October 6, 2016, is important, but cannot provide binding, enforceable protections for the residents, rivers, and watersheds of the state; and

**WHEREAS**, the Boundary Waters Treaty of 1909 between the United States and Canada states in Article IV, "It is further agreed that the waters herein defined as boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other," and provides a mechanism to address transboundary water concerns through the International Joint Commission; and

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA**, hereby calls for the United States federal government to utilize any and all powers under the Boundary Waters Treaty to develop binding and enforceable protections and financial assurances to ensure Alaska and British Columbia interests and ways of life are not negatively impacted by Canadian development in the shared transboundary watersheds of Southeast Alaska and Northwest British Columbia.

ADOPTED: September 26, 2017

  
\_\_\_\_\_  
David L. Jack, Mayor

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



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

|   |                                |  |              |                  |
|---|--------------------------------|--|--------------|------------------|
| <u>AGENDA ITEM TITLE:</u>   | <u>NO.</u>                     | <b>13e</b>   | <u>DATE:</u> | October 24, 2017 |
| Approval of Alternative Option for the Wrangell Island Project Timber Harvest and<br>Withdrawing the Draft Record of Decision Objection by the City & Borough of Wrangell |                                |  |              |                  |
| <u>SUBMITTED BY:</u>  |                                | <u>FISCAL NOTE:</u>                                    |              |                  |
| Lisa Von Bargaen, Borough Manager   |                                | <b>Expenditure Required:</b>                           |              |                  |
|   |                                | \$0  |              |                  |
|   |                                | <b>Amount Budgeted:</b>                                |              |                  |
|   |                                | \$0  |              |                  |
|   |                                | <b>Account Number(s):</b>                              |              |                  |
|   |                                | N/A  |              |                  |
|   |                                | <b>Account Name(s):</b>                                |              |                  |
| <u>Reviews/Approvals/Recommendations</u>  |                                | N/A  |              |                  |
| <u>    X    </u>  | Commission, Board or Committee | <b>Unencumbered Balance(s) (prior to expenditure):</b> |              |                  |
| Name(s)   | ED Committee                   | N/A  |              |                  |
|   |                                |  |              |                  |
| <u>        </u>   | Attorney                       |  |              |                  |
| <u>        </u>   | Insurance                      |  |              |                  |
|   |                                |  |              |                  |
| <b><u>ATTACHMENTS:</u></b>  |                                |  |              |                  |
| 1. CBW ROD Objection Letter; 2. USFS Response Letter; 3. Memo from Carol Rushmore re: ED Committee Recommendation; 4. CBW Wrangell Timber Plan                            |                                |  |              |                  |

**RECOMMENDATION:**

**Do not approve** Alternative Option for the Wrangell Island Project Timber Harvest and Withdrawing the Draft Record of Decision Objection by the City & Borough of Wrangell.

**SUMMARY STATEMENT:**

The City & Borough of Wrangell submitted an objection letter to the USFS regarding the Wrangell Island Timber Project Draft Record of Decision. Only one point within the letter was accepted as an official objection item – “Establish long term timber supply for small mills and value added processing.”

In a phone call with staff the Forest Supervisor offered an alternative, recognizing the Draft Record of Decision does not offer any economical harvest opportunities. His alternative is to offer between 250,000-500,000mmbf per year for the ten year sale – with the hope that will sustain the one small local operator remaining on the island. That operator, however, has a timber source on another island

for the next decade already in place. It is not known if a supply from Wrangell at this point is useable by this operator. When questioned about this the Forest Supervisor said there is the possibility for some “wiggle room” on the timeline of availability of the sale.

This issue was taken to the Economic Development Committee for a recommendation on Wednesday, October 18, 2017. The Committee recommendation is to **NOT** accept the alternative plan offered by the USFS. Staff is concurring with this recommendation based on the stance the CBW has consistently taken on this issue over time.

If CBW does not withdraw its objection the next step is a formal meeting with the Forest Supervisor in Juneau on October 30<sup>th</sup>. We anticipate we can participate by phone. Staff will confirm this and report back to the Assembly on what the full process is from this point forward.





## CITY AND BOROUGH OF WRANGELL

INCORPORATED MAY 30, 2008

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

August 28, 2017

United States Department of Agriculture  
United States Forest Service  
M. Earl Stewart, Forest Supervisor  
Federal Building 648 Mission Street  
Ketchikan, AK 99901

Robert Dalrymple, District Ranger  
PO Box 51  
Wrangell, AK 99929

Re: Wrangell Island Project Draft ROD

Dear Messrs. Stewart & Dalrymple:

The City and Borough of Wrangell (CBW) have provided comments at length throughout the entire public process for the Wrangell Island Project. The complexities associated with developing a timber sale are many and varied. The CBW appreciates the years-long effort that has gone into this process. Despite choosing Alternative 2 which provides for the maximum amount of timber harvest of all the alternatives at 56 million board feet (mmbf) of sawlog and utility timber; the decision fails to meet the goal outlined in the 2012 Notice of Intent to "...help provide a reliable, long-term supply of timber that will support local jobs and facilitate the transition to a sustainable wood product industry based on young-growth management." Initially, the Wrangell Island Project was proposed at 150-200 million board feet at 15-20 mmbf per year over ten years. This level of harvest would have allowed for the development of a small to medium sized mill in Wrangell. There are some in the community who believe the alternative presented is not financially feasible.

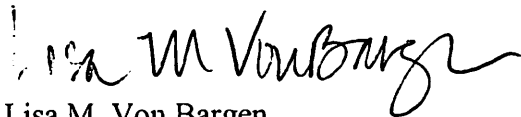
In 2016 the CBW responded during the comment period for the Draft EIS supporting Alternative 2. That support has not changed, given the alternatives from which to choose. Disappointingly, Alternative 2 falls short of providing any substantive economic benefit for Wrangell. As part of a six-part, diversified Comprehensive Economic Development Strategy, the CBW hoped the Wrangell Island Project would facilitate a renewed Forest Products Initiative for opportunities including:

- 1) Establish long term timber supply plan for small mills and value added manufacturing;
- 2) Develop infrastructure to maximize value-added local wood manufacturing;
- 3) Create and market Tongass wood brand;
- 4) Support "Buy Local" campaign for wood products;
- 5) Recruit timber manufacturers; and

- 6) Enhance workforce development and opportunities for youth skills development.

The CBW appreciates the opportunity to comment and hopes to continue strengthening the partnership relationship with the Forest Service. The USFS comprises 93% of the Wrangell Borough area. Economic development opportunity is severely limited given the vast land holdings by the Forest Service. It is imperative timber sales programs reflect a recognition of this and establish long-term, sustainable harvest numbers that provide minimums worthy of private sector investment necessary to re-establish a small/medium value added forest products industry. Alternative 2 doesn't get there.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa M. Von Barga". The signature is fluid and cursive, with a long, sweeping underline.

Lisa M. Von Barga  
Borough Manager





**File Code:** 1570  
**Date:** September 14, 2017

Ms. Lisa M. Von Bargaen  
City and Borough of Wrangell  
P.O. Box 531  
Wrangell, AK 99929

Dear Ms. Von Bargaen:

The purpose of this letter is to acknowledge my receipt of the timely objection you filed on the Tongass Forest Supervisor's (Earl Stewart's) Draft Record of Decision (ROD) for the Wrangell Island project. The Draft ROD for the Wrangell Island project was subject to a pre-decisional review (objection) process pursuant to 36 C.F.R. Part 218, Subparts A and B. The following individuals/organizations objected to the Draft ROD:

Bruce Smith, No. 17-10-00-0010 A218;  
George Woodbury, No. 17-10-00-0011 A218;  
Owen Graham, Alaska Forest Association, No. 17-10-00-0012 A218;  
Holly Harris, Earthjustice, et al.,<sup>1</sup> No. 17-10-00-0013 A218; and  
Lisa M. Von Bargaen, City and Borough of Wrangell, No. 17-10-00-0014 A218.

I have reviewed your objection (No. 17-10-00-0014 A218) and determined that it meets the filing requirements at 36 C.F.R. § 218.8. I have also determined that you submitted specific, written comments during one of the opportunities for public comment on the Wrangell Island project, and at least one of your objection issues is appropriately linked to those prior written comments (36 C.F.R. § 218.8(c)). Therefore, I will proceed with review of your objection.

As provided by 36 C.F.R. § 218.11, I would like to invite you to participate in an objection resolution meeting that will be held on October 30, 2017 in Juneau. All eligible objectors may participate in this meeting, and the Responsible Official will participate as well. The meeting will be open to observation by the public. Please contact Robin Dale, Review Coordinator, at [rdale@fs.fed.us](mailto:rdale@fs.fed.us) or (907) 586-9344 to indicate your interest in participating in this objection resolution meeting, either in person or via video teleconference or conference call. I am currently reviewing all of the objections that were received, and will determine which issues are appropriate for discussion and/or will facilitate the most beneficial dialogue between all objectors, the Responsible Official, and myself.

<sup>1</sup> Submitted on behalf of Alaska Rainforest Defenders, Alaska Wilderness League, Cascadia Wildlands, Center for Biological Diversity, Defenders of Wildlife, Natural Resources Defense Council, Sierra Club, Southeast Alaska Conservation Council, and Women's Earth and Climate Action Network.



If you are interested in participating, a detailed agenda will be provided to you at least one week prior to the meeting. This notice will also include additional information about the structure of the meeting and the parameters for participation. We are in the process of arranging for a dial in number for those objectors choosing to participate by telephone, and a video teleconference at the Wrangell Ranger District to allow objectors to participate from that location by video if they so choose.

The pre-decisional review regulations state that a written response to objections should be issued within 45 days of the close of the objection filing period (36 C.F.R. § 218.26(b)). However, the regulations allow me to extend the time for this written response by 30 days to provide time to participate in resolution discussions with the objectors (Id.). In order to allow time to meet with you and the other objectors, I am extending the timeframe for my response. At this time, I expect to issue my written response to your objection by November 13, 2017.

If you have any questions or need additional information about the Wrangell Island objection resolution process, please contact Robin Dale, Review Coordinator, at [rdale@fs.fed.us](mailto:rdale@fs.fed.us) or (907) 586-9344.

Sincerely,



BETH G. PENDLETON  
Regional Forester

cc: Earl Stewart, Robert Dalrymple, Susan Jennings, Andrea Slusser, Robin Dale

**MEMORANDUM**

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

**FROM: MS. CAROL RUSHMORE  
ECONOMIC DEVELOPMENT DIRECTOR**

**SUBJECT: WRANGELL ISLAND PROJECT**

**DATE: OCTOBER 19, 2017**

**BACKGROUND:**

In August, the Borough responded to the final draft Record of Decision with an objection letter, the basis of the letter utilizing the Timber Plan that was put together in 2013 (attached). The USFS Tongass Forest Supervisor Earl Stewart spoke with staff last week to discuss the objection and opportunities that might satisfy Wrangell's concern. One offer was to guarantee that the USFS would put up 250,000 to 500,000mmbf annually to try and meet the long term supply objection.

The Economic Development Committee reviewed the issue at their meeting of October 18, 2017 and strongly opposed acceptance of the USFS offer. They stated that any ability to encourage, support, and develop any type of small to medium timber opportunity was not met with only maximum of 500,000 board feet annually. With the sale as proposed, the USFS is not performing nor meeting the original intent of the sale. The timber offered is not economical, it cannot provide economic opportunities for Wrangell, and does not provide adequate timber for industry – to sustain existing or capitalize new opportunities. It is too little too late.

**RECOMMENDATION:**

The Economic Development Committee recommends to the Assembly to turn down the USFS offer and pursue a higher yield per year in order to sustain and create additional timber industry opportunities and jobs.

**ATTACHMENTS:**

1. Wrangell Timber Industry Plan



# WRANGELL TIMBER INDUSTRY PLAN

Wrangell Economic Development Committee

October 2013

**Goal:** To maintain and enhance Wrangell's existing and future small and medium size (50-100 employees) mills and value added forest products industries.

## **Objectives:**

1. Establish a plan to deliver a long-term timber supply for small and medium size mills in Wrangell providing value-added manufacturing
2. Encourage private investment to develop infrastructure to maximize value from local wood manufacturing businesses
3. Support regional efforts to create, promote, and market a sustainable wood brand from the Tongass
4. Support "Buy Local" campaign for wood products
5. Recruit wood product manufacturers
6. Enhance workforce development and opportunities for youth
7. Facilitate full utilization of wood waste to create additional jobs and add value to the resource harvested

## ***Vision:***

This plan is a vision for the City and Borough of Wrangell to support, develop, and encourage growth of local wood product businesses. Wrangell supports the sustainable use of Tongass wood; value-added product development ; development of infrastructure improvements to attract entrepreneurs to relocate or create new wood product businesses; promoting the value of using local wood products; initiatives to actively develop the local workforce, including our youth; developing harvest prescriptions to provide for economic sales; development of new wood-based businesses; and minimizing conflicts over harvest areas by community discussion in an effort to minimize risks to the timber industry.

## ***History***

Wrangell has seen near continuous operation of sawmills in one form or another for the past 122 years, longer than any other community in Alaska.<sup>1</sup> The first sawmill, operated in 1889, processing 1 million board feet of timber per year. By 1900, that volume increased more than three fold. In the '60s and through the early '90s, the Alaska Pulp Corporation (APC) sawmill in Wrangell processed more than 60 million board feet per year until the 50-year contracts with the Forest Service were terminated in 1994. Impacts from the mill closure resulted in an immediate loss of 20% of Wrangell's employment and 30% of local employment earnings. Wrangell's

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<sup>1</sup> "Southeast History: The early years of Wrangell's sawmills," by Frank Roppell; [http://capitalcityweekly.com/stories/101211/new\\_898642463.shtml](http://capitalcityweekly.com/stories/101211/new_898642463.shtml)

population dropped from 2,758 in 1994 to 1,911 in 2006 before a small trend in population increase began.

Between 2010 and 2012, Wrangell's 6-mile mill was dismantled, and today the site is nearly cleared with Phase 2 Environmental Clean-up almost completed. If no private investors step forward The City and Borough of Wrangell is considering purchasing this property for use as a multi-use deep-water industrial port that could support existing and future small and medium sized mills and other value added wood product businesses, as well as marine industry activities.

Today, there are three remaining small mill operators on Wrangell Island processing between 1 and 1.5 million board feet total of value added products annually, including products such as music wood, boat wood, dimensional lumber, and wood for home and bridge construction.

USFS is undergoing a transition as well and refocusing many of their timber efforts into recreational and restoration efforts. In July of 2013, the USFS announced a faster transition from an old-growth management to second or young growth management. There is concern from the industry that the second growth will not be ready for harvest and providing for a stable industry in the next 15 years established for the transition. The US Department of Agriculture also funded a multi-year economic Cluster Analysis to identify industry needs in 4 economic clusters and opportunities to spur regional economic growth. The City and Borough of Wrangell developed their own transition plan modeled after the regional transition planning effort to address issues that were needed for job growth in Wrangell.

### ***Community Support***

Since the early '90s, Wrangell has consistently prioritized development of value-added wood products as key to diversifying and strengthening the local economy. During the "Wrangell 2001" economic development planning meetings in 1992 facilitated by the USDA Cooperative Extension Program, value-added wood products from small and medium mill operators was identified as an important component to Wrangell's economic future.<sup>2</sup> In 2002, as part of the Wrangell Economic Development Forum, value-added wood products were listed in the "Top 10 Economic Development Priorities."<sup>3</sup> In 2007, the Wrangell 20-20 Envisioning process once again identified timber products using sustainable development and infrastructure improvements for business development as high priorities to diversify the economy.<sup>4</sup>

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<sup>2</sup> "Core Information" document, Cooperative Extension Program, 1992

<sup>3</sup> "Executive Summary," Wrangell Community Economic Development Forums, June 2002

<sup>4</sup> Wrangell 20-20: Envisioning our Future final report, City of Wrangell, 2007.



In the USFS's own "Wrangell Island Analysis Report," which included community input from the aforementioned planning documents, the Wrangell Ranger District's position on timber was as follows: "As part of our contribution to the Tongass National Forest timber supply (TLMP 2-4), over the next ten years we plan to offer 25 to 30 MMBF of timber in a way that responds to the need for very small and 1- 5 MMBF offerings. In particular, our objective is to provide wood products in an economical way close to Wrangell in support of local wood industries and jobs."<sup>5</sup>

### ***Long-term Timber Supply***

Key to the success of a wood product industry in Wrangell is a long-term supply of suitable, economical, and available timber. For the next few decades, small operators in the Wrangell Borough will have to rely on old-growth timber as its primary resource until second-growth stands are of a marketable condition. As the primary land manager in southeast Alaska, and in the spirit of the USFS Transition and Investment Strategies, the Forest Service should provide an enabling environment for communities to realize economic development while maintaining high degrees of ecological integrity.

On the Wrangell Ranger District, second-growth trees are not anticipated to be available for use for at least another four decades (the projected volume of second-growth trees is only 11.4mmbf and 19.8mmbf the following decade). To sustain Wrangell's existing small mill operators and provide incentives for new manufacturers for the next 40 years, old-growth timber will need to be utilized during that time.

Several criteria can be used to develop a long-term timber supply plan for Wrangell. Focusing on resources on the existing road system in the Wrangell Ranger District where possible to minimize sale costs. While road construction can increase the cost of timber sales, often resulting in sales that smaller operators are unable to effectively bid on or become uneconomical even for larger operators, road construction can also provide access to areas that can provide timber over a long period of time, as well as for other community needs.

Second, minimizing conflict by limiting access or timber harvests in the highest value habitat areas should also be considered. Because there are so many areas in the Wrangell Ranger District that are also part of the Roadless area and thus already excluded from access, only highest valued habitat areas outside of the Roadless should be limited. Harvesting timber in areas embroiled in conflict usually results in litigation, and litigation prolongs access to timber sales. Actively avoiding conflict begins through seeking input from community user groups (tour, fishing, and hunting guides, subsistence hunters/gatherers, recreationalists, tribal members among others) to narrow those areas on the district that are acceptable for providing a long-term supply of timber.

The Wrangell Island Timber Sale currently in development, was originally planned as a 10-year sale. The sale focuses on resources available on Wrangell Island only, not the Wrangell District. The initial sale estimates was a 150mmbf single sale over a 10-year timeframe which was hoped to provide new financial investment in Wrangell. On the ground analysis of prescriptions and resources by the US Forest Service has reduced the volume to approximately 60mmbf, without plan amendments. This lower volume is not of adequate size to provide incentive for new capital investment in a manufacturing facility. The Wrangell Island Timber Sale is an important component, along with other Wrangell District and nearby sales, to a successful long-term value-added industry in Wrangell.

*Action Items:*

- Borough participation as a cooperating partner in timber sales in the Wrangell Ranger District
- Develop a community stakeholder group to provide input on land base suitable for long-term old-growth timber harvest
- Develop long-term timber supply plan on the existing road system to minimize cost and risk to mill operators into the future
- Develop a long-term plan for new roads to harvest areas that can provide economic sales
- Support efforts to create a State Forest from 2 million acres of the Tongass National Forest to create economic value for communities

***Value-Added Infrastructure***

A long-term supply of timber provides the incentive for investments for expanding existing mill operations and promoting new manufacturing opportunities in Wrangell. Infrastructure to support the manufacturing use of the needed timber supply is critical for a successful operation. Much like Wrangell's infrastructure related to the seafood industry, such as the Marine Service Center or the community cold storage and belt freezer, key pieces of infrastructure create incentives for entrepreneurs to relocate or startup new businesses that will diversify and strengthen Wrangell's economy.

In 2006, the USFS conducted a study titled "Alaska's Lumber-Drying Industry—Impacts From a Federal Grant Program" that analyzed the economic impact of the dry kiln grant program in five regions throughout Alaska.<sup>5</sup> The grant program provided funding for dry kilns and related equipment, such as pre-dryer facilities, lumber storage buildings, planers and moulders.

The report found that the grant program had the most significant impact in the Southeast region. Between 2000 and 2005, the volume of kiln-dried wood grew

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<sup>5</sup> "Alaska's Lumber-Drying Industry—Impacts From a Federal Grant Program," Pacific Northwest Research Station, August 2006

from 0mbf to 411mbf. The value of the dried wood also grew from \$0 to \$149,000. Additionally, between 2004 and 2005, full time jobs operating kilns grew from 7 to 15, and part time jobs grew from 1 to 5. While this provides alternatives and new wood product opportunities, manufacturing facilities with a stable supply of timber is still needed to process logs, create additional jobs and create an integrated industry.

Developed industrial land is essential to expanding small and medium mill operations and value-added manufacturing in Wrangell. The former 6-mile mill site is an ideal location with 46 acres of upland developed industrial space, a deep-water port, and access to utilities. This site is for sale. Should current private negotiations fail due to the inability of the purchaser to secure capital due to an unknown supply of timber, the City and Borough of Wrangell has considered purchase of all or a portion of this land for an industrial park for business development to incentivize industry expansion.

*Action Items:*

- Develop list describing key infrastructure necessary for wood products industry development and cost with input from industry
- Market Wrangell as a great place to do business, describing the opportunities in Wrangell to potential investors
- Begin prioritization of infrastructure on a Capital Improvement Plan in City and Borough of Wrangell that will be attractive to an investor

***Tongass Wood Product Branding***

Just as the fishing industry has successfully created a brand for wild Alaska seafood, creating an international demand while increasing the product's value, Southeast Alaska should consider a brand for wood products from Tongass. Such a brand would differentiate the products from others on the market and promote its unique and valuable qualities, such as sustainable harvesting practices; preserving forest ecology; supporting local jobs; and promoting the positive physical attributes of the wood. Just as the Forest Stewardship Council established a certification to "support responsible forest management worldwide," so should Southeast Alaska. Branding wood products from the Tongass could increase local wood product market value. Southeast Conference is currently developing a marketing and branding promotional effort. The City and Borough of Wrangell should review and support efforts to create a brand for wood products from the Tongass that will differentiate regional products using the criteria above.

Wrangell wood products must also be marketed both in and outside of the region. A significant barrier to marketing is the lack of grading. While in operation, the Ketchikan Wood Technology Center was able to get three Alaskan trees species their own grade stamps. These grade stamps enable Alaska wood to be sold as dimensional lumber in communities with more restrictive building codes and it also

allows sellers to market Alaska's unique wood qualities. Marketing Wrangell wood products can be done alone, or in conjunction with other manufacturers in the region, particularly the small mill operators on Prince of Wales Island. Marketing Tongass wood products is also a priority identified in the Juneau Economic Development Council's "Forest Products Cluster Initiatives."

*Action Items:*

- Support efforts by SEC to develop a marketing plan which incorporates branding, differentiation, quality, and promotion of wood products from the Tongass
- Develop appropriate grading

***"Buy Local" Campaign for Wood Products***

To support local small mills and other potential wood product manufacturers in Wrangell, an effort should be made to increase awareness of the community's ability to buy wood products that are locally manufactured. A "buy local" campaign will also project the message to potential new businesses that Wrangell fully supports and embraces the value-added wood products industry.

*Action Items:*

- Develop a "Buy Local" campaign with the Chamber of Commerce, small mill operators, and other stakeholders
- Resolutions and policy changes to support using local wood in public projects when possible

***Recruit Wood Product Manufacturers***

Access to timber, infrastructure, a brand, and a marketing plan is necessary components, but they won't create jobs or wealth. Entrepreneurs who can manufacture a high quality product out of an old or second-growth tree are key to the success of any plan to grow a sustainable timber economy in Wrangell. An outreach plan should be developed to communicate with existing or potential wood product manufacturers so they know Wrangell is "open for business" and looking to support manufacturing of products. Such outreach could include advertisements in magazines and other timber products or woodworking publications, ads on related websites, strategically placed newspaper articles in communities where woodworkers and timber product businesses are prolific, and establishing contact and providing information to institutions that teach wood working skills.

*Action Items:*

- Identify opportunities and budget to market Wrangell as a community with high value wood product manufacturing possibilities
- Develop page on new website with information on resources for wood products industry
- Develop a prospectus for distribution in order to help recruit new businesses

- Support a timber supply that provides incentive and capital for wood product manufacturers

### ***Workforce development and opportunities for youth***

In addition to recruiting wood products manufacturers, opportunities should be identified and/or created to develop local manufacturers of value added wood products. This effort should also extend to the community's youth and should include an entrepreneurial and business component. Wrangell High School has a long history of teaching students to work with wood and some basic wood-manufacturing infrastructure exists for this purpose. The Wrangell School District is engaged in discussions to develop a program that includes components such as biology/forest science, business development, and manufacturing techniques could help create the next generation of local entrepreneurs.

#### *Action Items:*

- Work with the Wrangell School District to develop a wood products manufacturing curriculum for high school students
- Reach out to the Timber Task Force, Southeast Conference, USDA, and others to identify potential startup funding for a workforce development plan in the wood products industry and potential "re-tooling" of the high school shop for enhanced wood working instruction
- Identify existing vocational programs for timber manufacturing training for the local workforce and high school graduates

### ***Full Utilization of Wood Waste***

Utilizing as much of the wood waste as possible from timber harvests and milling operations will increase local value from the timber harvested in the Tongass. Over the past year, several meetings were held, surveys conducted, and initial research completed on the feasibility of creating either wood pellets or bio-bricks from wood waste and/or recycled paper waste. This initial scoping indicates that there is local interest in producing, selling and buying these types of products. The draft Southeast Alaska Integrated Resources Plan also suggests the production and use of wood waste (biomass) as an important component to meeting the region's energy needs.

#### *Action Items:*

- Work with the Wrangell Cooperative Association on their efforts to investigate potential production of "bio-brick"
- Facilitate entrepreneur developing a business in Wrangell which utilizes wood waste and paper waste

### ***Conclusion***

Restoring a strong timber industry in Wrangell will not be quick or easy, but it is certainly possible. It will require a clear vision and specific action items that taken



together will create an environment where the timber sector of the economy can thrive. This restoration will take a new form of coordination between the Forest Service (as managers of 95% of the land in the Wrangell Borough) and the economic development plans of the community. Wrangell has demonstrated its ability as a community to pull together and overcome economic adversity, and with the right support, may prove to be a new model for restoring timber-based industries in Southeast Alaska.

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

|  |                                |            |  |                  |
|--|--------------------------------|------------|--|------------------|
| <u>AGENDA ITEM TITLE:</u>                | <u>NO.</u>                     | <b>13f</b> | <u>DATE:</u>   | October 24, 2017 |
| Approval of Borough Goals                |                                |            |  |                  |
| <u>SUBMITTED BY:</u>                     |                                |            | <u>FISCAL NOTE:</u>                                    |                  |
| Lisa Von Bargaen, Borough Manager        |                                |            | <b>Expenditure Required:</b>                           |                  |
|  |                                |            | \$0  |                  |
|  |                                |            | <b>Amount Budgeted:</b>                                |                  |
|  |                                |            | \$0  |                  |
|  |                                |            | <b>Account Number(s):</b>                              |                  |
|  |                                |            | N/A  |                  |
|  |                                |            | <b>Account Name(s):</b>                                |                  |
| <u>Reviews/Approvals/Recommendations</u> |                                |            | N/A  |                  |
| _____                                    | Commission, Board or Committee |            | <b>Unencumbered Balance(s) (prior to expenditure):</b> |                  |
| Name(s)                                  |                                |            | N/A  |                  |
|  |                                |            |  |                  |
| _____                                    | Attorney                       |            |  |                  |
| _____                                    | Insurance                      |            |  |                  |
|  |                                |            |  |                  |
| <b><u>ATTACHMENTS:</u></b>               |                                |            |  |                  |
| 1. Draft Goals                           |                                |            |  |                  |

**RECOMMENDATION:**

**Postpone** Approval of Borough Goals.

**SUMMARY STATEMENT:**

At the October 10<sup>th</sup> meeting the draft goals were distributed to the Assembly for review and consideration. Two Assembly members responded with comments as follows:

Assembly Member Decker:

- 1) Water Treatment Solution – no matter what we decide (new plant or revitalization of old plant), we need to have concrete steps that make partial improvements in 2018. I personally think the timelines for both options are a bit optimistic, and think we need to prepare for a step-wise solution.
- 2) On the last item – items for future consideration – would it be advisable to list “preparation for union negotiations” – or do you consider that to be rolled into the work on the personnel policy?

Assembly Member Prysunka:

- 1) Hospital Faculty Solution/Hospital Operating Solution: I appreciate that we need to work concurrently on these two goals. My fear is that the 2017/2018 goals setting may exclude a potential partners input. We also need to be sensitive to the potential of overwhelming the public with concurrent processes.
- 2) Water Treatment Solution: I may be missing something but I still do not have a handle on what our water needs would be if we had a metered system. I have been told that we could reduce or consumption by over 30%. I would really like a study done to understand how meters would affect demand. As well, we need to have a cost on installing meters.
- 3) Shoemaker Bay Harbor: Do we have to go to a vote on the revenue bond?
- 4) Personnel Policy: I am concerned that this is taking a very long time. July/Aug Initial Review by Manager. And then it is not revisited until December. This process is taking 9 months start to finish. Thoughts?

These comments and ideas will be incorporated into the final version of the goals document. Thanks to both of them for input.

Department Director staff also provided input:

- 1) Dam stabilization as part of the Water Treatment Plant overall plan
- 2) Hazard Mitigation Plan
- 3) Revisions to the funding for Shoemaker Bay Harbor project
- 4) Include Zarembo Island Parking Lot in Junk Car Clean-up
- 5) In addition to junk cars in Harbor Parking lots, include those in ROWs
- 6) Make sure the review of the Personnel Regulations includes staff
- 7) Include Earl West property in entitlement land work
- 8) Include Armory in land redevelopment work

These great additions will also be included.

Finally, on Thursday I had a meeting with Dan Neumeister from SEARHC about general items related to a new hospital and operating partners. The conversation was a bit of a game changer for me in that I realized the process by which we approach the new facility decision and an operating partner need to be whole-scale revised. This cannot be done in one day and need Assembly and WMC Board input.

For that reason, and because we only have four Assembly members at this meeting I am respectfully requesting adoption of the goals be postponed to the first meeting in November.



## 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  
Goals October 10, 2017

### **DRAFT**

#### **Hospital Facility Solution**

Wrangell Medical Center is operating in a facility that is nearly 40 years old. The building and its systems have reached the end of their useful life. Current healthcare standards for long-term and swing bed care cannot be met due to the age and configuration of the facility. A facility solution is necessary. The community has spent the past five years working (in varying degrees) toward construction of a new medical center. If a new building is found to be feasible the milestone schedule is anticipated to be:

|                         |   |
|-------------------------|---|
| April 2017              | COE Permit Extension  |
| July 2017               | Modular Concept Design Complete                             |
| September 2017          | Financial Feasibility Assessment Complete                   |
| November 6, 2017        | Joint Work Session Financial Feasibility Presentation       |
| December 2017           | Project Continuation Go/No-Go Decision Board & Assembly     |
| December 2017-May 2018  | Funding Package Development                                 |
| June 2018               | Issue RFPs on 1) Design/Engineering; 2) Project Management  |
| August 2018             | Award PSAs for 1) Design/Engineering; 2) Project Management |
| September-December 2018 | Certificate of Need Renewal                                 |
| February 2019           | Design/Engineering Complete                                 |
| March 2019              | Issue Construction Bid                                      |
| June 2019               | Award Construction Contract                                 |
| July 2019-December 2020 | Construction  |

#### **Hospital Operating Solution**

Wrangell Medical Center maintains an operating reserve on a very thin margin – sometimes less than a one month equivalent. There are potential partners in the region and state that are part of operating networks, the resources of which, could help the financial viability of hospital operations and strengthen continuity of healthcare in Wrangell. Initial conversations have begun to take place about bringing in a third-party operator to the hospital. These conversations need to be formalized between the WMC Board and the CBW Assembly, and respective administrative staff. A public process needs to take place in the community. This work needs to happen concurrently with facility planning as a new operator will be a primary stakeholder in design of a new facility and may have resources available for the project.

|                       |  |
|-----------------------|--|
| Early December 2017   | Joint Work Session Third Party Operator (TPO) Discussion           |
| January-February 2018 | Public Process re: Third Party Operator                            |
| March 2018            | Issue RFP for Third Party Operator                                 |
| April 2018            | Preferred Respondent Chosen – Board/Assembly/Operator Negotiations |
| May 2018              | Third Party Operator (TPO) Agreement Complete                      |
| June 2018             | TPO Assumes Operations of WMC                                      |
|                       | TPO Full Stakeholder in Facility Design/Construction Process       |

### **Water Treatment Solution**

In 2016 CBW began having issues maintaining sufficient capacity to serve community water needs. This is primarily due to the inability to easily clean filter media. Local solutions were developed to clean the media and the Wrangell H2O Conservation Program was developed and summer conservation measures by the community have allowed Wrangell to meet minimal operating needs in 2016 and 2017. A solution is necessary to meet current maximum operational demand requirements and to be prepared for nominal demand growth into the future. A treatment system replacement solution was designed, but the funding package offered by USDA Rural Development exceeds the capacity of the Water Fund to absorb the debt within the existing rate structure and already scheduled rate increases. Alternative system revitalization (rather than full-scale replacement) have been investigated. An evaluation of the two alternatives will be underway over the next two months. Once a decision is made by the Assembly regarding replacement or revitalization, the milestone schedule is anticipated to be as outlined below. This may change significantly based on the final solution cost estimate and the funding sources available, and their timing.

|                               |                                   |
|-------------------------------|-----------------------------------|
| September-November 2017       | Groundwater Desktop Survey        |
| Mid October-Mid November 2017 | Upper Dam Bypass Analysis Phase I |
| Mid November 2017             | Solution Analysis                 |
| Early December 2017           | Solution Decision by Assembly     |

### **If Decision is Replacement then:**

|                                  |  |
|----------------------------------|--|
| Late December 2017-February 2018 | Finalize Funding Package               |
|                                  | USDA Grant Loan Package Acceptance (?) |
|                                  | EDA Grant Application                  |
|                                  | Evaluate Water Reserves Availability   |
|                                  | Water Rate Changes (?)                 |
| February 2018                    | Issue RFP for Design/Engineering       |
| March 2018                       | Award PSA for Design/Engineering       |
| April 2018                       | Design/Engineering Package Complete    |
| May 2018                         | Issue Construction Bid                 |
| June 2018                        | Award Construction Contract            |
| July-August 2018                 | Wrangell H2O Program in Place          |
| Fall 2018-Late Spring 2019       | Construction                           |

### **If Decision is Revitalization then:**

|                              |                                      |
|------------------------------|--------------------------------------|
| Late December 2017-June 2018 | Finalize Funding Package             |
|                              | EDA Grant Application                |
|                              | New USDA Grant/Loan Application      |
|                              | Evaluate Water Reserves Availability |



|               |                                   |
|---------------|-----------------------------------|
|               | Water Rate Changes (?)            |
| February 2018 | Determine Component Phasing       |
| TBD           | RFP/Bid/Construction Schedule TBD |

### **Shoemaker Bay Harbor**

CBW was successful in obtaining limited matching grant funds from the State of Alaska in the SFY18 Capital Budget. This \$5 Million grant makes the project financially feasible. Below is the estimated schedule to finalize design/engineering and construction.

|                    |   |
|--------------------|---|
| October 1, 2017    | PND PSA Amendment to 100% Design                          |
| November 2017      | Choose Dredge Material Disposal Location                  |
|                    | Funding Package Finalization - \$11,453,472               |
|                    | SOA Grant Acceptance - \$5,000,000                        |
|                    | Evaluate Harbor Reserves – Est. \$3,558,478               |
|                    | Bond Bank Application for Revenue Bond – Est. \$2,894,994 |
| January 2018       | Design/Engineering Complete                               |
| February 2018      | Issue Construction Bid Package                            |
| March 2018         | Award Construction Contract                               |
| April-October 2018 | Construction  |

### **Wrangell Junkyard Cleanup**

Community concern over the monofill site for the treated soil led to an August meeting with ADEC; at which it was suggested alternative options might be viable if the community wants to pursue them. Correspondence to and from ADEC leaves little hope of alternative solutions – especially on island disposal sites.

|                      |   |
|----------------------|---|
| Early September 2017 | Letter to ADEC re: Disposal Alternatives Process & Timing         |
| Late September 2017  | Letter from ADEC re: Disposal Alternatives                        |
| September 30, 2017   | Deadline for Alternative On-Island Disposal Site Determination    |
| Late October 2017    | Assembly Work Session   |
| TBD                  | Work Session direction will determine further workload on project |
| February 1, 2018     | Deadline for \$8 Million Additional Funds for Off-Island Disposal |
| April 1, 2018        | ADEC/Contractor resume disposal work at Pats Creek Pit site       |

### **Wrangell Institute Property/ANSEP Boarding School Concept**

One alternative option for redevelopment of the former Wrangell Institute property is an ANSEP Boarding School. More serious movement on this concept idea has transpired as of late.

|                      |   |
|----------------------|---|
| Early September 2017 | Meeting with Lt. Governor Executive Staff                         |
| September 17, 2017   | Tlingit/Haida Council submits Resolution for Consideration at AFN |
| Early October 2017   | Work with Lt. Gov Exec Staff on Draft Support Letter              |
|                      | Resolution Accepted for Consideration at AFN                      |
| October 19-21, 2017  | AFN   |
| Early November 2017  | ANSEP Committee/Assembly Joint Work Session (Pending AFN Outcome) |
| TBD                  | Schedule of Future Work & Responsibilities                        |

**Nuisance/Junk Car Abatement/Scrap Metal Recycling**

The Assembly has provided clear direction this is a priority for the Administration. Below is the anticipated schedule leading up to more stringent enforcement in the Spring:

|                              |   |
|------------------------------|---|
| October 10-November 10, 2017 | Free Scrap Metal Recycling at the Transfer Station    |
| October 9, 2017              | Media Blitz on Recycling/New Enforcement Focus Begins |
|                              | KSTK Interview  |
|                              | Sentinel Interview & Article                          |
|                              | Standard Web Advertising                              |
| November 2017                | Channel Construction Scrap Steel Haul Out             |
| October 2017-April 2018      | Nuisance/Junk Car Grace Period                        |
| April 2018                   | New Media Blitz on Enforcement                        |
| May 2018                     | Greater Enforcement Program Begins                    |

**Lobbying****State Legislative Priorities**

|                            |  |
|----------------------------|--|
| Mid September 2017         | Meeting with State Lobbyist in Juneau                      |
| Early November 2017        | State Legislative Priorities Work Session with Assembly    |
| Early December 2017        | Assembly Approves State Legislative Priorities             |
| December 2017/January 2018 | Work Session with Assembly/State Delegation/State Lobbyist |
| TBD February 2018          | Lobbying Trip to Juneau (?)                                |

**Federal Legislative Priorities**

|                      |  |
|----------------------|--|
| Early September 2017 | AMHT/USFS Land Swap Letter                                     |
| Late September 2017  | Assembly Approval of Young Fishermen's Development Resolution  |
|                      | Assembly Approves Transboundary Waters Resolution              |
| Early October 2017   | Quarterly Report from Federal Lobbyist                         |
| October 6, 2017      | Meeting with Chere Kline on Issues of Federal Interest         |
| Late October 2017    | Assembly Action on Transboundary Waters Letter                 |
| Early December 2017  | Federal Legislative Priorities Work Session with Assembly      |
| Late December 2017   | Assembly Approves Federal Legislative Priorities               |
| January 2018         | Assembly Work Session with Federal Lobbyist & Delegation Staff |
| TBD March 2018       | Lobbying Trip to Washington DC                                 |

**Personnel Policy**

The CBW Personnel Policy is in need of updating. The Finance Director has put significant work into a first draft of proposed revisions. Both the Assembly and Administration look at this as a priority.

|                     |   |
|---------------------|---|
| July 2017           | Finance Director Provides Draft of Proposed Revisions |
| July-August 2017    | Manager Conducts Initial Review of Draft Changes      |
| December 2017       | Manager Second Review of Draft Changes                |
|                     | Executive Staff Review of Draft Changes               |
| January 2018        | Initial Assembly Work Session                         |
| February-March 2018 | Follow-Up Assembly Work Sessions                      |
| Late March 2018     | Assembly Adoption of Personnel Policy Revisions       |

**FY19 Budget Pre-Planning Components**

**Major Maintenance-Streets/Sidewalks Schedule Development (Surface Condition)**

Late Fall 2017 Development of Inventory & Replacement Schedule

**Major Maintenance-Water/Sewer Schedule Development (Underground Utilities)**

Mid-Late Summer 2018 Development of Inventory & Replacement Schedule (for 2020 Budget)

**Major Equipment Replacement Schedule Development**

Early Winter 2017 Development of Inventory & Replacement Schedule

**CIP/MM Project Evaluation Process**

January-March 2018 CIP/MM Budget Development – to include:  
In-House Group Department Director Evaluations  
Evaluation Committee  
Public Process

**Consolidated IT Services**

October 2017 Interim Solution  
November-December 2017 Discussions on Possible Shared IT Service w/ Other Agencies  
Statewide RFP for IT Services if Necessary

**Succession Planning**

January-March 2018

**Municipal Entitlement Lands**

**Zarembo Island/Thom's Place**

Spring 2017 P&Z Commission/ED Committee Zoning Recommendations  
Early 2018 Re-Engage on Zoning Recommendations  
Zoning Ordinance Action by Assembly  
Spring 2018 Development of Plan to Sell Property  
Summer 2018 Property Sale

**Remaining Entitlement Land**

Temporarily in Parking Lot

**Land/Property Development**

**Byford Junkyard**

Temporarily in Parking Lot until Solution for Treated Soil is Determined

**Former Wrangell Institute Property**

Please see ANSEP Summary

**Former Mill Site Property**

October 2017 Re-engage Conversations with Property Owner  
Engage with Potential Private Sector Developer

**Waterfront Master Plan**

Temporarily in Parking Lot

**Economic Development Strategy**

More discussion is necessary up front with the Assembly and the Administration and the Economic Development Committee before any milestones and dates are outlined.

Early January Administration/ED Committee Work Session  
Late January 2018 Joint Work Session Assembly/ED Committee  
TBD Future Milestones/Schedule

**Items to be Worked into Schedule Following Further Consideration**

**Risk Management/Safety Planning/ICS Training**

**Financial Planning**

**Procurement Policy**

|  |
|--|
| <p style="text-align: center;"><b>CITY &amp; BOROUGH OF WRANGELL, ALASKA</b></p> <p style="text-align: center;"><b>BOROUGH ASSEMBLY AGENDA STATEMENT</b></p> |
|--|

|                           |            |           |      |                  |
|---------------------------|------------|-----------|------|------------------|
| <u>AGENDA ITEM TITLE:</u> | <u>NO.</u> | <b>14</b> | Date | October 24, 2017 |
| <u>SUBMITTED BY:</u>      |            |           |      |                  |
|                           |            |           |      |                  |
| Kim Lane, Borough Clerk   |            |           |      |                  |
|                           |            |           |      |                  |

INFORMATION:

ATTORNEY'S FILE – The latest attorney's billing is available for the Borough Assembly to view in the Clerk's office.



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

|                           |            |           |      |                  |
|---------------------------|------------|-----------|------|------------------|
| <u>AGENDA ITEM TITLE:</u> | <u>NO.</u> | <b>15</b> | Date | October 24, 2017 |
| <u>SUBMITTED BY:</u>      |            |           |      |                  |
|                           |            |           |      |                  |
| Kim Lane, Borough Clerk   |            |           |      |                  |
|                           |            |           |      |                  |

INFORMATION:

None