

**Minutes of Regular Assembly Meeting
Held on June 26, 2018**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., June 26, 2018, in the Borough Assembly Chambers. Assembly Members Gilbert, Larrabee, Powell, Howell, and Prysunka were present. Assembly Member Decker was absent. Borough Manager Von Barga and Clerk Kim Lane were also in attendance.

The Pledge of Allegiance was led by Assembly Member Stephen Prysunka.

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

CEREMONIAL MATTERS - None.

PERSONS TO BE HEARD - None.

AMENDMENTS TO THE AGENDA - None.

CONFLICT OF INTEREST - None.

CONSENT AGENDA

Consent Agenda Items:

- a. Approval of Assembly Minutes - May 22, 2018 (Regular)
- b. Approval of a Special Events Permit Application - BPO Elks 1595
- c. Approval of Liquor License Application (#4618) for North Star Ventures LLC (Stikine Restaurant) for a Beverage Dispensary-Tourism
- d. Approval of Application and Form AB-03 (Restaurant Designation Permit Application) for North Star Ventures LLC (Stikine Restaurant)
- e. Approval of a Transfer License Application from Southeast Properties LLC to North Star Ventures LLC (Goodale to Harris) for the Stikine Restaurant-Beverage Dispensary - Tourism

Correspondence Items:

- f. School Board Minutes - School Board Action (none)
- g. Travel Summary Report (January 2018 thru May 2018)
- h. Condolence letter from the Petersburg Vice-Mayor Gregor
- i. Wrangell Medical Center Board Minutes - May 30, 2018 (Regular) & June 5, 2018 (Special)

M/S: Gilbert/Powell moved to approve the Consent Agenda as submitted. Motion approved unanimously by polled vote.

BOROUGH MANAGER'S REPORT

In addition to the Manager's written report, Von Barga provided an update on the following:

- Foreclosure update: Prior to publication in the local newspaper, there were 237 unpaid property tax bills; since appearing in the initial publication, dropped down to 96 unpaid property tax bills; publishing at least two more times in the newspaper; should see a further deduction.
- ADEC informed the Borough that we are required by federal regulation to be listed on the manifests as the owners, for the material being shipped South

- Pink Salmon disaster funds approved, federally; shows that SE Alaska should be getting \$10 million in disaster relief funds; will work with Carol Rushmore to find out what we need to do to ensure that we receive some of those funds
- Huge thank you to the Friends of the Museum for their \$3000 contribution for the Wrangell Museum
- Nolan Center Director interviews happening Thursday and Friday of this week
- Finance Director initial interviews should happen within 10-14 days
- Special Assembly meeting required (July 11th at 6:30p.m.)

In response to Prysunka, Ms. Al-Haddad stated that regarding the significant decrease in water usage from last year to this year, it could be in part to 1) Leak detection; 2) Conservation; and 3) reducing waste at the plant; without metering, it's difficult to monitor usage.

Prysunka asked if the decrease in usage affect the engineer for the new DAF Plant; Ms. Al-Haddad's response was that the actual plant was about 10-15% of the cost for the entire project; Von Bargaen stated that when the engineering of the system is done, they will be using all the water data that we are compiling to determine what we need.

BOROUGH CLERK'S FILE

Clerk Lane's report was provided.

MAYOR AND ASSEMBLY BUSINESS

Prysunka reported on the SEAPA Board meeting that had occurred in Wrangell last week; stated that there were major upcoming projects for SEAPA.

- Very little spillage at the power plant, which is good
- Approved the rebate for the communities (approx. \$240,000 coming back to Wrangell)
- Major projects costing hundreds of millions of dollars will be coming up in the next 10-15 years
- Pole replacement between Swan and Bailey and Tyee and the poles from – will cost around \$150 million for just the poles
- Underground Cable replacement – will cost around \$200 to \$300 million
- New rate fund established recently (seeded \$2 million)

The cost per KW hour rate has not increased for over 20 years.

Prysunka also stated that the Assembly had approved the Hospital Board budget at the last meeting; that budget had a deficit of over \$800,000; shouldn't have voted to approve that; asked Von Bargaen for assurance from make sure to communicate to the Hospital Administrator that the hospital was doing everything that they could do to minimize costs; will not approve budgets in the future if there is no one at the meeting to speak to the budget.

Von Bargaen stated that the hospital had been advised that the Medicare and Medicaid rates are due to increase; that means that the cost of operations will be covered by the revised rates; at the request of Prysunka, Von Bargaen said that she would request that a revised or amended budget be submitted by the hospital.

MAYOR AND ASSEMBLY APPOINTMENTS

- a. Appointment to fill the alternate vacancy seat on the SEAPA Board of Directors for CY 2018

Mayor Jack appointed Jim Nelson to fill the vacancy. There were no objections from the Assembly.

PUBLIC HEARING – None.

UNFINISHED BUSINESS

12a Approval of Contract with Tamico RnR JV in the Amount of \$8,355,240 for the Shoemaker Bay Harbor Project (*postponed from the June 12, 2018 Assembly Meeting*)

Mayor Jack stated that the motion on the floor was as follows:

M/S: Prysunka/Powell moved to approve a contract award to Tamico RnR JV in the amount of \$8,355,240 for the Shoemaker Bay Harbor Project.

Von Bargaen explained that the protest that had been received by Western Dock and Bridge stated that Tamico RnR JV had not had a joint business license; also, that Tamico RnR JV had a perceived lack of experience with like projects. Von Bargaen stated that both businesses had individual business licenses and were in the process of obtaining a joint business license; we are now in receipt of that joint license; staff believed that the absence of the joint business license at the time of bid did not materially impact or prejudice anyone else from bidding; bid documents allowed staff to waive immaterialities or irregularities and that's what we did since again, the absence of a joint business license didn't impact or prejudice anyone else from bidding.

Von Bargaen also stated that on the second claim on lack of similar project experience, the Public Works director researched in other communities where they had done similar projects, and she is comfortable with their project experience.

Von Bargaen stated that Western Dock and Bridge had stated that they may still submit an appeal to the protest; they have until Friday to submit an appeal.

Motion approved unanimously by polled vote.

NEW BUSINESS

13a Approval of Project Contingency Allocation in the Amount of \$417,762 for the Shoemaker Bay Harbor Project

M/S: Prysunka/Gilbert moved to approve the Project Contingency Allocation in the Amount of \$417,762 for the Shoemaker Bay Harbor Project.

Von Bargaen explained that in the past when contracts were approved, the contingency amount had been added to the contract amount; prefer to separate out because it could be very confusing when the assembly is approving an "up to" contract amount that includes the contingency, essentially giving a false amount for the contract amount, rather than the actual amount of the bid and contract.

Motion approved unanimously by polled vote.

13b Approval of Professional Services Agreement with PND Engineers in the Amount of \$731,328 for Construction Administration and Construction Inspection for the Shoemaker Bay Harbor Project

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M/S: Howell/Powell moved to approve a Professional Services Agreement with PND Engineers for Contract Administration and Construction Inspection in the amount of \$731,328.00 for the Shoemaker Bay Harbor Project.

Prysunka questioned if this amount was the norm by percentage of cost of project for engineering, for this type of project; Ms. Al-Haddad stated that it could run anywhere from 8% to 10%; this amount is 10%.

Motion approved unanimously by polled vote.

13c Approval of Amendment to Letter of Intent with the City and Borough of Wrangell and SEARHC

M/S: Howell/Gilbert moved to Approve the Amendment to the Letter of Intent with the City & Borough of Wrangell and SEARHC. Motion approved unanimously by polled vote.

13d PROPOSED RESOLUTION NO. 06-18-1417 OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE JOB DESCRIPTION OF POLICE SERGEANT

M/S: Gilbert/Powell moved to Approve Resolution No. 06-18-1417 of the Assembly of the City and Borough of Wrangell, Alaska Amending the Job Description of the Police Sergeant. Motion approved unanimously by polled vote

13e PROPOSED RESOLUTION NO. 06-18-1418 OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE JOB DESCRIPTION OF POLICE LIEUTENANT

M/S: Prysunka/Howell moved to Approve Resolution No. 06-18-1418 of the Assembly of the City and Borough of Wrangell, Alaska Amending the Job Description of the Police Lieutenant. Motion approved unanimously by polled vote.

13f Approval of Professional Services Agreement with the State of Alaska for Wrangell Regional and Community Jail in the Amount of \$371,975

M/S: Move to Approve Professional Services Agreement with the State of Alaska for Wrangell Regional and Community Jail in the Amount of \$371,975.

Prysunka stated that he wanted to make sure that the funding that we would be receiving for the diversion program was going to be used for those purposes. Police Chief McCloskey said that they would.

Main Motion approved unanimously by polled vote.

13g Approval of 60 Foot Floating Easement through the Institute Property to Provide Access to Properties Identified on the Preliminary Plat for Trust Land Survey 2018-10 for the Land Trade between the Alaska Mental Health Trust and US Forest Service

M/S: Prysunka/Gilbert moved to approve a 60 Foot Floating Easement through the Institute Property to Provide Access to Properties Identified on the Preliminary Plat for Trust Land Survey 2018-10 for the Land Trade between the Alaska Mental Health Trust and the US Forest Service.

Von Bargaen stated that this was in the Rainbow Falls Area; Alaska Mental Health needs road access, that's the purpose of the floating easement; does not prefer them but we don't have enough information to do a hard easement at this time.

Larrabee stated that he would really like to see this area preserved; would like more information before deciding.

Von Bargaen stated that if the Assembly wanted to postpone this item, Carol Rushmore could be available to answer questions.

M/S: Prysunka/Gilbert moved to postpone this item until the July 11th Special Assembly meeting. Motion approved unanimously by polled vote.

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

EXECUTIVE SESSION

15a Mill Property

15b Borough Clerk's Annual Evaluation

15a *M/S: Prysunka/Gilbert moved, pursuant to 44.62.320 (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 the Borough; specifically, to discuss the possible options for the Mill Site property for the City & Borough of Wrangell. Motion approved unanimously by polled vote.*

15b *M/S: Prysunka/Powell moved, 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 annual Evaluation. Motion approved unanimously by polled vote.*

Recessed into Executive Session at 8:05 p.m.

Reconvened back into regular session at 9:01 p.m.

Regular Assembly meeting adjourned at 9:02 p.m.

ATTEST:


Kim Lane, MMC, Borough Clerk

