

**Minutes of Regular Assembly Meeting
Held on July 28, 2015**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., July 28, 2015, in the Borough Assembly Chambers. Assembly Members Mitchell, Powell, Prysunka, and Rooney were present. Assembly Member Blake was absent and Assembly Member Decker arrived at 7:52 p.m. Borough Manager Jeff Jabusch and Borough Clerk Lane were also in attendance.

Pledge of Allegiance was led by Assembly Member Steve Prysunka.

Invocation was given by Don McConachie.

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

Brenda Schwartz-Yeager reported on Wrangell's economy by the numbers for tourism, as prepared by Rain Cost Data in June 2015; she urged the Assembly to look through the report and to contact her if they should have any questions.

AMENDMENTS TO THE AGENDA

Manager Jabusch requested that Item 13j (Approval of a bid award for the Wrangell Barge Ramp Concrete Paving Project), be removed from the Agenda. There were no objections from the Assembly.

CONFLICT OF INTEREST

Assembly Member Mitchell declared that he had conflict of interest to Item 13h (Approval of a request from Mark Mitchell to enter into a short term agreement for the temporary use of storing crab pots on Wrangell Island, near Thoms Place) since this was a request from him. Mitchell stepped down from the dais and sat in the audience.

Mayor Jack agreed and there were no objections from the Assembly.

CONSENT AGENDA

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

APPROVAL OF MINUTES

The minutes of the Regular Assembly meeting held June 23, 2015 was approved, as presented.

COMMUNICATIONS

***a.** Minutes of the Regular School Board meeting held 5-11-2015, and the Special School Board meeting held May 19, 2015

***b.** Letter from Barbara Angerman, Wrangell Resident, in support of replacing the Shoemaker Harbor

BOROUGH MANAGER'S REPORT

Manager Jabusch's report was provided.

Marla Sanger, WMC CEO, provide an update of the Wrangell Medical Center's finances. Ms. Sanger also provided a travel summary report for the months January – July, 2015.

BOROUGH CLERK'S FILE

The Borough Clerk's Report was provided.

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

10a Reports by Assembly Members

Assembly Member Rooney requested that we start to receive the Hospital Board minutes for the Assembly to approve under the Consent Agenda just like the School Board minutes.

10b Appointment to fill the Vacancy on the Planning & Zoning Commission

As there were no letters of interest received for this vacancy, the Mayor directed the Borough Clerk to continue advertising for the vacancy.

PERSONS TO BE HEARD

Paula Rak, 7 Mile Zimovia Hwy., read her letter of opposition to the request from Mark Mitchell for a temporary use permit to store crab pots and other on-shore activities associated with commercial crabbing in an upland area near Thoms Place.

UNFINISHED BUSINESS

12a PROPOSED ORDINANCE NO. 904: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CHAPTER 13.12 OF THE WRANGELL MUNICIPAL CODE TO RENAME THE CHAPTER "PARKS & RECREATION DEPARTMENT" AND ADD A NEW SECTION ESTABLISHING FEE SCHEDULES FOR USE OF PARKS AND RECREATION FACILITIES (second reading)

M/S: Prysunka/Rooney, to adopt Ordinance No. 904. Motion approved unanimously by polled vote.

NEW BUSINESS

13a PROPOSED RESOLUTION No. 07-15-1323: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE AMENDMENT OF THE JOB DESCRIPTION FOR THE RECREATION COORDINATOR

M/S: Powell/Rooney, to adopt Resolution No. 07-15-1323. Motion approved unanimously by polled vote.

13b PROPOSED RESOLUTION No. 07-15-1324: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE ASSESSMENT VALUE FOR TAX YEAR 2015 FOR GREG AND DOREEN PURVIANCE, LOT 11A-2, 11.5 MILE ZIMOVIA HIGHWAY, DUE TO A MANIFEST CLERICAL ERROR

M/S: Prysunka/Mitchell, to approve Resolution No. 07-15-1324.

Manager Jabusch explained that the error was a key stroke error and that the State Assessor allowed for this type correction when an error like this happens.

Motion approved unanimously by polled vote.

13c PROPOSED RESOLUTION No. 07-15-1325: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, FORMALLY SUBMITTING A MUNICIPAL HARBOR FACILITY GRANT APPLICATION TO THE STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES (DOT&PF) IN THE AMOUNT OF \$5 MILLION DOLLARS FOR THE SHOEMAKER BAY HARBOR PROJECT

M/S: Rooney/Mitchell, to approve Resolution No. 07-15-1325, to submit an application to DOT&PF for the completion of the Shoemaker Bay Harbor project.

Manager Jabusch gave a brief explanation on the process for obtaining this grant.

Motion approved unanimously by polled vote.

13d PROPOSED RESOLUTION No. 07-15-1326: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, TO ACCEPT A LOAN IN AN AMOUNT NOT TO EXCEED \$91,000 AND TO ACCEPT A GRANT FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT

M/S: Prysunka/Powell, to adopt Resolution No. 07-15-1326, approving a loan agreement, not to exceed \$91,000 and to accept a grant with the US Department of Agriculture, Rural Development for the Rehabilitation of the two Sewer Pump Stations project. Motion approved unanimously by polled vote.

13e Approval of a post-procurement expenditure to BW Enterprises as a sole-source provider for rock crushing services

M/S: Rooney/Powell, to approve a post-procurement expenditure to BW Enterprises as a sole-source provider for rock crushing services in the amount of \$72,720, which will be a shared cost between the Streets, Water and Sewer funds.

Assembly Member Mitchell asked if anyone else had bid on this project.

Manager Jabusch explained that there was an error in calculating the volume of rock to be crushed; the amount was originally expected to be under \$25,000 but ended up being over \$72,000. Jabusch stated that there would be provisions in the future to ensure that this will not happen again. Jabusch stated that there should have been a provision on the requisition to say "not to exceed" a certain amount. Jabusch further said that the new Contractor's list, when started, will not allow for contractors to continue work if the amount goes over the agreed upon amount unless agreed in writing. Jabusch also said that Ms. Al-Haddad was juggling a mass amount of projects and sometimes the attention to detail does not happen; need to correct that for the future though. Jabusch stated that in the time that Ms. Al-Haddad has been with the City, she has been involved with approximately \$50 million dollars' worth of projects.

In response to Assembly Member Powell, Jabusch briefly explained the process for the new Contractor's List; it will take effect starting September 1, 2015.

Powell asked if there was any documentation given to Mr. Woodbury so that he wouldn't go over.

Ms. Al-Haddad stated that she did discuss with Mr. Woodbury, the amount of rock that needed to be crushed; had budgeted for the amount that she thought she would need. Ms. Al-Haddad also stated that Mr. Woodbury had contacted her by phone when he realized that the amount of rock to be crushed would go over the stated amount. Ms. Al-Haddad said that she had told Mr. Woodbury that she would come out and see him but she did not tell him to stop crushing the rock. Ms. Al-Haddad was involved in the Water Treatment project when there were some major problems occurring, and she did not go out to see Mr. Woodbury at that time. When Mr. Woodbury called her a second time to give her an update of the new cost of over \$72,000.00, she told him to stop crushing the rock.

Motion approved unanimously by polled vote.

Assembly Member Decker arrived at 7:52 p.m.
 Mayor Jack called a 5 minute recess at 7:55 p.m.
 Mayor Jack called the meeting back to order at 8:00 p.m.

13f Discussion and possible action regarding the new Property Tax payment due date

Mayor Jack stated that he submitted this item to be discussed since he had received concerns about the new due date.

Assembly Member Rooney said that people had stated that they were surprised by the new one-time due date and that it would be easier if the City started this one-time due date next year.

M/S: Rooney/Powell, to change the ordinance to allow two payments in 2015, one on September 15th and the other on the normal December 15th, 2015, penalty and interest would be charged on any late payments of either payment and then in 2016, it would revert back to the one payment schedule on September 15th as the ordinance currently reads giving property owners a full year to adjust.

Assembly Member Powell asked if anyone had spoken to Ms. Armstrong of Armstrong Rents (who had submitted a letter) to see if she was okay with the one-payment date for next year or if she was wanting a waiver to allow her to make the two payments from here on out.

Mayor Jack stated that he had talked with Ms. Armstrong and he stated that he thought that she had thought that the payment would be due on that date and not before.

Assembly Member Rooney stated that she had had people in the community approach her and state that the one-time payment date (as proposed by the new ordinance) was a surprise and that they would have liked it if they could have had a year to plan for it. Rooney also said that if the Assembly were to approve the waiver for this year only, it would give people time to prepare.

Assembly Member Prysunka stated that he didn't know if the waiver for just this year would actually address Ms. Armstrong's concern.

Assembly Member Mitchell stated that if you have a year to plan, the due date was irrelevant. Mitchell believed that by giving a year to plan, it would be more than generous.

In response to Assembly Member Decker, Manager Jabusch stated that in order to do this, the Assembly would need to approve a non-coded ordinance to waive the previously adopted Ordinance No. 901. Jabusch also stated that we would post notices for the public to see the change.

Clerk Lane stated that it was her understanding that if the motion passed, then she would be given direction to contact the Borough Attorney to assist in drafting a non-coded ordinance to allow for the waiver for 2015.

Mayor Jack answered "yes, that is correct".

Motion approved unanimously by polled vote.

13g Approval of a Contract Zone for a storage unit, on 2.4 acres in the remainder Lot A-2, Torgramsen-Smith Subdivision within USS 3823, adjacent to Blooms Trailer Park, requested by Donald Glasner, owned by Lisa Torgramsen, as recommended by the Planning & Zoning Commission

M/S: Prysunka/Powell, to approve of a Contract Zone for a storage unit, on 2.4 acres in a portion of the remainder Lot A-2, Torgramsen-Smith Subdivision within USS 3823, located adjacent to Blooms Trailer Park, requested by Donald Glasner, owned by Lisa Torgramsen, as recommended by the Planning & Zoning Commission.

In response to Assembly Member Rooney, Carol Rushmore, Economic Development Director stated that this would not make this area Light-Industrial.

In response to Assembly Member Powell, the adjacent property owners were contacted for the Planning & Zoning Commission Public Hearing.

Motion approved unanimously by polled vote.

13h Approval of a request from Mark Mitchell to enter into a short term agreement for the temporary use of storing crab pots on Wrangell Island, near Thoms Place

M/S: Decker/Powell, to approve a temporary use agreement to Mark Mitchell for the lease of 2000 square feet of property on Wrangell Island described as Section 35, Township 65S, Range 85E North of Thoms Place Subdivision for \$50 per month and for the borough manager to address conditions in the agreement by the planning and zoning commission and staff that are appropriate for this temporary use permit.

Assembly Member Mitchell stepped down from the dais and sat in the audience since it was determined that he had a conflict of interest to this item.

Paula Rak asked if Assembly Member Decker could see her letter that she had previously read to the Assembly since Decker was not there for the reading.

Mayor Jack said yes.

In response to Assembly Member Prysunka, Manager Jabusch stated that the Planning & Zoning Commission had already considered this request and had forwarded it along to the Assembly, with conditions. Jabusch stated that if the Assembly approved this request, he would put together an agreement that addressed the Planning & Zoning Commissions conditions and any other conditions that the Assembly had.

Assembly Member Rooney asked for clarification on the temporary use timeframe. Jabusch replied that it would be until December 31, 2015.

Prysunka asked if there were penalties in place if Mr. Mitchell didn't clean up the area when he vacated. Jabusch said that we could add something like that in an agreement.

Mayor Jack stated that he did have some concerns about the Massin Tidelands Lease, that there was no one in place to enforce if the property was not maintained. Jack said that he would like to see some sort of policy brought forward that included penalties so that the Assembly could approve that.

Prysunka stated that the City did have some "teeth" because with a temporary use permit, the Assembly could choose not to approve the request in the future.

Assembly Member Decker stated that storage is a real bottle neck in the community; need to be prepared for the future that more people will want to use City lands for this purpose; may need to look at possibly develop some City land in a structured way for the use of storage of fishing gear or crab pots; okay with doing this on a temporary basis however, we may need to look at a long-term plan in the future.

Motion approved unanimously by polled vote.

13i Approval of City Tidelands Annual Five-Year Reassessments

M/S: Rooney/Mitchell, to approve the five-year City Tideland Reassessments as presented. Motion approved unanimously by polled vote.

13j Approval of a bid award for the Wrangell Barge Ramp Concrete Paving project

This item was removed from the Agenda under Amendments to the Agenda.

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.

M/S: Decker/Rooney, to schedule a Special Assembly Meeting on August 12, 2015. Motion approved unanimously by polled vote.

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

EXECUTIVE SESSION – None

Regular Assembly Meeting adjourned at 9:03 p.m.

ATTEST:

Kim Lane, MMC, Borough Clerk

David L. Jack, Mayor

