

**Minutes of Regular Assembly Meeting
Held on August 27, 2013**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., August 27, 2013, in the Borough Assembly Chambers. Assembly Members Stough, McCloskey, Wiederspohn, and Christian were present. Assembly Members Jamieson and Stokes were absent. Interim Borough Manager Jeff Jabusch and Borough Clerk Kim Lane were also in attendance.

Pledge of Allegiance was led by Assembly Member James Stough.

Invocation was given by Karen Morse with the Baha'i Faith.

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

Certificate of Service was presented to Timothy Berberich, Parks & Recreation Board (to be mailed by the Borough Clerk).

AMENDMENTS TO THE AGENDA

There were no amendments to the Agenda.

CONFLICT OF INTEREST

Assembly Member Christian declared a perceived conflict of interest to Agenda Item 13e.

Mayor Jack said that as long as the Assembly did not take any action on this item, to take part in the discussion would be a conflict of interest.

The Assembly concurred with the Mayor's ruling.

CONSENT AGENDA

Moved by Stough, seconded by Christian, to approve Consent Agenda Items marked with an (*) asterisk; 6a, 7a, & 7b. Motion approved unanimously by polled vote.

APPROVAL OF MINUTES

*6a Minutes of the Public Hearing held July 23, 2013; Minutes of the Regular Assembly meeting held July 23, 2013; Minutes of the Special Assembly meeting held July 26, 2013; Minutes of the Public Hearing held August 12, 2013; Minutes of the Special Assembly meeting held August 12, 2013

COMMUNICATIONS

*7a Wrangell 2014 Liquor Listing Renewals

*7b School Board Action from the Regular meeting held August 19, 2013

BOROUGH MANAGER'S REPORT

Interim Borough Manager Jabusch's report was provided.

In addition to the report, Jabusch reported on:

- Cassiar Street
 - Funding approved
 - In the process of getting DEC approval
 - Construction to begin the first part of Spring, 2014

BOROUGH CLERK'S FILE

Borough Clerk Lane's report was provided.

In addition to the report, Lane reported on:

- Upcoming dates to remember
- Deadline to file Declaration of Candidacy for various seats
- Deadline to register to vote

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

10a Reports by Assembly Members

Assembly Member Christian reported on the AML Legislative Summer Meeting that he and Mayor Jack attended. He reported on the following topics:

- PERS
- HB152 (PERS Termination Studies)
- Premiera – Blue Cross Blue Shield of Alaska
- State cuts for next year
- SB90 (School District Health Insurance)
- Federal Issues

Mayor Jack thanked Southeast Construction (SEACON) for the grading Shoemaker Bay parking lot.

Assembly Member Stough suggested sending a "thank you" letter to SEACON.

Interim Borough Manager Jabusch stated that he would send the letter.

10b Acceptance of Resignation from Assembly Member Christie L. Jamieson as Assembly Member on the Borough Assembly

Moved by Christian, seconded by Stough, to accept the resignation from Assembly Member Christie L. Jamieson as Assembly Member on the Borough Assembly. Motion approved unanimously by polled vote.

10c Appointment to fill the vacancies on the Planning & Zoning Commission

There was one letter of interest received from Don McConachie Sr.

With the consensus of the Assembly, Don McConachie Sr. was appointed to fill the vacancy on the Planning & Zoning Commission for the unexpired term ending October 2014.

Mayor Jack stated that there were no letters of interest received for the vacancy with the term ending October 2013; we would continue to advertise.

10d Appointment to fill the vacancy on the Economic Development Committee

Mayor Jack stated that there were no letters of interest received for the vacancy; we would continue to advertise.

10e Appointment to fill the vacancy on the Parks & Recreation Board

Mayor Jack stated that there were no letters of interest received for the vacancy; we would continue to advertise.

PERSONS TO BE HEARD

Warren Edgley, 209 First Ave., voiced his concerns about SEAPA. Specifically:

- How members vote
- No component in the rate structure to cover the cost of maintaining the inner tyee
- SEAPA talking about raising the dam at Swan 15 feet; this will not create any more water
- They will take water in the summer from Tyee, generate electricity from it, and send the electricity to Ketchikan
- Allows Ketchikan to save water to use in the winter
- SEAPA talking about creating a diesel protocol that states that Petersburg and Wrangell would subsidize the cost of diesel for Ketchikan

UNFINISHED BUSINESS

12a Approval of the Revised 2013 Wrangell Medical Center Personnel Policies (tabled at the July 23, 2013 meeting)

Moved by Christian, seconded by Stough, to take from the table the motion to approve the Revised 2013 Wrangell Medical Center Personnel Policies as required by Wrangell Municipal Code 3.32.030 (D).

Assembly Member Stough stated that there were still some items in the personnel policies that needed review.

Interim Borough Manager Jabusch asked that any questions or comments regarding the proposed policies be forwarded to the Borough Clerk by Friday, September 6, 2013. He

further stated that once the Hospital Board reviewed the changes and approved them on the Board level, they would come back to the Borough Assembly for approval.

Motion approved unanimously by polled vote.

Moved by Christian, seconded by McCloskey, to place this item under Unfinished Business for the Regular Assembly Meeting to be held on September 24, 2013. Motion approved unanimously by polled vote.

NEW BUSINESS

13a RESOLUTION NO. 08-13-1284; A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, DESIGNATING STATE OF ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION (ADEC) GRANT FUNDS FOR THE PROJECT ENTITLED WATER SYSTEM IMPROVEMENTS AS THE NUMBER ONE LOCAL STATE FUNDING PRIORITY FOR FISCAL YEAR 2014-2015; AND PROVIDING FOR AN EFFECTIVE DATE

Moved by McCloskey, seconded by Stough, to approve Resolution No. 08-13-1284.

Assembly Member Christian clarified for the public that this resolution would move this capital project to the number one spot on the list of Capital Projects for Wrangell.

Interim Manager Jabusch further clarified that this was a requirement of the granting agency and that we would receive more points by placing this item as the communities' number one project.

Motion approved unanimously by polled vote.

13b Authorization to Reimburse AICS for Relocation Costs

Moved by Stough, seconded by McCloskey, to approve the reimbursement of \$100,000 to Alaska Island Community Services for the purpose of offsetting expenses incurred as a result of relocating their facility to the Alpine site.

Assembly Member Christian voiced the following concern:

- The email that the Assembly had received was from 2011
- Why this item wasn't in the budget
- AICS had received approximately 2 acres of land at no charge from the Borough

Mayor Jack said that this item should have been brought to the Borough Assembly for approval before the negotiations had concluded back in 2011.

Assembly Member Christian asked where the funds would come from.

Interim Borough Manager Jabusch answered that they could come out of the Economic Development Recovery Funds or the General Fund Reserves; it was up to the Assembly.

Mark Walker, 512 Church St., provided the following clarification:

- AICS and the Wrangell Medical Center had wanted to be relocated to the same campus
- For AICS to change their location, they would incur more money that had been in the budget
- Denali Commission provided a \$150,000 grant
- The City had committed \$100,000
- With the funding, AICS agreed to relocate to the Alpine site
- Relocating ended up costing more than originally anticipated

Warren Edgley, 209 Church St., voiced the following concerns:

- If AICS were to relocate adjacent to the carwash, there would have been land costs involved
- The City granted about 1.2 acres of land to AICS at the Alpine site

Rhonda Christian, 9.2 Mile, voiced the following concerns:

- Mayor, Vice-Mayor, and City Manager has no authority to make agreements without it going to the Assembly
- Expense was not anticipated
- Was not included in the budget
- No expense reports or receipts showing the relocation costs
- Assembly should reconsider the commitment
- Never brought forward to the Assembly

Assembly Member Stough voiced the following concerns:

- This item should have come before the Assembly for approval before the commitment was made
- This item was not included in the budget

Motion approved with McCloskey, Stough, Wiederspohn, and Mayor Jack voting yea; Christian voted nay.

Moved by Christian, seconded by Stough, to direct the Borough Manager take the reimbursement funds for AICS from the Economic Development Recovery Fund.

Mayor Jack and Assembly Member McCloskey requested that AICS bring in an itemized billing for justification on the relocation costs.

Motion approved unanimously by polled vote.

13c Discussion and possible action regarding the request made by Sara and Charles Gadd for an alleyway

There was no formal action taken.

13d Discussion and possible action regarding support for the IMLA Conference (requested by Mayor Jack)

There was no formal action taken.

13e Discussion and possible action relating to the options for Thomas Bay Power Authority

Assembly Member Christian stated the following:

- In reading the Power Sales Agreement as well as the response from General Manager Nicholls, you can deduct any costs out of the payment to the City & Borough of Wrangell to SEAPA
- If there are any O&M costs that could come out of there, pretty straight forward
- If Petersburg doesn't want to fund their share of the non-net billable, then they didn't fund for their Commission to participate in the Thomas Bay Power Authority
- Not sure why we should fund the commissioners if they are not paying their half
- Thomas Bay Power Authority is kind of separate from the Commission
- If we run short, we should subtract it out of the monthly payment to SEAPA (reimbursable cost)

Michael Nicholls, TBPA General Manager, 118 Panhandle Trailer Court, said the following:

- Revised O&M Agreement with SEAPA specifically provides for the operator to deduct O&M costs from the power payment
- Thomas Bay is a contractor to SEAPA
- Entire cost of Thomas Bay should be net-billable
- Daily paperwork involving employee vacation and pay should be considered O&M work
- Thomas Bay's structure has changed from what it was and is now an Operations & Management entity

Interim Borough Manager Jabusch stated the following:

- When the Four Dam Pool was created, all or most of the participants were including office costs in their budget
- Outcome was that none of the office costs were not allowed to be reimbursable O&M costs
- Ketchikan assumes their own non-net billable costs for Swan Lake
- They also put a cap on the reimbursable labor that was allowed

Regular Meeting recessed at 8:14 p.m.

Regular Meeting reconvened at 8:19 p.m.

Mayor Jack notified the public that on September 10th, 2013, Trey Acteson, CEO would be here to give a presentation on SEAPA updates.

Rhonda Christian, TBPA, 9.2 Mile: commented on the following:

- Shared that she was the O&M worker for Thomas Bay and did the following:
 - sharpen chainsaws
 - does RTU's
 - does Scada
 - works with the guys at Tyee
 - orders all items
- When she first started at Thomas Bay, she was doing a lot of non-net billable for the Commission who were out looking for energy; times have changed
- Takes care of all of SEAPA's financials for Thomas Bay as a contractor
- At the SEAPA Board meetings, there was discussion that we are looking paying diesel costs and splitting that cost between our communities; also, not getting any more rebates; because SEAPA cannot get the money from the State of Alaska
- Rebates offset the costs of the 6.8
- Stated that she does very little for the Commission anymore
- If cost of rates go up, things are going to change drastically in this community
- SEAPA is a private entity, they are not a Government entity
- If you put things under one, you will lose full control
- When someone is appointed to the SEAPA Board, SEAPA tells them that they now works for SEAPA; you will answer to SEAPA; your Cities may appoint you to be here, but you work for SEAPA

In response to Mayor Jack's statement that he thought the SEAPA Board Member would be here to provide a report, Clerk Lane stated that she had emailed the SEAPA Board Member and he had said that he would be at the meeting to give a report.

In response to Assembly Member McCloskey's request, Clerk Lane stated that she would request that the SEAPA Board Member email her the report.

There was further discussion from Ms. Christian from the audience.

Mayor Jack asked Ms. Christian to provide any further comments in writing.

Ms. Christian stated that sometimes there are topics of discussion that cannot be said in a five minute time period.

Assembly Member Stough stated that unless there was a large audience, he thought that they could speak for as long as they wanted.

There were further comments from Ms. Christian from the audience.

Mayor Jack stated that the Assembly would not be making any decision tonight.

13f Approval to dispose of City Surplus Property

Moved by Christian, seconded by Wiederspohn, to approve the items listed as surplus, that these items be advertised for bid as required under Wrangell Municipal Code Section 5.10.060, and to authorize the borough manager to dispose of any items not bid on in a manner in the best interest of the City. Motion approved unanimously by polled vote.

13g Acceptance of the MOU between CBW and WCA

Moved by Stough, seconded by Christian, to approve the Non-Funding Obligating Memorandum of Understanding between Wrangell Cooperative Association and The City and Borough of Wrangell, which will expire on August 8, 2014, unless renewed. Motion approved unanimously by polled vote.

13h Approval of a letter of support to transfer two million acres of Tongass Timberland to the State of Alaska (requested by Assembly Member Christian)

Assembly Member Christian spoke in favor of sending a letter of support for the transfer of land to the State of Alaska.

Moved by Stough, seconded by Christian, to approve sending a letter of support to our Congressmen as presented. Motion approved unanimously by polled vote.

ATTORNEY'S FILE

Summary provided to the Borough Assembly.

EXECUTIVE SESSION


~~15a Discussion regarding possible replacement of the Borough Manager~~

There was no Executive Session.

ADJOURNMENT: 8:44 p.m.

ATTEST


Kim Lane, Borough Clerk


David L. Jack, Mayor

