Minutes of Regular Assembly Meeting
Held on April 23, 2013

Mayor David L. Jack called the regular Assembly Meeting to order at 7:00 p.m., April 23, 2013, in the Borough Assembly Chambers. Assembly Members Stough, McCloskey, Wiederspohn, Christian and Stokes were present. Borough Manager Timothy Rooney and Borough Clerk Kim Flores were also in attendance.

Pledge of Allegiance was led by Assembly Member Pamella McCloskey.

Invocation given by Nettie Covalt from the Presbyterian Church.

CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*

Certificate of Service – William B. Privett, Borough Assembly

There was a Certificate of Service to be presented to a member of the Planning & Zoning Commission. That member requested that his certificate be presented privately.

Proclamation – Municipal Clerks Week, May 5 – 11, 2013 presented to Borough Clerk Flores.

AMENDMENTS TO THE AGENDA

There were no amendments to the agenda.

CONFLICT OF INTEREST

There were no conflicts of interest.

CONSENT AGENDA

Moved by McCloskey, seconded by Christian, to approve Consent Agenda Items marked with an (*) asterisk; 6a, 7a & 7b.

Assembly Member Christian said that he had been contacted from Mr. Gross; he asked if the Borough Clerk would read the amended language to be added to the March 26, 2013 minutes.

Clerk Flores read the amended language.

Motion approved unanimously by polled vote.

APPROVAL OF MINUTES

*6a Minutes of the Public Hearing meeting held April 9, 2013; Minutes of the Regular Assembly meeting held April 9, 2013

COMMUNICATIONS

*a. Amendment to the March 26, 2013 Regular Assembly Minutes

*b. School Board Action from the Regular School Board meeting held April 15, 2013

BOROUGH MANAGER'S REPORT

Borough Manager Rooney's report was provided.

- Administrative – Capital Budget; Lemonade Day; Wrangell Cooperative Association request; Technology Committee; Alaska Marine Highway 50th Anniversary; Alaska Marine Highway Hotel Ship
- Public Works – Free Dump Days; Household Hazardous Waste
- Capital Projects – Evergreen Road Improvements and Pedestrian Access Project
- Finance - Budget
- Convention & Visitors Bureau – Stikine River Birding Festival
- Electric Department – Spur Road Line Extension; Annual Maintenance Outage; Heat Pumps

In addition to Manager Rooney's written report, he reported that he and Ms. Carol Rushmore had been in contact with DNR regarding the Borough Land Selection process; they had received some clarification regarding questions about the denial letter received by DNR; response letter must be filed by May 1st; he will forward to the Assembly for input.

Assembly Member Stough said there was a quarterly financial statement due as part of the duties; asked Borough Manager if he could get that report.

Manager Rooney said that he would get the report.

Assembly Member Stough said that as part of the duties, he was concerned about communications with the City Attorney; that any communications back and forth should be shared with the Assembly; as part of the duties, it spells out "no later than the next City Council Meeting following receipt".

Manager Rooney said that would be no problem.

Assembly Member Stough thanked Manager Rooney for his report.

BOROUGH CLERK'S FILE

Borough Clerk Flores's report was provided.

- Upcoming dates to remember

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

10a Reports by Assembly Members

Assembly Member Stough reported that he was out of town and did not attend the Wrangell Medical Center Board meeting that was held on April 17th.

Mayor Jack asked who the alternate was in the event Assembly Member Stough couldn't make the meeting.

Assembly Member Stough answered that there was not one; the alternate seat needs to be one of the Assembly Members.

Mayor Jack asked that the appointment to fill the alternate seat be placed on the Agenda for the next meeting.

Mayor Jack reported that he and Assembly Member McCloskey would be traveling to Ketchikan tomorrow to take a tour of the Swan Lake Project and would also be attending a SEAPA Board Meeting.

Assembly Member McCloskey said that it ought to be a good meeting.

Assembly Member Stough mentioned that when the assembly appointed Assembly Member McCloskey and appointed the committee, that normally the committee chooses who the chairperson is and who the vice-chairperson is; when charter was done, they did that; also elected the secretary; thought that was the way they were going to do it with this committee.

Assembly Member Stough also said that he was surprised to find that they were traveling; he thought that would be a discussion here at the Assembly meeting to see what this was about; he said that it hits him a little off guard to know that McCloskey and Jack were traveling; objected to them traveling without notifying the Assembly. Stough said that he felt that the Assembly should have been given the chance to say yea or nay; that was the way it had been done when serving on the Council before; wanted to make that clarification.

Mayor Jack clarified that this travel was at no expense to the City.

Assembly Member Stough said that he still felt that by representing the City, those things should be done properly; said it was a Point of Order; should stick with our Points of Order.

10b Appointment to fill the vacancy of Seat "E" on the Borough Assembly

Mayor Jack stated that there had been three letters of interest received for the vacancy of Assembly Seat "E" from:

- *Kipha Valvoda*
- *Stephen Prysunka*

- *Christie L. Jamieson*

Moved by Christian, seconded by Stough, to appoint Christie L. Jamieson to fill the vacancy of Assembly Member Seat "E" on the Borough Assembly up until the next Borough Election to be held October 1, 2013.

Assembly Member Stough thanked those who had submitted their letters of interest for the vacancy; Christie had served our community for a long time as the City Clerk; looked forward to working with her on the Assembly.

Motion approved unanimously by polled vote.

10c Nominate Vice-Mayor

Moved by Wiederspohn to nominate Pam McCloskey for Vice-Mayor. Motion failed for lack of a second.

Moved by Stough, seconded by Stokes, to nominate Ernie Christian for Vice-Mayor.

Assembly Member Stough said that he had nominated Ernie because he had been on the Council before and because he had been Vice-Chair before.

Motion approved unanimously by polled vote.

10d Appointment to fill the vacancy on the Planning & Zoning Committee

Mayor Jack said that there were no letters of interest received for the vacancy; he also said that since there was another recent resignation, we would continue to advertise for the two vacancies.

10e Appointment of the General Public Member to the Special Energy Committee

Mayor Jack said that there had been one letter of interest received from:

- *Butch Schmidt*

Moved by Stough, seconded by McCloskey, to appoint Butch Schmidt to fill the vacancy of the General Public Member on the Special Energy Committee.

Assembly Members Stough and McCloskey thanked Mr. Schmidt for putting his name in for the committee.

Motion approved unanimously by polled vote.

PERSONS TO BE HEARD

***Wayne Kear**, 218 Berger St.*, asked if the institute property was going to come up tonight.

Mayor Jack answered that there would be a discussion on the issue.

Mr. Kaer said that he hoped that the Assembly was smart enough not to give it away.

Mayor Jack responded that the letter from Wrangell Cooperative Association would be discussed.

Mr. Kaer said that no matter what, the Assembly makes the final decision; whoever buys it, he hoped that the City would put it on the tax role.

Mayor Jack thanked Mr. Kaer for his comments.

UNFINISHED BUSINESS

12a Discussion and Possible Action relating to the Wrangell Waste Transfer Station (Landfill) Hours

Moved by Stough, seconded by Stokes, that the Landfill hours of operation for the Wrangell Waste Transfer Station be Tuesday through Friday, 8:30 a.m. to noon and noon to 4:30 p.m., and Saturday to remain open as scheduled for the hours of operation.

Manager Rooney stated that he had submitted a memorandum based on the questions from the last meeting from Assembly Member Stough regarding the hours of operation at the Waste Transfer Station. The current hours of operation are: Tuesday through Friday, 8:30 to 9:30 a.m. and then noon to 4:00 p.m. and on Saturday from 9:00 a.m. to 11:30 a.m. and 12:30 to 4:30 p.m.

Manager Rooney further stated that the facility is closed on Monday so that it could be open on Saturday; allowing for two full time employees; one employee operates the garbage truck; the other employee operates the transfer station.

Manager Rooney said that the transfer station was closed two hours each morning Tuesday through Friday so that the transfer station operator can leave the office to perform a number of duties including: lighting, cleaning and consolidating the burn pile, consolidating the metal pile, loading garbage into the shipping container; placing and collecting cans and dumpsters as the customer needs change; greasing of equipment both at the station and the garage; performing required DEC sampling of water leaving the landfill; performing required DEC site inspections, and purchasing supplies.

Rooney also said that once the recycling equipment had been purchased, there would need to be time allowed to operate and maintain that equipment as well.

Manager Rooney said that many of the duties that he had listed cannot be performed when the public was on site due to safety reasons.

Mayor Jack asked Carl Johnson, Director of Public Works to speak to how changing the hours might affect running the garbage truck and the transfer station.

Carl Johnson, Director of Public Works, asked for clarification on the proposed days of operation.

Assembly Member Stough clarified that the days for the Landfill to be open wouldn't change.

Mr. Johnson said that it wouldn't affect the garbage truck schedule; it would affect the landfill; people walking around while operating the excavator was unsafe; that's why the hours were changed a while back.

Mr. Johnson further said that when the landfill hours had been changed, the hours had actually increased. He said that the landfill needs to be closed at some point.

Assembly Member McCloskey asked what the proposed change in the hours was.

Mr. Johnson answered that the landfill was closed from 9:30 a.m. to noon Tuesday through Friday. He said that it was proposed to stay open those two hours.

Assembly Member Stough stated that this was an ongoing issue with him; felt by standards, it was the Council that set the hours; reason he brought it forward was there were a lot of people who need the dump at that time; businesses hold their garbage for three days before they can get there; thinks that it was a convenience to the public; was a long period of time for some people to hold their garbage; have had discussions before about this; felt that it could be accommodated.

Manager Rooney responded that this issue had been advertised for two weeks and if there was an overwhelming need to change the landfill hours, people would have shown up in support of the change. Rooney also said that in the three and one-half years here as the Borough Manager, he had never had anyone come to visit with him about changing the landfill hours.

Assembly Member Stough said that he had a lot of people stop him and ask him about this; contractors and other people.

Mr. Johnson said that there weren't that many people who came to the dump during the day. He said that on occasion, a contractor would contact him on a Monday and request to dispose of something at the landfill. If possible, the City would accommodate them and let them in.

Mr. Johnson also said that the landfill was only closed for two days, not for three.

Assembly Member Christian commented that according to Manager Rooney's memo, there were only a few paying customers to the facility each day. He said that if they increased the hours of operation to be open the two hours, if there were only a few people showing up, he didn't feel that it would impede the operations that went on during those two hours.

Mr. Johnson responded that the operation worker wouldn't know when someone would walk up to their excavator when swinging things around; also there were times when the operator needed to leave the landfill to perform some of the designated duties.

Assembly Member Stough said that the hours of the landfill had been changed before; that before, the landfill was open.

Mr. Johnson said that they had another attendant.

Assembly Member Stough said that the change was made so that the operation worker could clean up things around there.

Mr. Johnson said that prior to the current hours; the landfill had been open fewer hours.

Motion failed with Christian, Stough and Stokes voting yea; McCloskey, Wiederspohn and Mayor Jack voting nay.

12b Discussion and Possible Action relating to the Fill Permit for the Boat Haulout area

Mayor Jack stated that there was a memorandum attached; this item was placed on the Agenda at the request of Assembly Member Stough.

Assembly Member Stough said it sounds like we were moving forward (*garbled*) out in front; wanted to reaffirm the fact that we were going to fill that area; we have mitigated land to have that area and put it in permit; this has been going on since 1993; we have had plans set before.

Assembly Member Stough said that it was his contention that we need to use all available fill that's being used around the country to help fill that from our contracts by the City; flat usable land in this community has always been a priority that we need.

Assembly Member Stough further said that he was glad that the City was moving forward to fill this and utilize the permit.

Assembly Member Christian commented that it was good that the City was filling the land; would be used for boat storage and boat haulout. He said that with the new 300-ton lift, they would run out of space.

Assembly Member Stough said that he had many long conversations with Carl Johnson and appreciated the fact that they were moving forward.

12c Discussion relating to the possible purchase of a Peninsula Avenue Vacant Lot

Moved by Stough, seconded by Christian, to direct the Borough Manager to open negotiations with First Bank for a parcel of land whose address is 1413 Peninsula Street, earnest money to hold this land to come from the treasury of the City.

Assembly Member Stough said that this piece of property goes right alongside the existing City Dock; First Bank had taken it back from the owner and was holding it; the City has not had parking on that end of Peninsula Street in his lifetime; the City presently leases the property from First Bank for parking; perfect opportunity to purchase this property.

Assembly Member Stough also said that there had been an ongoing parking problem on Peninsula Street; First Bank had offered the property originally for $325,000 and then went down to $225,000; had discussions with First Bank today; think we can negotiate the price even lower than that. He said that his concern was to at least get earnest money down on it and see if we could negotiate a better price.

Assembly Member McCloskey said that if the City were to enter into negotiations, she would like to see this property come down a lot more in price since the property was appraised at $165,000.

Assembly Member Stough said that's why he put the motion to have the City Manager negotiate.

Mayor Jack said that this property was being leased on a month-to-month basis by the City for $347.92; in addition, the current property tax that the Borough collects was $2115.23 annually; would be a loss of tax revenue.

Assembly Member Stough said that regarding the loss in tax revenue, we pay $4176.00 a year for the property; have already paid $12,518.00 to rent the lot; makes no since to not take the opportunity, even if the City has to borrow the money to buy it; makes no since when there was an absolute need for it. He also said that if First Bank sells the property there would be no parking over there again.

Assembly Member Christian highlighted that the City was paying $4175.00 a year even though the City collects $2100.00 worth of property taxes; the City was still losing money on it.

Mayor Jack stated that the only reason he mentioned that was because it had not been brought up before; he felt that the people should have all of the information on the matter.

Motion failed with Stough, Stokes and Christian voting yea; McCloskey, Wiederspohn and Mayor Jack voting nay.

NEW BUSINESS

13a PROPOSED RESOLUTION NO. 04-13-1273: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE PARTICIPATION AGREEMENT WITH THE PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) OF ALASKA BY UPDATING AND CORRECTING PREVIOUS AMENDMENT NUMBER SIX; AND PROVIDING FOR AN EFFECTIVE DATE

Moved by Stough, seconded by Christian, to adopt the resolution.

Manager Rooney stated that this resolution and the resolution to follow was a result of an audit done by the Alaska Department of Administration. He said that this was one of the minor changes that they had identified that needed to be amended.

Assembly Member Christian asked if this amendment was going to cost the City any additional money.

Manager Rooney answered that it would not.

Assembly Member Christian asked if the part time employee would receive the same amount of retirement as the full time employee.

Manager Rooney answered that they would not. He said that the amount of retirement paid was directly related to the amount of hours the employee worked.

Motion approved unanimously by polled vote.

13b PROPOSED RESOLUTION NO. 04-13-1274: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE PARTICIPATION AGREEMENT WITH THE SUPPLEMENTAL BENEFITS SYSTEM (SBS) OF ALASKA; AND PROVIDING FOR AN EFFECTIVE DATE

Moved by McCloskey, seconded by Wiederspohn, to adopt the resolution. Motion approved unanimously by polled vote.

13c Discussion and Possible action relating to the contract for Oliver Construction

Reading from the memorandum provided to the Borough Assembly for this item, Manager Rooney said that:

At the April 9, 2013 Regular Assembly meeting, Mr. Randy Oliver asked that his contract be placed on the Agenda for discussion.

Manager Rooney said that City and Borough of Wrangell entered into a contract with Mr. Oliver in November of 2009 for the purpose of providing scrap metal disposal in advance of the closing of the Landfill. An amendment to that contract was agreed to by both parties in February of 2010 to also *include the removal of meal products from the Old Byford Junkyard. The term of the original contract was for 90 days from receipt of the notice to proceed.*

Mr. Oliver was unhappy with the current contract arrangement, and the City's position was that there was no longer a contract because of the 90 day original contract. It became clear to me that our positions were not going to change. Giving the benefit of the doubt to Mr. Oliver that according to him the City and Borough of Wrangell still had a contract with him, the City and Borough of Wrangell exercised its contractual right to terminate the contract upon written notice to Mr. Oliver. That notice was provided to Mr. Oliver and there will no longer be a contract between the two parties effective April 22, 2013.

Manager Rooney said that based on the concerns from Mr. Oliver and the concerns from Staff as well as the concerns from others, it was Staff's intent to rebid the metal collection and make sure to address the City's concerns and Mr. Oliver's concerns. Rooney said that Mr. Oliver could rebid on the RFP as well as anyone else who wished to.

Randy Oliver, 3408 Zimovia Hwy., asked Manager Rooney that if he didn't believe the contract was still in effect, why that was.

Manager Rooney answered because the original contract had a termination date of 90 days after...

Mr. Oliver said, but sixteen days after that termination there was an amendment signed that added Byfords Junkyard; in fact, kept the Landfill Agreement active; because it was an amendment to the Landfill Agreement.

Manager Rooney said that he didn't believe that Byfords was really the issue. He said that at the landfill, there was a pile of metal that the City needed Mr. Oliver to move when the contract was awarded; contract wasn't supposed to last for three years.

Mr. Oliver said that was true but the Director of Public Works asked him to go back in there and continue to take steel out of there. Mr. Oliver said that they did what the City wanted them to do.

Mr. Oliver said that all along he thought that they were contractually obligated because there had been an amendment that was keeping it open.

Manager Rooney said that he had a different opinion. He further said that as a result of that different opinion, the City exercised the right to end the contract and put it out for bid.

Mr. Oliver asked if the contract was terminated because of the letter that he had given to the Council.

Manager Rooney answered that it was because of your concerns.

Mr. Oliver referenced the article in the paper with regards to the issue of theft. He said that there was theft of ferrous and non-ferrous material; had been going on; had been occurring continually.

Mr. Oliver said that Manager Rooney had denied that any theft was occurring. He asked Manager Rooney where he got that information.

Manager Rooney replied that he had visited with employees and investigated the issue; he said that was his job, to investigate. Rooney also stated that he had given that information to the police department.

Mr. Oliver asked that if there was no theft going on, the radiators that Royce Cowan took out to the landfill and asked the landfill employee to call him and let him know that they were there for him to come and pick up, where did they go; they were not there.

Mr. Oliver said that he had his guys watching people up at the landfill processing non-ferrous on-site; they called him; he called Carl Johnson; Mr. Johnson called up there and had them ran out of there. He said that they took the non-ferrous with them when they left. He said that there was definitely a theft problem whether the City realized it or not.

Mr. Oliver said that household metal is tinny; there was no weight in it; if there was a new contract for the site; unless the City was going to police that area, it's going to be hard to do without getting money from the City.

Mr. Oliver said that they just tried to clean the town up; had sent out millions and millions of pounds of scrap metal and non-ferrous material; spent three and a half years out at the Byford property cleaning it up for the City; said that the last slap that he got was that he never got a call from the City to see if the City wanted to hire him to tend to the fire at Byfords; the City hired another contractor to tend to the site.

Mr. Oliver said that he felt that they had been beat up pretty hard on this deal; had not asking anything from the City. He said that he had asked the City to acknowledge that he had a contract in order to get the Police department to put a stop to the theft. He had asked the City to put up No-Trespassing signs so that people who went in after-hours could be arrested for trespassing; couldn't even get those put up.

Mr. Oliver said that in the four years that he had been up there, he hadn't see Manager Rooney up there ever; had seen Carl up there a handful of times; has a pretty good idea about what comes and goes out of the landfill; spent four years in there keeping that place cleaned up.

Mr. Oliver said that there was theft going on, on-site; they were processing the same way he did; using saws, he could see that the pieces were cut right on-site in the landfill. He said that he never made any accusations; he made statements; had the proof to back every bit of it up.

Mr. Oliver said that for the last years, he had gone backwards on every load because the non-ferrous was not there; he said that was the only way you could make it out of there because it costs $1200.00 per load to get it out; he said that you need the non-ferrous materials to make it if you were not getting supplemental money from the City.

Mayor Jack thanked Mr. Oliver for his comments.

Assembly Member McCloskey asked Carl Johnson, Director of Public Works if it was true that the City was having Mr. Oliver work back-n-forth from Byfords and the Landfill.

Mr. Johnson answered that yes, for a while that had happened; the original contract to remove the pile of metal had not been removed within 90 days and was in the way of the Landfill Closure project; had to push some of that pile of metal out of the way so that the Landfill Closure project could be completed.

Mr. Johnson said that the City did allow Mr. Oliver to operate out at the Landfill.

Mr. Oliver said that they had finished the original contract before they had ever started Byfords; the amendment had been made sixteen days before the 90 day contract expired; he said that the service material was gone before they went to Byfords.

Assembly Member Christian stated that in reading over the amendment, there was no expiration date on that amendment; amendment was to the original contract. Christian further stated that on any future amendments, the City needed to make clear if it applied to the existing contract in terms of the expiration date.

Mr. Johnson said that one of the main reasons why this contract needed to be re-written and put back out for RFP was because this contract had been written for a specific purpose; the contract was very basic and did state how the materials needed to be removed; did not protect the City's interest or the interest of the contractor.

Mayor Jack said that the best thing to do was to put this project back out to accept proposals; Mr. Oliver would have every opportunity to bid on this again; he didn't know if there was anyone else who would want to bid on this project.

Wayne Kaer, 218 Berger St., asked for clarification that the City did not charge Mr. Oliver to haul the material out and also that Mr. Oliver did not charge the City to haul the material out. Kaer asked if the new contract would charge whoever got the new contract to remove the materials. He said to let him have the junk; whoever gets the contract.

Mayor Jack said that he doubted very seriously that the City would charge to have the material removed.

Mr. Kaer said let them clean the town up; don't charge them for cleaning it up.

Mayor Jack said that they would have to see what the RFP would be.

13d Approval of a construction contract to Pool Engineering, Inc. for the Wrangell Marine Service Center Boat Haulout Pier Structural Upgrades project

Move by Stough, seconded by McCloskey, to approve, pending no contest during the protest period, the Assembly authorize the Borough Manager to enter into a contract with Pool Engineering, Inc. for the construction of the Boat Haulout Pier Structural Upgrades project, in a contract amount of Five hundred, seventy-nine thousand dollars ($579,000), to be paid from the State of Alaska's DCCED grant for this project.

Manager Rooney reported that there were five bids received for this project; Pool Engineering, Inc. was the lowest bid received. Rooney said that Staff would recommend award to Pool Engineering, Inc.

Motion approved unanimously by polled vote.

13e Request by Wrangell Cooperative Association to be granted ownership of the City owned property formerly known as the Wrangell Institute Property

Assembly Member Christian said that Tim Gillen, President of the Wrangell Cooperative Association was out of town and couldn't be at the meeting to speak on this. He stated as a member on the WCA Board, the Board had authorized Tim Gillen to submit this letter of request concerning the Institute Property which used to be BIA Land; he said that in years past, the property had been offered to WCA; WCA wasn't able to take it at that point; Cook Inlet Native Corporation had it and ended up giving it to the City; the City got EPA money to clean it up.

Assembly Member Christian said that WCA was working on a business plan; doesn't actually need all of the land that is out there; would be up to the Tim Gillen Sr., WCA President to come before the Assembly and explain it more clearly.

Assembly Member Christian requested that this item be added to the next Regular Assembly Agenda in May under Unfinished Business.

Mayor Jack said that there would be an RFP going out that requested proposals for this property; he said that he considered this one of those proposals; he said he was sure that there were others who had ideas of what to do with this property. Jack felt it was better to wait until all of the proposals were submitted so that they could all be considered.

Assembly Member Christian asked Manager Rooney when the RFP closed.

Manager Rooney answered that the Assembly had recently authorized the advertising of the property and that they were in the process of developing the RFP.

The decision was made to wait to place this on the next agenda until the RFP closed and all proposals could be considered.

13f Discussion and possible action concerning a Special Energy Committee Budget

Assembly Member Christian said that the last time there was an Energy Committee, the Assembly had set a budget of $25,000; one source could be the SEAPA rebate from last year; it was $160,000; KPU had already hired a consultant to look at their analysis; might have to spend some money.

Moved by Christian, seconded by Stough, to set a budget of $25,000 for the Energy Committee to come out of the SEAPA Rebate of $160,000 from last year.

Assembly Member Christian said that if the Energy Committee didn't need it, the money would go back into the SEAPA Rebate account.

Assembly Member Stough said that when it was discussed to form the committee, there had been discussion at that point that there would need to be a budget; would probably have to hire expertise to get a technical opinion; also realized that there would be a need for travel to Ketchikan and Petersburg; would need to interact with these other communities; going to need travel and a budget.

Assembly Member Stough further said that once the committee gets going, they would probably need to increase the budget requested; this Energy Committee would be in place for a long period of time until a decision was made; would need the expertise and travel to make good decisions.

Assembly Member McCloskey stated that a while back, the Assembly said that they would not make any set decisions of monetary value until the public had an opportunity to see the amount; there was no monetary value stated when this item was advertised; this was a discussion item.

Assembly Member McCloskey further stated that she felt it would be best to have a meeting first and figure out what the monetary value the committee would be asking for.

Assembly Member Stough said that he had no objection to having the committee discuss and decide on that.

Manager Rooney voiced his concern about the proposed source of funding coming from the SEAPA rebate; the rebate funds were pegged for the Spur Line Extension project; not sure how much of the rebate went to the project; project was just completed.

Assembly Member Christian said that he believed that the cost was originally supposed to be around $118,000 for the extension project.

Mayor Jack said that he didn't feel that the request was appropriate at this time; later would be better so that the committee would have a chance to meet and discuss with all of the members what the budget should be.

Mayor Jack also mentioned that in the legislature, there was no supplemental revenue sharing; also with the proposal to lower the sales tax to five and one-half percent; will have to be very cautious at how the Assembly spends the tax payers' dollars.

Mayor Jack also said that the proposed amount may not be enough; would not be good to have to come back and say that the committee needed more money.

Assembly Member Stough said that this was the same concern that he had that you two were going to travel; you're representing the City; you're going down there to do that; and it should have come from the committee; wanted to bring that forward that nobody travels until the Special Energy Committee meets and selects their appointed office positions; keep track of everything being brought forward in a responsible manner.

Mayor Jack clarified that the trip to Ketchikan was not at the City's expense, it was an invitation from SEAPA; they were paying for it.

Assembly Member Stough said that was his total objection to the whole thing; traveling on them when you were supposed to be representing the City.

Mayor Jack responded by saying that he had the floor.

Mayor Jack said that he could see Assembly Member Stough's concerns; however, he did not agree with them; the invitation was for the Mayor and Vice-Mayor; since there was no Vice-Mayor, Jack received approval to have the Chairperson of the Energy Committee go in the Vice-Mayor's place.

Assembly Member Stough said that he wanted to make a motion then....

Mayor Jack stated that there was already a motion on the floor.

Assembly Member Christian said that if you were representing the City & Borough of Wrangell, the City & Borough of Wrangell should pay for it; could be influenced by SEAPA; SEAPA was rate payer money; tax payer money; indirectly, the trip could be viewed as a lobbying effort to convince you and Assembly Member McCloskey to not be for divestiture;

Assembly Member Christian also said that Swan Lake was good to look at, but if divestiture goes through, we are looking at Tyee and not Swan; Swan would be KPU; if they were paying your room, board and flight...

Assembly Member Stough said is doesn't matter, they were still representing the City; we should have discussion; we should have brought it forward as the Assembly, make the decision.

Mayor Jack stated that there were a number of items that should have been discussed beforehand with the rest of the assembly members before they were brought up; we are not going to go into that; we are going to stop discussion now and go on with the motion.

Assembly Member Christian called for the question.

Assembly Member McCloskey asked if the motion could be repeated.

Assembly Member Christian restated the motion.

Motion failed with Stough voting yea; McCloskey, Wiederspohn, Stokes, Christian and Mayor Jack voting nay.

ATTORNEY'S FILE

Summary provided to the Borough Assembly in their Assembly packet.

Assembly Member Christian said that he thought it would be good that if the billing was broken out to show if a department was seeking legal advice. He asked if that occurred, did that department pay for that expense.

Manager Rooney answered that the attorney fee retainer was budgeted in the Administration's budget; he said if a department used the attorney beyond the norm of the retainer, the billing was separated out and the City, not the attorney, charged that department for those legal fees.

Wayne Kaer asked if he could say something.

Mayor Jack said that it was out of order; but to go ahead and speak.

Mr. Kaer said that he had a boat stall out over by Peninsula Point and that there was no place to park. He asked if the parking was for supposed to be for harbor use.

Mayor Rooney answered that it was supposed to be for harbor use.

Mr. Kaer asked why that wasn't enforced; had been to Council meetings; talked to the Harbor Department; talked to the Police Chief; talked to past City Manager's; people were using that lot for junk cars; could probably get twenty cars in there total; five or six cars there right now that don't belong there; in the Summer time, there were a dozen or more; the City is responsible for any damage or if someone got hurt; could be ground contamination from oil leaking from cars.

Mr. Kaer said that he would like to have the City post a sign that stated that the lot was for harbor use only; said that the people at the Fish & Game float parked there because there was no parking down there.

EXECUTIVE SESSION

a. Discussion of Wrangell v. Rea, et.al. 1WR-12-55

Moved by Christian, seconded by McCloskey, to go into executive session to discuss the pending litigation in Discussion of Wrangell v. Rea, et.al. 1WR-12-55 involving matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity. Motion approved unanimously by polled vote.

Recessed into Executive Session at 8:15 p.m.

Reconvened back into Regular Meeting at 8:55 p.m.

Mayor Jack reported that at the advice of the Borough Attorney, they were not going to discuss anything at this time. He also said that information would be made public at a later date.

ADJOURNMENT: 8:55 p.m.

David L. Jack, Mayor

ATTEST: Kim Flores
Kim Flores, Borough Clerk

City & Borough of Wrangell
Incorporated Borough
May 30, 2008
Incorporated City
June 15, 1903
Alaska