

**Minutes of Regular Assembly Meeting  
Held on May 22, 2018**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., May 22, 2018, in the Borough Assembly Chambers. Assembly Members Gilbert, Powell, Larrabee, Howell, and Prysunka were present. Assembly Member Decker participated telephonically. Borough Manager Von Bargaen and Deputy Clerk Aleisha Mollen were also in attendance.

The Pledge of Allegiance was led by Assembly Member Rolland Howell.

The Invocation was given by Nettie Covalt.

**CEREMONIAL MATTERS** - None.

**PERSONS TO BE HEARD** – Joan Sargent to speak on 13f. She will speak when the item comes up.

**AMENDMENTS TO THE AGENDA –**

*M/S: Gilbert/Prysunka, moved to remove Item 13a, Mariner's Memorial Resolution, due to lease updates needed.*

Von Bargaen stated that the incorrect version of the lease was uploaded and that the right one would be provided for the next meeting. This is not a time-sensitive issue.

*Motion approved unanimously by polled vote.*

**CONFLICT OF INTEREST** – Prysunka declared a potential conflict due to his wife's employment and status at the Wrangell Medical Center. Jack declared no conflict.

**CONSENT AGENDA**

Consent Agenda Items:

- a. Approval of Assembly Minutes – May 7, 2018 (Board of Equalization) & May 8, 2018 (Regular)
- b. Approval of a Final Plat of the Ingram Replat, a replat of Lots 17 and 19, USS 3398, creating a single Lot A, zoned Rural Residential, owned by Wanda Ingram

Correspondence Items:

- c. School Board Minutes – School Board Action –

*M/S: Gilbert/Prysunka, to approve the Consent Agenda as submitted.*

Decker had a change to the Special Meeting Minutes of 5/17/18. In the last paragraph of the first page, it should read "personally supported," instead of "Assembly supported." The change will be made.

*Motion approved unanimously by polled vote.*

**BOROUGH MANAGER'S REPORT**

In addition to the written report, Manager Von Bargaen provided a verbal report on the following:

- Update on the Junkyard removal from Sally Schlichting. The project is estimated to be completed by the end of the September.
- City and Borough of Sitka is currently surplussing a Vac Truck that we need. Although the bid amount is in Von Bargaen's spending limit, she would like to present it to be approved. Amber Al-Haddad, Public Works Director, provided background on the need for this vehicle, and additional

uses for the vehicle in other departments across the City and Borough. The Assembly had no objections to Von Bargaen putting in a bid on this truck.

- Also, Von Bargaen mentioned her travel schedule just for the Assembly's information.

Prysunka asked for clarification that there will be no partial job done on the Byford Cleanup in case money is not found. Von Bargaen stated that they cannot do that, but clarification will be sought.

#### **BOROUGH CLERK'S FILE**

Clerk Lane's report was provided.

#### **MAYOR AND ASSEMBLY BUSINESS**

Howell stated that he is on the Steering Committee with Gilbert and on Sunday the committee unanimously recommended to move forward on the June 12<sup>th</sup> Meeting.

Larrabee had a call from the USFS regarding the Chugach tug. Von Bargaen stated that there is a meeting on Thursday that Carol Rushmore will be attending and that information will be brought before the Assembly at a future meeting.

Prysunka noted that there was a clean-up a couple of weeks ago out Spur Road and he wanted to offer thanks to the people who took the time to do that. It was coordinated by Lucy Robinson and Amber Al-Haddad.

Decker noted that on a call today there is talk about the state's salmon hatcheries being attacked. Many groups are passing resolutions in support of the hatcheries and Decker will be providing that information in the future.

Al-Haddad thanked everyone for the clean-up and noted that WCA has some grant funds for clean up. They recently cleaned up a car that was out there and have some signs to put up on Spur Road in regards to monitoring and fines.

**MAYOR AND ASSEMBLY APPOINTMENTS** – None.

#### **PUBLIC HEARING**

**11a** FY 2018/2019 Budget

*Mayor Jack declared the Public Hearing open and asked if there were anyone wishing to speak on this item; Hearing none, Jack declared the Public Hearing for this item closed.*

**UNFINISHED BUSINESS** – None.

#### **NEW BUSINESS**

**13a PROPOSED RESOLUTION NO. 05-18-1412 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AUTHORIZING A LEASE FOR THE WRANGELL MARINERS MEMORIAL**

*Item pulled from the Agenda under Amendments to the Agenda.*

**13b** Approval of the request from Patty Kautz of the Marine Bar and Hungry Beaver to modify the existing City Tidelands Lease

*M/S: Gilbert/Larrabee moved to approve the request from Patty Kautz of the Marine Bar and Hungry Beaver to modify the existing City Tidelands Lease to include a portion of Lot 36, Block 16 and Block 7A, with the following conditions:*

*1. A reduced square footage as requested, approximately 2700 square feet, with the western boundary not to exceed 22' wide; and*

*2. The Leased Tidelands only be used for parking;*

*and for the area to be surveyed at the expense of the applicant and for an appraisal to be ordered by the Borough Clerk.*

*Motion approved unanimously by polled vote.*

**13c** Discussion Item: Wrangell Medical Center expenditures (*requested by Assembly Member Prysunka*)

There is an incorrect agenda attached and there is no Approval or action to be taken.

Mr. Robert Rang gave a financial update of the status of WMC. Prysunka asked about the lease of the colonoscopy machine. Rang noted that it was approved last October and the lease was entered into before the non-binding agreement was signed, when the machine broke down in February. The revenue brought in from the first clinic and projected from the 2<sup>nd</sup> clinic will more than cover the lease. There is about a 60 day window on billing the first use of the machine. The City will still assume any funds that the hospital is due before the merger.

Prysunka stated his concerns due to the current financial situation of the hospital and the potential for liability. He asked if there are any additional purchases coming up. At this time, Rang stated that he is waiting for equipment that has been approved to fail before any replacements. They are currently expecting about \$100,000 in the mid-year estimate the CPA provided.

Von Bargaen stated that her understanding is that SEARHC has a vast network of machinery and that any added equipment would not change the deal, but that they would potentially be able to use this. Additionally, most of the funds received after the closure will be held aside for removal of the building.

Prysunka also stated that once the deal has been made, there is an advisory board here, but not a governance board. It is important to keep the budget tight to account for the completion of the deal and any liabilities therein.

Von Bargaen said that she gets a report every Friday from Rang regarding the financial status and can forward that on as soon as received rather than waiting until the next Assembly Meeting.

Larrabee asked about the duration of the lease. Rang said that it is a 5-year lease for \$90,000. And after paying off the lease, it can be surplussed if needed, especially since it is a newer machine. Also, the Radiology software is still under lease.

Gilbert asked about Accounts Receivable and Rang stated that there is about \$2.5M on the books and 75% of that is expected in. In regards to coding errors, it is very small, probably 2%, and should not be an issue once SERHC takes over.

Larrabee asked about the billing company and if they provide collections. It was stated that Northern Credit in Ketchikan handles that.

***Recess at 7:50 p.m.***

***Reconvene at 7:55 p.m.***

Rang also stated that \$28M was approved to go to Medicaid in the State Budget. Payments will not be made in June due to that shortfall. Payments will be prioritized to those facilities that will face a hardship because of that. WMC was added to the list by Rang, so that we can be carried through. A letter was also sent today regarding the Medicaid shortfall and Von Bargen can forward that letter to the Assembly.

**13d** Approval of Industrial Master Service Agreement with Waste Management National Services Inc.

***M/S: Prysunka/Gilbert moved to approve an Industrial Master Services Agreement with Waste Management National Services, Inc.***

Howell asked about the rates compared to what we are doing. Al-Haddad stated that we are not currently doing any work with them, but this will set the terms for future agreements and work done. The rates will depend on the service done at that time. June 15<sup>th</sup> and 16<sup>th</sup> will be the next Household Hazardous Waste disposal date, at which time households can bring up to 200 pounds of waste for free.

Prysunka asked about the length of the contract and Al-Haddad stated that they do typically do 5 years.

Howell asked about the verbiage regarding a trip to Wrangell. Al-Haddad answered that we are responsible if we do an Exhibit R and a site addendum and then if the trip is cancelled.

Larrabee stated that other regional communities do a similar agreement and Al-Haddad confirmed that this is correct. We did not enter an agreement at the time because we had just cleared the scrap metal. Larrabee asked if there is anything slated in the future that we can do and Al-Haddad stated that we need the agreement in place first.

***Motion approved unanimously by polled vote***

**13e** Discussion Item: Water Treatment

Al-Haddad presented the findings of the roughing filter project, the report of which is attached to the packet. In addition, if the funds are not available for the DAF plant, we may return to this plan using the additional polymer. Al-Haddad thanked Wayne McHolland for insisting that we do a pilot program and although it was disappointing to see the pilot program fail, it was great to realize this before moving forward and losing more money.

In the meantime, one temporary Water Treatment Operator has been hired, who worked for us last year, and another should be hired around the end of the month. Prysunka asked about the plunger process and McHolland answered that it has already started. Prysunka also asked about using the tanker to avoid losing water and McHolland stated that the tanker is not big enough. Al-Haddad stated that the filter water is being recaptured and worked on. It will be repumped into the clear well.

Powell asked for an update on the bypass lines and Al-Haddad stated that it is currently at a stalemate.

Howell noted that Trident processes chum and that starts June 25<sup>th</sup>. The peak goal should be set earlier as it closed August 12<sup>th</sup> last year.

McHolland said that current levels show both reservoirs are full right now. As long as we keep getting rain, we will be good. The amount of sand will last as well.

Al-Haddad noted that the grant should be heard about in June and that information will be shared immediately.

### 13f Discussion Item: Nuisance Abatement

**Person to be Heard: Joan Sargent. She stated that she is here to speak in support of the Borough Manager's efforts to clean up the areas. There are a lot of statutes related to the compliance of the community in this area. The thought is that if letter-writing is not expected to be successful, why do it? Even if there is a legal requirement, we are working with our neighbors and should develop a personal approach. She met with Von Barga and it was noted that each person will get a phone call and an invitation to meet and come up with a plan. Sargent asks that the sincere attempt is to negotiate a reasonable solution with each individual, and she does support the efforts.**

Von Barga states that enforcement to this point has not taken place, so to start we should treat people how we want to be treated and work together to clean this up.

Prysunka stated that he has heard from people on the other side who feel that their rights are being infringed on and want the nuisance to be cleaned up. He says that we need to put some oomph behind the action.

Von Barga stated that there were generic letters sent and if it does go to court, the judge will want to know what the process was and how it was followed. We need to develop a personalized agreement that may cost the Borough money, but would be worth it to move that along. To start, we will begin with 4-6 properties to make sure that we can see it through to the end.

Powell asked about Zoning to prevent people from buying property and filling it with junk. Von Barga stated that the WMC does not have a code section to require development of a property before purchase. Additionally, up to this point, Al-Haddad, our Building Inspector, is not able to request building plans before the inspection. If we adopt the International Building Codes, we would be able to request this.

Larrabee asked if we had a prioritized list and Von Barga stated that she has a few in mind in the visible corridor. Larrabee asked to include large and small nuisances and Von Barga said that the two in mind do cover both ends of the spectrum.

Gilbert asked for a definition of the word nuisance. Von Bargaen stated that she will provide that.

Von Bargaen also said that the International Building Codes will be brought forward no sooner than the end of June.

Decker wanted to caution the Assembly to not push the Borough Manager to be unrealistic about her deadlines. Von Bargaen stated that enforcement takes time and is not a quick-moving process.

**Recess at 9:44 p.m.**

**Reconvene at 9:50 p.m.**

**13g** Approval of Early Defeasance of Water & Sewer Loans

*M/S: Prysunka/Howell moved to approve Early Defeasance of Water and Sewer Loans.*

Howell and Gilbert asked how much this will save. Finance Director Lee Burgess stated that the sewer loan is a 40 year loan at 4.75%, set to mature 2037. The Water Loan is a 1.5% loan, due to mature in 2021 for the Water Treatment Plan. The Sewer Loan is substantial (\$200,000+), while the Water Loan is just a few thousand. The funds would come from the CDs and the water fund, respectively. There is also an additional loan of \$177,000 with a higher interest rate, but it is not up for defeasance at this time.

*Motion approved unanimously by polled vote*

**13h (listed as i on the agenda)** Discussion Item: FY 2018/2019 Budget

Von Bargaen provided additional information about the 2% fee increase and information from Al-Haddad regarding the Public Safety Building.

Von Bargaen reviewed a list of 61 areas that the Borough had asked for information about in regards to the budget.

On Item 2, Librarian Margaret Villarma spoke that this would cause a reduction in hours that the library would be open (probably 1 night and half a day on Saturday) and would cause her to take on additional responsibilities that would prevent her normal responsibilities. Additionally, temp staff cost would be incurred for leave time. This would also cut back in assistance to the public while they are in the library. Burgess confirmed that this number includes the benefits. Von Bargaen stated that this could be a job-sharing option to split between the Library and the Nolan Center. After discussion at the end of the budget item, it was decided not to job-share at this time.

On Item 23, the Building Envelope Study, the Assembly gave direction to add this to next year's budget, not this one.

On Item 35, Painting our own crosswalks, the cross walks and parking downtown would be included in this as well.

On Item 36, Rock Crushing, there are opportunities to use items in town or borrowing and with considering the labor and upkeep, it is something that needs to be reviewed for the future.

On Item 39, PSB, Al-Haddad presented information regarding replacing the most critical pieces and how those would be replaced. The Assembly gave direction to accept the suggestion from Al-Haddad and that will cause a reduction in the General Fund.

On Item 41, IT Director, the Assembly agrees with the proposal, but would like to work toward the possibility of having an IT staff person. Decker asked if the cost could be spread out among the departments and if this would make the conversation different. Burgess stated that the Enterprise funds wouldn't need to be increased to cover an IT staff person if that staff person didn't work for those departments as much as other departments. Burgess also stated that the cost from Petersburg includes memberships and software that he purchases and shares with his clients. It would still be something we would have to purchase on top of the payroll costs.

Further clarification was made on the Nolan Center Custodian position to job share with the Library. At this time the Assembly decided to leave things as they are and not share that position.

On Item 42, Fire Truck Financing, Burgess reviewed options for financing versus taking money from the City's Permanent Fund. The Assembly directed Burgess to come up with options to review in the future, and if not in time for the final budget, and amendment can be provided. Powell asked if the truck was needed this year and if not, then when. It was answered that we do not need that this year, but it is not something that should be put off for too long.

Discussion was had about insurance and self-insurance and it will be researched.

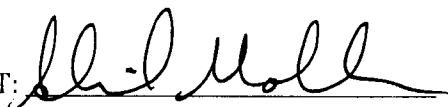
On Item 57, 7<sup>th</sup> Police Officer, Prysunka stated that he had discussed with Chief McCloskey about the mental and burn-out benefits of having the 7<sup>th</sup> officer. We are currently at 6 with one that just retired and there will be one more retiring next year or the next. New officers take 2 years to train on average. The Assembly gave direction to move forward with the 7<sup>th</sup> officer.

**ATTORNEY'S FILE** – Available for Assembly review in the Borough Clerk's office.

**EXECUTIVE SESSION** – None

Regular Assembly Meeting adjourned at 10:32 p.m.

ATTEST:

  
Aleisha Mollen, Deputy Borough Clerk

  
David L. Jack, Mayor

