



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

June 28, 2016 – 7:00 p.m.

Location: Assembly Chambers, City Hall

1. CALL TO ORDER

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Julie Decker
- b. INVOCATION to be given by Karen Morse of the Baha'i Faith
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*

2. ROLL CALL

3. AMENDMENTS TO THE AGENDA

4. CONFLICT OF INTEREST

5. CONSENT AGENDA

- a. Item (*) 6a, 7a, 7b, and 7c

6. APPROVAL OF MINUTES

- *a. Minutes of the Public Hearing and Regular Assembly meetings held June 14, 2016

7. COMMUNICATIONS

- a. Permit Application for 4th of July Outdoor Social Area event from BPO Elks Lodge #1595, received from the Alcoholic Beverage Control Board.
- b. Approval of the Wrangell Medical Center Board minutes from May 18, 2016
- c. School Board minutes: Regular - April 18, 2016 and Special – April 26, 2016

8. BOROUGH MANAGER'S REPORT

9. BOROUGH CLERK'S FILE

10. MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

- a. Reports by Assembly Members
- b. Appointment to fill the vacancies on various City Boards, Committees, and Commissions
- c. Appointment to fill the vacancy on the Wrangell Medical Center Hospital Board, Unexpired term ending October 2016

11. PERSONS TO BE HEARD

12. UNFINISHED BUSINESS

- a. **PROPOSED ORDINANCE No. 918: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 13.05.010,**

PERMITTED ENCROACHMENTS, OF THE WRANGELL MUNICIPAL CODE (*second reading*)

- b. **PROPOSED ORDINANCE No. 919:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROPOSING AN AMENDMENT TO THE HOME RULE CHARTER, REPEALING SECTION 3-10, NOLAN MUSEUM AND CIVIC CENTER (*first reading*)

13. NEW BUSINESS

- a. **PROPOSED RESOLUTION No. 06-16-1344:** A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, SUPPORTING THE ALASKA NATIVE SCIENCE & ENGINEERING PROGRAM IN THEIR EFFORTS TO BUILD AND OPERATE AN ACCELERATED HIGH SCHOOL THROUGH AND AS PART OF THE WRANGELL PUBLIC SCHOOL DISTRICT IN WRANGELL, ALASKA
- b. **PROPOSED RESOLUTION No. 06-16-1345:** A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING PERSONNEL POLICY SECTION 312, HEALTH INSURANCE
- c. Approval of the changes to the Wrangell Medical Center's Bylaws
- d. Approval of Amendment No. 2 for R&M Engineering - Ketchikan, for the Cassiar Street project
- e. Discussion of the assessment report received from Maul Foster and Alongi, Inc. for the Wrangell Waterfront Assessment and Feasibility Study findings

14. ATTORNEY'S FILE – None

15. EXECUTIVE SESSION

- a. Borough Clerk's Evaluation
- b. Information and options for the City and Borough of Wrangell from Maul Foster and Alongi, Inc for the Wrangell Waterfront Assessment and Feasibility Study

16. ADJOURNMENT

Agenda Items 1 - 6

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY

AGENDA ITEM

June 28, 2016

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 to be given by Assembly Member Julie Decker
- b. Invocation to be given by Karen Morse of the Baha'i Faith
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*

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.*

RECOMMENDED ACTION:

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

****6a, 7a, 7b, and 7c***

ITEM NO. 6 APPROVAL OF MINUTES:

INFORMATION:

- a. Minutes of the PH and Regular Assembly meetings held on June 14, 2016.

**Minutes of Public Hearing
Held June 14, 2016**

Mayor David L. Jack called the Budget Public Hearing to order at 6:00 p.m., June 14, 2016, in the Borough Assembly Chambers. Assembly Members Rooney, Decker, Mitchell, Blake, and Powell were present. Assembly Member Prysunka was absent. Borough Manager Jeff Jabusch and Deputy Borough Clerk Lavonne Klinke were also in attendance.

Public Hearing Items:

a. **FY 2016-2017 Budget**

WRITTEN TESTIMONY

There was a letter a letter from certain Wrangell employees, requesting the opportunity to negotiate the employees insurance. Manager Jabusch stated that after speaking with some employees, he would wait a month for the new fee structure for employees to start (August 1st)

There was a letter from Assembly Member Blake regarding the 2016-17 Police Department's budget. Deputy Clerk Klinke, at the request of Mayor Jack, read Mr. Blake's letter for the Assembly and listening public.

ORAL TESTIMONY – None.

- b. **PROPOSED ORDINANCE No. 917: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 14.11.005, FEE SCHEDULE, OF THE WRANGELL MUNICIPAL CODE RELATING TO FEES FOR USE OF HARBORS AND PORT FACILITIES** (*second reading*)

WRITTEN TESTIMONY – None.

ORAL TESTIMONY

Duke Mitchell, 6.0 Zimovia Hwy., spoke in opposition of a harbor rate increase for the Shoemaker Harbor.

Public Hearing Meeting recessed at 6:11 p.m.

Public Hearing Meeting reconvened at 6:50 p.m.

Public Hearing Meeting adjourned at 6:51 p.m.

David L. Jack, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

**Minutes of Regular Assembly Meeting
Held on June 14, 2016**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., June 14, 2016, in the Borough Assembly Chambers. Assembly Members Decker, Rooney, Mitchell, Powell, and Blake were present. Assembly Member Prysunka participated telephonically. Borough Manager Jeff Jabusch and Deputy Borough Clerk Lavonne Klinke were also in attendance.

The Pledge of Allegiance was led by Assembly Member Julie Decker.

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

AMENDMENTS TO THE AGENDA

There were no amendments to the agenda.

CONFLICT OF INTEREST

There were no Conflicts of Interest.

CONSENT AGENDA

M/S: Blake/Powell, to approve Consent Agenda Items marked with an () asterisk; Item 6a. Motion approved unanimously by polled vote.*

APPROVAL OF MINUTES

The Minutes of the Board of Equalization meeting held 5-9-2016 and 5-24-2016; Minutes of the Public Hearing and Regular Assembly meetings held 5-24-2016; Minutes of the Special Assembly meeting held 6-2-2016, were approved as presented.

COMMUNICATIONS – None.

BOROUGH MANAGER'S REPORT

Manager Jabusch's report was provided.

BOROUGH CLERK'S FILE

Clerk Lane's report was provided.

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

10a Reports by Assembly Members

Prysunka updated the Assembly on the last SEAPA meeting

Decker reported on some of the options that were discussed at the public meeting held last night Institute property.

10b Appointment to fill the vacancies on various City Boards, Committees, and Commissions

As there were no letters of interest received for the remaining vacant seats, the Mayor directed the Clerk to continue advertising.

10c Appointment to fill the vacancy on the Wrangell Medical Center Hospital Board, Unexpired term ending October 2016

As there were no letters of interest received for the vacant seat, the Mayor directed the Clerk to continue advertising.

PERSONS TO BE HEARD

Robert Dalrymple, US Forest Service, spoke in regards to the Wrangell Island Project and requested that the Assembly hold a Work Session with the Forest Service.

The Assembly decided to hold a Work Session on Tuesday, June 28, 2016 at 5:00 p.m. **(Clerk's note: this meeting had already been scheduled for Tuesday, June 28, 2016 at 5:30 p.m.)**

UNFINISHED BUSINESS

12a PROPOSED ORDINANCE No. 917: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 14.11.005, FEE SCHEDULE, OF THE WRANGELL MUNICIPAL CODE RELATING TO FEES FOR USE OF HARBORS AND PORT FACILITIES *(second reading)*

M/S: Rooney/Blake, to adopt Ordinance No. 917.

There was extensive discussion regarding the proposed fee schedule: Mitchell spoke in opposition, would like to see budget cuts from the Harbor Dept.; Decker spoke in opposition to the Wrangell Marine Service Center rate increase; Powell spoke in favor of the rate increases; Rooney stated that the moorage rates should go up; Blake agreed that the pleasure boat fees should to up but the commercial fishing boats shouldn't go up as much.

Harbor Master Greg Meissner and Port Commissioner's Clay Hammer and John Martin explained the reasoning for the fee increases and how the Port Commission came to its decision.

M/S: Decker/Blake, to amend the main motion, to remove the increases to section AA, Marine Service Center Fees.

Decker explained that there were a lot of unknown costs coming; goal is to keep the economic driver going. Plan is to replace the equipment in the next 25 years, would make since to keep rates low for the next 5 years.

Motion failed with Mitchell, Blake and Decker voting yes; Prysunka, Rooney, Powell and Jack voted no.

Main motion was approved Prysunka, Rooney, Powell, and Jack voting yes; Blake, Decker and Mitchell voted no.

NEW BUSINESS

13a PROPOSED RESOLUTION No. 06-16-1342: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, LEVYING A GENERAL TAX FOR SCHOOL AND MUNICIPAL PURPOSES UPON ALL TAXABLE PROPERTY WITHIN THE BOROUGH FOR THE TAX YEAR 2016 PURSUANT TO WRANGELL MUNICIPAL CODE SECTION 5.04.010; PROVIDING FOR THE COLLECTION OF TAXES DUE IN 2015 AND PRESCRIBING PENALTIES AND INTEREST FOR DELINQUENT TAXES

M/S: Powell/Rooney, to adopt Resolution No. 06-16-1342. Motion approved unanimously by polled vote.

13b PROPOSED RESOLUTION No. 06-16-1343: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING THE BUDGET FOR ALL FUNDS OF THE CITY OF WRANGELL, ALASKA, FOR THE FISCAL YEAR 2016-2017

M/S: Blake/Powell, to adopt Resolution No. 06-16-1343.

There was extensive discussion regarding the current changes to the budget. Assembly Member Blake stated that he would like another Work Session so that these changes could be explained.

Manager Jabusch stated that if the Budget is not adopted within three days of the next fiscal year, then the latest budget is adopted.

The Assembly requested that there be a Work Session and Special Assembly meeting.

Motion failed unanimously by polled vote.

M/S: Blake/Powell, to hold a Work Session and Special Assembly meeting on June 27, 2016 beginning at 6:00 p.m.

Motion approved unanimously by polled vote.

13c Discussion and possible action on whether to repeal the James and Elsie Nolan Museum and Civic Center Board

M/S: Powell/Decker, to authorize the Borough Clerk to contact the Borough Attorney to collectively draft an Ordinance that the Assembly will consider at an upcoming meeting, repeals WMC Section 3.54, James and Elsie Nolan Museum and Civic Center Board.

Assembly Member Decker stated that although it has been difficult to obtain a quorum for meetings, Terri Henson, Nolan Center Director has been working closely with the Friends of the Museum.

Motion approved unanimously by polled vote.

13d Approval of the amendments to the Wrangell Medical Center's Personnel Policy Manual

M/S: Mitchell/Blake, to approve the revised Wrangell Medical Center's Personnel Policy, as reviewed and revised by the Wrangell Hospital Board of Directors.

At the request of Assembly Member Rooney, ***Kris Reed, WMC employee*** gave a synopsis of the recommended changes to the policy.

Motion approved unanimously by polled vote.

13e Approval of an engagement letter from Svend Brandt-Erichsen of Nossaman, LLC, Attorneys at Law

M/S: Decker/Mitchell, to approve the letter of engagement from Svend Brandt-Erichsen of Nossaman, LLP, Attorneys at Law as the Borough's electric power attorney.

Manager Jabusch gave the explanation for this need for this attorney. Jabusch also answered questions from Assembly Member Prysunka regarding the use of this attorney.

Motion approved unanimously by polled vote.

13f Approval of the recommendation from the Planning & Zoning Commission regarding zoning locations for licensed marijuana facilities in Wrangell

M/S: Rooney, to approve the recommendation of the Planning and Zoning Commission defining which licensed marijuana businesses should be allowed as a conditional use in each zoning district per the attached Table of Proposed Permissible Uses; and to direct the Borough Clerk to work collectively with the Borough Attorney to draft an Ordinance that outlines these zoning recommendations and for that Ordinance to go the Planning & Zoning Commission for approval and then for the ordinance to come back to the Borough Assembly for consideration at an upcoming meeting.

At the request of Assembly Member Blake, Planning & Zoning Commissioner Terri Henson answered question on what is currently being allowed in our downtown area. Ms. Henson also stated that a conditional use permit would be required in all areas in the Borough.

Motion approved unanimously by polled vote.

13g PROPOSED ORDINANCE No. 918: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 13.05.010, PERMITTED ENCROACHMENTS, OF THE WRANGELL MUNICIPAL CODE (*first reading*)

M/S: Mitchell/Decker, to approve first reading of Ordinance No. 918 and move to Second, with a Public hearing on June 28, 2016. Motion approved unanimously by polled vote.

13h Approval to file an Easement and a Disclaimer of Interest for Block 83, Lot 10b, US Survey 1119, owned by Einer Ottesen Credit Shelter Trust

M/S: Powell/Rooney, to approve the City Easement on Block 83, Lot 10b, US Survey 1119, owned by Einer Ottesen Credit Shelter Trust and to authorize the Borough Attorney to file a Disclaimer of Interest on said property.

Manager Jabusch explained why this Easement was being requested; also stated that the deed had been issued but was not filed by the land owner.

13i Approval of a Letter of Support for an amendment delaying the signing of a Transition Record of Decision (requested by Assembly Member Decker)

M/S: Decker/Mitchell, to approve a letter of support to be sent to Senator Murkowski, delaying the signing of a Transition Record of Decision until a comprehensive inventory and financial analysis of the Tongass is completed.

Manager Jabusch stated that due to a time requirement, the letter had already been sent to Senator Murkowski.

ATTORNEY'S FILE – There was no attorney's file.

EXECUTIVE SESSION – There was no Executive Session.

Regular Assembly Meeting adjourned at 8:42 p.m.

David L. Jack, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

Agenda Item 7

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM June 28, 2016

COMMUNICATIONS:

INFORMATION: The Assembly may receive items for Communications, reasons only which do not require separate action. This is an avenue to keep the Assembly informed, for the public to enter items on the record, if necessary. The Assembly also receives agenda communications directly by their constituents, Borough Manager, other agencies' Officers and Department Directors.

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. Permit Application for 4th of July Outdoor Social Area event from BPO Elks Lodge #1595, received from the Alcoholic Beverage Control Board
- b. Approval of the Wrangell Medical Center Board minutes from May 18, 2016
- c. School Board minutes: Regular - April 18, 2016 and Special – April 26, 2016

CITY CLERK

JUN 20 2016

RECEIVED

16-14479

CITY CLERK

JUN 20 2016

RECEIVED

Alcoholic Beverage Control Board**Club Permit**

Permit #

License # **16-14479**

370

Licensee:

Non Profit: **BPO Elks Lodge #1595**

Event:

4th of July Outdoor Social Area

Location:

City: **103 Front Street-Outdoor BBQ Area****7/3/2016 1:00:00 PM****Wrangell****7/5/2016 1:00:00 AM**
Fees Paid**\$100.00**

Please post this permit and "Warning" signs at premises for the duration of your event.

Club members and invited guests only.



State of Alaska
Alcoholic Beverage Control Board

550 W. 7th Ave. Ste. 1600 - Anchorage AK 99501

Phone - 907-269-0350

Fax - 907-334-2285

<http://commerce.alaska.gov/dnn/abc> Licensee must mark correct type

☐ \$50 - Beverage Dispensary

3 AAC 304.685

15292

☐ \$50 - Restaurant/Eating Place

3 AAC 304.680

☒ \$100 - Club See Signature **

3 AAC 304.690

CATERING PERMIT APPLICATION

16-14479

NOTICE TO APPLICANT: Local law enforcement may require up to three days to consider the permit application. The ABC Board requires no less than 24 hours to consider the permit application. After approval by the appropriate law enforcement authority, send the completed form along with the required fees to the ABC Board. When approved, a permit will be issued for posting at the event.

Is this event to take place on school or church grounds? ☐ Yes ☒ No If answer is "yes" contact ABC Board Office before proceeding.

Licensee Name: BPO Elks 1595 License #: 370

Doing Business As: BPO Elks 1595 Contact Person: Shirley Clark

Mailing Address: PO Box 377 City/ST/Zip: Wrangell, AK 99929

Phone: 907-874-3716 Fax: 907-874-3742 or 907-874-4129

Email: wrangell1595@gci.net

The licensee named above hereby makes application under Alcoholic Beverage Control Board regulation 3 AAC 304.680, 304.685, or 304.690 for permission to cater the event and temporary premises described below.

Event Name: 4th of July Outdoor Social Area Location: 103 Front Street-Outdoor BBQ Area wrangell

Are you anticipating, or in the process of applying for a liquor license for the location listed above? ☐ Yes ☒ No

Date(s): July 3, 2016 Begin Time: 1:00PM End Time: July 5, 2016 1:00AM

I/We certify this written notice is submitted as required under 3 AAC. Any person observed to be giving or selling alcoholic beverages to a person under the age of 21 or to a drunken person may be cited under AS 04.16.030, AS 04.16.040, AS 04.16.050, AS 04.16.051, AS 04.16.052 or AS 04.16.060.

1. SIGNATURE OF LICENSEE(S):

** Club License: Signature of Presiding Officer AND Secretary are required.

2. Approved ☒ Disapproved ☐ By:

Local Police Dept./Alaska State Trooper - Must be signed BEFORE ABC Board approval

Date: 6/6/2016

This permit is only for the event on the date and at the location requested. The licensee(s) is hereby notified that any violation of any Alcoholic Beverage Control Board law or regulation will be charged against the licensee(s). This permit will be issued unless a protest is noted by the appropriate police authority, or if the Board finds that it would not be in the best interest of the public.

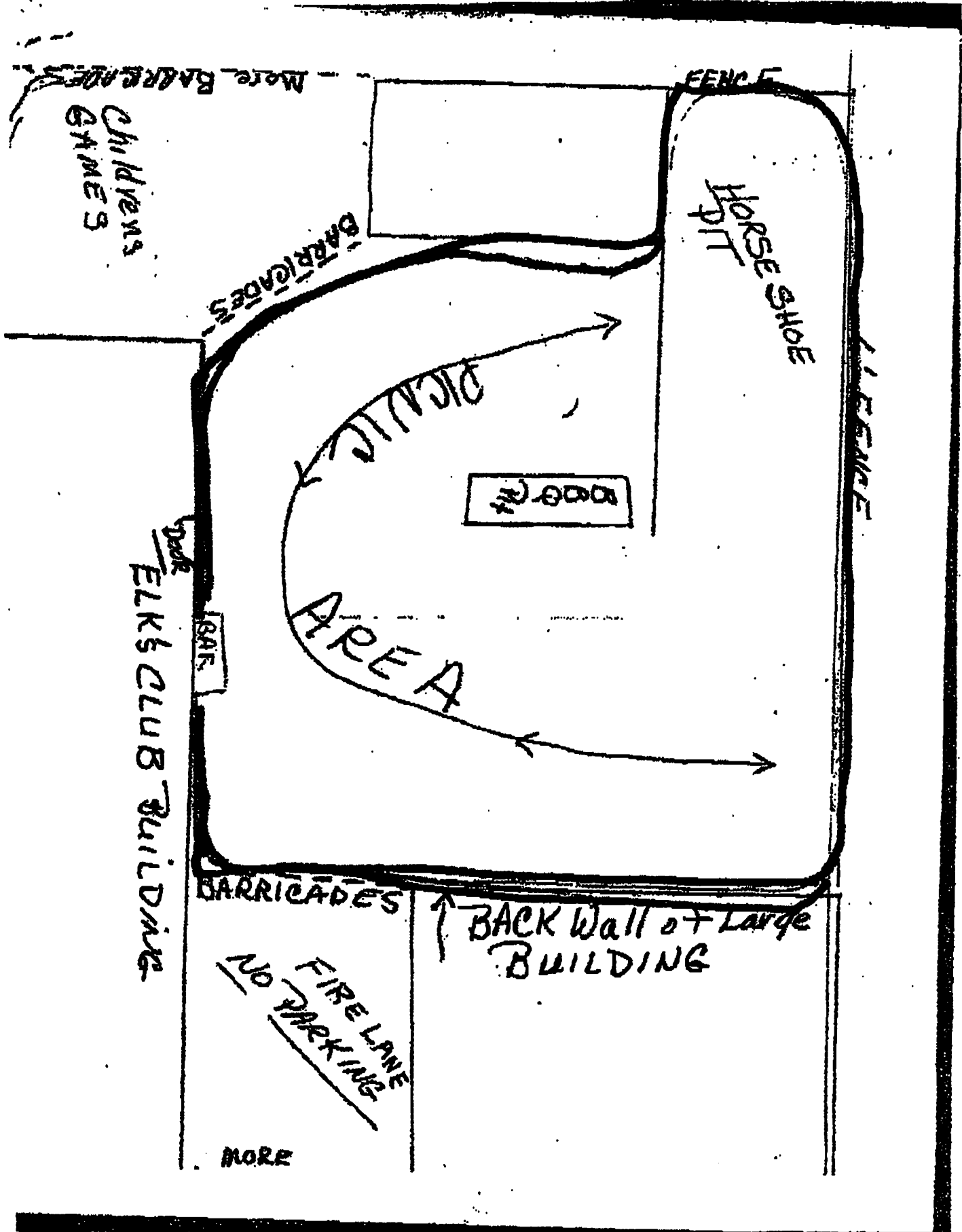
3. Approved ☒ Disapproved ☐ By:

Alcoholic Beverage Control Board

Date: 6-14-16

Reason Disapproved: _____

Instructions: Draw a detailed diagram of the premises where the event will be held on a separate sheet of paper; show all entrances and exits, and all fixtures such as counters, bars,



coolers, stages, etc. Include the dimensions of the Premises. Outline in red all areas where alcoholic beverages will be sold, served and consumed.

Rev. 05132015

State of Alaska
Alcoholic Beverage Control Board
550 W. 7th Ave. Ste. 1600 - Anchorage AK 99501

☐ \$50 - Beverage Dispensary

3 AAC 304.685

☐ \$50 - Restaurant/Eating Place

3 AAC 304.680 Phone - 907-269-0350

List all servers:	NAME	DOB	AK Driver's Lic #	Alcohol Server Card *
Dawn Angerman		7-7-63		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
David R Oliver		9-5-58		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
William Messmer		12-14-46		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Lisa Nikodym		9-25-80		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Chris Stewart		2-13-84		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Jeff Angerman		5-29-59		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>



Fax - 907-334-2285 ☐ \$100 - Club Sec Signature **
Licensee must mark correct type

3 AAC 304.690 <http://commerce.alaska.gov/dnn/abc>

More servers may be listed below.

* Various municipalities require the alcohol servers be certified before serving at an event.



**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS MEETING MINUTES
May 18, 2016 - 5:30 p.m.
Location: Nolan Center**

CALL TO ORDER: Meeting was called to order at 5:30 by President, Terri Henson

ROLL CALL:

Present: Terri Henson, Bernie Massin, Barb Conine, Marlene Messmer, Judy Allen and Maxi Wiederspohn

Attending by teleconference: Olinda White

Absent: Woody Wilson

(one open seat)

Quorum established

Assembly representative Becky Rooney was not present

AMENDMENTS TO THE AGENDA: Added item 10.a – approval of FY '17 budget

CONFLICT OF INTEREST: None

CONSENT ITEMS:

Motion made by Barb Conine to approve consent item 5.a minutes of the regular meeting held April 20, 2016; and item 5.b statistics: April 2016, Maxi Wiederspohn seconded, passed unanimously.

PERSONS TO BE HEARD: None

CORRESPONDENCE: None

REPORTS AND COMMUNICATIONS FROM WMC STAFF:

a. Quality Report:

- Cathy Gross presented a written report and added that, in response to guidance from the Surveys, separate quality programs have been created for the Long Term Care and CAH areas of the facility. She further elaborated on the printed report, explaining further the particulars of the Emergency Department Transfer Communication Hospital Report.

b. CFO Report:

- In addition to the written report, Doran Hammett, CFO, highlighted that though the cash balance remains strong – the days cash on hand have leveled out around just over 30, though this could be helped by looking at how to increase swing bed usage and making sure that LTC beds remain full.
- He also praised Olinda White's work on the budget last year.

c. CEO Report: In addition to the written report:

- Mentioned that Dr. Levene has signed a contract and will be here in August. She hopes to begin providing minor surgical procedures at the hospital after she has become settled.
- Over half the staff were either on duty or volunteered to come in for the disaster drill that took place on May 4.

OUR MISSION: To Enhance The Quality of Life For All We Serve!

BOARD OF DIRECTORS MEETING
May 18, 2016 - 5:30 p.m.

MEDICAL STAFF REPORT: None

ACTION ITEMS:

- a. The FY '17 Budget was passed after a short discussion

Motion: Barb Conine moved to approve the FY '17 Budget as presented, Judy Allen seconded and the motion was passed by all 7 members in attendance.

DISCUSSION ITEMS:

- a. A committee comprising: Barb Conine (chair), Judy Allen and Terri Henson was created to review the Board Bylaws, a time/date for the meeting(s) is tba.
- b. June meeting attendance: Robert Rang, CEO, will be out of town to attend a training during the next meeting, the board president encouraged him to call in if possible, the June meeting will take place as scheduled.

INFORMATION ITEMS:

- a. New Building project: Robert Rang reported that, in the past, WMC had worked with Health Facilities Planning regarding obtaining a Certificate of Need for a new facility; he has been in contact with HFP to determine their interest in helping WMC apply for a new CON (as the old one has expired), they would be willing to work with us again on this project. Talks have also been opened with the USDA regarding funding, and the application to the Foraker group for predevelopment assistance will be re-submitted in July per their request.

BOARD COMMENTS:

Barb Conine: Commended the women who work so hard at what they do (with regard to the Quality meetings and committee) – they had to figure out how to do all the work for both entities (Long Term Care and CAH) without doubling the workload – good job folks!

ADJOURN: With no further business, the meeting adjourned at 6:03 p.m.

Maxi Wiederspohn

Kris Reed,
Date Certified:

OUR MISSION: To Enhance The Quality of Life For All We Serve!

7c

PROCEEDINGS

MINUTES

WRANGELL SCHOOL BOARD REGULAR MEETING

April 18, 2016 7:25 P.M.

Evergreen Elementary School Room 101-Intermediate

School Board Member Aleisha Mollen called the regular meeting of the Wrangell Public School Board to order at 6:30 P.M. on Monday, April 18, 2016.

CALL TO ORDER

The following school board members were present: Aleisha Mollen and Pam McCloskey. Susan Eagle, Tammy Groshong and Rinda Howell were absent excused. There was not a quorum present.

DETERMINE
QUORUM

The School Board Meeting was adjourned due to a lack of quorum; it will be postponed until after the Special Meeting on Tuesday, April 26, 2016.

ADJOURNED AT
6:31 PM

School Board President Susan Eagle called the regular meeting of the Wrangell Public School Board to order at 7:27 P.M. on Monday, April 26, 2016.

CALL TO ORDER

A quorum was determined with the following school board members present: Susan Eagle, Tammy Groshong, Rinda Howell and Aleisha Mollen. Pam McCloskey arrived at 7:31 PM. Also present was Superintendent Patrick Mayer and Recording Secretary Kimberly Powell.

DETERMINE
QUORUM

The Pledge of Allegiance was recited, led by Tammy Groshong.

FLEDGE OF
ALLEGIANCE

Third grade students Lindee McIntyre and Rhiannon Wenzel shared the photos that they took for the ASTE Iditaphoto Contest with the School Board Members. Both photos won the contest.

ELEMENTARY
STUDENT
PRESENTATION

Board Member McCloskey arrived at 7:31 PM.

BOARD MEMBER
McCLOSKEY
ARRIVED
STUDENT
REPRESENTATIVE
REPORT

Sig Decker, Student Body Vice-president said that Maleah Wenzel is not available to present. He told the board that Ms. Luetkemeyer took 11 students to Art Festival; Mrs. Morse took 16 students to Music Festival. Maleah received a full-ride scholarship to Dartmouth and was given a tour of the campus. She turned around and joined ten students on the Close-Up trip to Washington DC.

Unfortunately, baseball and softball do not have teams this year.

Students would like to see a consumer math class offered. They would like to see technology credit requirements reduced since students are surrounded by technology since they were babies. You can't base a curriculum around technology when it's constantly changing.

The students have concerns with the band program being offered in the morning because it conflicts with core classes. Freshmen will be unable to attend band due to scheduling conflicts

Jacque DeMontigny, Parent, spoke to the board regarding students receiving high school credit for middle school classes. During the parent meeting, the parents were given the proposal developed by the math teachers. Ms. DeMontigny said that according to State Statute 4 AAC 08.085, students could take a competency test to challenge a course. Ms. DeMontigny feels that we should just develop a competency test and let any student have the opportunity to take it. Ms. DeMontigny said that Mr. Mayer's letter to Mr. Groshong only addresses 8th graders but by law, we must allow all students the opportunity to take the competency test and receive credit.

GUESTS TO BE
HEARD

Diane O'Brien, Parent, said that five students from Stikine Middle School and five students from Colony Middle School participated in an exchange program between a rural and an urban community. It was a wonderful exchange of cultures, friendships and tears. She hopes that the program can continue

The agenda was approved as presented.

APPROVAL OF
AGENDA

Correspondence was reviewed as presented.

REVIEWED
CORRESPONDENCE

Motion to approve the minutes of the March 21, 2016 Regular School Board Meeting, as presented by Rinda Howell, seconded by Tammy Groshong. Poll vote: Aleisha Mollen: Yes; Tammy Groshong: Yes; Rinda Howell: Yes; Pam McCloskey: Yes; Susan Eagle: Yes. Motion approved unanimously.

APPROVED THE
MINUTES OF THE
MARCH 21, 2016
BOARD MEETING

Motion to remove inventory items that are no longer in the district, from the inventory database as presented by Aleisha Mollen; seconded by Rinda Howell. Poll vote: Aleisha Mollen: Yes; Tammy Groshong: Yes; Rinda Howell: Yes; Pam McCloskey: Yes; Susan Eagle: Yes. Motion approved unanimously.

APPROVED
REMOVAL OF
INVENTORY FROM
DATA BASE

Information & Reports were accepted by unanimous consent.

ACCEPTED
INFORMATION &
REPORTS
APPOINTED
ADVISORY
COMMITTEE
MEMBERS

2016-2017 School and IEA Advisory Committee Members were appointed as presented.

Motion to approve the application of the 2015-2016 APEI Safety Equipment and Training Grant as presented by Aleisha Mollen; seconded by Tammy Groshong. Poll vote: Tammy Groshong: Yes; Rinda Howell: Yes; Pam McCloskey: Yes; Aleisha Mollen: Yes; Susan Eagle: Yes. Motion approved unanimously.

APPROVED THE
APEI SAFETY
GRANT
APPLICATION

Motion to adopt the Elementary School Report Card as presented by Tammy Groshong; seconded by Aleisha Mollen. Poll vote: Pam McCloskey: Yes; Aleisha Mollen: Yes; Tammy Groshong: Yes; Rinda Howell: Yes; Susan Eagle: Yes. Motion approved unanimously.

ADOPTED THE
ELEMENTARY
SCHOOL REPORT
CARD

Motion to offer Erik Gile a pro-rated extracurricular contract for the position of assistant baseball coach, beginning March 23 through the remainder of the season by Pam McCloskey; seconded by Aleisha Mollen. Poll vote: Aleisha Mollen: Yes; Tammy Groshong: Yes; Rinda Howell: Yes; Pam McCloskey: Yes; Susan Eagle: Yes. Motion approved unanimously.

OFFERED ERIC
GILE, ASSISTANT
BASEBALL COACH
AN EXTRA-
CURRICULAR
CONTRACT

Motion to offer Patrick Mayer a two-year contract, beginning July 1, 2016 as presented by Tammy Groshong, seconded by Aleisha Mollen. Poll vote: Tammy Groshong: Yes; Rinda Howell: No; Pam McCloskey: No; Aleisha Mollen: Yes; Susan Eagle: Yes. Motion approved.

OFFERED PATRICK
MAYER A TWO-
YEAR CONTRACT

Motion to offer contracts to non-tenured teachers for the 2016-2017 school year, as presented by Aleisha Mollen; seconded by Pam McCloskey. Board Member Howell expressed opposition to the motion to offer the contracts as presented and would prefer to vote on them one at a time. Aleisha Mollen retracted her motion.

POSTPONED
INDEFINITELY A
MOTION TO OFFER
NON-TENURED
TEACHERS
CONTRACTS AS
PRESENTED
OFFERED LAURE
BROWNA
TEACHING
CONTRACT

Motion to offer a contract to Laurie Brown for the 2016-2017 school year, as presented by Aleisha Mollen, seconded by Rinda Howell. Poll vote: Pam McCloskey: Yes; Aleisha Mollen: Yes; Tammy Groshong: Yes; Rinda Howell: Yes; Susan Eagle: Yes. Motion approved unanimously.

Motion to offer a contract to Michelle Jenkins for the 2016-2017 school year, as presented by Aleisha Mollen, seconded by Tammy Groshong. Poll vote: Pam McCloskey: Yes; Aleisha Mollen: Yes; Tammy Groshong: Yes; Rinda Howell: Yes; Susan Eagle: Yes. Motion approved unanimously.

OFFERED
MICHELLE JENKINS
A TEACHING
CONTRACT

Motion to offer a contract to Patty Gilbert for the 2016-2017 school year, as presented by Aleisha Mollen, seconded by Pam McCloskey. Poll vote: Aleisha Mollen: Yes; Tammy Groshong: Yes; Rinda Howell: Yes; Pam McCloskey: Yes; Susan Eagle: Yes. Motion approved unanimously.

OFFERED PATTY
GILBERT A
TEACHING
CONTRACT

Motion to offer a contract to Matt Nore for the 2016-2017 school year, as presented by Aleisha Mollen, seconded by Rinda Howell. Poll vote: Aleisha Mollen: Yes; Tammy Groshong: Yes; Rinda Howell: Yes; Pam McCloskey: Yes; Susan Eagle: Yes. Motion approved unanimously.

OFFERED MATT
NORE A TEACHING
CONTRACT

Motion to offer a contract to Jenna Turner for the 2016-2017 school year, as presented by Aleisha Mollen, seconded by Tammy Groshong. Poll vote: Aleisha Mollen: Yes; Tammy Groshong: Yes; Rinda Howell: Yes; Pam McCloskey: Yes; Susan Eagle: Yes. Motion approved unanimously.

OFFERED JENNA
TURNER A
TEACHING
CONTRACT

Motion to offer Matthew Gore a contract for the 2016-2017 school year, at the appropriate placement on the salary schedule, to fulfill the responsibilities of Technology Director by Tammy Groshong, seconded by Pam McCloskey. Poll vote: Aleisha Mollen: Yes; Tammy Groshong: Yes; Rinda Howell: Yes; Pam McCloskey: Yes; Susan Eagle: Yes. Motion approved unanimously.

OFFERED
MATTHEW GORE,
TECHNOLOGY
DIRECTOR A
CONTRACT

Reviewed Board Policy #2123, Evaluation of the Superintendent

REVIEWED
BOARD POLICY

Motion to accept the second reading of board policy #7123, Duties of the Secretary as revised to correct a reference number by Aleisha Mollen, seconded by Tammy Groshong. Poll vote: Tammy Groshong: Yes; Rinda Howell: Yes; Pam McCloskey: Yes; Aleisha Mollen: Yes; Susan Eagle: Yes. Motion approved unanimously.

ACCEPTED THE
SECOND READING
OF BOARD POLICY
7123, DUTIES OF
THE SECRETARY

Reviewed Board Policy:

- BP-7210, Qualification of Members
- BP-7227, Oath or Affirmation
- BP 7231, School Board Technology Usage
- BP 7250, Board Member Compensation and Expenses

REVIEWED
BOARD POLICY

Directed the Administration to revise the policy regarding Board Member Orientation to strengthen the intent.

SENT POLICY
#7230, BOARD
MEMBER
ORIENTATION
BACK TO
ADMIN FOR
REVISION
REVIEWED DATES
& MTG
ANNOUNCEMENT
S

Reviewed the upcoming dates and meeting announcements.

PRESIDENT'S
REMARKS AND
COMMENTS FROM
BOARD MEMBERS

Rinda Howell said that the elementary staff did an excellent job with the report cards.

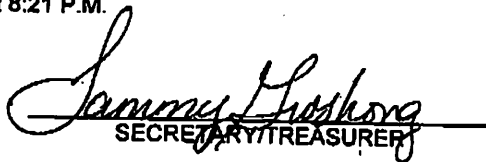
Aleisha Mollen reported that she enjoyed the student exit interviews.

Pam McCloskey also said that she enjoyed the 5th and 8th grade exit interviews.

Susan Eagle said that she also enjoyed the exit interviews and complimented the teachers on the students being so well behaved.

Meeting Adjourned at 8:21 P.M.

ADJOURNED AT 8:21 P.M.


SECRETARY/TREASURER

PROCEEDINGS

**MINUTES
WRANGELL SCHOOL BOARD
SPECIAL MEETING****April 26, 2016, 6:30 PM
Evergreen Elementary School Room 101-Intermediate**

President Susan Eagle called the Special meeting of the Wrangell Public School Board to order at 6:30 PM on Tuesday, April 26, 2016.

CALL TO ORDER

A quorum was determined with the following school board members present: Susan Eagle, Tammy Groshong, Aleisha Mollen and Rinda Howell. Pam McCloskey was absent, excused. Also present was Superintendent Patrick Mayer and Recording Secretary Kimberly Powell.

DETERMINE QUORUM

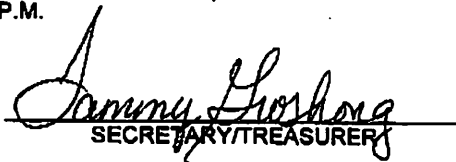
Motion to adopt the 2016-2017 school calendar as presented, for submittal to the Alaska Department of Education by Aleisha Mollen, seconded by Rinda Howell. Motion to amend the original motion to adopt the 2016-2017 school calendar *with changes to collaboration time to Friday afternoons instead of Monday mornings*, for submittal to the Alaska Department of Education by Aleisha Mollen, seconded by Rinda Howell. Poll vote on the amendment: Rinda Howell: Yes; Aleisha Mollen: Yes, Tammy Groshong: Yes; Susan Eagle: No. Motion was amended. Final poll vote: Rinda Howell: Yes; Aleisha Mollen: Yes, Tammy Groshong: Yes; Susan Eagle: No. Motion passed.

**ADOPTED THE 2016-2017
SCHOOL CALENDAR**

Motion to adopt the FY17 budget as presented for submittal to the Borough Assembly by Tammy Groshong; seconded by Aleisha Mollen. Poll vote: Aleisha Mollen: Yes; Tammy Groshong: Yes; Rinda Howell: No; Susan Eagle: Yes. Motion passed.

Meeting Adjourned at 7:22 P.M.

ADJOURNED AT 7:22 P.M.


SECRETARY/TREASURER

MEMORANDUM

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

**FROM: JEFF JABUSCH
BOROUGH MANAGER**

SUBJECT: MANAGER'S REPORT

DATE: June 26, 2016

Manager Activity:

- Negotiations with Alaska Court System are ongoing and trying to resolve differences. There attorney has made some concessions, but other issues still are unresolved. We will continue to try and resolve this.
- Health Care has taken up a lot of time over the last few months. I think what has been chosen for next year was the best option and most predictable. I think our effort to unify what employees pay as their share makes sense as it give everyone a stake in the fight for lower costs.
- Wrangell Institute Master Plan – The borough have had multiple meetings with the consultants on this project, including the possibility of integrating the ANSEP School as part of the plan.
- The Sewer Pump Project is complete. We do have one little issue that we are working on with staff, the engineer and the contractor. Since we don't completely know what is causing the problem it is at this time hard to figure out a solution or blame if in fact there is any.
- We also have been working with Maul Foster & Alongi, who are the consultants looking at the mill property. That report is on the agenda for review and comments. We are not asking for any action until staff and the assembly has a chance to review the document more and have a chance to ask questions.

State Budget / City Budget

Who knows what is going to happen with the state. The only thing remaining that scares us in Wrangell is if they do a state sales tax. They may try and limit communities to 5% and then they add 2% for the state. That would be \$760,000 in lost revenue for Wrangell. That is roughly equivalent to 6 mills of property taxes.

We have the budget workshop on Monday at 6:00 PM, to be followed by a special meeting to adopt the budget.

Website for the Institute Master Plan:

<http://www.wrangell.com/economicdevelopment/wrangell-institute-master-plan-and-subdivision>
<http://wrangell-institute.blogspot.com/2016/03/alternative-master-plans.html>

Mill Feasibility Study:

The consultants will present their final recommendation on June 23rd/24th of June. This is actually a draft for review by staff and assembly.

That project website is: <http://www.wrangell.com/economicdevelopment/waterfront-industrial-property-assessment-and-feasibility-study>

Planning and Zoning

<http://www.wrangell.com/planning/commercial-marijuana-regulations-update-wrangell>

<http://www.wrangell.com/planning/borough-entitlement-lands>

City Projects:

City Dock Work- New float almost completed and then can be installed. Electrical work to be bid soon. Hand railings are completed. All the work on this project was from a state grant.

Street Projects- We hope to have the money to do a couple of major repairs to streets with a paving company in town. This is expected to be done in August. This will be reflected in our upcoming budget. We also would like to seal coat a couple of streets using our seal coat machine. We have a person in town that has done this work and will work with the public works crew in doing some of this work and train our crew and how it is to be done.

Water Line in Marine Center:

The water line has been installed that can support Superior Marine, Steve Keller and Jimmy Pritchett. They just have to hook up for their side of things.

Wood Street is under contract to construct with Rock and Road Construction. We have had our preconstruction meeting with our engineers, Rock and Road and our staff to be sure we are all on the same page so the project goes smoothly. That work should start soon.

Tours in the Marine Service Center- The Port Commission is going to have a workshop to set up guidelines for operating in the yard that will allow a safe environment. In the meantime tours will be allowed to continue. Both tour companies have voluntarily provide certificates of insurance with the city named as an additional insured.

Evergreen Road Project- DOT/PF is beginning the initial steps in property acquisition. We have heard that they have sent letters to residents along the road that have some right of way concern. Once this is complete, they should be ready to advertise for bid. Construction could start this year, but any paving will not be done until 2017.

The Borough has an ordinance that will need to be passed to allow for an encroachment process for allowing shrubs, rock walls and other movable items in the right of way. This is a requirement of the federal money being used on this project.

Agenda Item 9

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM

CLERK'S REPORT June 28, 2016

Mark Your Calendar:

7/4 4th of July!! (City Hall Closed)
7/7 Port Commission mtg. at 7pm in the Assembly Chambers
7/20 Hospital Board mtg. 5:30 pm in the Nolan Center Classroom
7/26 Regular Assembly mtg. at 7pm in the Assembly Chambers



8/25 SEAPA Board Mtg. to be held in Ketchikan, with times TBD

AML Summer Legislative Conference

To be held in Wasilla from August 16-19, 2016.

Assembly Member Rooney will be attending.

Agenda Item 9

CITY & BOROUGH OF WRANGELL

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CLERK'S REPORT June 28, 2016

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AML Summer Legislative Conference

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Assembly Member Rooney will be attending.

Upcoming vacancies that will appear on the Ballot in October:

Mayor: One - (2 year term) (Jack)

Assembly: Two – (3 year terms) (Decker & Blake)

Port Commission: Two – (3 year terms) (Yeager & Silva)

School Board: Two – (3 year terms) (Howell & McCloskey)

Hospital Board: One – (4 year term) (Messmer/Conine/Allen)

Hospital Board: Two - (2 year unexpired terms) (Vacant & White)

With the adoption of Ordinance No. 916, the number of regular elected seats available for the Hospital Board was reduced from three to one. The terms will now be as follows:

2020 one seat

2019 two seats

2018 two seats

2017 two seats

REGULAR ELECTION CALENDAR FOR **OCTOBER 4, 2016**

<u>Date</u>	<u>Task to be completed</u>
___ June 28	Introduce and Ballot Propositions in the form of an <u>Ordinance</u> or Resolution (<u>Approve First Reading</u> or Adoption) – If any
___ July 15	<u>Publish Declaration of Candidacy Notice</u> - <i>Declaration dates: 8/1-8/31/16 as per WMC 2.16.010</i>
___	Select and contact three (3) Election Workers
___ July 22	<u>Publish Notice to City Voters</u> – Qualifications
___	Write letters to those whose terms expire, i.e. Mayor, Assembly, Port Commission, WMC Board, and School Board
___ July 26	Hold Public Hearing for any Ballot Propositions (Approve Second Reading) – If any
___ July 29	Prepare Declaration of Candidacy forms for filing to be ready to distribute on 8/1/15
___ Aug 1	Declaration of Candidacy Filing Begins.
___	Write letters to those whose terms expire on the City Boards and Commissions
___ Aug 19	<u>Publish Public Notice for Absentee Voting</u>
___	<u>Publish Public Notice of Regular Election/ Ballot Proposition(s)</u> <i>up until Election Day</i>
___ Aug 26	<u>Publish Public Notice:</u> City Boards and Commissions
___	<u>Prepare & Publish:</u> Write-in notice
___	Prepare and send Official Ballot, Sample Ballot, and Election Setup Paperwork to Dominion Voting.
___ Aug 31	<u>Last Day</u> to file Declaration of Candidacy

- ___ Sept 1 **First day to submit application** for Absentee Ballot by Mail or Fax
- ___ Sept 2 **Notify KSTK to** announce my phone number for registering to vote **deadline is Sept 4th, 2016.**
- ___ Send letter to Nolan Center confirming use of precinct
- ___ Send letters to Election workers regarding election workshop date (if needed)
- ___ Sept 5 Labor Day – City Hall Closed
- ___ Sept 13 At Assy. Mtg., **adopt Resolution** designating Canvass Board (Rooney, Powell, Mitchell or Prysunka)
- ___ At Assy. Mtg., **approve Special Meeting** to Certify Election for Oct. 10th @ noon!
- ___ **Receipt of memory cards (2) from Dominion Voting**
- ___ **Possession of sample, test, and official ballots. Test ballots first before using!!**
- ___ Sept 16 **Publish Sample Ballot** in newspaper and other conspicuous places.
- ___ Prepare Absentee voting by fax register, and all other absentee voting in person materials
- ___ **Sept 19** **First Day to Absentee Vote in Person, by mail, or by fax (mail out any by-mail ballots to voters)**
- ___ Send memo to Public Works to deliver election equipment to Nolan Center
- ___ Sept 23 **Publish Public Notice for Canvass Board**
- ___ Sept 23 **Publish Public Notice for Special Meeting** to be held on Oct. 12th @ noon pm to Certify Election.
- ___ Sept 30 Train Election Workers @ 1:00 pm (if needed)
- ___ Last Day to file for Write-Ins ((Send notification to Mayor & Assy & media of who (if any) filed))

- ___ Oct 3 Last Day to Absentee Vote in Person
- ___ **Oct 4 ELECTION DAY 8:00 AM TO 8:00 PM at Nolan Center**
- ___ Oct 5 Send Absentee/Questioned Voters Ballot Review to Division of Elections. Follow-up with confirmation and to let them know that the review sheet needs to be returned prior to the meeting of the Canvass Board on 10/6/2016.
- ___ Oct 6 **Canvass Board meets** and tallies absentee, questioned, and possible challenged ballots in council chambers (1:00 pm)
- ___ Oct 10 **Certify Election results and Administer Oath of Office** at **12:00 pm** at Special Assembly meeting.
- ___ Oct 11 Send letters to those voters whose ballots were not counted.

Agenda Items 10 a - c

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM June 28, 2016

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** City Boards and Committee Appointments

Letters for City Boards & Committee Appointments received from:

- Planning & Zoning Commission (unexp until 10-2017)
- Economic Development Committee (unexp. until 10-2018)
- Nolan Museum/Civic Center Board (unexp. until 10-2018)
- Nolan Museum/Civic Center Board (unexp. until 10-2018)
- Nolan Museum/Civic Center Board (unexp. until 10-2016)

There were no letters received for these vacancies.

Recommended Action:

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

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** Appointment to fill the vacancy on the Wrangell Medical Center, Hospital Board, unexpired term, ending October 2016.

There were no letters received for these vacancies.

Recommended Action:

Appointment is to be filled by the Mayor with the consent of the assembly for the vacant seat.

Recommended Action if not approved with the consent of the Assembly:

Motion: Move to appoint _____ to fill the vacancy on the Hospital Board for the unexpired term ending October 2016.

Agenda Item 12a

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM June 28, 2016

INFORMATION:

PROPOSED ORDINANCE No. 918: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 13.05.010, PERMITTED ENCROACHMENTS, OF THE WRANGELL MUNICIPAL CODE (*second reading*)

Attachments:

1. **Proposed Ordinance No. 918**
2. Memo from Carol Rushmore, Economic Development Director
3. Current Permit application

RECOMMENDED ACTION:

Move to adopt Ordinance No. 918.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 918

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 13.05.010, PERMITTED ENCROACHMENTS, OF THE WRANGELL MUNICIPAL CODE

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

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Action. The purpose of this ordinance is to amend Section 13.05.010 of the Wrangell Municipal Code relating to Permitted Encroachments.

SEC. 2. Amendment of Section. Section 13.05.010 of the Wrangell Municipal Code is amended to read:

Section 13.05.010 Permitted encroachments.

A. **[It shall be unlawful for any]** No person, other than an officer or employee of the City and Borough of Wrangell in the course of his or her employment, **[to]** shall make, cause or permit any construction in, on, under or within a borough right-of-way except as provided for in this chapter.

B. Removable, nonpermanent encroachments attached to permanent structures, beautification activity, and aerial encroachments that are not for the purpose of advertising, may be permitted **[only in that portion of the borough right-of-way located on Front Street, specifically, at its origination where it intersects with Stikine Avenue and Federal Way and extending through the downtown commercial district ending at the intersection of Case Avenue and Shakes Street,]** upon approval by the city and borough planning commission. Except as provided for in WMC 13.05.040, persons who currently own, maintain, or wish to modify, alter, or change an existing encroachment located in the borough right-of-way described above, and persons desiring to construct, place, or erect an encroachment in the borough right-of-way, shall apply for an encroachment permit on a form designated by the commission and, except as provided for in WMC 13.05.040, pay an application fee of \$50.00 to the City and Borough of Wrangell.

C. The commission may provide for any such terms and conditions as the commission deems appropriate prior to approving an encroachment permit. In determining to issue or deny a permit, the commission may consider, at a minimum, the following:

1. The collateral impact of the requested encroachment upon other individuals, the city and borough maintenance efforts, and public safety;

2. The overall beneficial or negative impacts on the use of the right-of-way by individuals or the public at large;

3. The need for the land for public construction projects in the foreseeable future;

4. Whether the encroachment can be considered an advertisement, which is specifically not permissible in the right-of-way;

5. The commission may require the applicant to obtain reviews and/or approvals of construction designs or materials from other state or local government agencies.

...

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: June 14, 2016.

PASSED IN SECOND READING: _____, 2016.

David L. Jack, Mayor

ATTEST:

Kim Lane, Borough Clerk

MEMORANDUM

TO: Jeff Jabusch, Borough Manager
Kim Lane, Borough Clerk

FROM: MS. CAROL RUSHMORE
ECONOMIC DEVELOPMENT DIRECTOR

CC: Amber Al-Haddad, Public Works Director

SUBJECT: Proposed changes to Chapter 13.05 Encroachments of the Borough Right-of-way

DATE: May 27, 2016

BACKGROUND:

The State of Alaska is resurfacing Evergreen. Federal Highways is the primary funding source and their regulations require all encroachments must be permitted. Since Evergreen is owned by the City and Borough of Wrangell, it is our responsibility to permit the encroachments or have them removed.

The Borough went through this same process when Front Street was being updated. Chapter 13.05 was developed specifically to assist businesses that had awnings overhang into the Front Street Right-of-Way. Because the code was developed only for Front Street businesses, it needs to be modified to address any encroachments on Evergreen. There are 11 encroachments: of which are landscaping type encroachments (rock wall, fence, plants) and 4 are wooden steps or stairs. We are carefully reviewing the encroachments to insure there are no sight obscuring issues that could create a safety hazard, and access issues for vehicles.

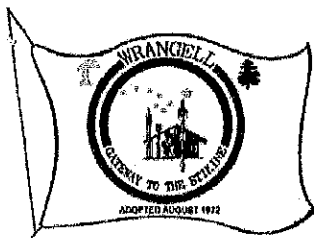
RECOMMENDATION:

Attached are simple suggested changes to the code to allow us to address encroachments throughout the Borough. The State's ROW agent has been very helpful and offered substantial changes to the code and to the permit. At this time, I am suggesting only simple changes to the code and am incorporating some of her suggestions into a new permit form that I am still working on.

Please review and let me know if you have any questions or want to discuss in more detail. Once I get a draft permit together I will submit that for review.

ATTACHMENTS:

1. Initial DRAFT proposed changes to Ch 13.05
2. Current Encroachment Permit Application form



Current

requires P2 approval

CITY AND BOROUGH OF WRANGELL

INCORPORATED MAY 30, 2008

(NOT Assembly approval)

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

12a-3

ENCROACHMENT PERMIT APPLICATION

The adopted Encroachment Policy (WMC 13.05) represents the City & Borough of Wrangell's position with regard to proposed encroachments and the private use of public right-of-way within the corporate limits of the City & Borough of Wrangell, Alaska. In the context of this application, "public right-of-way" refers to all public sidewalks; street and alley right-of-way; and parks, open space, and other properties or lots owned or controlled by the City & Borough of Wrangell.

This Encroachment Permit Application solely covers encroaching on the public right-of-way and by no means exempts applicant from obtaining other permits or licenses as may be required by the City & Borough of Wrangell or other agencies. Advertising signs are not allowed in the right-of-way.

1) GENERAL INFORMATION

Physical Address/Location of Encroachment:			
Lot:	Block:	Subdivision:	Parcel#:
Identifying Description of Right-of-Way being encroached upon:			
Name of Applicant:			Phone:
Mailing Address:			
Name of Property Owner:			Phone:
Mailing Address:			

Type of Permit Requested: ☐ PERMANENT ☐ TEMPORARY for an ☐ EXISTING ☐ NEW Encroachment.

If Temporary, When Will the Encroachment Be Removed? Date: _____

Proposed Use of Right-of-Way:

Size of proposed permitted area:

This permit is subject to the provisions of Wrangell Municipal Code, Chapter 13.05, and the following general and special conditions:

1. **Indemnification:** Per 13.05.050, Permittee shall indemnify, defend and hold harmless the the City and Borough, and its officers, employees, and contractors, from any claim resulting from injury, loss, or damage to any person or personal property resulting from Permittee's use of the permitted area.

2. **Waiver of Claims:** Permittee waives any claim or right of action Permittee may have against the City and Borough in the event of damage to property, and injury to or death of any person in the permitted area that arises because of the design, construction, maintenance, management, or operation of a highway in the right of way containing the permitted area.
3. **Reimbursement of Costs:** Permittee shall reimburse the Borough for all costs and expenses incurred by the Borough, including attorney's fees, in any action brought by the Borough to recover any delinquent fees, or for the breach of any terms or conditions contained in this Permit, or to recover possession of the permitted area.
4. **Non-discrimination:** No person, on the basis of race, religion, color, national origin, age, or sex, shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in that person's use of the permitted area.
5. **Assignment:** Permittee may not assign or transfer this permit.
6. **Revocation:** This Permit is not a property right but a temporary authorization, revocable by the City and Borough. Please see W.M.C. 13.05.020 *- change*
7. **Loss of Business:** The City and Borough is not responsible for loss of business related to the issuance or revocation of this permit.
8. **Cancellation by Permittee:** Permittee may cancel this Permit by providing written notice to the City and Borough at the above address. Permittee is not entitled to a refund of any fees or expenses related to the revocation or cancellation of this Permit.
9. **Abandonment by Permittee:** Upon abandonment by Permittee of the permitted area, Permittee's rights under this Permit will immediately terminate, but Permittee's obligations will survive until fulfilled.

2) PROPERTY OWNER ACKNOWLEDGEMENT

Applicant understands that the City & Borough of Wrangell assumes no responsibility or liability for items encroaching into City & Borough.

Property Owner:

Sign: _____ Print: _____ Date: _____

Please attach a site plan and drawing of the proposed encroachment to this completed application and return it to the City & Borough.

3) APPROVALS

Planning & Zoning:

Sign: _____

Date: _____

Building Official:

Sign: _____

Date: _____

3) ATTACH SITE PLAN of the proposed encroachment, showing, linear, height, and area of the encroachment.

Agenda Item 12b

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM June 28, 2016

INFORMATION:

PROPOSED ORDINANCE No. 919: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROPOSING AN AMENDMENT TO THE HOME RULE CHARTER, REPEALING SECTION 3-10, NOLAN MUSEUM AND CIVIC CENTER
(first reading)

Attachments:

1. Memo from Terri Henson, Nolan Museum Director
2. **Proposed Ordinance No. 919**
3. Wrangell Charter Section 3-10 and WMC Section 3.54

Additional Information: On June 14, 2016, the Assembly voted to have the Clerk draft an ordinance that repealed WMC Section 3.54. Since there is a provision in our Charter that state that there “shall” be a board established to operate the museum, the next step would be to adopt an ordinance that would be added to the October ballot to amend the Charter. If this ordinance (proposition) passes by a majority of votes in October, the Assembly will then consider at a meeting to repeal WMC Section 3.54.

RECOMMENDED ACTION:

Move to approve first reading of Ordinance No. 919 and move to Second, with a Public hearing on July 26, 2016.



May 25, 2016

Honorable Mayor & members of the Borough Assembly,

Over the past few years it has been increasingly hard to get a quorum to hold the quarterly Nolan Board meetings. About 7 years ago we reduced the number of board members to 7 so it would make it easier to establish the number needed. As with all boards we've had a continuing problem getting enough people to fill the seats and have had to cancel / postpone meetings on a regular basis due to the lack quorum. At this time 4 of the 7 seats are vacant. One member is working a job out of town, one member isn't available in the summer months. There is a cost associated with planning meetings, advertising, paying for the secretary and setting up. Most of the time the meeting cannot take place. And a couple of years ago we went almost a year with no meeting.

The Nolan board is an advisory board and as such the meetings have consisted of giving the same report submitted to the City Manager and the Friends. We've had more involvement with the friends this past couple of years and we have the ability to ask them to form special committees if needed.

Because of the information above, I would request that the Borough Assembly consider passing an Ordinance that would repeal WMC Section 3.54 James and Elsie Nolan Museum and Civic Center Board.

Thank you,

Terri Henson, Civic Center Director

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 919

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROPOSING AN AMENDMENT TO THE HOME RULE CHARTER, REPEALING SECTION 3-10, NOLAN MUSEUM AND CIVIC CENTER

WHEREAS, Section 3-10 of the Home Rule Charter of the City and Borough of Wrangell provides that the Nolan Museum and Civic Center shall be operated by a board established by ordinance and appointed by the Assembly; and

WHEREAS, Chapter 3.54 of the Wrangell Municipal Code established the James and Elsie Nolan Museum and Civic Center Board (Nolan Board) to advise the Assembly and Borough staff on the use and development of the museum and civic center; and

WHEREAS, in 2009 the Assembly adopted Ordinance No. 840 to reduce the membership of the Nolan Board from eleven to seven in order to make establishing a quorum easier; and

WHEREAS, the Nolan Board is an advisory board that provides the same functions for the Nolan Center as the Friends of the Wrangell Museum, Inc., a charitable and educational nonprofit corporation formed under the laws of the State of Alaska and operated by a seven member board of directors; and

WHEREAS, the Nolan Center staff has the ability to ask the Friends of the Wrangell Museum to form a special committee to consider and advise on particular issues concerning operation and use of the Nolan Center, if necessary; and

WHEREAS, there have been three vacant seats on the Nolan Board since October 2015; and

WHEREAS, the expense to the Borough of scheduling the meetings and paying for a secretary for the Nolan Board is not cost effective; and

WHEREAS, after reviewing this matter, the Assembly voted on June 14, 2016, to repeal Chapter 3.54 of the Wrangell Municipal Code, James and Elsie Nolan Museum and Civic Center Board; and

WHEREAS, in order to implement that action, the Assembly is proposing this amendment to the Charter repealing Section 3-10;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND

BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing Home Rule Charter are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Classification. This ordinance is of a permanent nature and, if approved by a majority of the qualified voters voting on the proposition set forth in Section 4, shall become a part of the Home Rule Charter of the City and Borough of Wrangell, Alaska.

SEC. 2. Charter Amendment. The purpose of this ordinance is to repeal Section 3-10, Nolan Museum and Civic Center, of the Wrangell Home Rule Charter, as follows:

Section 3-10 Repealed [Nolan Museum and Civic Center.]

[The borough-operated James and Elsie Nolan Museum and Civic Center shall be operated by a board established by ordinance and appointed by the assembly.]

SEC. 3. Submission of Question to the Voters. An amendment to repeal Section 3-10 of the Home Rule Charter of the City and Borough of Wrangell, Alaska, shall be submitted to the voters of the City and Borough of Wrangell at the next regular borough election. The Borough Clerk shall prepare the proposition and perform all necessary steps in accordance with law to submit this proposition to the qualified voters of the Borough for approval or rejection at the next regular borough election, to be held October 4, 2016.

SEC. 4. Proposition. The proposition shall read substantially as follows:

PROPOSITION 1

Explanation

Section 3-10 of the Home Rule Charter provides that the Nolan Museum and Civic Center shall be operated by a board established by ordinance and appointed by the Assembly. The Assembly has determined that the Nolan Board, established by ordinance as an advisory board, is no longer necessary or cost effective as its function is provided by the Friends of the Wrangell Museum. The Assembly therefore adopted Ordinance No. 919 proposing an amendment to the Charter to repeal Section 3-10.

CHARTER AMENDMENT

Shall the Home Rule Charter of the City and Borough of Wrangell be amended to repeal Section 3-10, Nolan Museum and Civic Center, as set forth in Ordinance No. 919?

YES (oval)

NO (oval)

SEC. 5. Effective Date. (a) The Charter amendment proposed in Section 2 of this ordinance shall become effective on the day following the date the election results are certified for the regular municipal election held on October 4, 2016, if approved by a majority of the qualified voters voting on the proposition set forth in Section 4.

(b) Sections 3 and 4 of this ordinance authorizing the submission of the proposition to the qualified voters of the City and Borough shall become effective upon adoption.

PASSED IN FIRST READING: _____, 2016.

PASSED IN SECOND READING: _____, 2016.

David L. Jack, Mayor

ATTEST:

Kim Lane, Borough Clerk

Wrangell Charter Section 3-10

Section 3-10 Nolan Museum and Civic Center.

The borough-operated James and Elsie Nolan Museum and Civic Center shall be operated by a board established by ordinance and appointed by the assembly.

Chapter 3.54

JAMES AND ELSIE NOLAN MUSEUM AND CIVIC CENTER BOARD

Sections:

- 3.54.010 Established – Membership – Organization.
3.54.020 Powers and duties.

3.54.010 Established – Membership – Organization.

A. There shall be a James and Elsie Nolan Museum and Civic Center board which shall consist of seven members appointed by the mayor with the approval of the assembly for overlapping three-year terms. All members of the board shall be residents of the city and borough. The members shall be appointed as set forth below:

1. The present membership of the board is hereby confirmed. The terms of the members shall begin on October 1st, with three members to be appointed in the first year, and two members in each of two successive years and in like manner thereafter. A member may be removed by the mayor with approval of the assembly for the good of the service. Vacancies shall be filled for the unexpired terms. Members shall serve without compensation.

B. The board shall hold regular meetings at least once each calendar quarter at such times as its chair may determine. The chair shall give each member at least 48 hours' prior written or oral notice of the date, time and place of each meeting.

C. The board shall give reasonable public notice of its meetings, its meetings shall be open to the public, and reasonable opportunity shall be provided for the public to be heard at each meeting.

D. Four members of the board shall constitute a quorum for the transaction of business. Actions of the board are taken by the vote of a majority of the members duly present at a meeting of the board duly held at which a quorum is present. The board shall keep minutes of its proceedings and records of its official actions.

E. Any member who misses more than two regular meetings in a consecutive 12-month period without being excused by the board shall automatically forfeit membership on the board.

F. The board shall annually elect from among its members a chair, vice chair and secretary-treasurer.

G. Board members shall conduct their activities in such a way that no conflict of interest arises between their other interests and the policies, interests and operation of the museum and civic center.

H. The board may establish its own rules, regulations and policies consistent with this chapter and subject to the approval of the assembly. [Ord. 840 §§ 1, 2, 2009; Ord. 835 § 1, 2009; Ord. 759 § 1, 2004.]

3.54.020 Powers and duties.

The powers and duties of the board shall be as follows:

A. Receive, consider and evaluate public opinions and recommendations regarding the staffing, equipping and managing of the museum and civic center and regarding the care and maintenance of the museum collection;

B. Advise the curator, civic center manager, borough manager and borough assembly on planning and implementation of programs dealing with the use and development of the museum and civic center and the museum collection;

C. Review and make recommendations to the assembly regarding the museum and civic center budget;

D. Strive to create public interest in and public support for the programs and activities of the museum and civic center. [Ord. 759 § 1, 2004.]

Agenda Item 13a

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM June 28, 2016

INFORMATION:

PROPOSED RESOLUTION No. 06-16-1344: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, SUPPORTING THE ALASKA NATIVE SCIENCE & ENGINEERING PROGRAM IN THEIR EFFORTS TO BUILD AND OPERATE AN ACCELERATED HIGH SCHOOL THROUGH AND AS PART OF THE WRANGELL PUBLIC SCHOOL DISTRICT IN WRANGELL, ALASKA

Attachments:

1. Memo from Manager Jabusch
2. **PROPOSED RESOLUTION No. 06-16-1344**
3. ANSEP information

RECOMMENDED ACTION:

Move to adopt Resolution No. 06-16-1344, supporting ANSEP and their desire to build and run a school in Wrangell, Alaska.

CITY AND BOROUGH OF WRANGELL

RESOLUTION No. 06-16-1344

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, SUPPORTING THE ALASKA NATIVE SCIENCE & ENGINEERING PROGRAM IN THEIR EFFORTS TO BUILD AND OPERATE AN ACCELERATED HIGH SCHOOL THROUGH AND AS PART OF THE WRANGELL PUBLIC SCHOOL DISTRICT IN WRANGELL, ALASKA

Whereas, The Alaska Native Science & Engineering Program (ANSEP) is currently a successful academic program founded by Dr. Herb Schroeder, and

Whereas, Dr. Schroeder would like to build and operate an accelerated high school in Wrangell that would house approximately 400 students plus faculty and other staff, and

Whereas, Students in under-served areas of rural Alaska would benefit from access to a rigorous education program with a focus on college and career readiness, and

Whereas, The goal of Dr. Schroeder is to provide educational opportunities for mainly rural Alaskan youth through an accelerated high school that will prepare them academically for a successful college experience, and

Whereas, The City and Borough of Wrangell has set aside land for this project as part of the development plan for the old Wrangell Institute Site, and

Whereas, The City and Borough of Wrangell understands that there are many hurdles and questions that still remain as this process moves forward to a successful conclusion, and

Whereas, The construction and operation of the ANSEP school in Wrangell would provide diversity and growth to the Wrangell economy, and

Whereas, The City and Borough of Wrangell believes that there should be a local committee that shall meet at least quarterly to track progress, address concerns and questions and would include at a minimum, the Borough Manager, the School Superintendent, and a member of the Wrangell Cooperative Association (WCA), with the option to include one member from each of the following: Borough Assembly, borough staff, a member of the business community or the Wrangell Chamber of Commerce, School Board, and/or school staff., and

NOW, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND

BOROUGH OF WRANGELL, ALASKA that the following actions take place concerning the ANSEP program proposed;

- Support Dr. Herb Schroeder and ANSEP in moving forward with the idea of building and operating a four hundred bed accelerated high school in Wrangell to be located at the old Wrangell Institute Site.
- Form a small committee that shall meet at least quarterly and also as needed with members that would include at a minimum the borough manager, school superintendent and a member of WCA with options to include someone from the Business Community, the Chamber of Commerce, School Board, school staff and the Borough Assembly or borough staff.
- The School Superintendent would be the committee chairman and the point person for the committee and the borough manager the co-chairman, working closely with the School Superintendent.
- That the Borough Assembly receive periodic reports from the committee on the progress and events concerning ANSEP and be notified when key actions and decisions are being made during the process.
- That the Borough Assembly reserves the right to be involved in all major decisions concerning those actions that could have impacts on the City and Borough of Wrangell.

ADOPTED: _____, 2016

David L. Jack, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

MEMORANDUM

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

**FROM: JEFF JABUSCH
BOROUGH MANAGER**

SUBJECT: ALASKA NATIVE SCIENCE & ENGINEERING PROGRAM (ANSEP)

DATE: June 23, 2016

Background:

Patrick Mayer, our school superintendent, earlier this year was introduced to a Dr. Herb Schroeder. During that conversation Mr. Mayer learned more about ANSEP and the things they were doing in education, including their successes. Mr. Mayer also learned that Dr. Schroeder wanted to be able to expand their current program by building an accelerated high school that would allow students from rural Alaska to be given an opportunity for a high level education and to prepare them for college. The current program is only operated in the summer months at the University of Alaska campus in Anchorage for ages sixth grade through high school.

At that same time, Mr. Mayer had been attending the Wrangell Institute land planning meetings being done by the City and Borough of Wrangell's consultant. From those meetings, Mr. Mayer saw that one of the components that was endorsed by the community was an area for some kind of education facility. Those discussion went further and Dr. Schroeder visited Wrangell on two occasions and felt Wrangell was the location that would work for what they wanted to accomplish.

I believe it is now the time that we need to make the commitment to ANSEP and Dr. Schroeder. This commitment needs to also come from the school, Wrangell Cooperative Association and the community in general. Do we have all the answers, no. However, the impact to education and Wrangell economics, in my opinion, make it worthwhile to make this initial step. At this initial step of support, it basically gives Dr. Schroeder the backing to begin fund raising. Without this, the project is dead.

I believe the resolution gives Dr. Schroeder the support he needs to move forward, but allows us the ability to make key decisions in the future concerning funding, ownership, governance and other key issues that will come up. It also will establish a committee so that there is a central group that will listen to comments and take questions so that the answers and issues that are likely to come up can be received and responded to from a central source.

Also, I don't know if I covered everything the assembly would like to have included in the resolution so I would encourage suggestions from the assembly any changes to the resolution that would give them and the community more comfort.

Recommended Action:

Move to approve resolution 06-16-1344 supporting ANSEP and their desire to build and run a school in Wrangell, Alaska.



ANSEP ALASKA NATIVE SCIENCE & ENGINEERING PROGRAM

Acceleration High School

Prepared by ANSEP Faculty & Staff



Acceleration High School

Table of Contents

- Executive Summary
- Opportunities For Students
 - Description
 - BA Elementary Education track
 - BBA Business Management track
 - BS Psychology track
 - BA Liberal Studies
 - BS Biological Science track
 - BS Engineering track
 - UAA GER Requirements
- Cost Savings
- ANSEP Performance Data



Acceleration High School Executive Summary

This document explains how the concept of an ANSEP Acceleration High School can work to:

- support students of all career interests,
- dramatically improve college readiness,
- produce high school graduates with up to a year of college credits earned for elementary education, business management, psychology, liberal studies, science, engineering, and others,
- reduce the time to degree for college students,
- save families a year or more in college costs,
- save scholarship donors a year or more in student funding,
- save the state many millions of dollars in General Fund,
- and increase the economic opportunities for thousands of Alaskans.

The University of Alaska campuses have struggled with chronic remediation of incoming students for many years. These students do not have acceptable persistence rates in the system. In 2014 nearly 47% of incoming students took at least one remedial course. College readiness persists beyond remediation because BA and BS degree programs require additional math classes beyond what is considered remedial before students can take courses that earn credit toward their degree.

The Alaska Native Science & Engineering Program (ANSEP) started the Acceleration Academy in 2009 to help rectify this problem. In the Acceleration Academy, high school students as young as newly graduated eighth graders come on to the UAA campus for five weeks each summer and take university classes from university faculty for high school and university credit. Ninety five percent of all students who have participated advance at least one level in math or science each summer.

Students who participate in the Acceleration Academy multiple years are beginning to graduate from high school early with a year or more of credits completed.



Opportunities for Students

Because students will begin taking college courses the moment they begin high school, they all have the ability to accumulate college credits that apply towards many degree programs at the university. The pages in this section map out course schedule options as they relate to a variety of bachelor degree graduation requirements at the University of Alaska Anchorage. These course options assure students will be academically college-ready by the end of year three, while an optional fourth year would allow students to earn even more college credits.



BA Elementary Ed. Course Track

	MATHEMATICS	SCIENCES	LANGUAGE ARTS	SOCIAL SCIENCE	ELECTIVES ¹
Year 1	Elementary Algebra MATH A055 3 cr (UA) – 1 cr (HS)		Reading Strategies PRPE A076 3 cr (UA) – 1 cr (HS)	AK Native Lang. I AKNS A101 3 cr (UA) – 1 cr (HS)	
	Geometry 1 cr (HS)		Writing Strategies PRPE A086 3 cr (UA) – 1 cr (HS)	AK Native Lang. II AKNS A102 3 cr (UA) – 1 cr (HS)	
Year 2	Intermediate Algebra MATH A105 3 cr (UA) – 1 cr (HS)	Contemp. Chemistry CHEM A055 w/ Lab 3 cr (UA) – 1 cr (HS)	Intro-College Reading PRPE A107 3 cr (UA) – 1 cr (HS)	US History I HIST A131 3 cr (UA) – 1 cr (HS)	
	College Algebra MATH A151 4 cr (UA) – 1 cr (HS)	General Chemistry I CHEM A105 w/ Lab 4 cr (UA) – 1 cr (HS)	Intro-College Writing PRPE A108 3 cr (UA) – 1 cr (HS)	US History II HIST A132 3 cr (UA) – 1 cr (HS)	
Year 3	App. Stat. for Science STAT A253 4 cr (UA) – 1 cr (HS)	General Chemistry II CHEM A106 w/ Lab 4 cr (UA) – 1 cr (HS)	Intro-Composition ENGL A111 3 cr (UA) – 1 cr (HS)	Alaska History HIST A341 3 cr (UA) – 1 cr (HS)	
		Introductory Biology BIOL A102 w/ Lab 4 cr (UA) – 1 cr (HS)	Technical Writing ENGL A212 3 cr (UA) – 1 cr (HS)	Intro-American Gov't PS A101 3 cr (UA) – 1 cr (HS)	
Year 4 (Optional)			Fund. Oral Comm. COMM A111 3 cr (UA) – 1 cr (HS)	Intro-Behavioral Econ. ECON A123 3 cr (UA) – 1 cr (HS)	

Exceeds Alaska High School Graduation Requirements.

¹Electives include PE/Health, Recitations, & Career Exploration Activities.

44 credits towards bachelors degree program graduation requirements.



BBA Management Course Track

	MATHEMATICS	SCIENCES	LANGUAGE ARTS	SOCIAL SCIENCE	ELECTIVES ¹
Year 1	Elementary Algebra MATH A055 3 cr (UA) – 1 cr (HS)		Reading Strategies PRPE A076 3 cr (UA) – 1 cr (HS)	AK Native Lang. I AKNS A101 3 cr (UA) – 1 cr (HS)	
	Geometry 1 cr (HS)		Writing Strategies PRPE A086 3 cr (UA) – 1 cr (HS)	AK Native Lang. II AKNS A102 3 cr (UA) – 1 cr (HS)	
Year 2	Intermediate Algebra MATH A105 3 cr (UA) – 1 cr (HS)	Contemp. Chemistry CHEM A055 w/ Lab 3 cr (UA) – 1 cr (HS)	Intro-College Reading PRPE A107 3 cr (UA) – 1 cr (HS)	US History I HIST A131 3 cr (UA) – 1 cr (HS)	
	College Algebra MATH A151 4 cr (UA) – 1 cr (HS)	General Chemistry I CHEM A105 w/ Lab 4 cr (UA) – 1 cr (HS)	Intro-College Writing PRPE A108 3 cr (UA) – 1 cr (HS)	US History II HIST A132 3 cr (UA) – 1 cr (HS)	
Year 3	Trigonometry MATH A152 3 cr (UA) – 1 cr (HS)	General Chemistry II CHEM A106 3 cr (UA) – 1 cr (HS)	Intro-Composition ENGL A111 3 cr (UA) – 1 cr (HS)	Alaska History HIST A341 3 cr (UA) – 1 cr (HS)	
	Calculus I MATH A251 4 cr (UA) – 1 cr (HS)		Technical Writing ENGL A212 3 cr (UA) – 1 cr (HS)	Intro-American Gov't PS A101 3 cr (UA) – 1 cr (HS)	
Year 4 (Optional)			Fund. Oral Comm. COMM A111 3 cr (UA) – 1 cr (HS)	Intro-Behavioral Econ. ECON A123 3 cr (UA) – 1 cr (HS)	

Exceeds Alaska High School Graduation Requirements.

¹Electives include PE/Health, Recitations, & Career Exploration Activities.

42 credits towards bachelors degree program graduation requirements.



BS Psychology Course Track

	MATHEMATICS	SCIENCES	LANGUAGE ARTS	SOCIAL SCIENCE	ELECTIVES ¹
Year 1	Elementary Algebra MATH A055 3 cr (UA) – 1 cr (HS)		Reading Strategies PRPE A076 3 cr (UA) – 1 cr (HS)	AK Native Lang. I AKNS A101 3 cr (UA) – 1 cr (HS)	
	Geometry 1 cr (HS)		Writing Strategies PRPE A086 3 cr (UA) – 1 cr (HS)	AK Native Lang. II AKNS A102 3 cr (UA) – 1 cr (HS)	
Year 2	Intermediate Algebra MATH A105 3 cr (UA) – 1 cr (HS)	Contemp. Chemistry CHEM A055 w/ Lab 3 cr (UA) – 1 cr (HS)	Intro-College Reading PRPE A107 3 cr (UA) – 1 cr (HS)	US History I HIST A131 3 cr (UA) – 1 cr (HS)	
	College Algebra MATH A151 4 cr (UA) – 1 cr (HS)	General Chemistry I CHEM A105 w/ Lab 4 cr (UA) – 1 cr (HS)	Intro-College Writing PRPE A108 3 cr (UA) – 1 cr (HS)	US History II HIST A132 3 cr (UA) – 1 cr (HS)	
Year 3	Trigonometry MATH A152 3 cr (UA) – 1 cr (HS)	General Chemistry II CHEM A106 w/ Lab 4 cr (UA) – 1 cr (HS)	Intro-Composition ENGL A111 3 cr (UA) – 1 cr (HS)	Alaska History HIST A341 3 cr (UA) – 1 cr (HS)	
	Calculus I MATH A251 4 cr (UA) – 1 cr (HS)	Basic Physics I PHYS A123 w/ Lab 4 cr (UA) – 1 cr (HS)	Technical Writing ENGL A212 3 cr (UA) – 1 cr (HS)	Intro-American Gov't PS A101 3 cr (UA) – 1 cr (HS)	
Year 4 (Optional)	App. Stat. for Science STAT A253 4 cr (UA) – 1 cr (HS)	Basic Physics II PHYS A124 w/ Lab 4 cr (UA) – 1 cr (HS)	Fund. Oral Comm. COMM A111 3 cr (UA) – 1 cr (HS)	Intro-Behavioral Econ. ECON A123 3 cr (UA) – 1 cr (HS)	

Exceeds Alaska High School Graduation Requirements.

¹Electives include PE/Health, Recitations, & Career Exploration Activities.

45 credits towards bachelors degree program graduation requirements.



Liberal Studies Course Track

	MATHEMATICS	SCIENCES	LANGUAGE ARTS	SOCIAL SCIENCE	ELECTIVES ¹
Year 1	Elementary Algebra MATH A055 3 cr (UA) – 1 cr (HS)		Reading Strategies PRPE A076 3 cr (UA) – 1 cr (HS)	AK Native Lang. I AKNS A101 3 cr (UA) – 1 cr (HS)	
	Geometry 1 cr (HS)		Writing Strategies PRPE A086 3 cr (UA) – 1 cr (HS)	AK Native Lang. II AKNS A102 3 cr (UA) – 1 cr (HS)	
Year 2	Intermediate Algebra MATH A105 3 cr (UA) – 1 cr (HS)	Contemp. Chemistry CHEM A055 w/ Lab 3 cr (UA) – 1 cr (HS)	Intro-College Reading PRPE A107 3 cr (UA) – 1 cr (HS)	US History I HIST A131 3 cr (UA) – 1 cr (HS)	
	College Algebra MATH A151 4 cr (UA) – 1 cr (HS)	General Chemistry I CHEM A105 w/ Lab 4 cr (UA) – 1 cr (HS)	Intro-College Writing PRPE A108 3 cr (UA) – 1 cr (HS)	US History II HIST A132 3 cr (UA) – 1 cr (HS)	
Year 3	App. Stat. for Science STAT A253 4 cr (UA) – 1 cr (HS)	General Chemistry II CHEM A106 w/ Lab 4 cr (UA) – 1 cr (HS)	Intro-Composition ENGL A111 3 cr (UA) – 1 cr (HS)	Alaska History HIST A341 3 cr (UA) – 1 cr (HS)	
		Introductory Biology BIOL A102 w/ Lab 4 cr (UA) – 1 cr (HS)	Fund. Oral Comm. COMM A111 3 cr (UA) – 1 cr (HS)	Intro-American Gov't PS A101 3 cr (UA) – 1 cr (HS)	
Year 4 (Optional)				Intro-Behavioral Econ. ECON A123 3 cr (UA) – 1 cr (HS)	

Exceeds Alaska High School Graduation Requirements.

¹Electives include PE/Health, Recitations, & Career Exploration Activities.

35 credits towards bachelors degree program graduation requirements.



Biological Science Course Track

	MATHEMATICS	SCIENCES	LANGUAGE ARTS	SOCIAL SCIENCE	ELECTIVES ¹
Year 1	Elementary Algebra MATH A055 3 cr (UA) – 1 cr (HS)		Reading Strategies PRPE A076 3 cr (UA) – 1 cr (HS)	AK Native Lang. I AKNS A101 3 cr (UA) – 1 cr (HS)	
	Geometry 1 cr (HS)		Writing Strategies PRPE A086 3 cr (UA) – 1 cr (HS)	AK Native Lang. II AKNS A102 3 cr (UA) – 1 cr (HS)	
Year 2	Intermediate Algebra MATH A105 3 cr (UA) – 1 cr (HS)	Contemp. Chemistry CHEM A055 w/ Lab 3 cr (UA) – 1 cr (HS)	Intro-College Reading PRPE A107 3 cr (UA) – 1 cr (HS)	US History I HIST A131 3 cr (UA) – 1 cr (HS)	
	College Algebra MATH A151 4 cr (UA) – 1 cr (HS)	General Chemistry I CHEM A105 w/ Lab 4 cr (UA) – 1 cr (HS)	Intro-College Writing PRPE A108 3 cr (UA) – 1 cr (HS)	US History II HIST A132 3 cr (UA) – 1 cr (HS)	
Year 3	Trigonometry MATH A152 3 cr (UA) – 1 cr (HS)	General Chemistry II CHEM A106 w/ Lab 4 cr (UA) – 1 cr (HS)	Intro-Composition ENGL A111 3 cr (UA) – 1 cr (HS)	Alaska History HIST A341 3 cr (UA) – 1 cr (HS)	
	Calculus I MATH A251 4 cr (UA) – 1 cr (HS)	Basic Physics I PHYS A123 w/ Lab 4 cr (UA) – 1 cr (HS)	Technical Writing ENGL A212 3 cr (UA) – 1 cr (HS)	Intro-American Gov't PS A101 3 cr (UA) – 1 cr (HS)	
Year 4 (Optional)	Calculus II MATH A252 4 cr (UA) – 1 cr (HS)	Basic Physics II PHYS A124 w/ Lab 4 cr (UA) – 1 cr (HS)	Fund. Oral Comm. COMM A111 3 cr (UA) – 1 cr (HS)	Intro-Behavioral Econ. ECON A123 3 cr (UA) – 1 cr (HS)	
	App. Stat. for Science STAT A253 4 cr (UA) – 1 cr (HS)	Principles of Biology BIOL A108 w/ Lab 6 cr (UA) – 1 cr (HS)			

Exceeds Alaska High School Graduation Requirements.

¹Electives include PE/Health, Recitations, & Career Exploration Activities.

55 credits towards bachelors degree program graduation requirements.



Civil Engineering Course Track

	MATHEMATICS	SCIENCES	LANGUAGE ARTS	SOCIAL SCIENCE	ELECTIVES ¹
Year 1	Elementary Algebra MATH A055 3 cr (UA) – 1 cr (HS)		Reading Strategies PRPE A076 3 cr (UA) – 1 cr (HS)	AK Native Lang. I AKNS A101 3 cr (UA) – 1 cr (HS)	
	Geometry 1 cr (HS)		Writing Strategies PRPE A086 3 cr (UA) – 1 cr (HS)	AK Native Lang. II AKNS A102 3 cr (UA) – 1 cr (HS)	
Year 2	Intermediate Algebra MATH A105 3 cr (UA) – 1 cr (HS)	Contemp. Chemistry CHEM A055 w/ Lab 3 cr (UA) – 1 cr (HS)	Intro-College Reading PRPE A107 3 cr (UA) – 1 cr (HS)	US History I HIST A131 3 cr (UA) – 1 cr (HS)	
	College Algebra MATH A151 4 cr (UA) – 1 cr (HS)	General Chemistry I CHEM A105 w/ Lab 4 cr (UA) – 1 cr (HS)	Intro-College Writing PRPE A108 3 cr (UA) – 1 cr (HS)	US History II HIST A132 3 cr (UA) – 1 cr (HS)	
Year 3	Trigonometry MATH A152 3 cr (UA) – 1 cr (HS)	General Chemistry II CHEM A106 w/ Lab 4 cr (UA) – 1 cr (HS)	Intro-Composition ENGL A111 3 cr (UA) – 1 cr (HS)	Alaska History HIST A341 3 cr (UA) – 1 cr (HS)	
	Calculus I MATH A251 4 cr (UA) – 1 cr (HS)	College Physics PHYS A130 3 cr (UA) – 1 cr (HS)	Technical Writing ENGL A212 3 cr (UA) – 1 cr (HS)	Intro-American Gov't PS A101 3 cr (UA) – 1 cr (HS)	
Year 4 (Optional)	Calculus II MATH A252 4 cr (UA) – 1 cr (HS)	General Physics I PHYS A211 w/ Lab 4 cr (UA) – 1 cr (HS)	Fund. Oral Comm. COMM A111 3 cr (UA) – 1 cr (HS)	Intro-Behavioral Econ. ECON A123 3 cr (UA) – 1 cr (HS)	
	Calculus III MATH A253 4 cr (UA) – 1 cr (HS)	General Physics II PHYS A212 w/ Lab 4 cr (UA) – 1 cr (HS)			

Exceeds Alaska High School Graduation Requirements.

¹Electives include PE/Health, Recitations, & Career Exploration Activities.

49 credits towards bachelors degree program graduation requirements.



Acceleration High School Cost Savings For Families



40+
University Credits
by HS Graduation
Applied Towards

- BBA Management
- BA Elementary Ed.
- BS Psychology
- BS Biological Sciences
- BS Engineering

Estimated Cost of Attendance at UAA³



\$3 Million

Total annual savings for families in college attendance costs
by graduating 125 students annually

³Based on UAA's 2016/2017 estimated costs of attendance (<https://www.uaa.alaska.edu/financialaid/cost-of-attendance.cfm>)



Acceleration High School Cost Savings For The State



40+

University Credits
by HS Graduation
Applied Towards

BBA Management

BA Elementary Ed.

BS Psychology

BS Biological Sciences

BS Engineering

State of Alaska
General Fund Cost
Per Student to
Graduate from HS¹



■ Comparable HS ■ Acceleration HS

State of Alaska
General Fund Cost
Per Student for
the University of
Alaska²



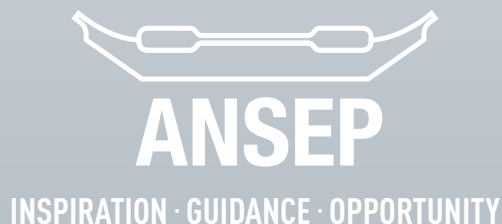
■ Comparable HS ■ Acceleration HS

\$5.9 Million

Annual savings to the State of Alaska
By serving 400 students each year

¹ State of Alaska FY2016 Governor Amended Operating Budget

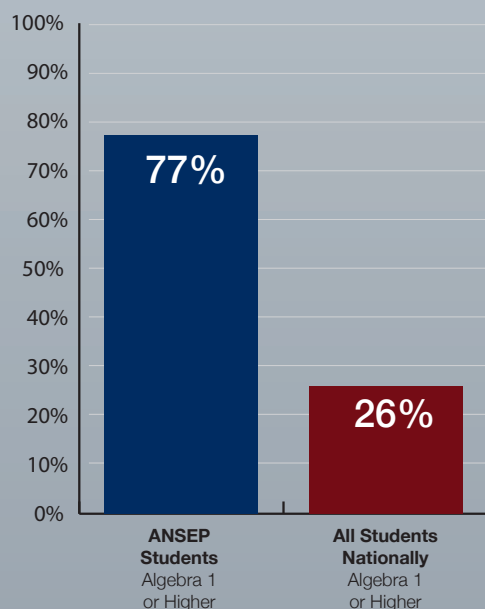
² UA in Review 2014 tables, 2014 Yellow Book, and UA Statewide Institutional Research DSD



ANSEP

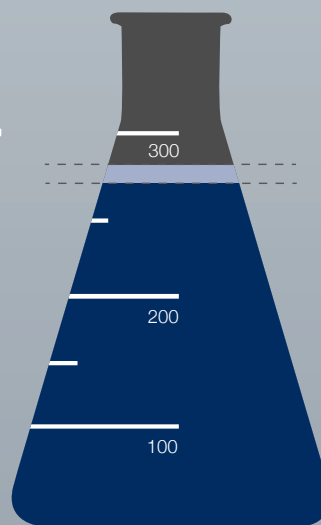
INSPIRATION · GUIDANCE · OPPORTUNITY

MIDDLE SCHOOL ACADEMY / 8TH GRADE MATH COMPLETION



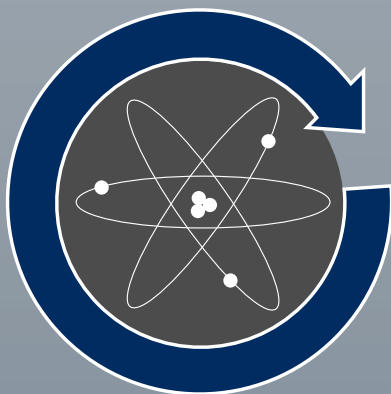
SUMMER BRIDGE

277 participants



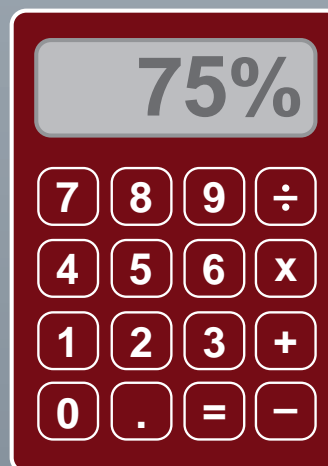
95% continued on to engineering or science BS degree programs

HIGH SCHOOL ACCELERATION ACADEMY



95% of students advanced 1 level or more in math or science each summer

UNIVERSITY SUCCESS



enrolled in BS degrees since 2010 have graduated or are still enrolled

ANSEP has evolved into a longitudinal education model that provides a continuous string of components beginning with students in sixth grade and on through high school, into science and engineering undergraduate degree programs and through graduate school to the PhD.

Students who start in ANSEP in middle school or early in high school can earn the full Alaska Performance Scholarship regardless of where they live.



Agenda Item 13b

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM June 28, 2016

INFORMATION:

PROPOSED RESOLUTION No. 06-16-1345: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING PERSONNEL POLICY SECTION 312, HEALTH INSURANCE

Attachments:

1. Memo from Lee Burgess, Finance Director
2. **PROPOSED RESOLUTION No. 06-16-1345**

RECOMMENDED ACTION:

Move to adopt Resolution No. 06-16-1345, to amend the Borough Personnel Policy, Section 312, Health Insurance.

MEMORANDUM

To: Mayor David Jack and Assembly
From: Lee Burgess, Finance Director
Subject: Resolution to Change Personnel Policy Section 312, Health Insurance
Date: June 22, 2016

Background:

In light of approximate 20% increases to the cost of employee health insurance in FY 2017, management has explored strategies for reducing or controlling the cost to taxpayers while maintaining the benefit to employees. We reviewed eight different quotes from Premiera BCBS for different plan designs, considered several other strategies outside of Premiera BCBS, and ultimately chose to renew the plan the Borough had during the 2014 and 2015 fiscal years, as it provides the same level of benefits to which employees are accustomed at a “least-worst” cost increase over the current year. Management will continue to gather information and explore the viability of alternative forms of health insurance but, currently, there appears to be no alternative plan available that would result in significant current year savings to the Borough without significantly reducing the level of coverage.

Management then explored whether there could be ways to lessen the cost and risk of future increases to taxpayers by restructuring the benefits as currently offered in the Borough’s Personnel Policy, but without causing a drastic decrease in benefits or increase in cost in general to employees.

Prior to the 2010 fiscal year, the Borough paid 100% of all premiums for all eligible employees, spouses and dependents. The rapidly rising costs quickly made this no longer financially sustainable, so, starting July 1, 2009, the Borough began paying 70% of employees’ spouses’ premiums instead of 100%, and for employees’ children, employees were divided into two tiers, whereby those hired prior to the new policy’s implementation would continue having their own premiums and their children’s paid in full by the Borough, and those hired from that point forward (after July 1, 2009), would have to pay 30% of premiums for both their spouses and dependents.

When the 2009 policy was implemented, several employees dropped their spouses from the policy immediately, explaining their spouses already had other health insurance and did not need this coverage. This revealed that the cost to taxpayers to have been covering these premiums in full likely significantly outweighed whatever benefit these individuals actually received from the coverage. To be clear, this is not to accuse any employee of any wrongdoing by accepting coverage they did not necessarily need, it is only to say that a benefit structure that that pays 100% of the cost of a premium enables double-coverage situations whose cost to the community almost certainly significantly outweighs the benefit to the employee.

I explored whether any neighboring communities have benefits policies that discourage or minimize the potential for double-coverage, and several do. For example, the Petersburg Borough pays 80% of all insurance premiums for employees, spouses, or dependents. The Sitka Borough pays 90% of all premiums. Either of these benefit policies likely discourage many employees from enrolling in the plan unless it provides a truly needed and valued benefit to the individual enrolled.

The recommendation for the Borough’s Personnel Policy concerning health insurance benefits is to eliminate the tiers of employees and instead pay a uniform percentage of all premiums, similar to the aforementioned neighboring communities. Specifically, that the Borough pay 85% of the cost of premiums for all eligible employees and spouses and/or dependents.

Additionally, it is recommended that the Borough increase the percentage of premiums it pays on employees’ behalf from 85% to 90% for employees (and their enrolled family, if applicable) who participate in the insurance

carrier's approved wellness program during that fiscal year. The goal of this incentive is not only to encourage a healthier and more health-conscious workforce, but to ultimately decrease costs in the future, as federal law requires insurance companies to provide discount incentives on subsequent year insurance policies to members who have high participation in employer wellness programs.

Finally, the Personnel Policy section on health insurance is amended to include language regarding the Borough's already-established deductible reimbursement program otherwise known as the Health Reimbursement Arrangement (HRA) currently administered by Navia Benefits.

This proposal has been shared with all employees, and three meetings were held for employees to come and discuss the issue. Approximately 12 employees attended or approached management separately to discuss the matter. Some employees, particularly those who historically have paid nothing for premiums that under the proposed will begin paying something, view it as unfair. However multiple employees not in favor of this proposal nonetheless disclosed that they are already enrolled in, or have available to them, other insurance, such that the Borough's insurance plan would not be worth even 10% of the cost of its premiums if they had to pay this portion, as proposed. Management feels that if the plan is not worth 10% of its cost to the beneficiary, it is probably not worth the other 90% of its cost to the taxpayer.

Recommendation:

Move to approve Resolution 06-16-1345 to amend the Borough Personnel Policy Section 312, Health Insurance.

CITY AND BOROUGH OF WRANGELL

RESOLUTION NO. 06-16-1345A RESOLUTION OF THE ASSEMBLY OF THE CITY AND
BOROUGH OF WRANGELL, ALASKA, AMENDING
PERSONNEL POLICY SECTION 312, HEALTH INSURANCE

WHEREAS, Section 312 of the City and Borough of Wrangell Personnel Policy establishes that the City and Borough of Wrangell's health insurance plan provides employees and their dependents access to medical, dental, hearing and vision care insurance benefits, defines employee eligibility, and manner in which health insurance premiums and related costs are shared between the City and Borough and its employees; and

WHEREAS, in light of rapidly rising costs of health benefits, it is in the best interests of the City and Borough to provide health benefits to regular employees in a manner that promotes relative fairness as well as financial sustainability; and

WHEREAS, a review of the codes and personnel policies of several other Alaska municipalities shows it to be commonplace to offer a uniform level of health benefits to all permanent employees;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL OF WRANGELL, ALASKA that the City and Borough of Wrangell approves the revisions of the Personnel Policy as presented below:

[The changes to the existing Personnel Policy are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

Section 1. That Section 312 of the Wrangell Personnel Policy is amended to read:

312 Health [Insurance] Benefits

The City and Borough of Wrangell's health insurance plan provides employees and their dependents access to medical, dental, hearing, and vision care insurance benefits. Employees in the following employment classifications are eligible to participate in the health insurance plan:

- * Regular full-time employees
- * Regular part-time employees
- * Introductory employees

Effective August 1, 2016, the Borough will make available to all eligible employees a health insurance plan, subject to terms and conditions of the agreement between the City and Borough of Wrangell and the insurance carrier. The City and Borough of Wrangell shall pay 85% of the cost of the insurance

premiums for the Employee and any enrolled spouse or dependents. The employee will pay the remaining 15% of the cost of coverage for the employee and enrolled spouse and/or dependents in the form of a payroll deduction at the end of the pay period and month of coverage.

Effective August 1, 2016, for any employee who participates in a qualified wellness program sponsored and/or approved by the insurance carrier, the City and Borough of Wrangell will increase its share of the cost of insurance premiums from 85% of premiums to 90%. This share of premium costs:

- Will apply to all monthly premiums for the entire fiscal year in which participation in the wellness program occurred. Participation in the wellness program will be required in future years to take advantage of this provision in future years.
- Will apply to the employee's premiums as well as any dependent premiums, if enrolled.
- Will be administered by way of a fiscal year end payroll adjustment in the final quarter of the fiscal year, after participation in the wellness program is known.
- Is not applicable to employees or former employees enrolled in the health insurance plan under COBRA provisions.

The City and Borough of Wrangell will enroll all employees enrolled in the health insurance plan in an accompanying Health Reimbursement Arrangement (HRA), subject to plan terms and conditions. As of July 1, 2016, this plan will provide for reimbursement of employees' deductible expenses in excess of \$1,000 for an employee and dependent(s), as applicable. The maximum deductible reimbursement benefit will be \$2,000 for an employee, \$4,000 for an employee plus one dependent, and \$6,000 for an employee plus two or more dependents. This benefit is not applicable to employees or former employees enrolled in the health insurance plan under COBRA provisions.

[Employees enrolled in the plan fall into two categories: Tier I, and Tier II. Tier I employees are those hired before July 1, 2009; Tier II employees are those hired after that point (with certain exemptions for union employees). The difference between those tiers primarily regards coverage for dependents. Eligible employees may participate in the health insurance plan subject to all terms and conditions of the agreement between the City and Borough of Wrangell and the insurance carrier. The City and Borough of Wrangell will pay the entire cost of an employee and covered dependents for all introductory and regular full-time employees. For regular part-time employees working less than 30 hours per week, the City and Borough of Wrangell will pay a proportionate share of the premium based on hours worked divided by 30. The employee will pay the difference. This will apply to all permanent employees hired after January 1, 1998 until June 30, 2009.

All non-union employees hired on July 1, 2009, or later will be Tier II employees. Tier II employees will receive 100% of health insurance for the employee and will pay 30% of all premiums for any dependent coverage. This provision will be applicable to all union employees hired after July 1, 2011.]

A change in employment classification that would result in loss of eligibility to participate in the health insurance plan may qualify an employee for benefits continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Refer to the Benefits Continuation (COBRA) Policy for more information.

Details of the health insurance plan are described in the Summary Plan Description (SPD) **or similar documentation provided by the insurance carrier**. This documentation and other information on cost of coverage will be provided in advance of enrollment to eligible employees. Contact the Finance Department for more information about health **[insurance]** benefits.

Section 2. This resolution shall become effective August 1, 2016.

ADOPTED: _____, 2016

David L. Jack, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

Agenda Item 13c

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM June 28, 2016

INFORMATION:

Approval of the changes to the Wrangell Medical Center's Bylaws

Attachments:

1. Memo from Kris Reed, Recording Secretary
2. WMC Bylaws, as amended

RECOMMENDED ACTION:

Move to approve the revised Wrangell Medical Center Bylaws, as amended.

13c-1

Mission:

To enhance the quality of
life for all we serve

Vision:

Honor our heritage and be
the pride of the community

Values:

Integrity
Compassion and Caring
Trust
Transparency
Loyalty
Honoring our Heritage
Quality
Fiscal Responsibility

June 16, 2016

Mayor Dave Jack,
City & Borough Assembly
PO Box 503
Wrangell, AK 99929

Dear Mayor Jack and Assembly Members of the City and Borough of
Wrangell,

The Wrangell Medical Center Board passed the attached revised WMC
Board Bylaws at last night's meeting.

Changes were made to Article III – membership, revising it from *"none
of whom shall be engaged in medical or health professions"* to read
"none of whom shall be current Wrangell Medical Center employees."
The Board hopes this will allow others, who may be interested, to
serve on the board, as well as allowing more of those who have an
understanding of the medical field to serve on the board.

Changes were made to Article IX – Meetings and Quorums to allow
members to attend meetings telephonically or electronically and
setting out the conditions for that attendance. The Board hopes that
these changes will bring Board functioning more in line with the
Borough and City of Wrangell's meeting attendance policies.

The revisions are now being submitted for Assembly approval.

Sincerely,



Kris Reed,
Recording Secretary for the WMC Board
Wrangell Medical Center

Attached: Revised WMC Board Bylaws

*Caring for
Southeast*



WRANGELL MEDICAL CENTER

BOARD OF DIRECTORS' BYLAWS

June 9, 2016 DRAFT



The MISSION and VISION Wrangell Medical Center

Our Mission: To enhance the quality of life for all we serve.

Our Vision: Honor our heritage and be the pride of the community

By being a community driven organization;

By being an active participant in planning for the future of our community;

By being the leader in our industry and region in providing high quality care for patients;

By being ready and responsive to meet health care needs;

By being the hospital and long term care facility of choice;

By providing a beautiful, comfortable setting for our patients and our long term care residents;

By being the employer of choice;

By being financially healthy; and

By being a model of excellence in promoting wellness and restoring health.



The VALUES of Wrangell Medical Center

INTEGRITY

We do the right thing, even if it is not the easy choice. We hold ourselves to high standards in the work that we do - this means we have a strong work ethic and do our jobs to the best of our abilities. We are honest, fair, and respectful to our patients, our community and ourselves.

COMPASSION AND CARING

Patients are always the focus and center of everything we do. Regardless of our role in the organization, we go above and beyond to provide services in a manner that lets patients know that we care deeply about them.

TRUST

It is absolutely important to us that that our patients and our community trusts us. We will provide patient care and conduct our business such that they always do.

TRANSPARENCY

We are open and forthright with our community, our partners, and ourselves. Our community and patients have a right to know how we are planning for the future. They deserve to know how we are performing in the present, both financially and on quality measures.

LOYALTY

We are loyal to our patients, because we care about them deeply as our friends, family, and neighbors. We are also loyal to Wrangell Medical Center, and always act as excellent ambassadors of the organization. We treat each other with respect, and work cooperatively as members of a cohesive team.

HONORING OUR HERITAGE

We respect and remember our long history of caring for the diverse people in our community and region. We are committed to honoring this heritage by holding in the highest esteem our elders who came before us. We will focus on planning for our future so our elders can age in place, and maximize the potential that all patients may be served right here in the community.

QUALITY

Above all, we provide safe, high quality health care. We strive for excellence in everything we do, regardless of whether or not it is related directly to patient care. We hold ourselves accountable for this excellence. We embrace growth and change that comes with constantly improving ourselves. We focus on creating strong systems, and do not blame individuals for outcomes related to weak systems.

FISCAL RESPONSIBILITY

We believe in the prudent use of our resources. We deliver high quality services in a manner that is cost-effective while not compromising our services. Good stewardship of our finances benefits our community in the form of improvements and expansion of the services available.

DEFINITIONS.....	-1-
OBJECTIVES	-1-
ARTICLE I	-2-
NAME	-2-
ARTICLE II	-2-
ROLE AND FUNCTION.....	-2-
ARTICLE III	-2-
MEMBERSHIP	
SECTION I Membership	-2-
SECTION II Resignation of a Member	-3-
SECTION III Removal of a Member	-3-
SECTION IV Vacancies	-4-
SECTION V Indemnification and Insurance	-4-
ARTICLE IV	-5-
OFFICERS AND THEIR ELECTION.....	-5-
SECTION I Officers	-5-
SECTION II Nomination and Election	-5-
SECTION III Vacancies.....	-5-
ARTICLE V	-5-
DUTIES OF ELECTED OFFICERS	-5-
SECTION I President	-5-
SECTION II Vice-President	-5-
SECTION III Secretary	-6-
SECTION IV Treasurer.....	-6-
ARTICLE VI	-6-
BOARD COMMITTEES.....	-6-
SECTION I Standing, Special or <i>Ad Hoc</i> Committees.....	-6-
SECTION II Finance Committee	-7-
SECTION III Quality Committee.....	-8-
SECTION IV Executive Committee.....	-8-
SECTION V General Committee Provisions	-9-
ARTICLE VII	-10-
CEO.....	-10-
SECTION I General Description	-10-
SECTION II Duties	-10-

SECTION III Absence of CEO	-12-
ARTICLE VIII	-12-
MEDICAL STAFF	-12-
ARTICLE IX	-13-
MEETINGS AND QUORUMS	-13-
SECTION I Quorum	-13-
SECTION II Regular Meetings	-13-
SECTION III Other Meetings	-14-
SECTION IV Authority on Procedure	-14-
ARTICLE X	-14-
AMENDMENTS AND ADDITIONS.....	-14-
ARTICLE XI	-15-
VOLUNTEER ORGANIZATION	-15-
SECTION I	-15-
SECTION II	-15-

WRANGELL MEDICAL CENTER BOARD OF DIRECTORS' BYLAWS

DEFINITIONS

“Board of Directors” or “Board”: The governing body of Wrangell Medical Center. Whenever the term “Board” is used in the Bylaws, it means a member of the Board of Directors.

“President”: The individual elected by the Board to serve as the President of the Board of Directors.

“Dentist”: An individual who is licensed to practice dentistry in the State of Alaska.

“Ex-Officio”: Service as a member of a body by virtue of an office or position held, and unless otherwise expressly provided, without voting rights.

“Hospital”: Wrangell Medical Center

“Medical Staff”: The Medical Staff of Wrangell Medical Center who have been granted privileges by the Board to attend patients in the Hospital.

“Physician”: An individual licensed to practice medicine and/or surgery in the state of Alaska.

WRANGELL MEDICAL CENTER

Wrangell Medical Center is concerned with meeting the health needs in this community and is owned by the City and Borough of Wrangell. As the community medical center, it must serve all people regardless of race, creed, or economic status.

OBJECTIVE

To competently operate the Wrangell Medical Center’s hospital and long term care facility while following the mission, vision and values as defined and adopted by the staff and Board.

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' BYLAWS**

ARTICLE I

NAME

The name of the board shall be "Wrangell Medical Center Board"

ARTICLE II

ROLE AND FUNCTION

The Board shall operate and maintain Wrangell Medical Center, including custody and management of the building, furnishings and property situated thereon. The Board shall provide for repairs and improvements thereto which are necessary to maintain the facility in good condition.

The Board shall also have the power to purchase, sell, exchange, operate, maintain and repair all personal property which it deems advisable, in accordance with the City and Borough of Wrangell's Code.

ARTICLE III

MEMBERSHIP

SECTION I *Membership*

The membership of the Wrangell Medical Center Board shall consist of seven (7) members, none of whom shall be ~~engaged in medical or health professions~~ current Wrangell Medical Center employees. Each member shall

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' BYLAWS**

be elected by Borough and City voters with the terms of office staggered so only one fourth of the board shall expire each year.

Board Members shall not receive compensation, but may receive reimbursement for travel and associated out-of-pocket expenses and paid as are other expenses of Wrangell Medical Center.

SECTION II *Resignation of a Member*

A Board Member who wishes to resign from membership on the board shall cause to be delivered to the Board President a written statement to this effect.

The statement shall:

Be received by the CEO in sufficient time to be included in the Board packet prepared for the meeting where the resigning board member wishes to have the resignation considered. Contain a timeframe as to when the resignation should be effective. The CEO shall forward a copy of the resignation letter to the Board President up on receipt. The Board shall take official action on the resignation received by the CEO at the next regular Board meeting.

SECTION III *Removal of a Member*

Should it be deemed necessary to remove a board member due to a violation, he/she, by recommendation to the Wrangell Borough Assembly, will be asked to be removed from his/her seat.

WRANGELL MEDICAL CENTER BOARD OF DIRECTORS' BYLAWS

SECTION IV *Vacancies*

A vacancy on the board shall be reported to the Clerk of the City and Borough. A notice requesting letters of interest shall be posted for two weeks. Selection will be made by City and Borough Assembly. The selected person will serve until the next general election.

SECTION V *Indemnification and Insurance*

Wrangell Medical Center shall indemnify and hold harmless any Board Member against the reasonable expense, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, or threatened action, in which such Board Member is made a party, or threatened to be made a party.

Indemnification shall likewise apply in any sums actually paid by way of settlement of any actual or threatened action, or in satisfaction of any judgment rendered against such Board Member. Indemnification, however, shall apply only when such Board Member acted in good faith for a purpose which they reasonably believed to be in the best interests of Wrangell Medical Center. Indemnification should not apply when a judgment or other final adjudication adverse to the Board Member establishes that their acts were committed in bad faith or were the result of active and deliberate dishonesty, or that they personally gained a financial profit or other advantage to which they were legally entitled. Wrangell Medical Center is authorized to purchase insurance for indemnification of its Board Members to the maximum extent permitted by the laws of the State of Alaska.

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' BYLAWS**

ARTICLE IV

OFFICERS AND THEIR ELECTION

SECTION I *Officers*

The officers shall be President, Vice-President, Treasurer and Secretary.

SECTION II *Nomination and Election*

Nomination and election will be held at the October meeting each year. Nominations shall be made by Board Members with election to follow immediately. A majority vote of all members present shall be necessary to elect. Officers must be selected from among the Board members.

SECTION III *Officer Vacancies*

An officer resigning from their position shall submit a letter to the Board. The vacancy in office shall be filled by election at the next meeting.

ARTICLE V

DUTIES OF ELECTED OFFICERS

SECTION I *President*

The president shall call and preside at all meetings of the board, and shall interest themselves in all affairs of the medical center.

SECTION II *Vice-President*

The vice-president shall act as president in the absence of the president, and when so acting, have all the powers of the president.

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' BYLAWS**

SECTION III *Secretary*

The secretary shall provide for the keeping of minutes of all meetings of the Board, and if specifically requested, any or all Board Committees, and shall assure that such minutes are filed with the records of the Corporation. He or she shall give or cause to be given appropriate notices in accordance with these Bylaws or as required by law; shall act as custodian of all corporate records and reports and of the corporate seal, assuring that it is affixed, when required by law, to documents executed on behalf of the Corporation; shall perform all duties incident to the office and such other duties as may be assigned from time to time by the Chairperson or the Board.

SECTION IV *Treasurer*

The Treasurer shall keep or cause to be kept correct and accurate accounts of the properties and financial transactions of the Corporation and in general perform all duties incident to the office and such other duties as may be assigned from time to time by the Chairperson or the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety as the Board shall determine. The Treasurer may delegate any of his or her duties to any duly elected or appointed Assistant Treasurers.

ARTICLE VI

BOARD COMMITTEES

SECTION I *Standing, Special or Ad Hoc Committees*

Except as otherwise provided in these Bylaws, the Chairperson shall appoint the chairperson and members of each standing and special committees.

WRANGELL MEDICAL CENTER BOARD OF DIRECTORS' BYLAWS

The chairperson may also appoint members of standing and special committees from outside the Board of Trustees with the concurrence of the Board. The standing committees are the Executive Committee, the Finance Committee, Strategic Planning Committee and the Quality Committee. Special Committees, such as a Nominating Committee, may be established by the Chairperson, with the concurrence of the Board. Upon completion of the task for which created, a special committee shall stand discharged. There shall be a Medical Liaison Committee which shall not be a standing or special committee, but shall meet on an *ad hoc* basis. Minutes of all meetings of standing, special and *ad hoc* committees shall be made available to the Board.

SECTION II *Finance Committee*

The Finance Committee consists of not less than three members, the Chairman, Treasurer and one other board member, and is responsible for general oversight of the financial affairs. The Committee will review, advise, and report to the Board of Trustees on the investment and management of the financial resources of the Corporation and shall review the annual budget and capital plans, fund managements procedures, and internal controls relating to the safeguard of financial assets. The Committee shall:

(1) act as financial advisor to the Board in all financial affairs of the Corporation, including the annual operating budget, which will include all anticipated income and expenses: (2) review the proposed scope of the annual audits of the Corporation by independent auditors and identify areas of particular concern to the Board; (3) review the independent auditors' reports on the financial statements at the conclusion of the audit of the Corporation; (4) review the independent auditors' "management letters" to

WRANGELL MEDICAL CENTER BOARD OF DIRECTORS' BYLAWS

the Corporation and management's responses thereto; (5) review the adequacy of accounting policies and of the Corporation's internal control structures; (6) review relationships between management and the independent auditors; (7) recommend the appointment of independent auditors to the Board of Trustees; and (8) review periodically the Corporation's conflicts of interest policies and oversee compliance therewith. The Committee shall meet at the call of the Committee Chairperson.

SECTION III *Quality Committee*

The Quality Committee shall be comprised of the representatives of the Board, Administration, Medical Staff, Nursing and others, as determined by the Chairperson of the Board. The Board shall oversee the quality improvement activities and priorities of the Hospital, and as part of its duties, shall receive reports from the Quality Committee as well as other appropriate committees and departments. The Quality Committee shall meet on a regular basis and shall report its findings and recommendations to the Board.

SECTION IV *Executive Committee*

Executive Committee

The Chairperson of the Board, immediate past-chair, and three (3) officers of the Wrangell Medical Center shall constitute the Executive Committee of the Wrangell Medical Center Board. The Chief Executive Officer of Wrangell Medical Center shall serve as an ex-officio member. The responsibilities of the Executive Committee may include:

1. Review Wrangell Medical Center activities from time to time between regular, scheduled Board meetings;

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' BYLAWS**

2. Serve as consultant to the Chief Executive Officer from time to time regarding on-going operations;
3. Approve borrowing money against committed revenues as needed;
4. Based upon their evaluation make recommendations to the entire Board regarding re-employment, salary, and benefits for the Chief Executive Officer;
5. Provide general approval to the Chief Executive Officer regarding submission of grants to various agencies;
6. Review budgets, audit reports and management letters, and other financial matters when necessary prior to regular board meetings;
7. Meet when necessary between regular Wrangell Medical Center Board meetings. The committee shall present all decisions to the full membership at the next regular Board meeting for full board approval.

SECTION V *General Committee Provisions*

A Trustee shall chair each of the standing Committees. Meetings may be called by the Chairperson, the Chairperson of the Committee, or a majority of the Committees voting members. Notice of meetings will be given in accordance with the Open Meetings Act requirements, to inform the members of the time and place of the meeting. A majority of members of a Committee shall constitute a quorum for the transaction of business, and a vote of a majority of members present at the time of the vote, if a quorum is present, shall constitute the act of the Committee. Committees shall keep minutes and report to the Board. Except as provided as to the Executive Committee, Committees shall be empowered only to make recommendations. Committees may hold joint meetings to discuss matters

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' BYLAWS**

of common interest. In such meetings, a majority of the total members of the Joint Committee shall constitute a quorum.

ARTICLE VII

CEO

The Board shall select and employ one CEO, who shall serve at the pleasure of the board.

SECTION I *General Description*

The CEO is directed by this board to establish and direct all operations of the facility's activities, both internal and external.

The CEO coordinates these activities to ensure compliance with established standards; promotes public relations; and arranges, and obtains transfer and working agreements with other health facilities.

SECTION II *Duties*

Establishes policies pertaining to total patient care, personnel, medical staff, financial status, public relations, maintenance of building and grounds under broad directives from the board. Explains such policies to staff and other concerned parties. Reviews compliance with established policies by personnel and other medical staff. Periodically reviews policies and makes changes as found necessary.

Supervises preparation of policy and procedure manuals, by department heads, for all departments with annual review.

WRANGELL MEDICAL CENTER BOARD OF DIRECTORS' BYLAWS

Reviews compliance of the facility with national, state, and local standards and accreditation agencies.

Selects competent personnel to supervise activities of major departments.

Establishes departmental staffing patterns. Evaluates jobs, prepares job descriptions, establishes job classifications and sets wage and salary schedules with help of department heads. Meets with department heads at regular intervals and receives advice on matters pertaining to department operation and external relationships. Conducts inservice and supervisory training meetings through appointed inservice education employee. Reviews and frequently checks competence of work force. Seeks to maintain high employee morale and to maintain a professional, healthful atmosphere and environment in the facility.

Regularly checks financial status of the facility and maintains an efficient accounting system to meet the needs of the facility. Directs that forecast budgets be prepared and changes in fee schedules be made to insure coverage of cost of operations.

Represents the medical center in dealings with outside agencies, including governmental and third party payors or delegates a representative. Represents the facility at top level meetings, etc., and participates in such. Inspects physical structure and condition of the facility. Directs repairs and new construction programs at the request of the Board, guided by the financial status of the facility.

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' BYLAWS**

Authorizes purchases of major equipment and supplies. Reports to the Governing Board as required.

SECTION III *Absence of CEO*

1. In the absence of the CEO, the director of nursing, CFO, or another person appointed in advance by the CEO shall assume the duties of CEO.

2. The duties of the acting CEO shall be those duties delegated to her/him by the CEO.

ARTICLE VIII
MEDICAL STAFF

Acting on the advice of the Medical Staff, the board shall appoint a medical staff composed of physicians, surgeons, osteopaths, and dentists, and shall see that they are organized in such a manner as to secure the best possible results.

In the professional care of the patients, the attending physician appointed to the medical staff shall have full authority, subject only to the policies approved by the medical staff and Wrangell Medical Center Board.

In administrative matters, the medical staff, as an organized body, shall act in an advisory capacity, this function being carried on through the medical center Board.

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' BYLAWS**

In circumstances that involve the denial of initial appointment or reappointment to the Medical Staff, the current Medical Staff By-Laws, Article IX shall be followed and shall be binding on all parties as to the procedures for hearings and appeals.

ARTICLE IX

MEETINGS AND QUORUMS

SECTION I *Quorum*

Four members, attending in person, telephonically or electronically, shall constitute a quorum for the transaction of all business of the board.

SECTION II *Regular Meetings*

Regular meetings shall be held monthly on the third Wednesday and at such time and location as shall be decided by members after installation of officers.

When possible, Board members are expected to be physically in attendance at board meetings. When Board members cannot attend physically, they are encouraged to attend meetings electronically. ~~The expectation is that Board members will be present for most meetings.~~ Members must be present in person for at least 50% of the meetings each year or could be subject to removal from the board. Members must be physically present in order to vote in executive sessions and credentialing meetings.

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' BYLAWS**

The Board may declare a seat vacant when a Board member has three (3) consecutive unexcused absences or four (4) unexcused absences in a twelve (12) month period.

All absences by Board members at regular meetings shall be recorded in the minutes of the meeting.

The President of the Board, with the concurrence of the Board, shall have authority to extend the absences of a Board member from attendance at a meeting for good and sufficient cause.

Board members shall make a reasonable attempt to inform, in advance of the meeting, the CEO or officer of the Board of their inability to attend.

SECTION III *Other Meetings*

Other meetings (special, emergency, executive & work sessions, or for the purpose of credentialing/privileging) may be called by the president or by quorum, in accordance with the State of Alaska's Open Meetings Act,

SECTION IV *Authority on Procedure*

Robert's Rules of Order, Revised, and *Robert's Parliament Law* shall apply on all questions of procedure and parliamentary law not specified in these bylaws.

ARTICLE X
AMENDMENTS AND ADDITIONS

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' BYLAWS**

These bylaws may be amended at any regular meeting of the board by a majority vote. The amendment shall have been submitted in writing and read at the previous regular meeting. Copies of the proposed changes shall be mailed to board members at least one week prior to any meeting at which it is to be put to a vote. Additional articles or sections voted by the board must be included in these bylaws, providing they have been read at the previous regular meeting.

ARTICLE XI
VOLUNTEER ORGANIZATION

SECTION I

The governing board is authorized to designate a volunteer organization (auxiliary) for the Medical Center and to provide for its organization as an integral part of the Medical Center.

SECTION II

The designated organization may perform patient-related services with, or outside of the hospital; conduct fund-raising activities; conduct community service projects; enter into contracts as approved by the medical center administrator; and carry on other activities necessary to accomplish its purposes as approved by the board.

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' BYLAWS**

The above bylaws are adopted by Wrangell Medical Center Board of Directors.

Date: ~~November 20, 2013~~ June 15, 2016

Approved by Wrangell Borough Assembly ~~December 10, 2013~~

Terri Henson, WMC Board President

Robert Rang, WMC CEO

Agenda Item 13d

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM June 28, 2016

INFORMATION:

Approval of Amendment No. 2 for R&M Engineering – Ketchikan,
for the Cassiar Street project

Attachments:

1. Memo from Ruby McMurren, Projects Manager
2. Amendment #2
3. fee proposal from R&M, Ketchikan **(email)**

RECOMMENDED ACTION:

I move to approve the additional funding with R&M Engineering – Ketchikan based on Time and Expense in the amount not to exceed \$6807.13 to restore property corners and monuments at the Cassiar Street project area, which is scheduled to be paid from the City and Borough of Wrangell's grant funds and the sales tax street fund.

MEMORANDUM

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

**FROM: RUBY McMURREN
PROJECTS MANAGER**

**SUBJECT: CASSIAR STREET ROADWAY AND UTILITIES IMPROVEMENTS –
APPROVAL OF ADDITIONAL FUNDING FOR RESTORATION OF
PROPERTY CORNERS AND MONUMENTS AT THE CASSIAR STREET
PROJECT SITE FOR R&M ENGINEERING, KETCHIKAN**

DATE: June 22, 2016

BACKGROUND:

The City and Borough of Wrangell contracted with R&M Engineering – Ketchikan to provide professional design services for the Cassair Street Roadway and Utilities Improvements Project. With the project now complete, restoration of property corners and monuments is to be completed by R&M Engineering.

R&M Engineering has provided a fee proposal to perform the work on a Time and Expense basis, not to exceed \$6807.13. If approved, these services would be scheduled to be paid from grant funds provided by the State of Alaska Department of Commerce, Community and Economic Development (DCCED) and the State of Alaska ADEC, and the Sales Tax Street Fund.

RECOMMENDATION:

Staff recommends the Borough Assembly to approve the additional funding with R&M Engineering – Ketchikan based on Time and Expense in the amount not to exceed \$6807.13 to restore property corners and monuments at the Cassiar Street project area, which is scheduled to be paid from the City and Borough of Wrangell's grant funds and the sales tax street fund.

ATTACHMENTS:

1. R&M Engineering – Ketchikan, Inc., email Fee Proposal dated July 23, 2015.

AMENDMENT #2
To
PROFESSIONAL SERVICES CONTRACT
Between
CITY AND BOROUGH OF WRANGELL
And
R&M ENGINEERING - KETCHIKAN
For Project
CASSIAR ST. ROADWAY AND UTILITIES IMPROVEMENTS

All provisions of the Professional Services Contract dated June 30, 2014, not specifically changed by this Amendment, shall remain in full force and effect. This Amendment makes the following changes:

1. **General.** Amendment # 2 provides for additional funding in the amount of \$6,807.13 added to the original design contract.
2. **Scope of Work.** R&M Ketchikan shall perform additional work required to provide reestablishment of property corners and monuments within the Cassiar Street project area. R&M's fee proposal for these services are attached.
3. **Payment.** The City and Borough of Wrangell (CBW) shall authorize R&M Engineering – Ketchikan compensation for this work provided under the Amendment in an amount not to exceed \$6807.13. R&M Engineering will submit a bill for such services performed hereunder. The same shall be due and payable by the CBW to R&M Engineering, within thirty days of the invoice date.
4. **Completion.** Work shall be completed by August 15, 2016

IN WITNESS WHEREOF, the parties have executed this Amendment:

For: CITY and BOROUGH OF WRANGELL For: R&M ENGINEERING

By: _____

By: _____

Jeff Jabusch, Borough Manager

Print Name

email from Robert Badgett , R&M Ketchikan dated 7-23-2015

Ruby a total not to exceed cost for us to install all the property monuments and file the record of survey, and to perform the remaining contract management and inspections on the sanitary line would be \$11,500. I will donate my time from here on out but I will need to bill you for my inspectors time on site. The would mean that we would need a \$6807.13 change order.

From: Ruby McMurren [<mailto:wrgpm@wrangell.com>]

Sent: Thursday, July 23, 2015 3:43 PM

To: Robert Badgett

Subject: monument work & Cassiar II

Robert,

Say we go with the monument work for 10k-ish, what will be the overruns due to the cassiar II design/CA work

Ruby McMurren

City and Borough of Wrangell

Projects Manager

wrgpm@wrangell.com

907.874.3494

907.305.0392

Agenda Item 13e

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM June 28, 2016

INFORMATION:

Discussion of the assessment report received from Maul Foster and Alongi, Inc. for the Wrangell Waterfront Assessment and Feasibility Study findings

Attachments:

1. Memo from Manager Jabusch
2. Study Findings from Maul Foster and Alongi, Inc. *draft* (36 pages)
3. Appendix A – Economic Assessment (27 pages)
4. Appendix B – Structural Report *draft* (8 pages)
5. Appendix C – Wrangell Funding Spreadsheet (1 page)

RECOMMENDED ACTION:

Assembly Discussion item

MEMORANDUM

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

**FROM: JEFF JABUSCH
BOROUGH MANAGER**

SUBJECT: Waterfront Property Draft Report from Maul Foster & Alongi, Inc.

DATE: June 23, 2016

Background:

The City and Borough of Wrangell obtained a grant from the State of Alaska for the purpose of evaluating the old six mile mill site for potential acquisition for repurposing. The City and Borough of Wrangell put out Request for Proposals for firms to submit proposals to do this work. Maul Foster & Alongi, Inc. was selected through this competitive process. Some of the things that they were tasked to look at included environmental, potential for development and jobs, development costs and the condition of the current structures and land at the site.

The draft attached, including Appendixes A, B and C complete there evaluation. Because this is a draft, both the staff and assembly has a final opportunity to ask questions or request changes before they submit the document in final form.

We received the document Thursday, June 23rd midday. There is a lot to absorb in this document and probably a lot of questions by all, including staff. Also, our Economic Director is out of town and will not have an opportunity to review the document. For these reason, I recommend that the document be put on the agenda for discussion and questions, but not approval. We will also put this on the July 26th meeting for final approval.

Recommended Action:

None at this time. This item is only for discussion and questions.

PROPERTY ASSESSMENT & FEASIBILITY STUDY

13e-2 (36 PAGES)

SILVER BAY PROPERTY

JUNE 23, 2016

DRAFT



MAUL FOSTER ALONGI

ACKNOWLEDGEMENTS

This report has been prepared for the City and Borough of Wrangell:

Mayor David L. Jack
Julie Decker, Assembly Member
Daniel W. Blake, Assembly Member
Becky Rooney, Assembly Member
Mark Mitchell, Assembly Member
Stephen Prysunka, Vice-Mayor/Assembly Member
David Powell, Assembly Member

Jeff Jabusch, Borough Manager
Carol Rushmore, Economic Development Director
Greg Meissner, Harbormaster
Amber Al-Haddad, Public Works Director

Special thanks to many community members who participated in research interviews and attended public meetings as part of this study.

This report was prepared by a consulting team lead by Maul Foster & Alongi, Inc. Team members included: Heartland, LLC, BST Associates, and Redpoint Structures.

The City and Borough of
Wrangell Alaska

CONTENTS

EXECUTIVE SUMMARY -----	1	
PROPERTY OVERVIEW -----	2	PHYSICAL SITE CONDITIONS ----- 10
Goals		Access and Circulation
Site Description		Utilities
Reuse Concepts		Subsurface Geology
Evaluation of Use Types and Goals		ENVIRONMENTAL OVERVIEW ----- 10
MARKET OVERVIEW -----	10	Historical Operations
Location		Areas of Concern
Socioeconomic Statistics		Cleanup Actions
Real Estate Fundamentals		Data Gaps
Trends in Markets		Implications for Future Development
Financial Assessment		RECOMMENDATIONS ----- 10
COMMUNITY INPUT -----	10	Future Use of the Property
LAND USE REGULATORY FRAMEWORK-----	10	Public Sector Role in Redevelopment
Local Land Use Framework		Public Private Partnerships
State and Federal Environmental Permitting		Financing
Tideland Lease Requirements		Additional Site Analysis

Executive Summary

INTRODUCTION

The former Silver Bay Logging Mill property (the Silver Bay Property) is one of the last and largest pieces of industrial land available in Wrangell, Alaska. The mill was one of the largest employers in the community, providing over 200 jobs during peak operations and over 50 when it closed in 2010. Closure of the last operating mill on the island marked a milestone in the economic history of the community. With the decline of the timber industry, the local economy has adapted and diversified with significant activity in marine trades, seafood processing, tourism, health care, and professional services. This property assessment and feasibility study is part of the City and Borough of Wrangell's (CBW) efforts to assess how the Silver Bay Property can be repositioned to serve the community and economy in the future. The property assessment and feasibility study took a high-level, comprehensive review of the opportunities and constraints of the Silver Bay Property.

KEY FINDINGS

Market Opportunities. The economy of Southeast Alaska and Wrangell is dominated by three sectors: maritime, government, and tourism. Based on the success of the Marine Service Center in downtown Wrangell, there appears to be opportunity and demand for establishing another boatyard at the Silver Bay Property. The design and operation of the new boatyard would need to be carefully considered to ensure it complements, rather than competes with the existing facility. With the larger space available at the Silver Bay Property, the new boatyard could focus on serving larger vessels than the Marine Service Center.

From a demand perspective, opportunities appear less favorable for addition or relocation of seafood plants and barge terminals. The existing facilities in downtown Wrangell appear to meet the needs of the operators for both sectors. Shifting

these operations to the Silver Bay Property would likely entail additional transportation and logistical costs—on top of the capital costs to construct new facilities.

The tourism sector appears to be best served by downtown Wrangell, where recent investments have been made, including improvements to the dock, streetscape enhancements, and the construction of the Nolan Center. Additional amenities, including waterfront park spaces, have been identified in the Wrangell Waterfront Master Plan.

Physical Conditions. The size, location, and historic operations of the Silver Bay Property present physical constraints and opportunities.

- With over 50 acres of upland property there is a large amount of land potentially available for redevelopment.
- The location approximately 6 miles south of downtown provides some level of seclusion while also being only a short drive away.
- The property has direct access onto Zimovia Highway and there is approximately 30 feet of draft at the existing pier. The bulkhead is failing and would need to be stabilized to allow for shipping of goods or haul-out of boats. Despite the worn condition of the decking, the supporting pilings and structure of the pier appear to be sound.
- Public-water and sewer-service lines terminate approximately 500 feet north of the property.
- More than half of the upland property appears to be filled land. Reconnaissance borings indicate that the fill material consists primarily of quarry spalls and shot rock, which should provide a stable source for future development.
- Environmental cleanup actions have been conducted by the property owner, and in 2014 the Alaska Department of Environmental Conservation (DEC) issued a Cleanup

Complete Determination. With the length of operations and the size of this property, there is potential that some residual environmental impacts remain.

Community Input. Based on interviews with local stakeholders and participants in a community meeting on February 17, 2016, there is strong support for the City to play a role in repositioning this property for economic development. Many community members expressed a desire for the City to play as small a role as possible to encourage the private market to develop the site, but also acknowledged that no obvious private investor is apparent. There was broad support for continued industrial use of the property. Development of another boatyard was the most commonly cited idea for future use of the property. Other desired future uses identified by community members included education, manufacturing, and barge-shipping operations.

Land Use Framework. The Silver Bay Property is identified in the City Comprehensive Plan and in the zoning code as a unique property for waterfront industrial development. As a large property under single ownership, if the property is subdivided into smaller parcels for phased development, a plan for providing access and infrastructure will be required.

FUTURE USE CONCEPTS

Considering the market opportunities, physical conditions, land use regulations, and community interests in the property, the preferred future development concept is a mix of marine industrial, manufacturing/light industrial, and education uses with potential for supporting services such as retail. Two development plan options have been created to illustrate the scale and orientation of these different types of uses. The waterfront portion of the property is reserved for marine-related uses including a boatyard. Space is set aside near the highway

for manufacturing, light-industrial, vocational-education, and retail uses. These types of uses could be developed in phases and potentially complement each other. For example, students at a vocational school could get real-world experience working with private businesses at the boatyard. The filled land north of the former mill, referred to as Mount Sealy, is reserved for use as storage because of the topography and limited load-bearing capacity and stability of the historic fill material.

RECOMMENDATIONS

- **Public Sector Role in Redevelopment.** The CBW should proceed to negotiate an agreement with the current property owner to acquire the property. With its ability to take a long-term, patient view of property and its access to public grants, the CBW is in the best position to lead the redevelopment effort. The terms of the transaction will be important and the City will need to carefully consider measures to manage risks associated with market viability, land value, investment in marine and upland infrastructure, and legacy environmental conditions.
- **Public-Private Partnerships.** The CBW should engage potential partners including the school district, University of Alaska-Southeast, Wrangell Cooperative Association, and private businesses to implement development projects on the property. Partner organizations bring different perspectives, institutional capacity, and funding to support the effort.
- **Funding.** In the current economy, State of Alaska funding resources are very limited. The CBW should proactively pursue federal as well as state funds and engage with private sector businesses to make targeted investments in the property.

Property Overview

The former Silver Bay Logging mill property (the Property; Silver Bay Property) is one of the last and largest pieces of industrial land available in Wrangell, Alaska. Located approximately six miles south of downtown Wrangell, the property has frontage and access to Zimovia Highway and deep-draft marine access to Shoemaker Bay (see Figure 1). The entire property is under single private ownership and consists of both fee-simple parcels and two tideland leases. The approximately 98-acre property includes 52 acres of uplands and 46 acres in-water.

The City and Borough of Wrangell (CBW) has conducted a feasibility study to evaluate the redevelopment potential of the Silver Bay Property and explore the options for public sector investment in the site. The feasibility study used a risk-based approach to conduct a high level, broad evaluation of the opportunities and constraints associated with the property including:

- Market trends and opportunities (Section 2)
- Land- use regulatory framework (Section 3)
- Physical site conditions (Section 4)
- Environmental conditions (Section 5)

GOALS

The CBW developed the following goals for future redevelopment of the Silver Bay Property:

1. Increase jobs and stimulate economic development
2. Capitalize on deep-water access and existing marine infrastructure
3. Complement other economic activities in the community
4. Explore opportunities for public/private partnerships
5. Manage risk for the CBW and the community



Figure 1. Vicinity Map

SITE DESCRIPTION

Since the 1950s, the property was used as a logging mill, first under the Alaska Pulp Corporation, and then as the Silver Bay Logging Company. At its peak, the Alaska Pulp Corporation employed more than 200 workers. By 2009, the mill ceased operations. The property is currently vacant. Nearly all of the former mill buildings have been removed. An environmental cleanup has been conducted, including excavation of soils contaminated by historic mill operations. In 2014 the Alaska Department of Environmental Conservation (ADEC) issued a determination that cleanup was complete.

PROPERTY FACTS

Zoning: Waterfront Development District

Size: 52 acres upland; 46 acres in-water

Tideland

Lease Area: 37 acres

Utilities: Municipal water and sewer lines end approximately 500 feet north of the property.
Electricity potential to re-establish a dedicated service line to Southeast Alaska Power Agency switchyard.



REUSE CONCEPTS

Based on the market assessment, technical analysis, and community involvement through this feasibility study process, the preferred use for the Silver Bay Property is a mix of uses including commercial boatyard; small-scale manufacturing; education and workforce training; and supporting services. Two conceptual site plans have been prepared to illustrate how the property can be efficiently developed for these uses. This suite of uses meets the City's goals for redeveloping the property including creating jobs, capitalizing on deep-water access, complementing other economic activities in the community, and creating opportunities for public-private partnerships. By approaching development at the site with a mix of uses, the community can mitigate risks associated with each type of development. These different types of uses can also attract a variety of financing for construction and operations. The concept plans anticipate phasing of development and provide some vacant space to allow for the potential expansion of certain uses as the market dictates in the future.

These types of uses are expected to complement rather than compete with existing businesses in Wrangell. These uses build on current or existing successful clusters of businesses and programs in the community to expand economic development capacity.

Commercial Boatyard

In the early 2000s, the CBW made a key investment in the Marine Services Center in downtown Wrangell. The Marine Service Center now operates at or near capacity and the boatyard has established a track record of providing high-quality services and local economic opportunity. The market assessment indicates that there is potential to expand operations into a second boatyard at the Silver Bay Property (see Section 2). Establishing another boatyard at the Silver Bay

Property could capitalize on the large land area there by serving larger vessels. The 300-ton travel lift, which currently operates at the Marine Service Center, could be moved to the Silver Bay Property. A new slipway could be constructed at the Silver Bay Property with sufficient width to fully maximize the capacity of the 300-ton travel lift, which is now limited at the Marine Service Center. The Silver Bay Property also provides upland area for boat storage. The CBW could transfer the upland boat storage that currently extends beyond the Marine Service Center to a downtown property nearby the Silver Bay Property. This would create more space for commercial and tourist-related uses in downtown.

The conceptual site plans provide up to 13 acres of upland property to support the boatyard. The facility is cited adjacent to the existing dock for the efficiency of vessel movement.

Small-Scale Manufacturing

There are emerging opportunities in specialized manufacturing, such as constructing high-quality musical instruments from local timber. There is a limited supply of industrial property in Wrangell to support growth of these types of businesses. To assist start-up businesses, the Silver Bay Property can provide space and infrastructure through land lease and/or development of an incubator building. An incubator building could provide shared access to equipment and programmatic support to growing businesses. There could also be strong potential for connections and synergies with vocational-education and workforce-training programs.

Education and Workforce Training

The Silver Bay Property could also be used to host vocational-education and workforce-training facilities. These programs could support and expand the existing University of Alaska Southeast Tech Prep program in the Wrangell School District.

Establishing a training facility at the Silver Bay Property would create opportunities for partnerships with marine industrial businesses, specialty manufacturing, and light industrial users that will be targeted for recruitment to the site. Providing workforce training serves to increase the capacity and skills of the local labor force, which has been identified as a key need to support economic development. Training the local workforce to work for local industries provides a path for younger residents to remain in Wrangell for the long-term.



Existing boatyard at the Silver Bay Property.

EVALUATION OF USE TYPES AND GOALS

A summary assessment of the potential types of future uses, relative to the stated goals for redevelopment, is presented in

Table 1. The green colored cells indicate that the use meets the goal; brown is neutral, and orange means that the use does not meet the particular goal.

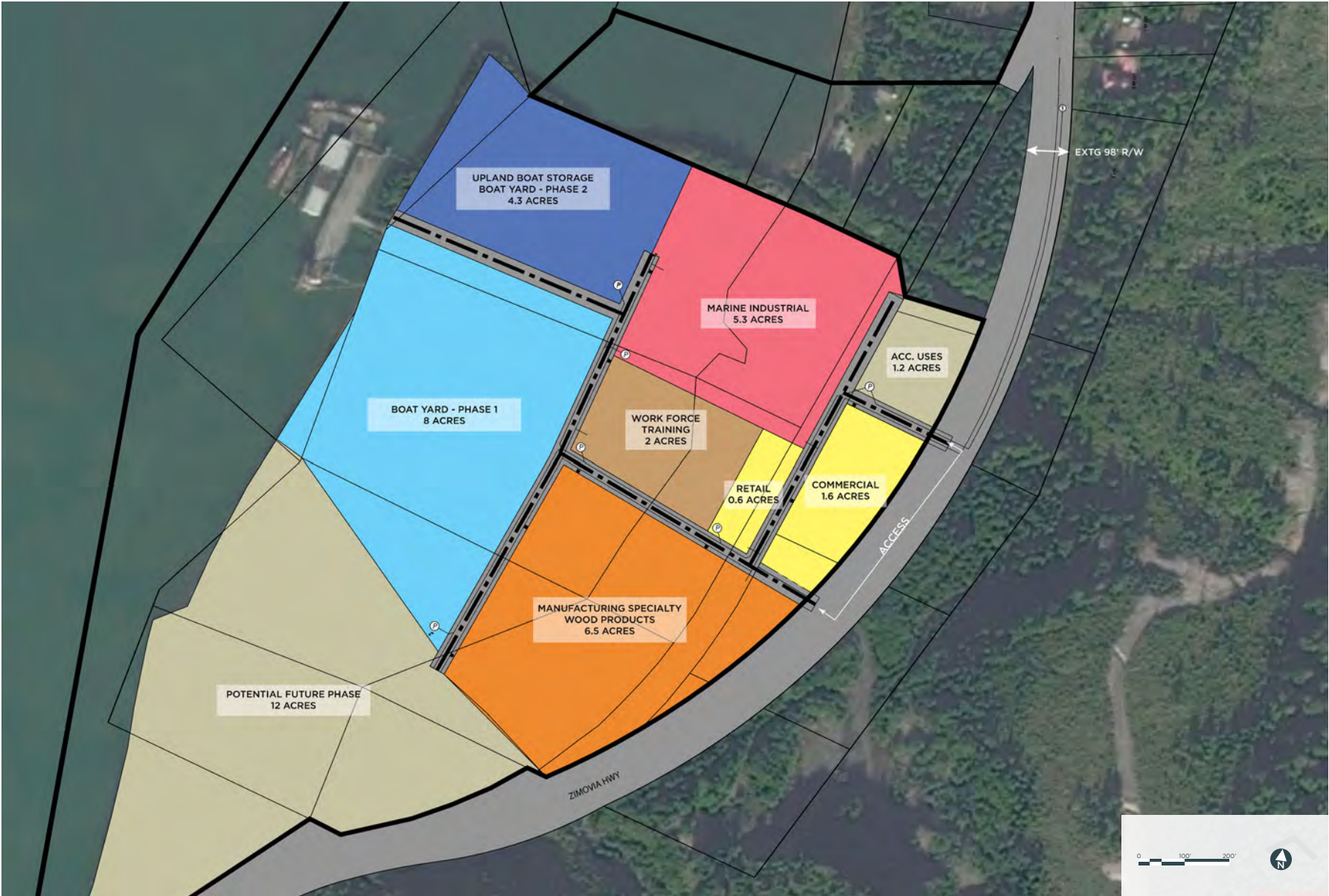
Table 1. Evaluation of Uses and Goals

Goals & Uses	Jobs & Economy	Use Deep-Water Access	Complement Existing Economy	Partnership Opportunities	Manage Risk
Commercial Boatyard	Good potential	Dependent on water access	Builds on existing marine services	With public and private parties	Opportunity to spread risk
Small-Scale Manufacturing	Has potential	May not be needed	Supports emerging businesses	With public and private parties	Depends on viability of businesses
Education & Workforce Training	Supports workforce development	Not needed	Supports existing and growing businesses	With public and private parties	Opportunity to spread risk
Tourism	Has potential	Not needed	Competes with downtown-based tourism activities	With public and private parties	Developing a tourism destination at the site would be a high risk investment
Barge Shipping	Likely to shift rather than increase jobs	Dependent on water access	Shifts existing operations	With private parties	Opportunity to spread risk
Waste Management & Recycling	Likely small number of jobs	Dependent on water access	Supports, but not likely to add significantly	With public and private parties	Would be a high risk investment

Figure 2. Conceptual Site Plan Option A



Figure 3. Conceptual Site Plan Option B



Market Overview

Two complementary market assessments were conducted as part of the feasibility study; one focused on the maritime sector and the other on upland real estate (See Appendix A). Both studies reviewed recent trends in the market, identified potential demand and opportunities that build on local economic strengths, and are suitable to the Silver Bay Property. In general, as the local and regional economy has shifted from large dependence on the timber industry, the economic growth sectors for Southeast Alaska and Wrangell are in marine-related industries and tourism. With downtown Wrangell better suited to support tourism activities, the greatest economic opportunity for the Silver Bay Property appears to be in the maritime sector.

LOCATION

Location is always a fundamental consideration in real estate development, and for remote areas like Wrangell, it is even more important. The CBW lies within the larger geographic region of Southeast Alaska and encompasses 2,541 square miles, with a population density of 0.9 people per square mile. Accessing the property from locations outside of Wrangell Island requires transportation by either boat or plane because the island is not connected to the mainland via a bridge. Flight times to the CBW airport via Alaska Airlines range from 2.5 hours from Seattle and Juneau, to 3.5 hours from Anchorage (see Figure 4). As such, the area is relatively isolated. While this isolation likely comes hand in hand with the area's ability to attract tourists to its surrounding natural beauty, it also likely increases the difficulty of moving people or goods to and from the area.



Figure 4. Travel Time to Wrangell

SOCIOECONOMIC STATISTICS

As of 2015, the CBW had a population of 2,383 people. Their median household income is \$54,619 per year, which is 16% lower than the average for Southeast Alaska but 2% higher than the national average. The unemployment rate is about 9.5%, significantly higher than state and national rates. The median age in the CBW is approximately 48 years old, which is greater than that of the State of Alaska, at 34 years, and the overall United States, at 37 years. The fastest growing age demographic within the CBW are people aged 65 to 79 years old; from 2010 to 2013 their population increased by 16%. As seen in the figure below, populations are generally poised to increase in age cohorts of 55 and older and decrease otherwise.

The fundamental factors influencing the future use of the property are best framed through an understanding of regional-industry and job trends, as these economic trends affect demand for properties like this one. When compared to the nation as a whole, a significantly higher portion of Alaska's jobs can be attributed to natural resource-related and oil and gas industry-related jobs. As such, the fact that oil prices have decreased 70% over the past two years has put the Alaskan economy as a whole into a similar decline. For example, unemployment rates in the state, region, and CBW itself far exceed national averages (as shown to the right).

Trends in other key job sectors have also contributed to this economic decline. The State of Alaska is experiencing a budget deficit, which has coupled with federal spending cutbacks to reduce spending on infrastructure projects; as a result, in 2016 construction spending is expected to experience an 18% decline. Another important economic sector in Wrangell is tourism; however, the state has also reduced investment in tourism-related transportation infrastructure, such as the Alaska Marine Highway System.

Figure 5. Demographics

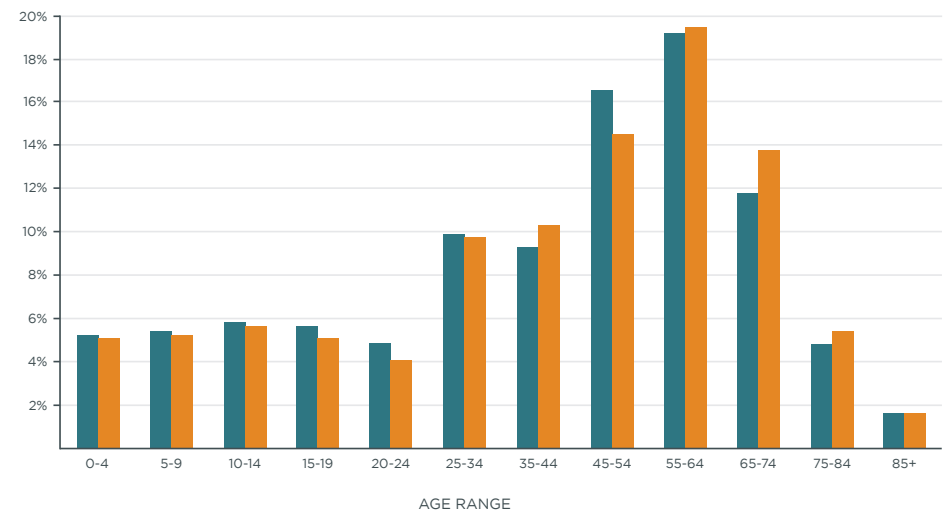
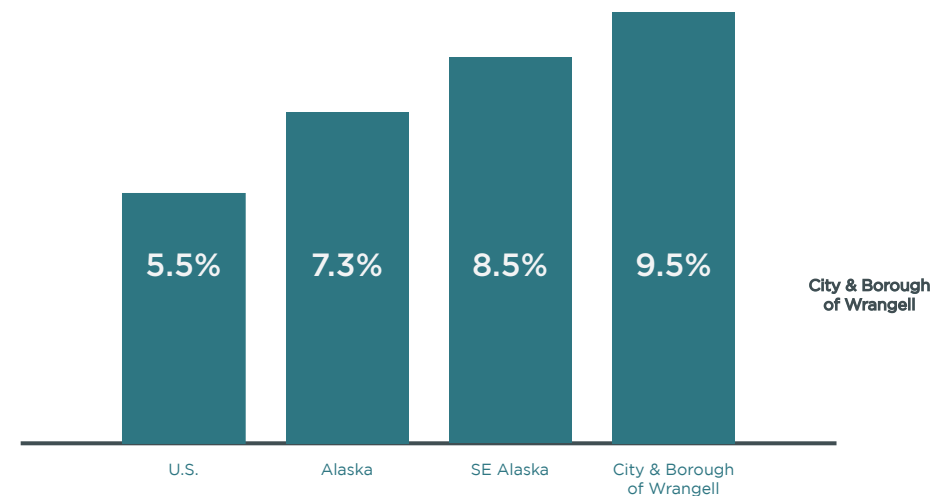


Figure 6. Unemployment



TRENDS IN MARKETS

The economic development opportunities at Wrangell are strongly influenced by the forces that impact the State of Alaska, particularly Southeast Alaska. The following section reviews key trends affecting the economy and identification of market opportunities and constraints.

Recent Trends in Southeast Alaska

Overall employment and wage income in Southeast Alaska is dominated by three sectors: the government accounts for 35.2% of wage income and 29.8% of jobs; the seafood industry accounts for 11.9% of wage income and 9.6% of jobs; the visitor industry accounts for 8.7% of wage income and 15.2% of jobs. Combined, these three sectors account for 56% of earnings and 55% of jobs. None of the other sectors accounts for more than 6.9% of wage income or 10.1% of jobs.

Overall, trends during the past five years have been largely positive for the Southeast Alaskan economy:

- Population grew by 2,600 people.
- 1,500 new jobs were added.
- Workforce earnings increased by \$275 million, mostly from the private sector.
- New jobs and investments occurred in the areas of seafood, tourism, mining, construction, healthcare, maritime, and energy. Only the government experienced a downturn.
- Housing starts tripled.

However, the Alaska Department of Labor and Workforce Development estimates that employment in Southeast Alaska will fall by 500 jobs in 2016, which represents a modest decline of 1.4%. Most of the impact is expected to be felt in the government, which accounts for more than a third of employment in Southeast Alaska. The government sector

is expected to lose 450 jobs. Losses are also expected in construction and professional and business services (expected loss of 100 and 50 jobs, respectively). These losses will be partially offset by gains in trade; transportation; and utilities; education and health services; and leisure and hospitality, with all three sectors each expected to add 50 jobs.

Trends in the City and Borough of Wrangell

Wrangell's economy has gone through a major transformation from a heavy reliance on forest products to a more balanced economy that depends on the maritime sector, the government, tourism, and other sectors. Forest product manufacturing was the centerpiece of the economy well into the 1990s, with peak sawmill employment over 200 workers, with an additional 32 longshoremen loading ships. By 1990, annual payrolls exceeded \$10 million at the sawmill (not counting the tug operations), timber harvest, and longshore operations. However, after passage of the Tongass Timber Reform Act by Congress in 1990, "mill closures resulted in an immediate loss of 20% of Wrangell's employment and 30% of local employment earnings. Wrangell's population dropped from 2,758 in 1994 to 1,911 in 2006 before a small trend in population increase began."

In 1986 the City of Wrangell began the process of reengineering its economy with a purchase of the sawmill site in downtown, which led to several investments:

- Development of flash-freezer space and cold storage in a vacant seafood plant, later purchased by Trident Seafood with the goal of enhancing the maritime (fishing and seafood processing) sectors.
- Development of the Marine Service Center, including a 150-ton and then a 300-ton Travelift haul-out, with repair facilities and boat storage. This boatyard has been very successful, accommodating 200 to 275 boats per year since development. It has helped attract other vessels to the area.

- Built a convention and visitors center near the Marine Service Center, upgraded the cruise ship dock, and rebuilt Front Street with the goal of enhancing the tourism industry.
- Construction of Heritage Harbor in 2010, a new boat basin that can accommodate around 165 boats with 1,500 feet of transient moorage space. The harbor is well utilized.

Market-Based Opportunities for Future Uses

Based on the market fundamentals, redevelopment of the Silver Bay Property will be challenging, but there are several opportunities where there appear to be demand and growth potential: boat repair and construction and specialized manufacturing. Given the large size of the property, several different types of uses could be developed that would generate synergies and share site-improvement costs.

Boat Construction and Repair

Based on the performance of the existing Marine Service Center and the regional trends in the maritime sector, there appears to be market demand to support increased commercial boatyard capacity. Since the fiscal year of 2009, the Marine Service Center has hauled out more than 210 vessels per year. During the past four years, the yard has handled more than 247 boats per year. This accounts for approximately 6% of haul-outs in Alaska by number of lifts and 2% by value of repair/maintenance. The Marine Service Center primarily caters to commercial fishing boats but also accommodates recreational boats and other commercial boats (harbor boats including tugs and other boats). The Marine Service Center appears to operate at or near capacity during peak season (before and after fishing seasons).

The CBW could possibly support the development of a 10- to 15-acre boatyard/storage facility at the Silver Bay Property to try capturing a larger share of the market. Undertaking development of a new commercial boatyard would require

significant capital and come with a set of risk factors including:

- High Cost of Development—The existing Marine Service Center took approximately \$15 million to develop. The potential to transfer the 300-ton lift from the Marine Service Center to the Silver Bay Property represents large potential savings. Due to the state's current budget deficit and limited federal funds, obtaining public grants will be challenging.
- Regional Competition—There are 25 travel lifts in 15 different Alaskan communities, in addition to five dry-dock facilities. Kodiak has the largest capacity travel lift with an ability to haul out vessels up to 180' long, 42' wide, and 660 tons. Wrangell has the second largest lift (300 tons).
- Split Operations—Development of a second boatyard could tax existing operators if they were to operate split operations (at the existing and new boatyards) by requiring additional capital outlays for buildings, equipment, and other resources.
- Labor Force—Increasing the scale of marine services may well exceed the capacity of the local labor pool. Recruiting and retaining skilled labor have been identified as challenges. Development of workforce training and immigration could alleviate this problem. However, boatyard operations are seasonal and workers would be looking for full-time, year-round work.

Manufacturing

Based on interviews with local stakeholders, there appears to be demand for specialized manufacturing and light-industrial building space. Potential users include fabrication of high-end musical instruments using local timber. The small scale of the existing market makes the potential demand difficult to quantify, but from a land use and economic perspective, these types of uses would be compatible on the Silver Bay Property.



Tourism

In 2014, an estimated 14,720 tourists visited Wrangell and spent \$4.1 million. The visitor business in Wrangell generated employment for approximately 85 individuals in 2013, with an income of \$1,461,237. Wrangell has made strategic investments in downtown facilities to enhance and grow the tourism industry, including construction of a convention and visitors center, upgrades to the cruise ship dock, and reconstruction of Front Street. To capitalize on these investments, it is recommended that tourism uses continue to focus on downtown. With the scarcity of developable industrial land in Wrangell, it is also recommended that the Silver Bay Property be reserved for industrial uses.

Barge Lines

Barge service to Wrangell is currently provided by Alaska Marine Lines (AML) and Samson Tug and Barge. AML provide twice-a-week regular barge service and Samson provides

weekly service. Other barge services (such as fuel and project cargo) are provided on an as-needed basis. In general, barges carrying diesel, heating oil, aviation gas, and gasoline are towed from Washington each month, or less frequently, from Nikiski to provide fuel for Southeast Alaska. An additional “resident” barge takes fuel from Ketchikan and provides supplies for the smaller communities or industrial activities.

Each year, Wrangell receives approximately 17,000 tons of inbound cargo and ships approximately 23,000 tons of outbound cargo. Inbound cargo primarily consists of consumer goods and inputs to manufacturing. Outbound cargo primarily consists of fish/seafood product shipments, forest products, and waste materials.

Barge service is accommodated at the barge ramp and cargo wharf in downtown Wrangell. The barge ramp, which is used for shipping and receiving conventional, roll-on/roll-off, and containerized general cargo, is equipped with a pneumatic system to raise and lower the transfer bridge, and there are over two acres of open storage at the rear of the ramp. The barge ramp has berthing space of 400 feet with alongside depth of 20 feet. The cargo wharf is used for shipping and receiving containerized general cargo. At the rear of the facility is about 8,700 square feet of paved open storage, and there is more open storage available. The cargo wharf has berthing space of 300 feet with alongside depth of 32 feet. When additional space is required during the peak summer season, barge lines can use a portion of the boatyard for storage.

It is uncertain whether the barge lines would move to the Silver Bay Property. The existing barge facilities are appropriately sized to accommodate normal loads. Shifting the barge lines to the Silver Bay Property would entail additional capital costs, as well as increased transportation and logistical costs for the barge lines and their customers, who need to transit from the site to downtown.

Waste Management and Recycling

The feasibility of establishing a waste management or recycling center at the Silver Property was also evaluated. In the recent past, there has been some interest and research into the viability of these uses in Wrangell and Southeast Alaska. For example, in 2014, the municipalities of Wrangell, Petersburg, Coffman Cove, Craig, Hydaburg, Kasaan, Klawock, and Thorne Bay jointly issued a solicitation for firms to provide scrap-metal recycling services. Notably, Sitka and Juneau did not participate in this effort. An existing construction company already operating barges throughout Southeast Alaska was selected. Their plan was to use excess space on their barges to haul scrap metal to a centralized recycling facility. They eventually abandoned the planned arrangement and backed out of the process. Experts in the industry that were interviewed as part of Silver Bay Property feasibility study expressed skepticism about the economics and logistics of establishing a recycling facility in CBW. The primary challenges are the small volume of waste material produced by the small population, transportation costs, and commodity prices. Global prices for recyclable commodities such as steel, copper, and aluminum have dropped significantly (see Figure 7).

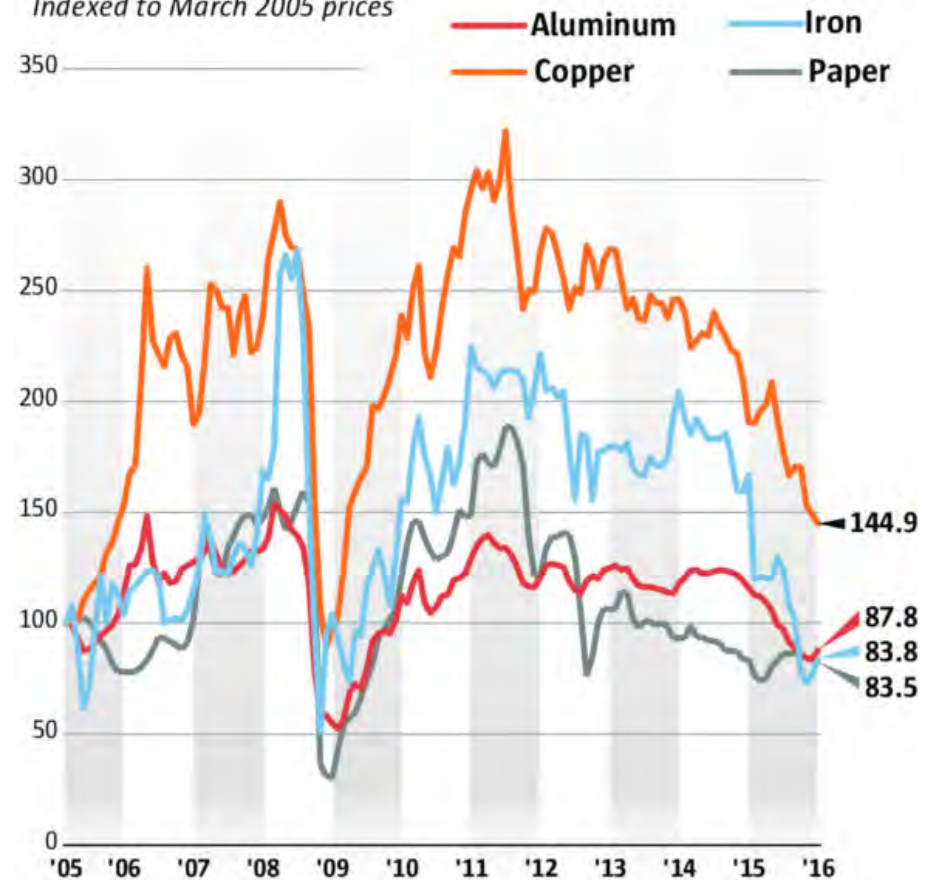
Figure 7. Recycled Material-Price Trends

Recycled-material prices drop

Prices fluctuate for recycled materials, and some are hitting severe lows compared to four or five years ago.

PRICES FOR FOUR DIFFERENT RECYCLED MATERIALS

Indexed to March 2005 prices



Source: Institute of Scrap Recycling Industries

Source: The Seattle Times

Community Input

Since the lumber mill closed, there has been a large amount of community interest and discussion in the future of the Silver Bay Property. In 2010, a survey of community interests was conducted as part of the CBW Comprehensive Plan Update process. Community members stated that increased jobs and a stronger economy were the highest needs in Wrangell. When asked specific questions about the Silver Bay Property, 63% of respondents supported development of a new industrial park at the site, and 66% of respondents supported moving the downtown barge-landing facility to the site. During the Wrangell

Waterfront Master Plan process in 2015, community members also expressed support for the idea of moving the barge-landing facility out of downtown to another location such as the Silver Bay Property.

A community meeting was held on February 17, 2016 as part of the feasibility study process. Participants engaged in a facilitated Strengths, Weaknesses, Threats, and Opportunities (SWOT) assessment focused on redevelopment of the property. The following table summarizes the community's ideas and concerns.

Table 2. SWOT Analysis

STRENGTHS <ul style="list-style-type: none"> • Large property • Deep-water access • Site already partially developed with existing bulkhead and pier • Willing seller • Potential for employment • Potential partnerships with schools • Good access to roads and downtown • Proximity to quarry • Good location • Public utilities located close to property 	<ul style="list-style-type: none"> • Poor condition of marine infrastructure at site • Limited size and skills of local workforce • Limited local housing capacity • Debt capacity of City • Load-bearing capacity of historic fill material on site • Proximity of site to residences (potential for nuisance) • Limited sightlines on highway curve near access points WEAKNESSES
OPPORTUNITIES <ul style="list-style-type: none"> • Potential for commercial boatyard and marine-industrial use • Federal funding • Experienced staff at City who developed existing boat yard • Educational possibilities, especially with school district vocational-education program and proximity to the Institute Property • Overall economic benefits of redevelopment • Potential relocation for downtown industrial uses 	<ul style="list-style-type: none"> • Competition with other shipyards • Piecemeal development of the property • Lack of funding from state • Increased traffic • Impacts on downtown businesses • Climate change impacts to fisheries and sea level rise • Potential for impacts to cultural resources • Impacts on nearby properties • Legacy environmental impacts THREATS

Land Use Regulatory Framework

Development of waterfront property, such as the Silver Bay Property, is regulated by a set of federal, state, and local laws and regulations. The allowed uses and development regulations for the upland portions of the property are permitted under CBW authority. Improvements in-water or shoreline will require state and federal review and permitting.

LOCAL LAND USE FRAMEWORK

CBW Land Use Plans

As required by state law, CBW has adopted a Comprehensive Plan to guide physical development. The Comprehensive Plan was updated in 2010. In 2015, the City also developed a Waterfront Master Plan that provides more focused and detailed policies and recommendations for development of the downtown waterfront.

The Comprehensive Plan includes goal and policy statements related to the future development of the Silver Bay Property:

Economic Development Goal—Maintain current jobs, support existing businesses, and pursue new development that will provide year-round jobs, build on local assets, and provide needed goods and services

- **Policy 10.** Maintain and support existing businesses and employers, including both private-sector and the community's government jobs
- **Policy 12.** Offer incentives, as appropriate, to support creation of new year-round jobs
- **Policy 16.** Support the local and regional commercial fishing fleet by providing harbor and marine-service infrastructure and encouraging private-sector development of services close to harbors
- **Policy 17.** Support expansion and diversification of local seafood-harvest processing capacity

- **Policy 26.** Provide harbor, dock, and launch facilities that attract and support commercial and private vessels and provide convenient public access to the ocean
- **Policy 32.** Designate areas for commercial and industrial development in logical locations to promote economic opportunity and satisfy current and future needs

CBW Zoning

The property is zoned as a Waterfront Development District (WDD). According to both the Comprehensive Plan and municipal code, the WDD prioritizes water-related industrial and/or commercial uses. The CBW's municipal code lists the following uses as permitted for the WDD:

- Piers, wharfs, and docks;
- Transportation and transshipment facilities;
- Marinas and small-boat harbors;
- Any water-dependent or water-related manufacturing, processing, fabricating, assembling, research, wholesale or storage uses;
- Facilities for construction, maintenance, repair and storage of vessels;
- Public parks and playgrounds;
- Boat sales, services, and supply establishments;
- Fish- and seafood-processing plants and cold-storage plants;
- Bait shops;
- Vessel charter offices;
- Marine warehouses;
- Freight storage and freight equipment-operation centers;
- Facilities for loading and unloading ships or barges, including cranes and ramps;

- Water-dependent or water-related retail commercial establishments dealing primarily in bulk materials delivered by ship;
- Harbormaster's offices;
- Timber-processing facilities, provided that such facilities rely primarily upon water transportation for obtaining and shipping timber or timber products;
- Temporary dwellings to include modular dwellings or manufactured housing for guards or caretakers employed on site;
- Boat-launching facilities; and
- Float-plane facilities.

There are also a number of conditional uses listed:

- Water-related uses not mentioned above and their accessory uses;
- Other uses if there is no suitable upland alternative for a non-water-related or non-water-dependent use;
- Retail and wholesale businesses;
- Laundries and consumer services; and
- Animal establishments other than establishments for livestock.

It should be noted that while the municipal code limits use options to the preceding lists, since the WDD zone currently only applies to the Silver Bay Property and immediate vicinity, amending the zoning could be an efficient procedure to allow other appropriate uses.

Development Regulations

In addition to the zoning controls on types of use, municipal code includes development standards for the WDD. The maximum height of a structure is 35 feet, with some variance allowed if within reach of a fire ladder (WMC 20.52.080). Visual buffers between industrial and port-related uses require a buffer at least 25 feet in width and 75% sight-obscuring (WMC 20.52.200). Users must be vigilant about responsible handling of waste and volatile products (WMC 20.52.050). The CBW's code does not call out minimum lot coverage standards for the WDD (WMC 20.52.005). Other standards are listed below:

Table 3. Setback Requirements (WMC 20.52.110)

Adjacent Uses	Minimum Setbacks (feet)
Highway	20
Rural Residential - Front Yard	20
Rural Residential - Side Yard	15
Rural Residential - Back Yard	20

Table 4. Parking Requirements (WMC 20.52.190)

Use	Minimum Parking Requirement
Retail	One space per 400 sq. ft.
Office	One space per 400 sq. ft.
School	One space per two employees and one per every 20 students over 16 years of age
Large Commercial	One space per 800 sq. ft.
Industrial	One space per two employees

Subdivision of Land

The property historically operated as one large facility under single ownership. If the property is sold in pieces and developed in phases, subdivision of the land will be required to ensure that sufficient access and utilities are available to each parcel. Title 19 of the Wrangell municipal code and State law (AS 40.15) regulates the subdivision of land. There is no “size exemption” in creating a lot. That is, regardless of size, any lot or parcel created for the intent to create a “unit” for transfer of ownership must follow the subdivision requirements. General subdivision requirements are:

1. The property must have a legal boundary survey conducted and the subdivision must be recorded.
2. The size and dimensions of the lot(s) must be shown on the plat.
3. Lot sizes must conform to underlying zoning requirements and the master plan of the borough.
4. All lots must abut a dedicated street right-of-way of 60 feet in width.
5. The street must be improved to a minimum gravel standard with a width of 36 feet.
6. Public sewer and water must be “obtainable,” or if not, State Health Department approval is required.
7. If the land to be subdivided lies adjacent to a State Highway, the connecting street must be approved by the State Highway Department.

The existing tax-parcel configuration of the Silver Bay Property does not appear to provide physical access or dedicated streets. If created before certain defined dates (1953, 1973, or 2008), lots within the subdivision may be a “lot of record” and “existing substandard lot.” However, significantly, when such lot adjoins other such lots in the same ownership, the lot cannot be

conveyed to another owner or any building permit issued unless in conformity with the subdivision regulations (WMC 19.40.010).

STATE AND FEDERAL ENVIRONMENTAL PERMITTING

Permits are required from the federal government for any projects that occur beyond the ordinary high-water mark of navigable water.

Section 404 of the Clean Water Act (CWA) establishes a program to regulate the discharge of dredged or fill materials into waters of the United States, including wetlands. Activities in waters of the United States regulated under this program include fill for development, water resource projects, and infrastructure development. Section 404 requires a permit before dredged or fill material be discharged into waters of the United States, unless the activity is exempt from Section 404 regulation (e.g., certain farming and forestry activities).

Section 10 of the Rivers and Harbors Act of 1899 prohibits obstruction to the navigable capacity of any waters of the United States.

The federal permit process also requires additional review and consultation including the following:

- Section 401 Water Quality Certificate and Coastal Zone Management Act Consistency Certification
- National Environmental Policy Act (Lead agency is the U.S. Army Corps of Engineers, based on the Section 404 and Section 10 permitting authorities)
- National Historic Preservation Act—Section 106 Consultation (Lead agency is the U.S. Army Corps of Engineers with consultation by Native American tribes and the State Historic Preservation Office)

TIDELAND LEASE REQUIREMENTS

In 1998 the tideland portions of the Silver Bay Property were conveyed to the City by the State of Alaska. If the City were to purchase fee-simple property and/or buy out the remainder of their lease agreements, the leases could be re-drafted to meet the needs of their development concepts. The current lessee is Silver Bay Logging, Inc. Lease rent is adjusted every ten years starting in 2006, and the existing lease term ends in 2036. Additional terms and conditions include:

- Lessor must be notified and receive documentation of improvements
- Lessor must grant permission for lessee to sublease to a third party
- Any permitted use of the property, as defined by Wrangell's municipal code, is permissible by the lessor
- Lessor reserves a public access right-of-way of 50 feet along mean high water or ordinary high
- At the end of the lease, all improvements must be removed
- Lessee indemnifies the State against any claims or damages



Physical Site Conditions

A preliminary assessment of physical site conditions was conducted, including review of site access, marine infrastructure, utilities, and subsurface geology (See Appendix B).

ACCESS AND CIRCULATION

Existing Conditions

The Silver Bay Property has historically been accessible by land and water. It has frontage on the Zimovia Highway, which also serves the entire western shoreline of Wrangell. The primary access driveway to the property is in the northern portion, and another entrance provides access to the former log-sorting yard in the southern portion. Most of the property is paved, which provides flexible internal-vehicle circulation.

When the mill was operational, the water was accessed via a dock on the north end of the property and a log boom on the south end. The northern pier is approximately 300 feet by 60 feet and is aligned parallel to the shoreline. The pier is

supported by creosote-treated timber piles with diameters of approximately 12 to 14 inches. In general, the piles appear to be in fair condition. Probing with a pick was conducted at the waterline on a limited number of piles to check for borers or decay, and all tested piles appeared to be sound. No probing was performed at the deck level due to lack of access. Physical damage was observed at a number of piles and much of the cross-bracing that is likely due to impacts from floating debris during storms. The northwest corner of the pier appears to have been impacted by vessels and is sagging significantly. The timber deck consists of 3-inch by 12-inch planks laid as a wearing surface over 4-inch by 12-inch structural planks. The deck is supported by a grid of 4-inch by 12-inch stringers and 12-inch by 12-inch pile caps. The wearing surface is heavily decayed and in some locations is supporting plant growth. The condition of the structural planks, stringers, and pile caps was not able to be physically assessed due to lack of access. Visually these structural elements appeared to be in fair condition.



Photograph 2. Condition of the pier.



Photograph 3. Condition of the bulkhead adjacent to the pier.

An elevated crane is situated at the south end of the pier, as shown in Photograph 3. The crane is supported on a steel-tower structure approximately 24 feet by 40 feet and stands approximately 45-feet tall from the deck to the base of the crane. The top of the mast, in its current position, is approximately 110 feet above the pier deck. The functionality of the crane is not known, however; it appears to be obsolete equipment and the supporting steel structure is corroded and in areas has physical damage. An overhead conveyer located at the south end of the pier spans between the shore and the North Pier (see Photograph 3). The conveyer is supported by steel towers at each end. The shore tower is significantly damaged near the base, with large tears and deflections in the columns.

Recommended Improvements

As illustrated in the conceptual plans (see Figures 2 and 3), it is expected that the existing access to Zimovia Highway can continue to serve as the primary entrance to the property. A second access point to the north is recommended. The proposed additional access point roughly aligns with a previous entrance that has been abandoned. Re-establishing that access point would allow more flexibility for access to and circulation on the property.

The northern pier appears to be in fair-enough condition to allow rehabilitation and re-use. Removal of the entire wearing surface as well as an unknown amount of the structural deck will be required. Additionally, replacement of a portion of the stringers, pile caps, and piles will be required in areas of physical damage or decay. Extensive replacement and enhancement of bracing will be needed. If the functions of the crane are needed for future use, the tower will need to be reconditioned and the crane will likely need to be replaced. Prior to any re-use of the pier, the conveyor system and towers will need to be demolished and removed from the site. The bulkhead will need

to be completely replaced if a vertical face at the waterline is needed for future functions. It may be possible to drive a sheet-pile type bulkhead just offshore from the existing bulkhead to reduce demolition efforts; however, more study of permit restrictions and costs is needed to prepare a plan for bulkhead restoration. Delaying the bulkhead restoration would reduce near-term development costs.



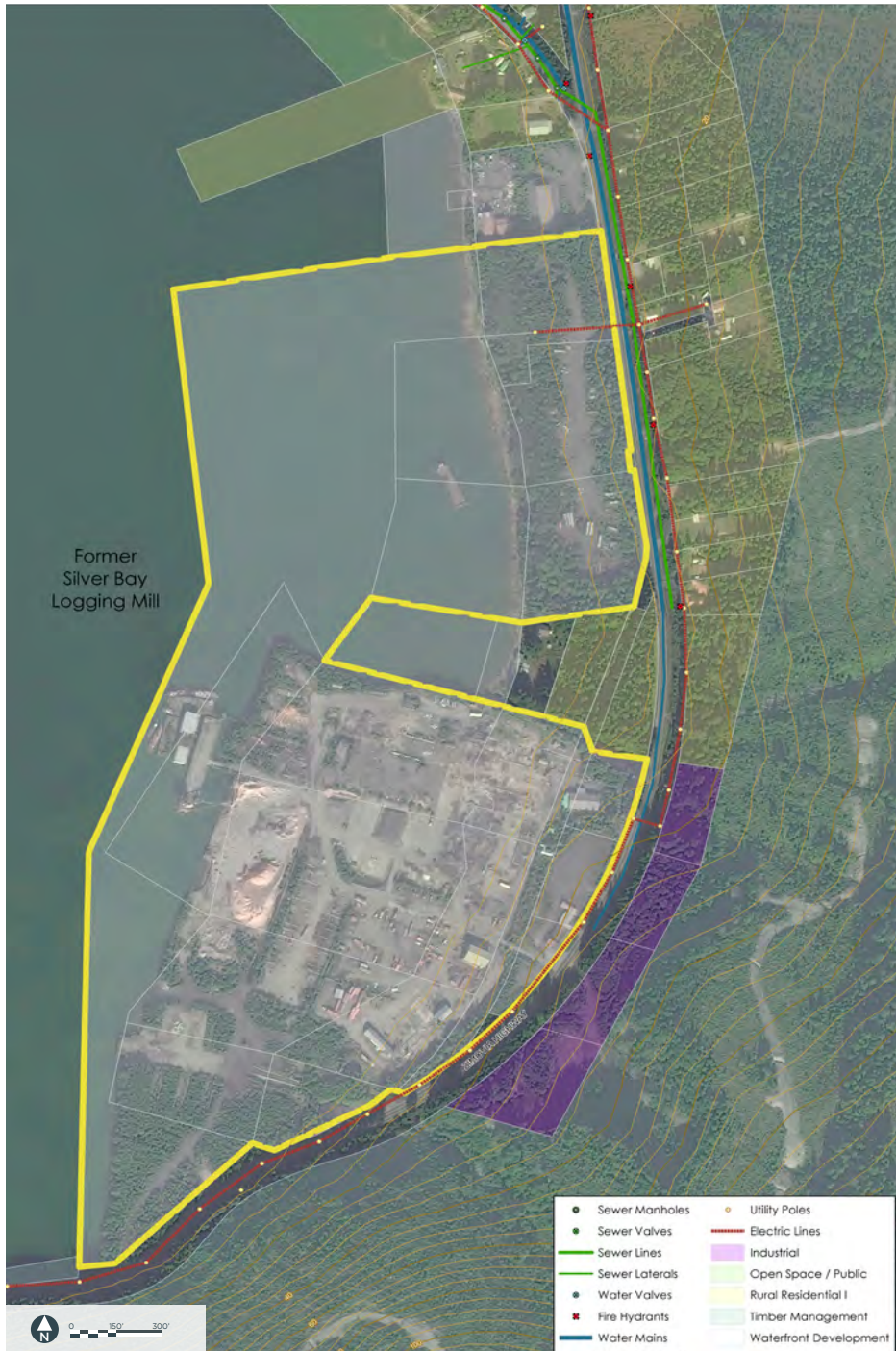


Figure 8. Zoning and Utilities

UTILITIES

Water, sewer, electricity, and telecommunication lines run from the north along the Zimovia Highway, all of which would need to be extended to serve the Silver Bay Property (see Figure 8).

Existing Conditions

The municipal water and sanitary-sewer systems extend to approximately 600 feet north of the Silver Bay Property. The water line is 12 inches in diameter and the sanitary sewer line is 6 inches in diameter. The water line connects to the municipal water-treatment plant that has an ozonation and sand-filtration process. The source of water is two reservoirs with a storage capacity of approximately 66 million useable gallons of water. Peak monthly water demand has been approximately 30 million gallons. While there is sufficient storage capacity to meet peak demands, City staff have indicated that the flow rate of the sand-filtration system can be a limiting factor. In the last seven years, the City has installed new water tanks to increase the capacity of the system. The sanitary-sewer system along Zimovia Highway flows primarily by gravity, assisted by a series of lift stations. The CBW wastewater-treatment plant processes an average of 10 million gallons per month and has sufficient capacity to meet forecasted growth for the next 20 years.

When the mill was in operation, it used private-sewer and water facilities. As such, it is also likely that there is a private tank currently located on site that was used for sewer services. Similarly, the City believes that the property used a private well for water.

There are no stormwater management treatment, detention, or retention facilities on the property. Two creeks cross the property. Mill Creek flows through the north side of the property. A man-made pond impounds water from the creek. The dam appears to cross the property line and impounded water is used by the property to the north. The structural

stability of the dam and the status of any water rights associated with the creek were not reviewed within the scope of this study. An unnamed creek flows through the southern portion of the Silver Bay Property. The creek enters the property via a 72-inch culvert under Zimovia Highway. The creek flows are conveyed through a 48-inch pipe across the property.

Local electric service is provided by Wrangell Light and Power, which purchases power from the Tye Lake Hydropower Facility that is operated by Southeast Alaska Power Agency. When the mill was in operation, it was served by a dedicated service originating from the switch yard at Shoemaker Bay. The dedicated line was built on top of the Wrangell Light and Power feeder #4, sharing the utility poles along Zimovia Highway. While the transformed dedicated to the mill has been decommissioned, the service line built of feeder #4 is still in place.

Recommended Improvements

The property should be connected to the municipal water, sanitary sewer, and power systems to support redevelopment. This will require some extensions of those distribution systems. Demand projections and assessments of public infrastructure capacity will need to be compared to determine the precise extent of required upgrades, but the following improvements are likely to be needed:

- **Water system.** Extension of 1,000 feet of 12-inch diameter pipe to connect the center of the property to the existing distribution line in Zimovia Highway. To meet fire flow requirements, a seawater system can be developed to supplement the municipal water system.
- **Sanitary sewer system.** Lift stations will be needed to connect to the public-sewer infrastructure. This can be designed with multiple micro-lift stations for specific

developments on the property connecting to a larger lift station that serves the whole property. Approximately 1,000 feet of 6-inch sanitary sewer force-main pipe will need to be installed to connect to the existing line on Zimovia Highway.

- **Electrical Power.** Power can be delivered to the property by either connecting to the feeder line adjacent to Zimovia Highway, or re-establishing the direct service line to the Shoemaker Bay switch yard. To ensure that sufficient reliable power is provided to support redevelopment of the Silver Bay Property, the City electrical superintendent has recommended that the dedicated tie-in to the switch yard be re-established.
- **Stormwater Management.** Redevelopment of the property will need to comply with current stormwater regulations. If a commercial boatyard is developed, this will need to include a wash-down area and treatment system designed to remove metals and petroleum hydrocarbons.

SUBSURFACE GEOLOGY

It is estimated that more than half of the upland property consists of fill material. Records documenting the fill of the Mt. Sealy area on the north end of the property indicated that fill was predominantly wood-wasted with a clay cap. No records of fill on the main portion of the mill property were discovered during the feasibility study. To better understand the characteristics of the historic fill, a series of six borings were conducted on the property (see Figure 9). While these borings are not the equivalent of a geotechnical study, they provide a preliminary assessment of conditions. Each boring encountered shot rock and quarry spalls and reached refusal at approximately six feet below grade surface. Based on these observations, it is assumed that redevelopment of the property will not require extraordinary geotechnical engineering.



Figure 9. Boring Locations

Environmental Overview

As an operating lumber mill since the 1950s, there is potential for environmental concerns related to the property. Following closure of the Silver Bay Logging Mill, the property owner conducted an environmental investigation and cleanup actions under the oversight of the Alaska Department of Environmental Conservation (ADEC). Cleanup actions, including excavation of soils contaminated by mill operations, have been completed; in 2014 ADEC issued a determination that cleanup was complete (it was designated as “Closed” on the Contaminated Sites Database) (ADEC, 2014).

HISTORICAL OPERATIONS

The Alaska Pulp Corporation owned and operated a sawmill on the Property from the mid-1950s to 1995. In 1995, Silver Bay Logging bought the Property and continued limited sawmill operations from 1998 until the mill closed in 2010. By 2011, most of the buildings and structures related to the former sawmill operations had been removed from the Property. During Alaska Pulp Corporation’s ownership, historical operations at the Property included a dip tank for lumber treatment, an ash disposal facility, a maintenance shop, a planar mill-paint station, an oil/water separator, polychlorinated biphenyl-containing transformers, and bulk storage of petroleum products across the Property (SMS, 1996) (see Figure 10). Historical operations related to Silver Bay Logging’s ownership of the Property were similar to that of the Alaska Pulp Corporation (Nortech, 2006), with the exception of treating and painting lumber.

AREAS OF CONCERN

An environmental review prepared in 1996 by Southwest Management Services (SMS) identified thirteen areas of environmental concern at the Property; however, following further evaluation, including sample collection and analysis, the report concludes that “no significant environmental

problem was found to exist anywhere at the sawmill” (SMS, 1996). A Phase I environmental site assessment (ESA) in 2006, completed by Nortech Environmental Engineering & Industrial Hygiene Consultants (Nortech), identified several potential environmental concerns related to oil-stained soil, poor housekeeping practices (including storage of fuel tanks, drums, propane cylinders, and lead-acid batteries), and a lack of a Spill Prevention Control and Countermeasures (SPCC) plan (Nortech, 2006). A Phase II ESA, completed by Nortech in 2011, identified significant petroleum contamination in surface soil across the Property (Nortech, 2011). The contaminants of concern (COCs) for the Property were identified as diesel-range organics, residual-range organics, and gasoline-range organics.

Eight areas of concern were identified by Nortech after the completion of the Phase II ESA (Nortech, 2011). SMS developed a cleanup plan to address those areas of concern (SMS, 2012) and cleanup activities began in May and June 2012 (ADEC, 2014). However, during the cleanup of the Property, six additional areas of concern were identified for remediation; ADEC requested an amended cleanup plan to address those areas (see Figure 10) (ADEC, 2014).

Figure 10. Environmental Cleanup Areas



CLEANUP ACTIONS

In April 2012, ADEC approved a cleanup plan produced by SMS detailing proposed cleanup activities for the petroleum-contaminated soil on the Property (SMS, 2013). Cleanup actions consisted primarily of excavation and on-site bioremediation of contaminated soils, as well as removal of recyclable/hazardous materials from the Property. During the cleanup, a significantly larger volume of contaminated soil was found than previously anticipated, resulting in an expansion of excavation areas (ADEC, 2014). Once the extent of the excavations was completed, fourteen separate cleanup areas had been identified by Nortech, SMS, and ADEC (see Figure 10) (ADEC, 2014). The limits of the excavations were based on reaching Method Two, Over 40-inch Zone (referring to the amount of precipitation received annually), Direct Contact cleanup levels (CULs) for the COCs in soil, as outlined in ADEC regulation 18 AAC 75.341(d).

ADEC determined that groundwater beneath the Property was not useable; therefore, groundwater at the site was not evaluated for the presence of contamination. The basis for this determination is that the Property is located immediately adjacent to steep uplands and on top of filled tidelands, which suggests that a usable aquifer is not present in the area (ADEC, 2014). However, cleanup standards for contaminated soil at the Property were required to be protective of surface water quality (ADEC, 2014).

Contaminated soil was excavated from designated cleanup areas and placed in five containment cells for bioremediation treatment on the Property. Approximately 3,560 cubic yards of excavated material was bioremediated by tilling the contaminated soil and applying urea and fertilizer. Soil samples were collected from the bioremediation cells and analyzed to monitor the concentrations of the COCs. Once COC concentrations in the soil were determined to be below CULs, the soil was then used to backfill the excavations on the

Property.

Residual soil contamination remains on the Property. However, concentrations of COCs in soil below CULs and ADEC determined that the remaining soil contamination does not exceed human health-risk standards, based on a cumulative risk determination (ADEC, 2014). The Property received a Cleanup Complete Determination (CCD) from ADEC on January 17, 2014 (ADEC, 2014).

Following the CCD, the following conditions apply to the management of and use of the Property:

- Point-source discharge from the oil/water separator is required to be managed through a water-discharge permit for any future facility at the Property.
- Any proposal to transport soil or groundwater off-site requires ADEC approval consistent with ADEC regulation 18 AAC 75.325(i).
- Movement or use of contaminated material in a manner that results in a violation of ADEC regulation 18 AAC 70 water quality standards is prohibited.
- The CCD for the Property does not preclude ADEC from requiring additional assessment and/or cleanup action if future information indicates that this site may pose an unacceptable risk to human health or the environment.

DATA GAPS

MFA identified the following data gaps during its review of the previous environmental reports for the Property (refer to Figure 10):

- **Dip Tank Characterization:** Previous consultants sampled only the concrete tank enclosure for contamination associated with the potential use of historical solvent. Migration pathways for solvents to be released from the tank

may include surface spills in the vicinity of the tank, spills and/or leaks from pipes or pipe fittings or from cracks in the tank. Each of these pathways, if complete, may have resulted in contamination to soil and/or groundwater in the vicinity of the tank, which were not sampled. Therefore, there is potential that soil and/or groundwater (if present) in the vicinity of the tank may be contaminated with solvents.

- **Groundwater to Surface Water Pathway Characterization:**

Groundwater on the Property was determined not to need characterization or mitigation by ADEC; therefore, groundwater was not evaluated for the presence of contamination. Whereas cleanup standards for soil were required to be protective of surface water, the pathway from groundwater to surface water was not assessed. There is the potential for negative impacts to surface water quality if groundwater contamination is present and is discharging to surface water.

- **Sediment Characterization:** The characterization of sediments in the adjacent tidelands on the Property, specifically near the outfall of the oil/water separator, is extremely limited. Due to the extensive cleanup of petroleum-contaminated soil across the Property, it is likely that contamination associated with upland releases may have migrated to sediments in the adjacent waterway.

It is recommended that these data gaps be addressed during due diligence prior to a new owner acquiring the property.

IMPLICATIONS FOR FUTURE DEVELOPMENT

While ADEC has determined that the cleanup of the Property is complete, development of a property with a long history of bulk fuel and chemical handling carries inherent risk that grading and excavation activities may encounter contaminated wood waste and/or groundwater. As noted in the above section, MFA has identified several data gaps related to the characterization

of the subsurface at the Property. These data gaps indicate the potential for contamination to be present in areas of the Property that were not adequately characterized. There is the potential for future financial and liability risks associated with any additional contamination that may be present.

These risks can be mitigated in several different ways:

- Additional investigation—Property acquisition due diligence could include additional soil, groundwater, and sediment sampling to further evaluate environmental conditions.
- Contractual allocation and liability—Purchase and Sale Agreements can include language regarding indemnification, cost sharing, and roles and responsibilities of buyer and seller, relative to any impacts that may be encountered during construction and use of the property.
- Environmental insurance—Specialized commercial insurance policies are available that provide coverage for discovery of contamination on properties. Typically, these policies will exclude any known impacts and generally have a 10-year policy term.



Recommendations

The Silver Bay Property presents both an opportunity and a challenge. The property is one of the last available sites for redevelopment in Wrangell that has the size and zoning to support industrial uses. Only 0.25% of land in Wrangell is in either private or CBW ownership, so development opportunities are scarce. The current market conditions and costs of site improvements are significant challenges to redevelopment. With the decline of the timber industry, the community lost its major economic base. In the last two decades, a more balanced economy has emerged in Wrangell with increased activity in the maritime sector, tourism, and health care, but market trends indicate that there is not great enough demand in any of these areas to absorb the 50 acres of land available at the Silver Bay Property. The fact that the mill has been closed and available for sale for over five years and no private sector investors have taken it on confirms that finding.

FUTURE USE OF THE PROPERTY

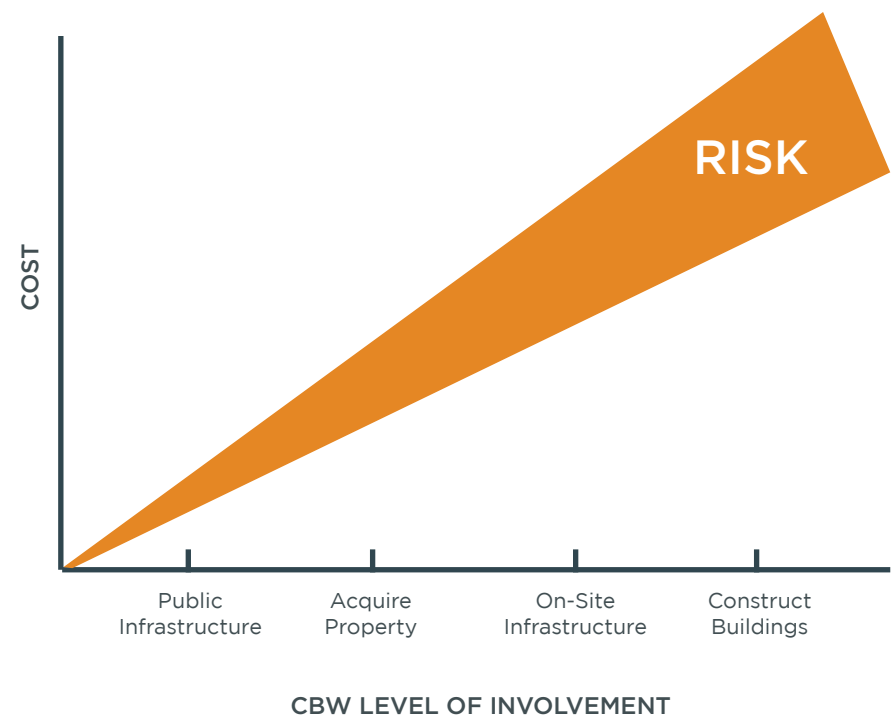
A mix of marine-related, industrial, and education uses are recommended as the most viable vision for redevelopment of the Silver Bay Property. These uses capitalize on the advantages of the property and the Wrangell economy. The key advantages of the property are its waterfront location, size, and zoning. These uses build on the growing marine-related industrial sector in the community, especially in commercial boat repair and maintenance, as well as the unique opportunities for partnerships in education and workforce development. The strategy of pursuing a mix of uses spreads risk and broadens opportunities for financing.

PUBLIC SECTOR ROLE IN REDEVELOPMENT

Based on the analyses conducted in this study, it appears that a public sector role in redevelopment will be critical to ensuring the property is efficiently utilized and to maximize its

potential contribution to the economy. A public sector agency such as the CBW, can play a significant role in positioning the Silver Bay Property for redevelopment. The public agency role could range from marketing and making investments in off-site infrastructure to taking ownership and making on-site improvements (Figure 11).

Figure 11. Levels of Investment



The levels of investment come with increasing costs and inherent risk. The initial selection of a targeted scenario for public investment will be driven largely by risk tolerance and confidence in the ability to obtain outside funding.

Level I. Invest in public infrastructure. Currently, municipal water and sewer are not extended to the Property. To make the Property more attractive to redevelopment, the CBW can put plans in place to extend these utilities. This may include preparing preliminary designs, cost estimates, and incorporating these utility extensions into the CBW's Capital Improvement Program.

While it is important for the City to signal to the private sector its willingness to make these utility investments, we recommend that the City not undertake final design or construction until a viable private partner or public-use plan is in place.

Level II. Acquire the property. With approximately 50 acres of upland property, there is a large amount of land that will likely be absorbed over a long time period. The CBW can minimize financial investment in the property by acquiring only a portion of the Property that it deems necessary or establishing a plan to acquire it in phases. The CBW could choose to lease or sell the property at some point, depending on market conditions. To manage risk associated with environmental liability, a prospective purchaser should conduct a Phase I ESA to meet federal bona fide prospective purchaser liability defense standards and consider obtaining an environmental impairment liability insurance policy. The purchase and sale agreement can also be tailored to include contractual release and indemnification terms.

Level III. Invest in on-site infrastructure. Providing key infrastructure would lower barriers to development and decrease risk for potential private developers. It is assumed that if the CBW constructs infrastructure on-site, it would maintain ownership of those facilities and allow private users access to those services through agreements or easements.

Level IV. Construct vertical buildings. Similarly, the CBW could further lower costs for private investors by funding building construction, if additional incentive is necessary. Ideally, the CBW would have specific users in mind and lease structures to these users. Speculative construction would represent an additional level of risk.

PUBLIC-PRIVATE PARTNERSHIPS

While the CBW has the long-term patience and potential to obtain state and federal funding support, successful economic redevelopment of the Property will require investments from other parties including private business partners. The CBW should be flexible in the terms it is willing to accept in partnerships including potentially transferring ownership of the property to support investment by other parties. The CBW could include right of first refusal or other property buyback provisions in a transfer agreement. The CBW should actively recruit private-sector partners in the maritime sector and specialized manufacturing.

Partnerships with educational programs, such as the University of Southeast Alaska Tech program and the Alaska Native Science and Engineering Program could also play an important anchor role in establishing a vocational training facility on the Property.

FINANCING

Redevelopment of the Silver Bay Property will require a significant upfront capital investment. If the CBW decides to play a lead role in the redevelopment, it should pursue a multi-pronged funding strategy including pursuing federal and state grants in economic development and workforce training/education along with contributions from development partners. The global market dynamics in the energy sector, and the declining price of oil in particular, are having a negative effect on the State of Alaska's budget. While the CBW was able to obtain millions of dollars in state grants to develop the Marine Services Center, the potential for funding from the state is likely to be diminished in the short term. A list of potential funding sources is provided in Appendix C.

ADDITIONAL SITE ANALYSIS

Site planning and design for real estate development is an iterative process. This property assessment and feasibility study provides a high-level analysis of the property. Prior to acquisition of the property, additional research should be conducted. The most critical areas for more analysis are:

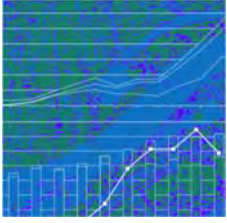
- **Geotechnical.** A rigorous field investigation including borings and test pits on the property should be conducted to understand with greater certainty the load-bearing capacity of the historic fill material.
- **Environmental.** A field investigation should be conducted including soil, groundwater, and sediment sampling to fill in data gaps and better understand the potential liabilities associated with the property.
- **Schematic Site Planning and Cost Estimating.** To refine the understanding of development costs, schematic plans should be developed that illustrate the location and size of proposed buildings and infrastructure. More information will

be needed about the needs of potential site users than is currently available to prepare a schematic site plan.

- **Business Plan.** If the CBW acquires the property, it should prepare a business plan that recommends a management structure, evaluates potential revenues from lease or sale of property, and operational costs.

The CBW can pursue grants to fund these studies. The US Economic Development Administration (USEDA) in particular provides feasibility study grants for projects intended to promote economic and community development.





Wrangell Waterfront Industrial Property Economic Assessment

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Wrangell Waterfront Industrial Property Economic Assessment Report

Table of Contents

Executive Summary	i
Boatyard.....	i
Other Opportunities	i
Economic Trends and Opportunities	1
Recent Trends in Southeast Alaska	1
Impact of Lower Oil Prices	2
Outlook for Southeast Alaska.....	3
Maritime Jobs	4
Overall Business Climate	4
Trends in the City and Borough of Wrangell	5
Population.....	6
Employment, Unemployment and Income.....	6
Description of Economic Sectors	8
Analysis of Demand.....	11
Vessel Repair	11
Existing Facilities	11
Utilization Rate.....	1
Demand.....	2
Competition	3
Seafood Harvesting and Processing.....	5
Barge Transportation	6
Barge Lines.....	7
Cargo	7
Port Facilities.....	8
Cruise and Ferry Transportation.....	9
Cruise.....	9
Ferries	10
Alaska Marine Highway System (AMHS).....	10
Rainforest Islands Ferry	11
Forest Products	12

Wrangell Waterfront Industrial Property Economic Assessment Report

Executive Summary

BST Associates was retained by Maul Foster & Alongi, Inc. to compile and analyze data on marine sector industries within the region to evaluate market opportunities for potential users of the Silver Bay Waterfront Industrial Property. The purpose of this effort is to provide a regional context of the demand analysis for marine industrial property with a focus on demand potential in Wrangell.

Boatyard

From a demand perspective, there appears to be an opportunity to develop another Boatyard, accompanying storage and a workforce development site at the sawmill property. Wrangell has successfully developed the Boatyard at the downtown site, which is at/near capacity during the peak season (before and after fishing seasons). The CBW should consider development of a 10 to 15 acre boatyard/storage facility at the sawmill site.

Risk factors include:

- High cost of development (around \$15 million to build in the existing yard). The CBW has two lifts and the larger one could be transferred to the site but the availability of funding is difficult at this time due to the State's budget deficit and limited federal funds.
- Need for additional building space and equipment. Development of a second Boatyard could tax existing operators if they were to operate split operations (at the existing and new Boatyards) by requiring additional capital outlays for buildings, equipment and other resources.
- Need for additional employees. Likewise, running two Boatyards would require additional employees. Boatyards in Puget Sound are able to attract employees from a larger labor pool (extending into several counties). Development of workforce training and in-migration could alleviate this problem. However, Boatyard operations are seasonal and workers would be looking for full time year round work.

Other Opportunities

There are opportunities to develop small scale forest products at the site.

From a demand perspective, the opportunities appear less favorable for relocation of seafood plants and barge terminals. The existing facilities appear to meet the needs of the operators for both sectors. Activities in each sector are seasonal, require a small footprint and do not exhibit strong growth. Shifting these operations to the sawmill site would likely entail additional transportation/logistics costs as well as capital costs to build new facilities. As a long-term strategy, relocation of the facilities in the downtown area would require significant grant funding.

Cruise and ferry operations are well served at existing facilities in the downtown area and their locations enhance the development of the tourism sector.

Wrangell Waterfront Industrial Property Assessment Report

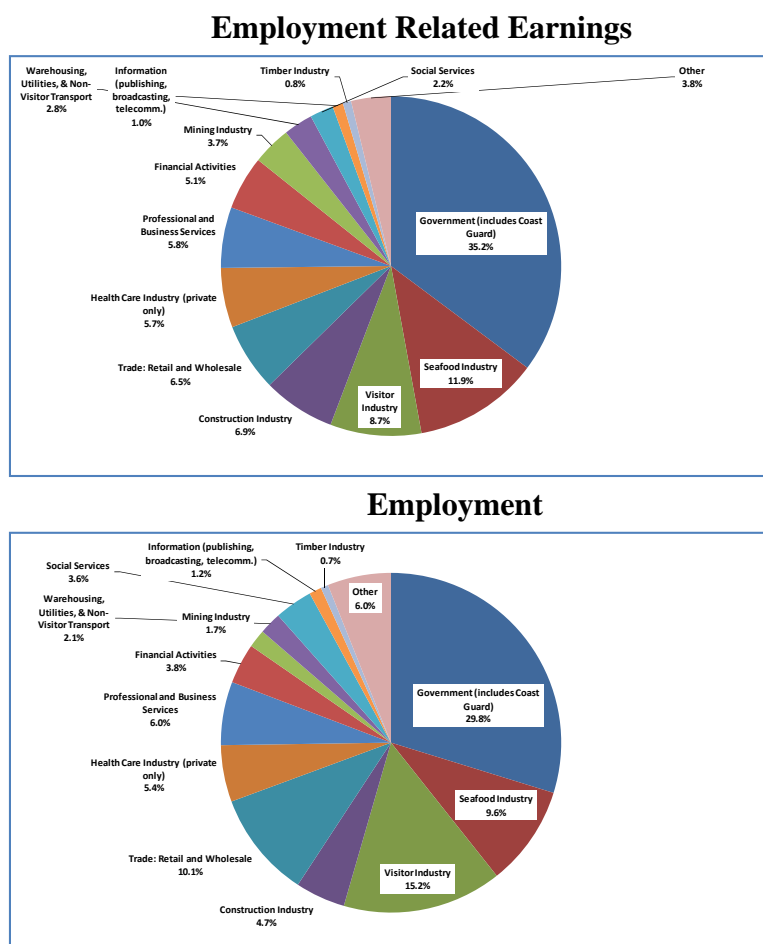
Economic Trends and Opportunities

The economic development opportunities at Wrangell are shaped by the forces that impact the State of Alaska, particularly Southeast Alaska. The following section reviews key trends affecting the economy and identification of market opportunities and constraints.

Recent Trends in Southeast Alaska

Employment and wage income in Southeast Alaska is dominated by three sectors: the government accounts for 35.2% of wage income and 29.8% of jobs; the seafood industry accounts for 11.9% of wage income and 9.6% of jobs; the visitor industry accounts for 8.7% of wage income and 15.2% of jobs. Combined, these three sectors account for 56% of earnings and 55% of jobs. None of the other sectors accounts for more than 6.9% of wage income or 10.1% of jobs.

Figure 1 – Southeast Alaska Earnings and Jobs by Sector¹



¹ Source: Rain Coast Data, Alaska Department of Labor 2014 Employment & Wage data; 2013 US Census Nonemployer (self-employment) Statistics; 2013 US Coast Guard employment & wage data.

Overall, events during the past five years have been largely positive for the Southeast Alaskan economy:

- Population grew by 2,600 people,
- 1,500 new jobs were added,
- Workforce earnings increased by \$275 million, mostly from the private sector,
- New jobs and investments occurred in the areas of seafood, tourism, mining, construction, healthcare, maritime, and energy. Only government experienced a downturn.
- Housing starts tripled.²

Impact of Lower Oil Prices

However, the Southeast Alaska economy will likely be impacted in 2016 (and in the longer term) by low oil prices which will negatively impact the state budget deficit. Oil prices are expected to continue to remain at historic lows in the near-term and will experience increased volatility. The Alaska Department of Revenue projects that the Alaska North Slope (ANS) oil price will be approximately \$50 per barrel for FY 2016 and about \$56 per barrel for FY 2017, which is significantly lower than \$100 per barrel recorded in the recent past. This will have a significant impact on the state budget and on state funds for capital projects.

“General fund unrestricted revenue (GFUR) is now forecast to be \$1.3 billion in fiscal year FY2016 and \$1.2 billion in FY2017. The revenue forecast is driven by an expectation of oil production of at least 500 thousand barrels per day and an average price of oil remaining between \$30 and \$40 per barrel for the next 15 months. The FY2016 forecast represents a decrease in expected GFUR of nearly \$250 million, or about a 16% decrease, compared to the projection in the Fall 2015 forecast. Commissioner Hoffbeck concluded, ‘Both revenue generated from resource development as well as revenue from our investments play a significant role in Alaska’s total revenue picture. Unfortunately this is not a good year for either one. Years such as this emphasize the point that we have been making at meetings throughout the State that we need an overall strategy to manage revenue volatility throughout the fiscal system’”³

Oil prices are projected to increase to \$80 or more within ten years, but this is still substantially lower than in the past (oil prices were over \$100 per barrel from April 2011 to July 2014). Production is also expected to decline but the effect of reduced production is not as great as the decline in the price of oil.⁴

Since 75% of the state’s unrestricted spending has come from oil taxes and royalties, there is projection of a \$7.7 billion budget deficit over the next two years. This situation will require action, including spending cuts and increases in new revenues.

In Southeast Alaska, there is a concern that reduced spending could not only impact government employment, but also operations of the Alaska Marine Highways and funding for state and local capital projects.

² Source: Southeast Alaska by the Numbers 2015, Rain Coast Data, September 2015.

³ Source: Spring 2016 Revenue Forecast Reflects Lower Oil Price, DOR released April 7, 2016.

⁴ Source: Alaska Department of Revenue, Revenue Sources Book Fall 2015.

Outlook for Southeast Alaska

The Alaska Department of Labor and Workforce Development⁵ estimates that employment in Southeast Alaska will fall by 500 jobs in 2016, which represents a modest decline of -1.4%. Most of the impact is expected to be felt in government which accounts for more than a third of employment in Southeast Alaska. The government sector is expected to lose 450 jobs. Losses are also expected in construction and professional and business services (expected loss of 100 and 50 jobs respectively). These losses will be partially offset by gains in trade, transportation, and utilities, education and health services and leisure and hospitality; with all three sectors expected to add 50 jobs. The Department of Labor reflects on specific sectors as follows.²

Government

Southeast has a higher concentration of state government jobs than any other region and will experience the most change in this sector. Cuts are also expected for the University of Alaska Southeast. Local governments will also be impacted but not as much as the state level. The federal government is not expected to experience job losses in 2016.

Manufacturing

Manufacturing in Southeast is dominated by seafood processing, which is characterized by low wages and approximately two-thirds of the employees are nonresident workers. The Alaska Department of Fish and Game forecasts the 2016 Southeast pink salmon run at 34 million, below its 10-year average and the same as the 2015 harvest. Pinks make up over half the salmon poundage caught in Southeast each year, and prices remain low, largely due to a surplus of canned pinks dating back to 2013. Increases in the minimum wage could also cause job losses.

Construction

The construction industry will slow due to a 37 percent decrease in capital budgets.

Tourism

Southeast tourism flourished in 2015, producing job growth for the leisure and hospitality sector. As the U.S. continues to rebound from the effects of the recession, domestic travel is expected to increase. An uptick in cruise traffic is predicted for Southeast in 2016. The Alaska Travel Industry Association predicts tourism will grow by 2 to 3 percent in 2016, and the cruise ship industry projects its passenger count will top the 1 million mark for the first time. Because the vast majority of Southeast's visitors arrive by cruise ship, more visitors and spending can be expected.

Private education and health services

Southeast's private education and health services sector is expected to increase with the expansion of Medicaid. In the long term, Southeast's aging population will increase demand for services related to seniors.

Mining

Mining employment is also expected to remain stable in 2016. Southeast has two operating mines, both within Juneau's city limits. No additional sites are scheduled to open in the near future, but exploration will continue to contribute a few additional jobs. The investment climate remains weak, in part due to low mineral prices.

⁵ Source: Alaska Economic Trends, January 2016.

Maritime Jobs

The Maritime sector is a very important source of jobs in Southeast Alaska. Approximately 22 percent of all Southeast Alaska private sector earnings are directly earned through ocean related employment as compared with 10 percent statewide.⁶

Maritime jobs included 8,200 maritime jobs; of which, 6,700 were within the private sector and 1,500 jobs in the public sector. Most of the public sector jobs are in the US Coast Guard. Combined, these jobs generated \$475 million in associated wages.

Jobs in the private sector changed as follows between 2010 and 2013:

- 49% increase in US Coast Guard jobs,
- 24% increase in marine tourism jobs,
- 12% increase in marine transportation jobs,
- 7% increase in seafood sector
- Jobs in the ship building and repair component of this sector fell by two percent between 2010 and 2013.

Overall Business Climate

The 2015 Business Climate Report reveals that most business owners and managers in Southeast Alaska¹ expect a positive outlook for the coming year:

- 38 percent of those surveyed expected the outlook for their business or industry to improve. Those engaged in the visitor, food and beverage industries were the most upbeat.
- 19 percent of those surveyed anticipated the business climate to worsen (particularly in the timber, construction and healthcare industries)

Of particular interest, 48 percent of Wrangell respondents felt things were going to improve. Of the 27 businesses surveyed in Wrangell, 20 of them replied that conditions were good or better.

Business sentiment surveys represent a snap shot in time. It is important to gain an understanding of the key factors affecting future economic and social performance. The SE Conference⁷ prepared a SWOT analysis to better understand strengths, weaknesses, opportunities and constraints, see Figure 2.

From an economic perspective, the target industries are quite apparent - seafood and ocean product development, tourism and mining. These economic sectors are also realized as strengths of the region, coupled with Alaska spirit, collaboration and quality of life.

Weaknesses focus on the cost of doing business, particularly transportation and energy costs. Threats primarily include elements that are beyond the regional control.

⁶ Source: The Maritime Economy of Southeast Alaska by the numbers, by Rain Coast Data for the Southeast Conference, March 2015

⁷ Source: Southeast Economic Plan Preparing for 2020, Rain Coast Data.

Figure 2 – SE Conference Summary of SWOT Analysis

Rank Strengths		Rank Weaknesses	
1	People & Southeast Alaskan Spirit	1	Transportation Costs
2	Region Collaboration	2	Energy Costs
3	Seafood Industry	3	Regulations & Overreach of Federal Government
4	Tourism Sector	4	Cost of Living & Doing Business
5	Beauty & Recreation Opportunities	5	Our Geography & Isolation
Rank Opportunities		Rank Threats	
1	Seafood & Ocean Product Development	1	Federal Regulations & Overreach
2	Tourism	2	Declining oil Prices/ Dependence on State Budget
3	Energy	3	Capital Move & Capital Creep
4	Mining	4	Declining/Aging Population/Loss of Youth/Workforce
5	Promoting Region	5	Natural Disasters/Extreme Weather

Source: Southeast Economic Plan Preparing for 2020, Rain Coast Data

Trends in the City and Borough of Wrangell

Wrangell's economy has gone through a major transformation from a heavy reliance on forest products to a more balanced economy that depends on the maritime sector, government, tourism and other sectors.

Forest products manufacturing was the centerpiece of the economy well into the 1990s with sawmill employment as high as 240 workers with an additional 32 longshoremen loading the ships. By 1990, annual payrolls exceeded \$10 million for the sawmill, not counting the tug, timber harvest and longshore operations'.⁸ However, after passage of the Tongass Timber Reform Act by Congress in 1990, "mill closures resulted in an immediate loss of 20% of Wrangell's employment and 30% of local employment earnings. Wrangell's population dropped from 2,758 in 1994 to 1,911 in 2006 before a small trend in population increase began."⁹

The City of Wrangell began the process for reengineering its economy in 1986 with a purchase of the sawmill site in downtown Wrangell, which led to several investments:

- Development of flash freezer space and cold storage in a vacant seafood plant, later purchased by Trident Seafood with the goal of enhancing the maritime (fishing and seafood processing) sectors.
- Development of a Boatyard, including a 150-ton and then a 300-ton Travelift haul-out, with repair facilities and boat storage. This yard has been very successful, accommodating 200 to 275 boats per year since development. It has helped to attract other vessels to the area.
- Built a convention and visitors center near the Boatyard, upgraded the cruise ship dock and rebuilt Front Street, with the goal of enhancing the tourism industry.
- Construction of Heritage Harbor in 2010, a new boat basin that can accommodate around 165 boats with 1,500 feet of transient moorage space. The harbor is well utilized.

⁸ Source: Wrangell sawmill's golden years and eventual collapse, by Frank Roppel for the Capital City Weekly, October 26, 2011

⁹ Source: Wrangell Timber Industry Plan, Wrangell Economic Development Committee, October 2013

The City is now contemplating development of the Silver Bay sawmill site. The following sections are intended to evaluate the options for development at the Silver Bay site from the demand perspective.

Population

The loss of jobs caused a major decline in the population and economy in Wrangell. Between 1994 and 1997, the population decreased from 2,800 to 2,500, and in 2006, it bottomed out at 2,200. Since then, the city's population has not fully rebound to the highest level reached but it is inching its way back. As shown in Table 1, the population base, labor force and number of employed persons have increased slightly from 2010 to 2015. As a result, the unemployment rate remained at 8.7% in 2010 and 2015. Much of the increase was associated with maritime jobs, as described in greater detail below.

Table 1 – Population and Employment Trends (City and Borough of Wrangell)

Year	Population	Labor Force	Employment	Unemployment	Unemployment Rate
2010	2,369	1,023	941	82	8.71
2011	2,411	1,047	968	79	8.16
2012	2,446	1,027	942	85	9.02
2013	2,455	1,060	975	85	8.72
2014	2,415	1,043	950	93	9.79
2015	2,442	1,048	964	84	8.71

Source: State of Alaska Department of Labor and Workforce Development

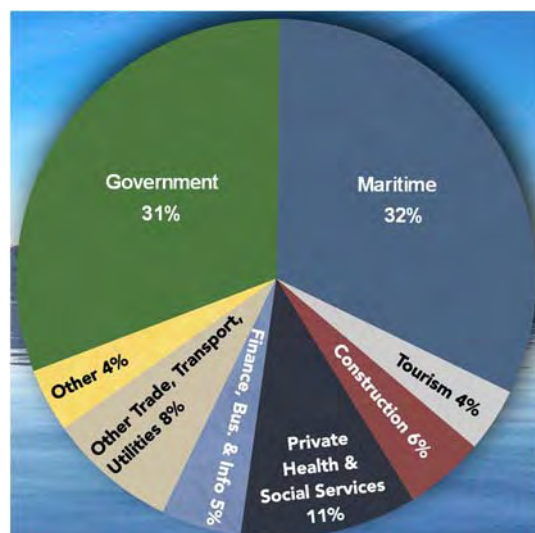
The population base in Wrangell is older, with a median age of approximately 47, which is considerably higher than Alaska's median age of 34 years and the United States' median age of 37. This factor impacts the birth rate but most of the growth in population has occurred from immigration. As a corollary to this point, school enrollment decreased by 24 percent in recent years.

Wrangell's demographic composition also differs from the state as a whole in that is 73 percent white versus 67 percent for Alaska. While Wrangell has a much smaller percentage of blacks, Asians, and Hispanics than Alaska, it has a slightly larger share of Alaska Natives.

Employment, Unemployment and Income

There were an estimated 1,229 jobs in Wrangell in 2013, of which, approximately 70 percent were in covered employment and 30 percent were self-employed. There is a relatively high percent of self-employment in Wrangell, much of which is related to the maritime industry.

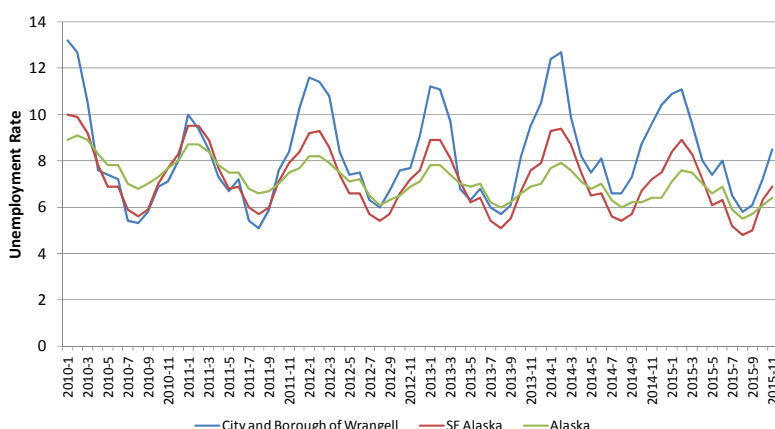
The Wrangell economy generated \$49 million in wages in 2013. As shown in Figure 3, the maritime sector was the largest sector in the economy, accounting for 32 percent of total wages, followed closely by Government accounting for 31 percent of wages. Together, these two sectors accounted for nearly two-thirds of the wage income in Wrangell.

Figure 3 – Share of Wages by Sector in Wrangell (2013)

Source: Wrangell Waterfront Master Plan, Corvus Design, Rain Coast Data

Wrangell's average annual covered wages and average personal income are lower than statewide. In 2013, Wrangell's average yearly wage (which doesn't include earning from fishing) was \$37,520, and Alaska's was \$51,030.¹⁰ Per capita personal income, which encompasses wages plus all other sources of income (including fishing) was \$40,089 in 2013 in Wrangell, which is considerably below the statewide average of \$50,150.¹¹

One of the reasons that Wrangell has a lower average annual wage and per capita income is that many of the jobs are seasonal (fish processing and tourism, among others). As a result, the monthly unemployment rate swings more vigorously in Wrangell than in Southeast Alaska or Alaska overall. Unemployment in Wrangell spikes during the winter months as shown in Figure 4.

Figure 4 – Monthly Unemployment Rate trends in Wrangell

¹⁰ Source: Alaska Department of Labor and Workforce Development, Alaska Economic Trends September 2014.

¹¹ Source: U.S. Bureau of Economic Analysis (BEA)

Description of Economic Sectors

Maritime

Wrangell is much more dependent on maritime-related employment (which accounts for 47 percent of the private sector employment base in Wrangell) than is Southeast Alaska (at 22 percent) or Alaska (at 11 percent).¹²

There were 315 maritime-related jobs in Wrangell in 2013 in the following sectors:

- Commercial fishing – 57% of the Maritime sector,
- Fish processing – 31% of the Maritime sector,
- Other maritime (industrial & tourism) - 12% of the Maritime sector.

The Petersburg/Wrangell area supports catchable populations of salmon (all five species), halibut, ling-cod, Pacific cod, greenling, herring, and several common species of rockfish as well as shellfish such as Dungeness, Tanner, and king crab, shrimp, scallops, and clams.¹³ Commercial fishermen homeported in Wrangell landed 10.6 million pounds of seafood worth approximately \$14 million in Wrangell in 2013.¹⁴ There were 205 permit holders in Wrangell for commercial fishing in 2013; of which, 155 were actively fished. The total associated employment was estimated at 362 individuals in 2013 (consisting of skippers who fished plus crew). Approximately 14.7% of the local population was actively involved in commercial fishing in 2013. There were 219 commercial fishing vessels home ported in Wrangell in 2013.¹⁵

The local catch feeds fish/seafood processing jobs, which make up the majority of manufacturing employment in Wrangell. There were approximately 372 jobs in seafood processing in Wrangell during 2013, with 89 jobs held by Alaskans and 283 by non-residents.¹⁶ Seafood processing is highly seasonal and spikes with the summer salmon season.

Trident Seafoods and Sea Level Seafoods are the two primary commercial seafood processing companies in Wrangell (processing salmon, crab, shrimp, halibut and rockfish). Alaska Specialty SEA Foods processes crab. The Wrangell community has supported infrastructure for the fishermen to support their supply needs as well as the processors for their product and facility expansion efforts.¹⁷ As indicated above, the city purchased a seafood plant and made investments in a flash-freeze facility and cold storage. Trident Seafoods purchased the plant and has undertaken additional improvements. In addition, Sea Level Seafoods (Wrangell's other major seafood processor) has also invested in and expanded its plant.

Fishery business taxes have increased dramatically in Wrangell, which is evidence of the positive impact of Wrangell's maritime infrastructure and services. Wrangell collected \$55,483

¹² Ibid

¹³ Source: Alaska Department of Fish and Game, Fish species in the Petersburg/Wrangell Area.

¹⁴ Source: Wrangell Waterfront Master Plan, Corvus Design, Rain Coast Data. However, not all of these fish were landed at Wrangell.

¹⁵ Source: United Fishermen of Alaska, Commercial Fishing and Seafood Processing Facts 2014, based on 2013 data.

¹⁶ Source: United Fishermen of Alaska, Commercial Fishing and Seafood Processing Facts 2014, based on 2013 data.

¹⁷ <http://www.wrangell.com/economicdevelopment/seafood-harvesting-and-processing>

in raw fish taxes in 1990; these tax receipts increased to \$329,987 in 2014. From 2010 to 2014, Wrangell has doubled its share of the state's fishery business taxes. See Table 2.

Table 2 – Fishery Business Tax Trends in Wrangell

City/Borough	2010	2011	2012	2013	2014
Wrangell City	\$105,537	\$265,498	\$380,741	\$0	\$0
Wrangell Borough	\$0	\$0	\$0	\$288,004	\$329,987
Total	\$105,537	\$265,498	\$380,741	\$288,004	\$329,987
% of Alaska	0.6%	1.2%	1.5%	1.2%	1.3%

Source: Alaska Department of Revenue, Tax Division

The City also constructed Heritage Harbor in 2010, with moorage space for around 165 boats and 1,500 feet of transient moorage space. Provision of these facilities as well as other services and facilities (including boat design, repair, fabrication, painting, welding, custom glasswork, hydraulics, and other businesses) helps explain the successful attraction of additional vessels to the area. The Wrangell Boatyard has serviced more than 200 vessels per year since introducing the 150-ton Travelift. The Boatyard generates around 50 jobs (total, not average annual jobs).¹⁸

Barge services are provided by Alaska Marine Lines (AML) and Samson Tug and Barge.

Government

Government represents 31 percent of Wrangell's employment (including covered jobs and self-employed persons). Local government includes the City and Borough of Wrangell, the school district and the Wrangell Medical Center. Federal employment is focused at the U.S. Forest Service. State jobs are centered at the Department of Fish and Game and the Department of Transportation and Public Facilities.

Tourism

In 2014, an estimated 14,720 tourists visited Wrangell and spent \$4.1 million. The visitor business in Wrangell generated employment for approximately 85 individuals in 2013 with an income of \$1,461,237.¹⁹

Tourists arriving by boat in 2014 accounted for the majority of visitors:

- Arrivals by boat (78% of visitors)
 - Cruise - 8,100 visitors (55% of total)
 - Yachters - 1,220 visitors (8% of total)
 - Ferry - 2,200 visitors (15% of total)
- Arrivals by plane
 - Air - 3,200 visitors (22% of total)

Wrangell's marine tourism is dominated by cruise lines (55% of visitors), visitors arriving by ferry (15% of visitors) and yachters (8% of visitors) in 2014.

¹⁸ Source: Wrangell by the Numbers, 2014, Corvus Design, Rain Coast Data.

¹⁹ Source: An Overview of the Wrangell Alaska Visitor Economy.

Wrangell has several notable visitor attractions, including Petroglyph Beach State Historic Part, the Anan Wildlife Observatory, and Anan Creek, which has one of Southeast's largest pink salmon runs as well as a large population of grizzly and black bears.

Wrangell has developed several facilities to enhance and grow the tourism industry, including construction of a convention and visitors center, upgrades to the cruise ship dock and reconstruction of Front Street.

Manufacturing

Most of manufacturing in Wrangell consists of seafood processing. However, 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.²⁰ Some of these firms have indicated an interest in the Silver Bay mill site.

Other Sectors

Other sectors, which primarily serve local residents and businesses, include: construction, utilities, financial services, information, professional and business services and educational and health services.

Summary of Development Concepts

The Wrangell Waterfront Plan focused on the following development considerations:

- Promote Wrangell as a waterfront community. Be authentic.
- Promote shipyard for regional fishing fleet.
- Low electric rates can attract business development.
- Promote accessible waterfront in Wrangell for all: locals, industry, visitors.
- Promote a balanced mixed-use waterfront that allows safe interaction.

Focusing tourism in the downtown waterfront is a key element of the Waterfront Plan. Efforts to improve the downtown area are underway that would enhance the downtown waterfront for local residents and visitors. Provision of visitor friendly facilities would enhance access for small cruise lines and yachts. This process could also include moving some industrial activities from the downtown waterfront to the sawmill property:

- Development of a second boatyard and upland storage in conjunction with the relocation of the 300-ton lift,
- Development of small scale sawmills and other manufacturing activities, and,
- Relocation of barge terminal, among other activities.

Between 2010 and 2012, the Silver Bay sawmill site 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

²⁰ Source: Wrangell Timber Industry Plan, Wrangell Economic Development Committee, October 2013

medium sized mills and other value added wood product businesses, as well as marine industry activities.”²¹

Analysis of Demand

This section assesses the market opportunities for potential users of the Silver Bay Sawmill site.

Vessel Repair

As noted above, the Wrangell Boatyard is a key reason for the successful attraction of maritime business to the area. This section evaluates the utilization of the existing facility and the potential for additional repair/storage facilities at the Silver Bay

Existing Facilities

The existing Wrangell Boatyard, which is shown in Figure 5, consists of approximately 7.5 to 8 gross acres. This includes leased the Travelift pier and travel area, leased spaces, work spaces and storage spaces:

- There are approximately 85 storage spaces,
- There are approximately 42 work spaces:
 - Three 100’ x 40’
 - Six 65’ x 40’
 - Thirty-three 40’ x 15’
- The Boatyard is a self-service yard with a variety of skilled vendors available to assist vessel owners with repairs, modifications or upgrades to their boats, including:
 - Superior Marine
 - Keller Marine
 - Jim Pritchett
 - Jenkins Welding
 - Tyler Thompson
 - J& R Fiberglass

The Boatyard has two Travelifts (150-ton lift, 300-ton lift) as well as a 40-ton hydraulic trailer, and an EPA/DEC approved wash down area. The lifts are limited to the size of the existing Travelift pier, which allows a maximum beam of approximately 27 feet. Without the pier constraint, the Travelifts could lift vessels with a beam up to 32 feet.

²¹ Source: Wrangell Timber Industry Plan, Wrangell Economic Development Committee, October 2013

Utilization Rate

The Wrangell Boatyard has serviced more than 210 vessels per year since fiscal year 2010. During the past four years, the yard has handled more than 247 boats per year. The yard caters primarily to commercial fishing boats but also accommodates recreational boats and other commercial boats (harbor boats including tugs and other boats).

Table 3 – Vessels Pulled per Fiscal Year

Fiscal Year	Vessels Pulled	Comments
2009-2010	274	
2010-2011	210	
2011-2012	276	
2012-2013	247	Construction and pouring pavement slowed down the yard for 2 months during this year
2013-2014	250	Second phase of pavement slowed down the yard for 2 months during this year
2014-2015	272	

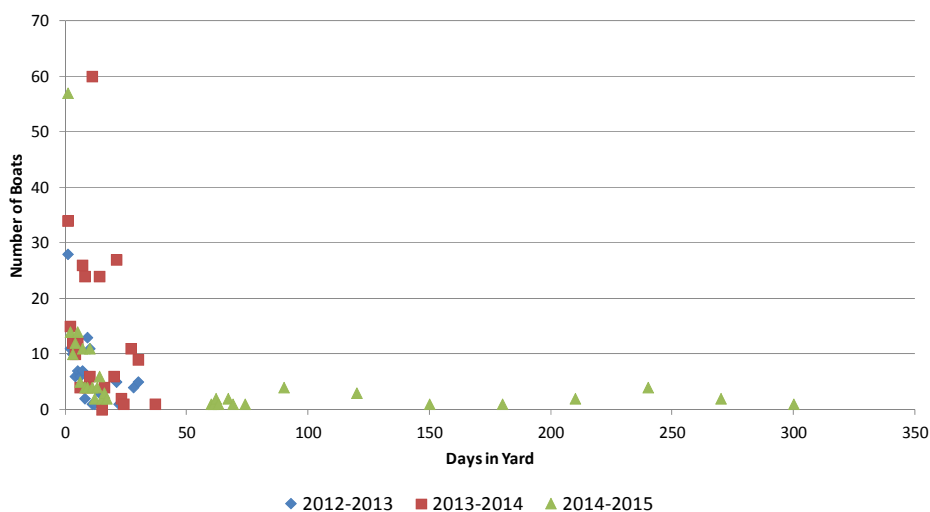
Source: City and Borough of Wrangell Harbormaster

The yard work space is busiest before and after the fishing season:

- Busy before the season - from April to early May
- Slows during July and August (as the commercial fishing fleet becomes active), and,
- Busy after the season - September and October.
- Slow from November to March.

Boats remain in the Boatyard from one day to more than 90 days. However, the average stay per boat has increased from about one week to two weeks (7.6 days in 2012/13; 10.7 days in 2013/14; 14.8 days in 2013/14). The Boatyard has a limit of 14-days stay without making other arrangements.

Figure 6 – Wrangell Boatyard Work Days per Boat



Demand

The market for the Wrangell Marine Service Center focuses primarily on commercial fishing vessels and to a lesser extent recreational and other commercial vessels. The fleet serving Alaska is comprised of approximately 9,416 vessels. Commercial fishing vessels account for nearly 70% of the total, followed by recreational boats (16% of the total), passenger and cruise vessels (6%), tugs and other commercial (3% each), oil & gas vessels (2%) and barges (1%).

The largest share of the fleet is homeported in SE Alaska (34%), followed by Cook Inlet (17%), Non-Alaska (mainly Washington and Oregon at 14%), Prince William Sound (10%), Bristol Bay (8%), Kodiak (5%), Bering Sea, Aleutian Islands, and Alaska Peninsula (4%), Northern (1%), Interior (1%). See Table 4.

Table 4 – Southeast and Alaska Fleet

	Commercial Fishing	Recreat- ion	Oil & Gas	Passenger & Cruise	Tugs	Barges	Other	Total
Alaska	6,489	1,540	152	576	296	108	255	9,416
% Total	69%	16%	2%	6%	3%	1%	3%	100%
SE % Alaska	34%	35%	6%	45%	22%	63%	19%	34%

Source: McDowell Group, Trends and Opportunities in the Alaska Maritime Industrial Support Sector, September 2015

The opportunities for Wrangell consist of vessels homeported in SE Alaska, vessels in other parts of Alaska and vessels from outside Alaska that transit through SE Alaska to reach their base of operations. Most of the Southeast fleet is less than 60 feet in length (88%).

Table 5 - Southeast Alaska Fleet, Number of Vessels by Homeport and Length

Homeport	28'-35'	36'-49'	50'-59'	60'-99'	100'-200'	+200'	Total	Percent
Haines	47	30	3	3	1	1	85	3%
Hoonah	27	20	3	1	0	1	52	2%
Juneau	380	378	77	67	35	5	942	29%
Ketchikan	136	189	56	54	35	14	484	15%
Petersburg	123	126	79	31	9	3	371	12%
Sitka	186	283	66	52	9	1	597	19%
Wrangell	75	88	12	17	5	1	198	6%
Other SE	186	222	58	17	6	3	492	15%
Subtotal	1,160	1,336	354	242	100	29	3,221	100%
% by lngth	36%	41%	11%	8%	3%	1%		

Source: McDowell Group, Trends and Opportunities in the Alaska Maritime Industrial Support Sector, September 2015

Most commercial boats undertake a haulout approximately once every other year. Wrangell currently handles the needs of approximately 250 commercial boats, which amounts to approximately 6% of the Alaskan fleet.

Annual repair and maintenance (R&M) costs for the Alaska fleet are conservatively estimated to range from \$5,000 for vessels 28' to \$600,000 for vessels more than 200'. Based on these and similar estimates for various vessel size classes, Alaska fleet vessel owners likely

spend a total of approximately \$80 to \$100 million on R&M per year.²² Each boat spent an estimated \$7,200 per haulout in Wrangell. This amounts to 1.9% to 2.4% of the total fleet.

Vessel replacement of aging commercial fishing vessels in Alaska presents an opportunity for boat and ship builders in the United States, estimated to include 2,829 vessels in the Alaska fleet at a replacement cost of more than \$14 billion.²³

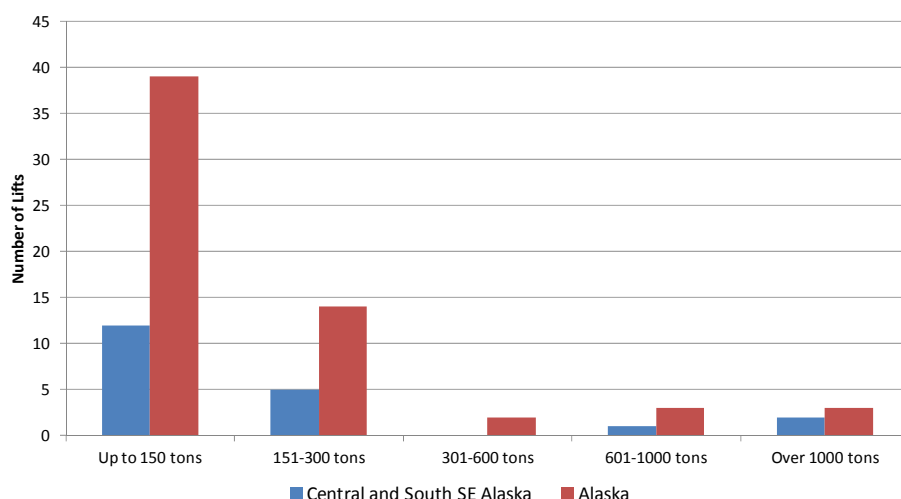
Wrangell accounts for around 6% of haulouts by number of lifts and 2% by value of repair/maintenance. Wrangell has an opportunity to increase its market share of the existing Boatyard activity. The Wrangell Boatyard generates around 50 jobs (part time jobs).

Competition

There are an estimated 100 businesses in Alaska actively engaged in boat/ship building and repair in Alaska.²⁴

- Most boat builders in the state focus on vessels less than 40 feet.
- There are 25 travel lifts in 15 different communities. Kodiak has the largest capacity travel lift with an ability to haul out vessels up to 180' long, 42' wide, and 660 tons. Wrangell has the second largest lift (300 tons).
- Five dry-docks are available in four Alaska communities (Ketchikan, Sitka, Seward, and Dutch Harbor). The largest, with a capacity of 10,000 tons, is located in Ketchikan. Sitka hosts the smallest, at 850 tons, which was built and is operated by Allen Marine.
- There are also numerous tidal grids and marine railways in Alaska. Tidal grids are being phased out in other U.S. locations, which could enhance opportunities for the Wrangell Boatyard.

Figure 7 – Number of Marine Lifts in Alaska by Capacity



²² Source: Trends and Opportunities in the Alaska Maritime Industrial Support Sector, prepared for Alaska Department of Commerce, Community & Economic Development, Division of Economic Development by McDowell Group, September 2014

²³ Source: Fishermen's News

²⁴ McDowell Group

However, competition for boatyard projects is strong in Alaska as well as with other yards located in Washington, Oregon and California. According to the McDowell Group, Alaskan yards face a competitive disadvantage relative to yards in the Lower 48 because labor rates are higher and the pool of labor is much smaller. “The combination of elevated labor and shipping costs often place Alaska at a competitive disadvantage with service providers in other regions. Wages paid for MIS-related skilled labor in Alaska can be 10 to 65 percent higher than a similar worker in Washington. Shipping adds 10 to 20 percent to the cost of securing boat-building and repair materials.”

A factor in favor of Alaska’s competitive position is its proximity to fisheries and resource development. As fuel prices increased in the recent past, the cost for vessels operating in Alaska waters to travel south for services also increased. The average cost to buy 600 gallons of diesel fuel²⁵ increased from approximately \$1,000 in 2002 (adjusted to 2015 dollars) to a peak of \$2,800 in 2008. However, the decline in crude oil prices has also affected diesel prices. The cost of 600 gallons of diesel was \$1,900 in 2015, which was comparable to price levels in 2006 (in 2015\$). Diesel prices are trending lower in 2016, averaging \$2.40 per gallon through April. It is unclear how long prices will remain at low levels, because there are many external factors that control them. The Energy Information Administration expects gasoline and diesel prices to remain at lower levels for several years.

Despite these trends, there is growing recognition among local vessel owners that it is in their best interest to support local MIS providers because it will help to expand services, support a steady labor force, provide services more competitively, and provide higher quality services. This includes supporting infrastructure development in communities that have developed a threshold base (including Wrangell).

Boatyard expansion should be considered at the sawmill site. The existing Wrangell Boatyard currently reaches capacity during the peak season (months before and after the fishing season). Provision of additional boatyard capacity at the sawmill site would allow Wrangell to capture additional boatyard activity and related storage. However, this development will be expensive and funding resources are in short supply (especially from the State of Alaska).

Another key component of development of the Boatyard is labor force development. The Maritime Workforce Development Plan released in May 2014, by a partnership that represents industry, State agencies, and the University of Alaska, provides a strategy to address Alaska’s need for maritime-related technical skills and targets 23 high-priority occupations and occupational groups that include shipbuilding, vessel repair, and maintenance service providers. Because Alaska’s local MIS sectors are small, the need for specific skills varies from community to community and warrants additional analysis in conjunction with any local business development effort.

The City and Borough of Wrangell has received \$15,050,000 in state grants to develop the Boatyard. The city also purchased land across the street and is using that area to store smaller boats.²⁶

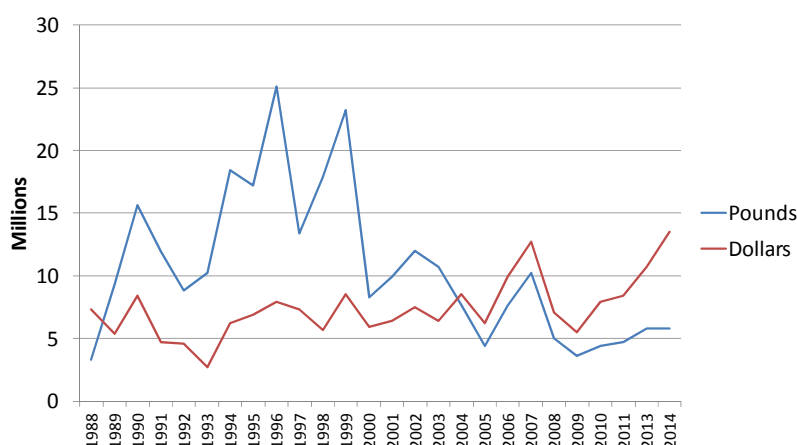
²⁵ Source: North Pacific Fishery Management Council and the Pacific Fishery Management Council (PFMC) Fisheries Economics Data Program (EFIN); surveys fuel prices in Alaska and other West Coast states.

²⁶ Source: City and Borough of Wrangell 2014-15 Budget

Seafood Harvesting and Processing

Wrangell ranked as the 75th largest port in the United States by value of seafood harvested in 2014. The volume of landings has averaged approximately 5 million pounds in the past five years. The value of the landings has increased to \$13.5 million in 2014, up from \$5.5 million in 2009.²⁷

Figure 8 - Commercial Fishery Landings Wrangell, AK



Source: NMFS Landings by port

Trident Seafoods and Sea Level Seafoods are the two primary commercial seafood processing companies, processing salmon, crab, shrimp, halibut and rockfish. Alaska Specialty SEA Foods processes crab.²⁸ The combined capacity of these plants is nearly 6 million pounds.

The Trident plant is located south of the Boatyard at 641 Shake Street. Trident plant processes all five species of wild salmon into high-quality frozen, H&G product.²⁹ As indicated above, the city purchased a seafood plant and made investments in a flash-freeze facility and cold storage. Trident Seafoods purchased the plant and has undertaken additional improvements.³⁰

Alaska Sea Level Seafoods, owned by Pacific Seafood, is located near the entrance to Heritage Harbor at 1204 Zimovia Highway. Sea Level processes all five species of salmon into several fresh and frozen product forms and the roe from these salmon is processed into caviar. The plant also processes a host of other species, including Pacific Halibut, Sablefish, Bottomfish and Dungeness Crab.³¹ Sea Level Seafoods has also invested in and expanded its plant.

²⁷ Source: National Marine Fisheries Service Fish Landings by Port; these statistics show known landings by port as opposed to landings by the fleet homeported at a port (CFEC data).

²⁸ <http://www.wrangell.com/economicdevelopment/seafood-harvesting-and-processing>

²⁹ Source: Trident website

³⁰ Source: http://www.sitnews.us/PaulaDobbyn/081013_wrangell_fishing.html

³¹ Source: Pacific Seafood website

Alaska Special SEA Seafoods, which is located at Lot One Mill Dock, focuses on crab processing. Crab is kept in holding tanks with circulating salt water and shipped live via air freight.³²

The City and Borough of Wrangell has worked with processors to enhance opportunities, including:³³

- Maintaining harbor and port facilities and easy access to marine services.
- Ensuring ready availability of ice, bait and other support.
- Supporting SSRAA and terminal salmon fisheries harvests that benefit local fishermen and the Trident Seafoods operations.
- Ensuring continued reliable airlines flights in and out of Wrangell with adequate space for refrigerated cargo.
- Making public cold storage available to fishermen and processors through the Borough's anchor tenant relationship with Trident Seafoods. [The public cold storage has a capacity of 4,500,000 pounds]
- Diversifying dive fishery opportunities in Southeast Alaska.
- Supporting financing mechanisms that enable local commercial fish permit holders to sell permits to their children and other Wrangell residents when ready for retirement, rather than seeing permits leave the area.
- Participating in regional marketing efforts that create higher prices for local branded products; this will be an especially important if overall prices decline as they did in the late 1990's to 2004.
- Keeping Southeast Alaska fishing waters pollution free to ensure our 'Wild Alaska' image and reality is maintained.

Fish processing is highly seasonal in Wrangell and volumes are much lower than in other Southeast communities (e.g., Petersburg has three active processors that handle 126 million pounds of product, as compared with two in Wrangell that handle only 5.8 million pounds)³⁴. Because of these factors, it is uncertain whether these facilities would relocate to the sawmill property.

Barge Transportation

Barge service in Wrangell was provided by AML and Northland, until AML's parent company Lynden purchased Northland Services in 2013.³⁵ Because AML and Northland were the primary barge lines serving Southeast Alaska, the Alaska Attorney General's office requires that AML sell Northland assets and assist with the transfer to ensure competitive service in Southeast Alaska. After the acquisition of Northland, AML sold the Northland assets to Samson.

³² Source: Wrangell Chamber of Commerce

³³ Source: City and Borough of Wrangell Comprehensive Plan 2010

³⁴ Source: Petersburg Borough Waterfront Master Plan, December 2015, Moffatt & Nichol.

³⁵ Lynden has several transportation-related subsidiaries, including: Alaska West, Aloha Marine Lines, Bering Marine Corporation, Brown Line, Lynden Air Cargo, Lynden Canada Co., Lynden Inc., Lynden International, Lynden International Logistics Co. Lynden Logistics, Lynden Training Center, Lynden Transport - provides multi-mode, full-service, regional, common and contract carrier services throughout the entire State of Alaska, LTI, Inc. and Milky Way.

Barge Lines

Barge service to Wrangell is currently provided by Alaska Marine Lines (AML) and Samson Tug and Barge.

AML continues to provide regular barge service to and from Southeast Alaska, Central Alaska, Western Alaska, and Hawaii. In Southeast Alaska, AML serves the communities of Juneau, Ketchikan, Wrangell, Sitka, Petersburg, Haines, Skagway, Kake and Prince of Wales Island with twice a week departures from Seattle.

Samson Tug and Barge served Wrangell and other Southeast Alaskan communities in the past. However, barge service was terminated as a result of declining traffic from the forest products sector. Samson continued to provide bi-weekly service to the communities of Cordova, Valdez, Seward, Kodiak, King Cove, and Dutch Harbor, serving the interior communities of Anchorage, Fairbanks, the Kenai Peninsula, and Prudhoe Bay through Seward or Valdez. After acquisition of the Northland assets, Samson began weekly service from Seattle to the communities of Metlakatla, Ketchikan, Prince of Wales, including Craig, Klawock and Thorne Bay, Wrangell, Petersburg, Juneau and Sitka.

Other barge services (such as fuel and project cargo) are provided on an as needed basis. In general, barges carrying diesel, heating oil, aviation gas, and gasoline, are towed from Washington each month or less frequently, from Nikiski, to provide fuel for Southeast Alaska. An additional 'resident' barge takes fuel from Ketchikan and provides supplies for the smaller communities or industrial activities.³⁶

Cargo

Wrangell receives approximately 17,000 tons of inbound cargo and ships approximately 23,000 tons of out bound cargo each year. As shown in Table 6, inbound cargo consists primarily of consumer goods and inputs to manufacturing:

- Petroleum products (gasoline, diesel, fuel oil and other like products) account for 41% of inbound cargo,
- Machinery and equipment (mainly miscellaneous manufactured products as well as electrical equipment, vehicle parts and other commodities) accounted for 25% of inbound cargo,
- Primary manufactured commodities (cement, fabricated metal products, iron and steel products etc) accounted for 15% of inbound cargo,
- Food and farm products (consisting primarily of groceries and beverages) accounted for 13% of inbound cargo,
- Crude materials (sand and gravel, construction materials) accounted for 5% of inbound cargo,
- Other commodities (mainly chemicals and derivatives) accounted for the remaining 1% of inbound cargoes.

Outbound cargo consists primarily of fish/seafood product shipments, forest products and waste materials:

³⁶ Source: Southeast Alaska Vessel Traffic Study, 2012

- Food and farm products (fish and seafood products) accounted for 67% of outbound cargo,
- Crude materials (primarily consisting of steel scrap) accounted for 12% of inbound cargo,
- Machinery and equipment (miscellaneous manufactured products and other commodities) accounted for 12% of inbound cargo,
- Primary manufactured commodities (cement, fabricated metal products, iron and steel products etc) accounted for 15% of inbound cargo,
- Waste materials (consisting primarily of scrap and garbage) accounted for 4% of inbound cargo,
- Other commodities (mainly petroleum products, paper products and fabricated metal products) accounted for the remaining 5% of inbound cargoes.

Table 6 – Barge Traffic at Wrangell (short tons)

Commodity Group	Receipts	Shipments	Total
20 Petroleum and Petroleum Products	6,906	551	7,457
30 Chemicals and Related Products	252	101	353
40 Crude Materials, Inedible Except Fuels	864	2,675	3,539
50 Primary Manufactured Goods	2,521	730	3,251
60 Food and Farm Products	2,167	15,576	17,743
70 All Manufactured Equipment, Machinery	4,306	2,711	7,018
80 Waste Material	-	853	853
Total	17,015	23,199	40,214

Source: U.S. Army Corps of Engineers; table includes average annual cargo volumes for the period 2009 to 2013, which is the most recent data available

According to US Army Corps of Engineers data,³⁷ Wrangell handles approximately 10,000 twenty-foot equivalent units (TEUs) per year, with about 3,100 TEUs loaded with supplies inbound and 3,100 full TEUs shipped outbound with goods (primarily fish and seafood products). The remaining containers are empty. This equates to approximately 1,500 full containers in and out per year (assumes most containers are 40 footers).

Port Facilities

Barge service is accommodated at the Port of Wrangell's Barge Ramp and cargo Wharf. The Barge Ramp, which is used for shipping and receiving conventional, roll-on/roll-off, and containerized general cargo, is equipped with a pneumatic system to raise and lower the transfer bridge, and there are over two acres of open storage at the rear of the ramp. The Port of Wrangell Barge Ramp has berthing space of 400 feet with alongside depth of 20 feet. The Cargo Wharf is used for shipping and receiving containerized general cargo. At the rear of the facility is about 8,700 square feet of paved open storage, and there is more open storage available. The Cargo Wharf has berthing space of 300 feet with alongside depth of 32 feet.

When additional space is required during the peak summer season, barge lines can use a portion of the Boatyard for storage.

³⁷ Source: U.S. Army Corps of Engineers Waterborne Commerce data.

It is uncertain whether the barge lines would move to the sawmill site. The existing barge facilities are appropriately sized to accommodate normal loads. Shifting the barge lines to the sawmill property would entail additional capital costs as well as increased transportation and logistics costs for the barge lines and their customers to transit from the mill site to downtown.

Cruise and Ferry Transportation

This section reviews cruise and ferry transportation.

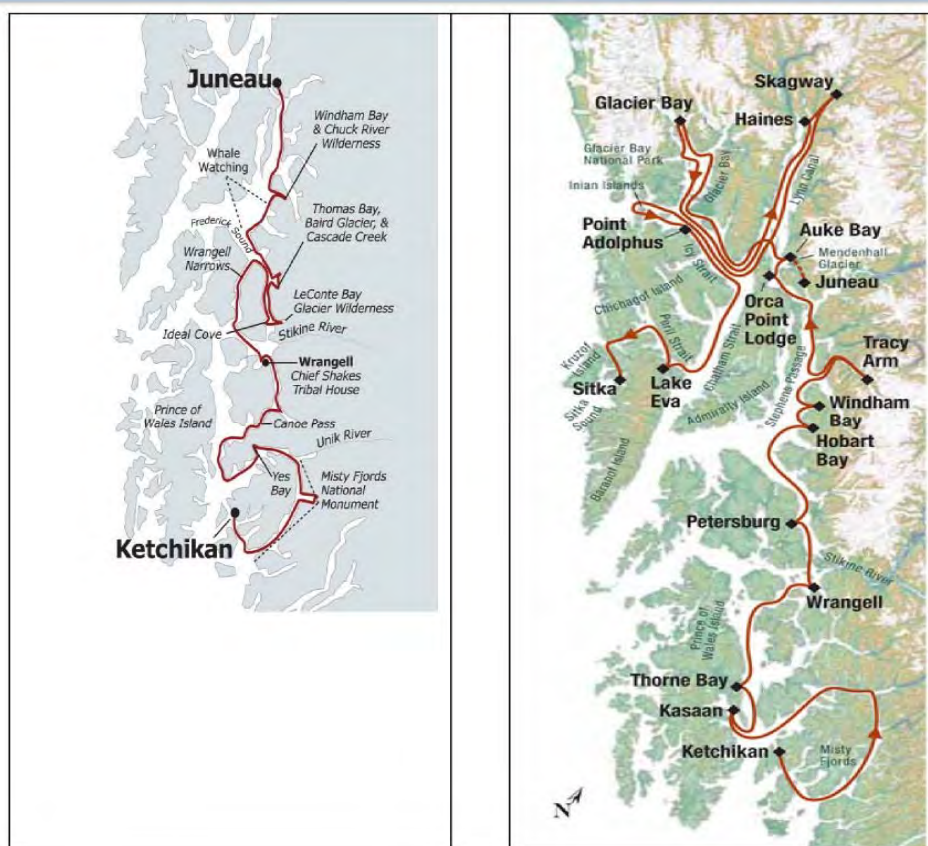
Cruise

Wrangell receives small to midsize cruise ships from late April to the end of September. In 2016, 61 visits are scheduled by the following lines and vessels:

- Alaska Dream Cruises (Allen Marine - Sitka)
 - Alaska Dream (104 feet, 40 passengers)
 - Baranof Dream (143feet, 49 passengers)
- Un-Cruise Adventures (formerly InnerSeas Discoveries and American Safari)
 - Wilderness Explorer (186 feet, 76 passengers/ 26 crew)
 - Wilderness Adventure (160feet, 60 passengers /25 crew)
 - Wilderness Discoverer (176feet, 76 passengers / 26 crew)
 - Safari Quest (120 feet, 22 passengers/ 9 crew)
 - Safari Explorer (145feet, 36 passengers/ 15 crew)
 - Safari Endeavour (232feet, 86 passengers/ 34 crew)
 - SS Legacy (192 feet, 88 passengers / 34 crew)
- Oceania Cruises:
 - Regatta (593.7 feet, 684 passengers /400 crew)
- American Cruise Lines:
 - American Spirit (205 feet, 100passengers)
- Silversea
 - Silvershadow (610 feet, 382 passengers/302 crew)
- Regent Seven Seas Cruises:
 - Seven Seas Navigator (566 feet, 490 passengers/345 crew)
 - Seven Seas Mariner (709 feet, 700 passengers/445 crew)

Larger vessels embark from Seattle or Vancouver for ports in Southeast Alaska. The smaller vessels typically embark from Ketchikan, Juneau or Sitka and travel 7 to 14 days to a variety of destinations that provide wilderness activities. See Figure 9.

While in Wrangell, the cruise boats are in port for an average of nearly 9 hours, which enables passengers to engage in several activities.

Figure 9 – Typical Itinerary for Small Cruise Ships

Cruise Terminal

The Port of Wrangell cruise ship dock is called City Dock, which is located at the north end of downtown. This T-shaped dock has a dock face of 405 feet; the dock has a breasting pier head of 565 feet and a stern mooring dolphin off the northeast end of the dock with 225 feet of berthing space, all with alongside depth of 35 feet. Smaller cruise ships and yachts moor at the inside face. Charter vessels can load/unload passengers at the U-shaped summer float. Larger cruise ships can anchor in front of the dock to transfer passengers to the summer floats.

Cruise activity functions effectively at the existing terminal. The City is planning to enhance visitor satisfaction by redevelopment of the downtown area.

Ferries

Wrangell is served by the Alaska Marine Highway System and Rainforest Islands Ferry.

Alaska Marine Highway System (AMHS)

The AMHS serves Wrangell on its regular mainline ferry route which connects Bellingham and Prince Rupert to ports along the Inside Passage. Wrangell, which receives ferry service five days per week year round, is approximately six hours from Ketchikan, three hours from Petersburg, and twelve hours from Juneau. Wrangell has averaged around 7,000 embarking and disembarking passengers and approximately 1,900 embarking and disembarking vehicles per year from 2006 to 2015. However, ridership has declined during this period, especially in 2015.

Table 7 – AMHS Wrangell Embarking Ferry Traffic

Wrangell	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Passengers										
Embarking	7,446	6,929	7,676	6,772	7,156	6,838	6,707	6,782	6,835	5,952
Disembarking	7,676	7,174	7,673	6,979	7,325	7,112	6,909	7,180	6,803	6,130
Vehicles										
Embarking	1,843	1,894	1,822	1,735	1,952	1,866	2,066	2,017	1,876	1,619
Disembarking	2,050	2,084	1,894	1,797	2,010	1,995	2,120	2,159	2,009	1,683

Source: AMHS 2015 Annual Traffic Volume Report for 2015

AMHS Terminal

The State of Alaska owns and operates the Port of Wrangell Ferry Terminal Dock to support loading and landing for passenger and vehicular ferry traffic. The dock has a terminal building with a staging area and paved parking at the rear. The Ferry Terminal Dock in the Port of Wrangell offers berthing space of 626 feet with alongside depth of 24 feet.

Rainforest Islands Ferry

Rainforest Islands Ferry provides service four times a week between April 15th and October 15th, connecting Wrangell, Petersburg and Prince of Wales Island. Service is via a converted landing craft can handle up to 28 passengers and six vehicles.

Figure 10 – Rainforest Island Ferry Itinerary

Forest Products

The Wrangell Economic Development Committee created a economic development plan to enhance the forest products industry in Wrangell.³⁸ The goal of this effort is to maintain and enhance Wrangell's existing and future small and medium size (50-100 employees) mills and value added forest products industries.

Objectives include:

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

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.

³⁸ Source: Wrangell Timber Industry Plan, Wrangell Economic Development Committee, October 2013

Marine Infrastructure Site Visit Report

Date of Site Visit:	April 14 & 15, 2016	Project Name:	Wrangell Site Assessment
Date of Report:	06/09/2016	Project No.:	1508.15
Reported by:	Craig Funston	Client:	MFA
Location:	Wrangell, AK		
Weather:	Overcast, 60° F		
Present at Site:	Craig Funston; RPS Stacy Frost; BMI	Distribution:	MFA

North Pier:

1. The northern pier is approximately 300' x 60' and is arranged parallel with the shoreline. A general layout sketch is shown in Figure 1. The pier is of treated timber construction typical for the region.
2. The pier is supported by creosote treated timber piles with butt diameters of approximately 12 to 14 inches. In general, the piles appear to be in fair condition. Probing with a pick was conducted at the waterline on a limited number of piles to check for borers or decay and all tested piles appeared to be sound. No probing was performed at the deck level due to lack of access. Physical damage was observed at a number of piles, and much of the cross-bracing, that is likely due to impacts from floating debris during storms.
3. The northwest corner of the pier appears to have been impacted by vessels and is sagging significantly.
4. The timber deck consists of 3" x 12" planks laid as a wearing surface over 4" x 12" structural planks. The deck is supported by a grid of 4 x 12 stringers and 12 x 12 pile caps. The wearing surface is heavily decayed and in some locations is supporting plant growth. The condition of the structural planks, stringers and pile caps was not able to be physically assessed due to lack of access. Visually these structural elements appeared to be in reasonable shape.
5. This pier appears to be in fair enough condition to allow rehabilitation and re-use. Removal of the entire wearing surface as well as an unknown amount of the structural deck will be required. Additionally, replacement of a portion of the stringers, pile caps, and piles will be required in areas of physical damage or decay. Extensive replacement and enhancement of bracing will be needed.

Tower Crane at North Pier:

1. An elevated crane is situated at the south end of the pier as shown in Figure 2. The crane is supported on a steel tower structure approximately 24' x 40' and stands approximately 45' tall from the deck to the base of the crane. The top of the mast in its current position is approximately 110' above the pier deck.
2. The functionality of the crane is not known, however, it appears to be obsolete equipment and the supporting steel structure is corroded and has physical damage in areas. If the functions of the crane are needed for future use, the tower will need to be reconditioned and the crane will likely need to be replaced.

Conveyor and Support Towers:

1. An overhead conveyer located at the south end of the pier spans between the shore and the North Pier. The conveyer is supported by steel towers at each end. The shore tower is significantly damaged near the base, with large tears and deflections in the columns. The conveyer system and towers will need to be demolished and removed from the site prior to any re-use of the pier.

Bulkhead:

1. Approximately 650 ft. of steel bulkhead extending south from near the midpoint of the pier was constructed sometime after 1992. This bulkhead appears to be constructed of the bottom portions of railcars stood on edge, spanning between steel wide-flange piles. The piles are tied back to buried anchors with steel thread-bars (Dywidag). This bulkhead is severely corroded and has failed over a significant portion of its length.
2. The bulkhead will need to be completely replaced if a vertical face at the waterline is needed for future functions. It may be possible to drive a sheet pile type bulkhead just offshore from the existing bulkhead to reduce demolition efforts, however, more study of permit restrictions and costs is needed to prepare a plan for bulkhead restoration.
3. Delaying the bulkhead restoration would reduce near-term development costs. Some shoreline work will be needed to secure any hazardous areas.

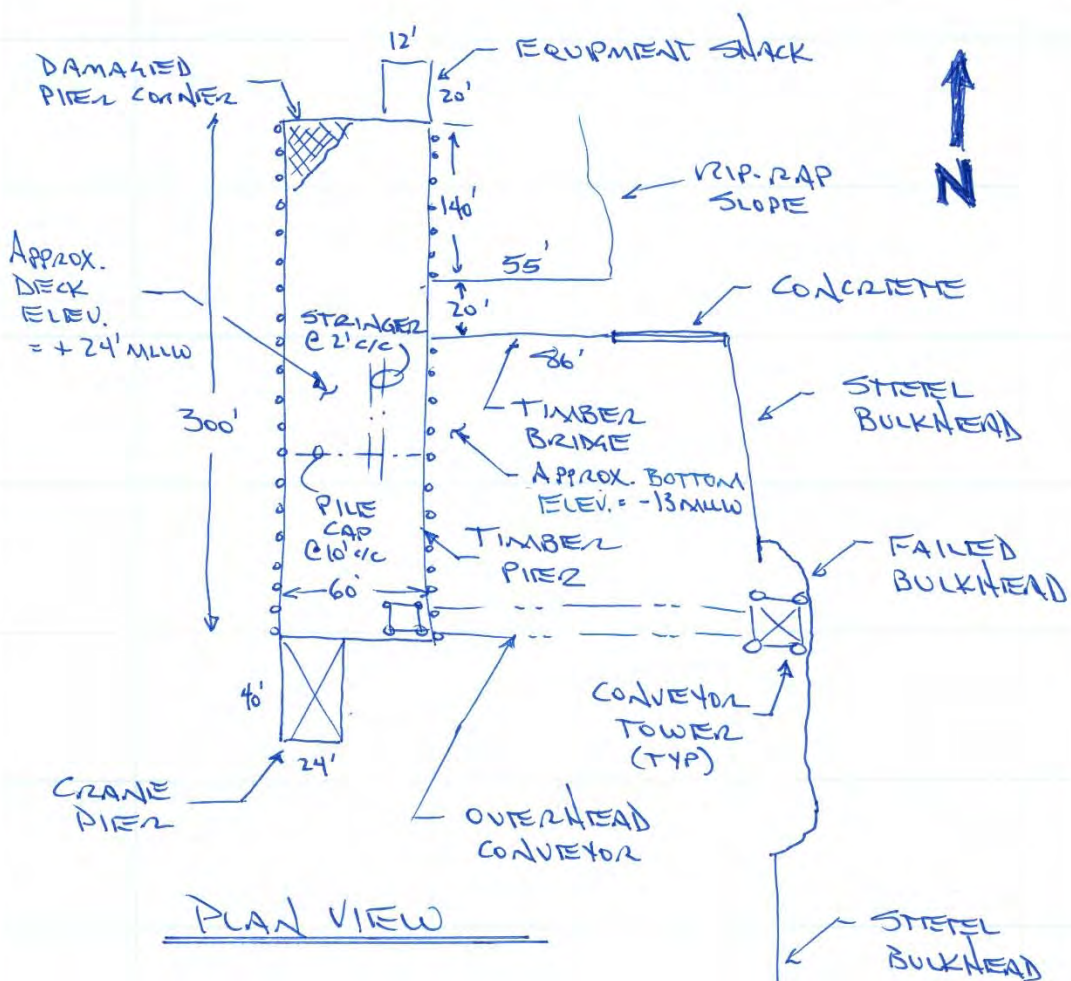
South Crane Pier:

1. Foundations remain in place from a shore mounted crane used by the previous owners. These foundations are supported by steel piles and appear to be in fair condition. The capacity of the foundations is not known at this time.

Redpoint. STRUCTURES

Redpoint Structures, P.S.
1264 Mt. Baker Highway, Bellingham, WA 98226
T 360.715.0121
mail@redpointstructures.com

PROJECT WRANGELL
PROJECT # _____ PAGE _____ OF _____
BY C. FUNSTON DATE 6/8/16
SUBJECT _____



FIELD OBSERVATIONS

14 APRIL 2016

15 APRIL 2016

NOTE: ALL DIMENSIONS ARE APPROXIMATE

Figure 1 – Site plan

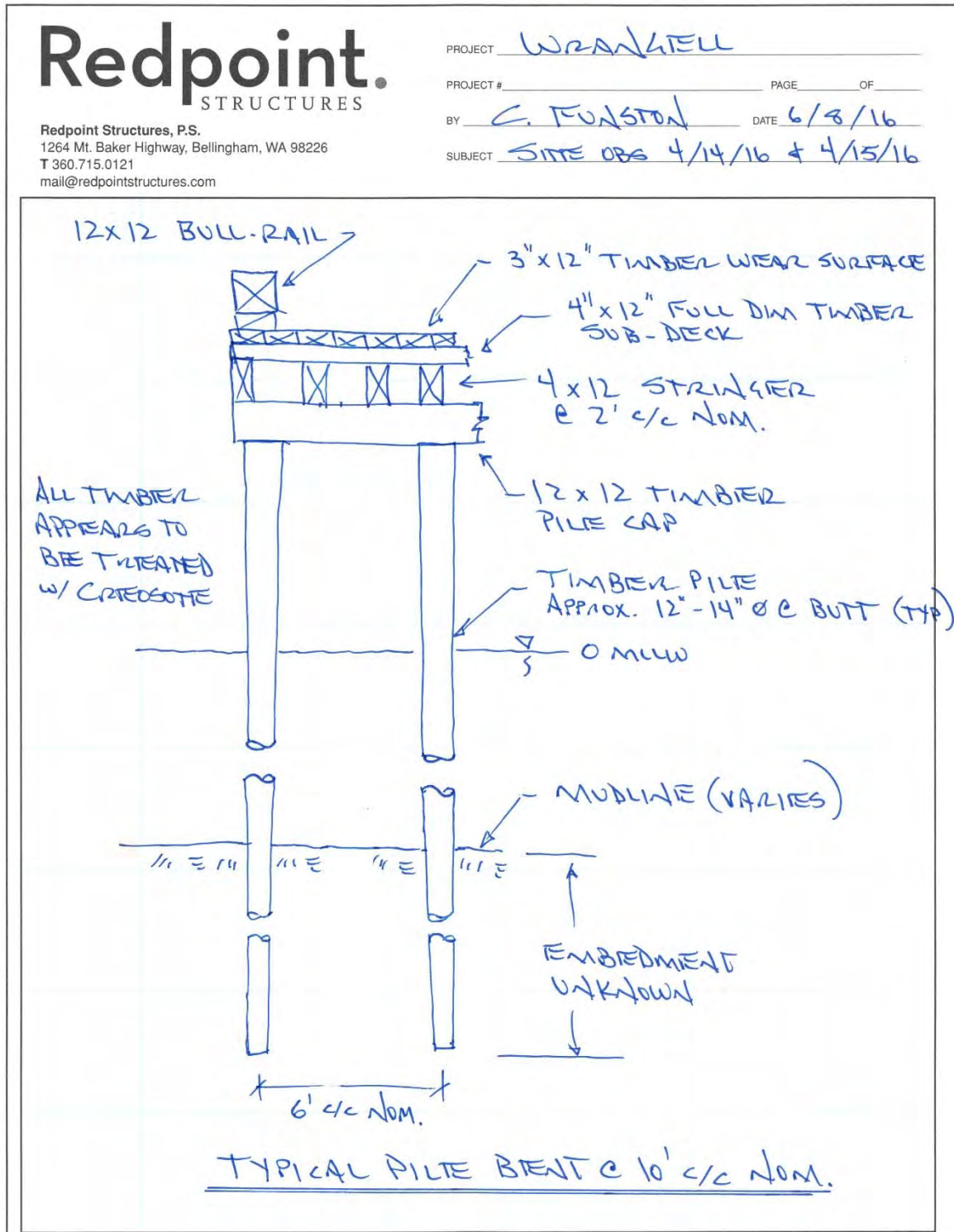


Figure 2 – Elevated crane sketch



Photo 1 – Timber Pier (looking north)



Photo 2 – Timber Pier Deck (looking north)



Photo 3 – Timber Pier Deck (looking south)



Photo 4 – Damage at North End of Timber Pier



Photo 5 –Tower Crane and Conveyor Support



Photo 5 – Failed Column at Shore-side Conveyor Tower



Photo 6 – Railroad Car Bulkhead



Photo 7 – H-Pile at Railroad Car Bulkhead

CITY AND BOROUGH OF WRANGELL
WATERFRONT INDUSTRIAL PROPERTY FUNDING OPPORTUNITIES

CATEGORY	ORGANIZATION	NAME	PROJECT DESCRIPTION	APPLICANT ELIGIBILITY	PROJECT ELIGIBILITY	FUNDS AVAILABLE	FUND DISTRIBUTION	MATCH?
Economic Development (Job creation)	Alaska Department of Commerce	Rural Development Initiative Fund	Loans for working capital, equipment, or construction purposes. Project must demonstrate job creation.	Business or group of businesses in a community with population less than 5K, NOT connected by road or rail to Anchorage or Fairbanks.	Capital, equipment, or other construction-related expenses for business or businesses.	\$100K per person, 1% below prime	Lump sum	No
Economic Development (long term)	Alaska Department of Commerce	Small Business Economic Development	Revolving loan fund for industrial or commercial ventures.	Small business(es) as defined by US Small Business Admin.	Funds are for start-up and expansion capital for small businesses.	\$10K - \$300K	Loan	50%
Brownfield Redevelopment	Alaska Department of Environmental Contamination	Brownfield Assessment and Cleanup Service	Funds investiagion into environmental status of property in order for re-use. Further investigation only needed if property is to be used for something other tha industrial.	Public Agencies	Specific reuse or redevelopment plan must be in place	Services, not funding provided	N/A	No
Infrastructure	Alaska Industrial Development and Export Authority (AIDEA)	Development Finance Program	Financies state economic development projects that produce revenue.	Public or private entity	Projects that can generate sufficient revenue to fund bond financing. Industrial - related.	Varies	Bonds	Non
Infrastructure	Alaska Industrial Development and Export Authority (AIDEA)	Rural Power Systems Upgrades	Enhances and provides technical assistance to assess system deficiencies and design solutions. Carries out project evaluation.	Local govt, rural community.	Ex: replacing generators or dstribution systems, constructing new power generation systems, technical assistance associated with contractors.	About \$12 million for whole program, only two projects funded in 2015 (about \$3 million each)	TBD	No
Technical Assistance and Infrastructure	US Dept. of Agriculture	Rural Business Enterprise Grants	Provides loans or grants to support the development of small and emerging private business enterprises in rural areas.	Cities, boroughs, etc. with population less than 50K.	Projects with incoming small businesses; funds technical assistance or infrastructure finance.	\$100K or less	Primarily loans, but some grants	No
Technical Assistance and Economic Development Planning	US Dept. of Agriculture	Rural Business Opportunity (Development) Grants	Promote sustainable economic development, effective projects, and activities with significant potential to serve as best practices in priority communities with exceptional needs.	Rural areas defined by population specific to different grants	Economic development planning projects, sustainable business development projects, other improvements and studies.	\$10K - \$500K	Grant	No
Infrastructure	US Dept. of Agriculture	Rural Economic Development Loan and Grant Program	Funding for rural projects through local utility organizations. Low interest loans and grants.	A Rural Utlities Service, Nonprofit Utilities, in areas with population less than 50K	Job creation or job-related education projects such as business incubators, development assistance to nonprofits and public, etc.	\$300K grants, \$1 million loans, maximum	Grant or loan	No
Infrastructure	US Dept. of Agriculture	High Energy Cost Grants	Assists energy providers and other entities in lowering energy costs in communities of high per-household energy costs.	State and local govt., tribes, non-profits, businesses. Energy costs must be 275% of national average.	Infrastructure for electiricty, gas, petrol storage, renewable energy etc.	Varies	Grant	No
Economic Development	US Dept. of Commerce	Support for Planning Organizations and Economic Development Districts	Economic development planning and implementation through Economic Development Districts and redevelopment areas.	Public Agencies	Grants fund professional and administrative services related to economic development.	\$50K - \$70K	Grants	25% local match
Economic Development	US Dept. of Commerce	Sudden and Severe Economic Dislocation Program / Long Term Economic Deterioration Program	Assists state and local areas in the development and implementation of strategies designed to arrest and reverse the problems associated with sudden and severe economic dislocation or long-term economic deterioration.	State or political subdivisions.	Planning projects associated with recovering from economic dislocation or deterioration, such as the closure of a cornerstone of the local economy.	TBD, but examples include \$50K for City of Sitka recovering from closed pulp mill.	Grants	No
Economic Development	US Economic Development Administration	Public Works and Economic Development Facilities Program	Construction or rehab of public infrastructure and facilities associated with attracting new industry.	Public entity	Must be aimed at attracting new industry.	Average of \$1.4 million per project	Lump sum	No
Economic Development	US Economic Development Administration	Economic Adjustment Assistance Program	Planning and infrastructure construction for communities experiencing adverse economic change.	Public entity	Projects aimed at aiding economic recovery.	Average of \$570K	TBD	50% local match
Brownfield Redevelopment	US Environmental Protection Agency	Assessment and Cleanup Grants	Environmental assessment and cleanup of contaminated, underutilized properties.	Local governments and non-profits	Grant recipient cannot be liable for contamination.	\$400K Assessment, \$200K Cleanup	Grants	20% for Cleanup Grant

Agenda Item 14

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
June 28, 2016**

INFORMATION:

ATTORNEY'S FILE – None.

Agenda Item 15

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM June 28, 2016

a. Executive Session – Borough Clerk's Evaluation

RECOMMENDED ACTION:

I move, pursuant to 44.62.320 (c) (2), that we recess into executive session to discuss matters that may tend to prejudice the reputation and character of any person, specifically the Borough Clerk's Evaluation.

b. Executive Session - Information and options for the City and Borough of Wrangell from Maul Foster and Alongi, Inc for the Wrangell Waterfront Assessment and Feasibility Study

RECOMMENDED ACTION:

I move, pursuant to AS 44.62.310 (c) (1), that we recess into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect upon the finances of this public entity, specifically to discuss the possible options of the Mill Site property for the City & Borough of Wrangell.