

**Minutes of Regular Assembly Meeting
Held on December 9, 2014**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., December 9, 2014, in the Borough Assembly Chambers. Assembly Members McCloskey, Rooney, Decker, and Blake were present. Assembly Member Mitchell was absent and Assembly Member Prysunka participated by telephone. Borough Manager Jeff Jabusch and Borough Clerk Kim Lane were also in attendance.

Pledge of Allegiance was led by Assembly Member Julie Decker.

Invocation was given by Don McConachie.

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

Mayor Jack presented a Certificate of Service to Grover Mathis for his time on the Parks & Recreation Board.

AMENDMENTS TO THE AGENDA – None

CONFLICT OF INTEREST – None

CONSENT AGENDA

M/S: Blake/Rooney, to approve Consent Agenda Items marked with an () asterisk; 6a, 7a, 7b, 7c, 7d, 7e, & 7f. Motion approved unanimously by polled vote.*

APPROVAL OF MINUTES

The minutes of the Special Joint Assembly/Hospital Board meeting held on November 12, 2014, the minutes of the Regular Assembly meeting held on November 12, 2014, and the minutes of the Special Assembly meeting held on November 26, 2014 were approved, as presented.

COMMUNICATIONS

- *a. Minutes of the Thomas Bay Power Commission meeting held on September 9, 2014
- *b. Renewal of a Gaming Permit from the Elks Association for 2014-15
- *c. Minutes of the Regular School Board meetings held September 24, 2014 and October 20, 2014; School Board action from the Regular School Board meeting held November 17, 2014
- *d. Minutes of the Parks & Recreation meeting held October 1, 2014
- *e. Letter sent to the Office of Aviation Analysis regarding Wrangell's continued support of the Essential Air Service
- *f. Transfer Liquor License Application from the Hungry Beaver LLC Package Store and Beverage Dispensary

BOROUGH MANAGER'S REPORT

Manager Jabusch reported on the current projects that were happening in the City.

Marla Sanger, CEO of the Wrangell Medical Center asked Olinda White, Consultant to the Wrangell Medical Center to give a report on the current finances of the Medical Center.

Ms. White provided an extensive report on the finances of the Wrangell Medical Center and provided a detailed account of why the Accounts Receivables were so high; she explained the

issues with the Medicaid reimbursables; working on long term goals to get the Account Receivables down; working on getting the bill coded faster and more efficiently; working on ways to cut costs on things that were not necessary in the short term. Ms. White stated that currently, the payables are at four million, two hundred eighty-one.

In response to Assembly Member Blake, Ms. White stated that there were no reserves in the Hospital fund; auditors like you to have six months however, our hospital has usually had about three months reserve.

Ms. White stated that the hospital would get through it, would need to watch our spending; keep plugging away.

In response to Assembly Member Rooney, Ms. Sanger explained that the auditor had said that they didn't think that this would make it so that we couldn't get a new hospital. She further stated that they need to get a handle on the cash flow. Ms. Sanger said that she didn't know the answer to Assembly Rooney's question however; they were not going to give up the effort to pursue the new hospital.

Ms. Sanger stated that as time goes on, it gets harder year after year because there are more expenses to keep building going; more pipes breaking; more electrical problems. Ms. Sanger also stated that they have a dedicated staff and dedicated physicians. Ms. Sanger said that they would continue to provide quality care and protect the assets of the organization.

In response to Assembly Member Decker, Ms. White stated that the reserve as reported to the City in July as being over \$900,000 included an advance from Medicare of \$598,000; balance at the end of the year looked really good however; it all went out to pay some payables that hadn't been paid previously. Ms. White also stated that at that time, the Hospital had to send \$280,000 that had to be sent back to Medicare because Medicare had estimated incorrectly on the reimbursement costs.

In response to Assembly Member Prysunka, Ms. White stated that there had been approximately 2.5 million in all of the bank accounts when she had left.

Prysunka asked if there was a standard to what the hospital should keep in reserves.

Ms. White said that the auditors would like there to be a six month reserve however; we have usually had two to three months reserve.

Prysunka questioned mortgage payment would be in excess of \$150k per month; curious that the hospital had been able to grow the cash accounts.

Ms. Sanger explained that the current building was completely depreciated; if we had a good, solid, healing environment we would have a lot of depreciation available; cost would be high but would be mostly interest and would also be reimbursable; we continue to build our collaboration with AICS and there may be the opportunity to share space in their new building. Ms. Sanger stated that the goal would be to create a hospital that would last for many years to come and potentially cost less than originally projected.

Ms. White said that if we did get a new hospital, it would be a good year and a half until they started seeing the reimbursements from Medicare and Medicaid.

Ms. Sanger stated that she would like to report monthly to the Borough Assembly.

BOROUGH CLERK'S FILE

Borough Clerk Lane's report was provided.

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

10a Reports by Assembly Members

Decker requested that an item be added to the next Assembly meeting's Agenda to look at adopting a policy to allow electronic devices to be taken home.

PERSONS TO BE HEARD

Harley Johnson, Contractor, 117 Third St., spoke in favor to item 13b and provided a few adjustments to the proposed policy.

John Taylor, Contractor, 318 McKinnon, Spoke in favor to item 13b. In response to Mr. Taylor, Manager Jabusch stated that this policy would be for local contractors.

UNFINISHED BUSINESS

NEW BUSINESS

13a Discussion and possible action regarding the letter that was received from Robert Larson, Thomas Bay Power Commission President

Decker made the comments that the primary mission of the Commission was no longer there; there was no funding appropriated at this time; primary mission was to look at power opportunities for the two communities; Southeast Alaska Power Authority (SEAPA) and Southeast Conferences Energy Committee carries that function; does not see anything at this time for the Commission to do. Decker stated that she felt that the Commission should still be in our code, however, that they be placed in an Ad Hoc (as needed) status.

Rooney questioned that if the Commission were to be an Ad Hoc, would they need to meet at least annually so that the people who were on it, would still have the desire to be on it. Rooney also stated that since SEAPA and Southeast Conference was actively looking at power opportunities; having the Commission might be a duplicated effort.

Manager Jabusch stated that the current Thomas Bay Power Commission insurance would be expiring at the end of this month.

Decker questioned that if the commission were to stay in the ordinance as an Ad Hoc committee, couldn't we address the commission that way.

Mayor Jack stated that an Ad Hoc Committee would be appointed for a specific purpose.

Decker replied "yes", if we were to do keep it in the Code, it could be changed to be an Ad Hoc Committee and have no people on it. She said that if there came a time where the Ad Hoc

Committee was needed in order to look at a specific project - or something like that-, they could be appointed by the two communities.

Blake stated that with money being as tight as it is, he didn't see any reason (at this time) to fund it further.

It was the consensus of the Assembly to move in the direction of making the Thomas Bay Power Commission an Ad Hoc Commission to be activated if the need should arise. The Assembly directed the Borough Clerk to contact the Petersburg Clerk to have her let the Petersburg Assembly know what direction Wrangell wanted to go.

Clerk Lane stated that she would let the Assembly know what Petersburg came back with.

Recessed at 8:29 p.m.

Reconvened at 8:33 p.m.

13b Approval of a City Policy to hire Contractors for City Projects

M/S: Blake/McCloskey, to approve the Contractors Policy for doing work for the City and Borough of Wrangell when the Formal Bid process is not required.

Jabusch stated that he would like to see if the Assembly would be interested in postponing this item until the next meeting. He further stated that he would like to incorporate some of the suggestions from Mr. Johnson and Mr. Taylor into the policy.

Jabusch explained that after the policy was adopted, the Attorney would need to draft a basic work agreement that the contractor would sign. Jabusch also said that he knew that this system would not be perfect and that if the policy would need to be changed, it would come back to the Assembly for approval.

McCloskey questioned the monetary thresholds and the section under the policy to be adopted, saying that those two sections were in conflict of one another.

Jabusch stated you could make the policy more restrictive than the ordinance. He said that he wanted to make the policy more restrictive at this time and look at changing the ordinance in the future. He also said that he could make those sections more understandable in the policy.

Decker questioned the section that addressed if a contractor turned a job down; what would be a "good reason" for turning down a job.

It was the consensus of the Assembly and favorable to both Mr. Johnson and Mr. Taylor to change that section of the policy to say that for whatever reason, if the contractor turns down a job, they would go to the bottom of the list.

Blake requested that if there were a negative assessment on a job by the Department Head, that those problems that were noted on the assessment be verified by the Borough Manager or another qualified person.

Blake also questioned the insurance requirements.

Prysunka explained what having the City listed as additional insured would mean; stated that we should look into having the attorney add that to the basic work agreement.

M/S: McCloskey/Blake, to postpone this item until the next Regular Assembly meeting on January 13, 2015. Motion approved unanimously by polled vote.

13c Approval of a Commercial Parking Lot Lease Agreement between Roger Purdy and the CBW for Lot 5, Block 84, Wrangell Townsite

M/S: Decker/Rooney, to approve the parking lot lease for Lot 5, Block 84, Wrangell Townsite with Roger Purdy in the amount of \$4,583.04 with funds to come from the General Fund Budget.

At the request of Blake, Jabusch said that he would check with the current owner to see if he would be interested in selling the parking lot.

Motion approved unanimously by polled vote.

13d Approval to surplus City owned vehicles

M/S: Rooney/Blake, to approve the items listed as surplus, that these items be advertised for bid as required under Wrangell Municipal Code 5.10.060, and authorize the Borough Manager to dispose of any items not bid on, in a manner that is in the best interest of the City. Motion approved unanimously by polled vote.

13e Approval of a M.O.U. with the State of Alaska on the Evergreen Highway renovation project

M/S: McCloskey/Rooney, to approve the Memorandum of Understanding with the State of Alaska for the Design and Construction of the Evergreen Road Project with funds for the Borough's share to come from the Sales Tax Street Fund. Motion approved unanimously by polled vote.

13f Approval of a proposal from Shannon & Wilson to perform periodic safety inspections on the City's reservoir dams

M/S: Blake/Rooney, to approve that the City enter into an agreement with Shannon & Wilson Inc. to perform a Periodic Safety Inspection of the dams for Wrangell's two drinking water reservoirs, and to provide a report of that inspection satisfactory submission to the State Dam Safety Engineer with Funds for this project to come from Water Department reserves.

In response to Assembly Member Rooney, Carl Johnson, Public Works Director stated that these inspections should have been done all along; he was not aware of that they were required.

ATTORNEY'S FILE – Summary Report was provided to the Assembly.

EXECUTIVE SESSION – None

Meeting adjourned at: 9:02 p.m.

ATTEST: Kim Lane
Kim Lane, Borough Clerk

David L. Jack
David L. Jack, Mayor

