



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

October 8, 2013 – 7:00 p.m.

Location: Assembly Chambers, City Hall

- 1. CALL TO ORDER**
 - a. PLEDGE OF ALLEGIANCE led by Assembly Member James Stough
 - b. INVOCATION to be given by
 - 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. Items (*) 6a, 7a, & 7b

- 6. APPROVAL OF MINUTES**
 - *a. Minutes of the Regular Assembly Meeting held September 24, 2013; Minutes of the Special Assembly Meeting held September 26, 2013

- 7. COMMUNICATIONS**
 - *a. Expenditure Report from Southeast Senior Services covering the Fourth Quarter – April 1, 2013 through June 30, 2013
 - *b. Minutes of the Economic Development Committee meeting held June 27, 2013

- 8. BOROUGH MANAGER'S REPORT**

- 9. BOROUGH CLERK'S FILE**

- 10. MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS**
 - a. Reports by Assembly Members
 - b. City Board and Committee Appointments
 - c. Elect Vice-Mayor
 - d. Appointment to fill the vacancies on the Parks & Recreation Board

- 11. PERSONS TO BE HEARD**

- 12. UNFINISHED BUSINESS**

- 13. NEW BUSINESS**

- a. Approval of Change Order #5 for the Marine Service Center Concrete Paving Phase 2 Project
- b. Discussion and possible action relating to specific questions to ask an attorney with regards to the TBPA/SEAPA issues
- c. Approval of the Wrangell Timber Industry Plan

14. ATTORNEY'S FILE

15. EXECUTIVE SESSION

- a. Discussion with Borough Attorney regarding a letter from the attorney for Oliver Construction

16. ADJOURNMENT

Agenda Items 1 - 6

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY

AGENDA ITEM

October 8, 2013

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 Pamella McCloskey
- b. Invocation to be given
- 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.*

RECOMMENDED ACTION:

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

****6a, 7a, & 7b***

ITEM NO. 6 APPROVAL OF MINUTES:

INFORMATION:

***6a Minutes of the Regular Assembly meeting held September 24, 2013;
Minutes of the Special Assembly meeting held September 26, 2013***

**Minutes of Regular Assembly Meeting
Held on September 24, 2013**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., September 24, 2013, in the Borough Assembly Chambers. Assembly Members Stough, McCloskey, Wiederspohn, Stokes, Decker, and Christian were present. Interim Borough Manager Jeff Jabusch and Borough Clerk Kim Lane were also in attendance.

Pledge of Allegiance was led by Assembly Member Wilma Stokes.

Invocation was given by Kay Larson with the Baha'i Faith.

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

Certificate of Service was presented for Holly Hammer, Parks & Recreation Board.

AMENDMENTS TO THE AGENDA

There were no Amendments to the Agenda.

CONFLICT OF INTEREST

Assembly Member Christian stated that he might have a perceived conflict of interest to item 13b.

Mayor Jack said that if during the discussion, Assembly Member Christian saw that he had a conflict of interest, he could state that at the time.

CONSENT AGENDA

Moved by Christian, seconded by McCloskey, to approve Consent Agenda Items marked with an () asterisk; 6a, 7a & 7b. Motion approved unanimously by polled vote.*

APPROVAL OF MINUTES

*6a Minutes of the Regular Assembly meeting held September 10, 2013 were approved as presented.

COMMUNICATIONS

*7a Minutes of the Thomas Bay Power Authority Commission Special Teleconference meeting held May 3, 2013; Minutes of the Thomas Bay Power Authority Commission Special Teleconference meeting held May 15, 2013

*7b Travel Summary for the month of September 2013

BOROUGH MANAGER'S REPORT

Interim Borough Manager Jabusch's report was provided.

In addition to the report, Jabusch reported on:

- Secure Rural Schools Program; proposed one year extension; not a sure thing;
- Travel dates

BOROUGH CLERK'S FILE

Borough Clerk Lane's report was provided.

In addition to the report, Lane reported on:

- Absentee Voting dates
- Election Day, October 1, 2013

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

10a Reports by Assembly Members

Assembly Member Christian distributed a memo to the Borough Assembly that he had received from Ketchikan Public Utilities.

Mayor Jack reported on his and Assembly Member Decker's trip to Southeast Conference.

- Growth of population
- Maritime Economy

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

Mayor Jack stated that there were no letters of interest received for the vacancy.

10c Appointment to fill the vacancy on the Parks & Recreation Board

Mayor Jack stated that there were no letters of interest received for the vacancy; we would continue to advertise.

PERSONS TO BE HEARD

The four members of the public who signed up to be heard stated that they wanted to speak under Agenda Item 13b.

UNFINISHED BUSINESS

12a Approval of the Revised 2013 Wrangell Medical Center Personnel Policies (postponed from the August 27, 2013 Regular Assembly Meeting)

Moved by Stough, seconded by Christian, to approve the Revised 2013 Wrangell Medical Center Personnel Policies as amended per Assembly Request, and as required per Wrangell Municipal Code 3.32.030 (D)

Assembly Member McCloskey stated that after meeting and discussion what needed to be changed, none of the requested changes were made.

Motion approved with Stokes, Christian, McCloskey, Stough, Decker, and Jack voting yea; Wiederspohn voted nay.

12b Approval of the revised Wrangell Medical Center Bylaws, as amended (postponed from the September 10, 2013 Regular Assembly Meeting)

Moved by McCloskey, seconded by Christian, to approve revised Wrangell Medical Center Bylaws as amended to add: "The CEO position is referred to as the Hospital Administrator in Wrangell Municipal Code Section 3.32.040". Motion approved unanimously by polled vote.

NEW BUSINESS

13a Approval to hold a Special Assembly Meeting on Monday, October 7, 2013, at 5:30 p.m. to Certify the Election Results from the Regular Election

Moved by Christian, seconded by Stough, to approve a Special Assembly Meeting to be held on Monday, October 7, 2013, at 5:30 p.m. to certify the Election Results from the Regular Election to be held on October 1, 2013. Motion approved unanimously by polled vote.

13b Approval to send a letter to SEAPA regarding payment for O&M Costs

Moved by Stough, seconded by Stokes, to direct our SEAPA Board Representative to ask the SEAPA Board to pay for the O&M cost of the secretary wage and accounting fees under FERC Code 539. If the SEAPA Board does not approve these legitimate O&M expenses, the Borough Manager is directed to deduct these O&M expenses from the monthly power purchases from SEAPA as according to the current O&M Agreement.

Dorothy Hunt-Sweat, Mile 8 ¾ Zimovia Hwy. - stated the following:

- Petersburg has given up control to SEAPA
- SEAPA doesn't have control unless we give it to them
- Send the message that we will maintain control of our natural resources in our community

Michael Nicholls, 11a Panhandle Trailer Court- read from the information that he distributed to the Borough Assembly:

In the Short Term -NNB Shortcomings:

- Here we are discussing the shortcomings of TBPA "non-net billable" administrative costs
- PSG remains adamant in not funding their portion and SEAPA remains steadfast in not paying what for all intent and purpose is a legitimate Operations and Maintenance Expense
- Excuses put to me by SEAPA staff are 1. We never had to pay this before- well, they paid a spin doctor a considerable amount they never had to pay before- why I'll bet they even paid their administrative costs; 2. KTN will have to pay some- rightly so KTN received over \$1M worth of power each year for the past 2 years alone from Tyee- why should Wrangell pay for their portion of Tyee expenses; 3. SEAPA is steadfast in following an outdated FDPPA policy of the communities directly funding the administration costs of their individual projects
- Policies need to be periodically reviewed and updated to remain viable
- There were 4 projects with their respective communities paying the administrative costs of the individual projects- THIS CHANGED with the inception of the Swan/Tyee intertie
- There is now in the Southeast 2 projects with 3 communities
- The 3 communities need to share in the administration costs of both projects and the simplest way is through the monthly billing process
- In the beginning Thomas Bay was formed to represent Wrangell and Petersburg- this has now evolved or devolved depending on one's perspective to simply be the Operations & Maintenance contractor for the Tyee Project
- SEAPA staff recognizes this as evidenced by Trey Actison's comment at the September 10 Workshop meeting regarding TBPA only being an O&M contractor to SEAPA
- Now if SEAPA had any other contractor operating the project, there would be no discussion of the administrative costs- THEY WOULD BE PAID
- A letter to SEAPA will only prolong the problem as I fully expect SEAPA to again refuse to fund what their staff categorizes as Not billable to SEAPA
- Why should WRG be saddled with the problem of solving this dilemma; All expenses by TBPA are required to be coded per Federal Energy Regulatory Commission rules (FERC) as such; FERC code 539 specifically validates clerical work as a legitimate expense- the city should just withhold the administration costs from the monthly power payment as PSG should also be doing; Throw the ball into SEAPA'S COURT

In the Long Term-SEAPA restructuring:

- Wrangell should never relinquish its control of the natural resources of water and land within the Borough boundaries

- Thomas Bay Power Commission and Thomas Bay Power Authority need to be separated
- The Commission needs to return to its original function -finding new and innovative power sources for Southeast Alaska
- And since Petersburg has renounced its joint obligation with Wrangell- TBPA should be absorbed by the WRG- TBPA should continue to provide Operations and Maintenance at the Tyee Facility and TBPA employees should be answerable to the WRG possibly as a separate department answerable to the City Manager

Robin Taylor, 5.5 Mile Shoemaker Loop Road- stated the following:

- Voted along with Petersburg to amend our Charter to create a commission
- Commission and the TBPA are two different entities
- TBPA does the on hand work at Tyee
- Commission oversees the functions of Thomas Bay
- Primary function was to look at projects for the future
- Legislative funding created Swan / Tyee project
- Joint action in the Legislature was to accomplish divestiture of the Four Dam Pool
- Our plant cannot filter enough water to take care of our cannery in the Summer
- Need to protect ourselves
- Suggests that Wrangell take over Thomas Bay
- Suggests that the Thomas Bay Commission need to come up with a plan for new projects

Paul Anderson, P.O. Box1454, Petersburg, AK- voiced the following:

- In reading the memo from Trey Acteson dated Aug. 19, 2013, he said that they were going to convert ARECA insurance money over and give some to Ketchikan, Petersburg, and Wrangell
- Areca insurance money used to come out of non-net billable
- SEAPA was saying that in 2006 Petersburg passed Resolution 106 & 206 to seek 3.2 million from the State; was diverted later from Mr. Carlson, Mr. Lewis, and Mr. Smith; ended up going to Southeast Conference
- Requests that Wrangell deny SEAPA and maintain ownership of TBPA
- Took SEAPA rebate money (in Petersburg, when I was the Finance Director), and used it as the Tyee surcharge; money went into the Enterprise Fund (unlike Wrangell)
- SEAPA paying five employees 1.3 million, (correct me if I am wrong), not including benefits; then wants to hire two more, bringing their salary costs to 1.7 million
- Power Superintendents being on Thomas Bay Power is a conflict; then they become Four Dam Pool members – conflict, won't tell you anything because it's privileged information; then they become an employee of SEAPA
- Ketchikan will control everything that happens up here

Interim Borough Manager Jabusch stated that the SEAPA rebate goes into the Electric Fund for Wrangell and was part of our rate study plan; does go back to the rate payers; not to the General Fund.

Assembly Member McCloskey perceived that Assembly Member Christian did have a conflict of interest to this item since the motion directly stated: "SEAPA Board to pay the O&M cost of the secretary wage".

Mayor Jack stated that with that motion, he believed that it was a conflict of interest.

Assembly Member Christian stated that it was up to him on whether to declare a conflict; when passing the budget, everyone has here, a perceived conflict of interest. He further stated that he did perceive that he had a conflict and would abstain from voting.

Mayor Jack stated that he believed that this item was a direct conflict; since when passing the budget, you are not considering one particular person, you are considering an entire workforce and everyone is treated equally; this item is different.

Assembly Member Stough stated the following:

- Wrangell does not have clear direction
- Push was to form an Energy Committee to start looking at divestiture of 2014
- Energy Committee to look at if divestiture was feasible and if not, change the things that need to be changed
- Goal on the Energy Committee was to seek legal and/or professional advice

Clay Hammer, 690 Evergreen- voiced the following:

- Initially Petersburg petitioned SEAPA to pay the non-net billable; SEAPA turned them down
- Back in the day, the non-net billable expenses were funded; was abused, so the policy changed; now non-net billable expenses cannot be reimbursed
- If we try and get SEAPA to pay Thomas Bay's non-net billable, what about KPU?; will impact our rate structure; we would expect that all to come out of the 6.8 that we are paying; don't know if there is a good way to sustain that
- No extra budget for an extras like expenses for legal advice
- SEAPA currently evaluating different projects throughout the community; spending money for engineering
- A lot of missing information; cannot build a project without information
- Metlakatla only has about 500 kw to spare; until another hydro project is brought online in Metlakatla, it isn't worth it

Manager Jabusch asked Mr. Hammer about at a SEAPA Board meeting, Ketchikan asking that Wrangell and Petersburg pay their diesel fees.

Mr. Hammer answered that this was something that was brought up during casual conversation but was not addressed during a board meeting. He said that there was no way that the SEAPA Board would ever pass something like that.

Mr. Hammer further stated the following:

- Diesel backup plant is good for a rating of 8 ½ megawatts
- Peaks of 9 mw during extremely cold weather; it would be prudent to bring on additional diesel generation
- Have been selling the heat rate for a very cheap price; just enough to cover the cost of the transformers; barely enough to cover the costs of the infrastructure; and everything that it costs to install and support it
- Haven't been building any money to put toward additional diesel generation should we run out of what we have available
- In the last five years there have been some technology that would allow us to use our electric power in a more efficient way; still in the process of studying that

Assembly Member Stough asked what organization is going forward with the study.

Hammer answered that Cold Climate Research was partnering with the City of Wrangell.

Rhonda Christian, 9.2 Mile- voiced the following:

- Stated her concern about the conflict of interest with people sitting on the Thomas Bay Board
- Stated that she was “O&M” expense; had done 15 hours of non-net billable in the last 4 months – 3 months; most of that was in the last 2 weeks with the chaos going on
- Working on financials, working on R&R
- Doesn’t understand why SEAPA can go from paying 1.3 million in wages to hiring two more employees and pay 1.7 million, but cannot pay for its own O&M costs from the non-net billable; why should Wrangell have to pay for it; legitimate O&M charges under the FERC code
- Audited on a monthly basis from SEAPA
- Would like the Assembly to consider this motion and properly code the O&M expenses
- It’s in the best interest of Wrangell to keep Thomas Bay Power Authority

Warren Edgley, 209 First Ave. - voiced the following:

- Questioned why the talk of rate increase hasn’t raised questions
- We pay 6.8 cents for the wholesale power; 4 cents of that goes to debt services; bond of indebtedness will be paid off; what happens to that 4 cents
- We were told that when the bond of indebtedness was paid off, rates would go down

Brian Ashton, 750 Case Ave. - spoke on the following:

- SEAPA does have real costs to consider
- SEAPA costs for doing maintenance R&R Costs coming up
- SEAPA Board was making the best choices that it could to manage the reserves and debt in keeping costs down
- At the last SEAPA Board, it was asked that the SEAPA Board consider stopping the rebate
- Rates may need to be raised to cover R&R maintenance costs
- We could manage and bill O&M costs properly
- Should ask SEAPA to cover the entire O&M contract costs
- Suggested changing the motion to have the Assembly ask SEAPA directly instead of directing him to ask the SEAPA Board
- KPU passed resolution that said that they would not give up automation of Swan as an O&M Contractor
- Tyee is in our boundaries as a renewable energy resource; we have justification for taking that same position

Assembly Member McCloskey asked if SEAPA pays the O&M costs for KPU.

Mr. Ashton stated that he believed that they roll it. He also said that this was something that would need to be identified.

Interim Manager Jabusch asked if she was talking about the costs that SEAPA were denying.

Assembly Member McCloskey if SEAPA covers secretary wages for KPU.

Jabusch answered that he didn’t believe that they ever had.

Mr. Ashton suggested calling and asking KPU.

Mayor Jack asked Robin Taylor if Thomas Bay was formed under the same statutes as SEAPA.

Mr. Taylor answered “no, Thomas Bay was formed much earlier”.

Mayor Jack asked Mr. Taylor if it took Legislative approval to form Thomas Bay.

Mr. Taylor answered that no, it took a Legislative vehicle for us to work within, as part of the Joint Action Agency to accomplish the transition of moving the assets from the Four Dam Pool over to that, so as to allow the break up to then occur.

Mayor Jack asked if it would take Legislative action to do away with Thomas Bay.

Mr. Taylor answered “no, it would not take Legislative approval”.

Mr. Taylor stated that he thought that it would take a vote of the people to do away with the Thomas Bay Power commission because the commission was part of the Charter.

Assembly Member Decker stated that whatever conclusion Wrangell comes to:

- Thomas Bay Power Authority employees should remain whole
- City of Wrangell should be treated fairly
- Working more cooperatively, as a region
- Petersburg has asked for the reimbursement on the non-net billable; doesn't see that anything has changed; SEAPA will come back with the negative
- Looking to go down a positive/cooperative avenue
- KPU gets paid O&M; anything outside of the O&M costs gets absorbed within the KPU Utility
- Need a long term plan

Assembly Member Stough stated the following:

- We are trying to recover the money that Petersburg is refusing to pay
- Without going forward to seek legal advice is what has gotten us into trouble
- Need to take a hard stand and let them make a decision
- Wrangell needs to do our due diligence

Mayor Jack agreed with Assembly Member Stough, that we need to look at getting legal advice, possibly before going down this avenue.

Assembly Member Stough called for the question.

Motion failed with Stough and Stokes voting yea; Decker, Wiederspohn, McCloskey, and Jack voting nay.

Assembly Member Christian abstained from voting as it was determined that he had a perceived conflict of interest.

Assembly Member McCloskey asked if the Assembly could look at getting legal advice.

Assembly Member Stough requested that the proper type of attorney be contacted.

Interim Borough Manager Jabusch requested that the Assembly give him clear direction on the questions that they would like answered.

With the consensus of the Assembly, Interim Borough Manager Jabusch was directed to contact a Power Attorney.

Manager Jabusch stated that he would contact a Power Attorney to see if one would be willing to look at the issue. He further stated that he would then bring the information that he had gathered back to the Assembly for approval to move forward.

Assembly Member Decker stated that in the title of the Resolution that Petersburg was considering, it said "suggest that the non-net billable be paid by SEAPA". She stated that the difference was that they were giving something to get something; 750,000 that would be in Wrangell and Petersburg's benefit. She stated that we should not ignore that. She suggested that the Assembly consider the whole package.

13c Consideration and possible action regarding the sale of City Tidelands to Donald & Betsy McConachie (Nore Estate)

Interim Borough Manager Jabusch stated that it was possible that somewhere along the way, there might have been an error; either Ms. Nore paid for the Tidelands and the City failed to issue the deed, or Ms. Nore did not pay for the Tidelands. He stated that she had been added to the tax rolls when the survey was done.

Don McConachie, 622 Zimovia Hwy., stated that his belief was that Ms. Nore probably thought that she owned the Tidelands since the Tidelands had been added to the City Tax Rolls; Ms. Nore had been paying the property taxes for a number of years.

Assembly Member Stough asked if this was the president for Tideland property that was not clear.

Manager Jabusch stated that this situation was different since she had been added to the tax rolls as though she had been issued the deed.

Assembly Member Stough said "isn't this the same problem that we had with the Bakke (Keller) property?"

Manager Jabusch stated that this was not the same issue.

Moved by Christian, seconded by Wiederspohn, to transfer the Deed of the Tidelands Lot 8, Block 83A to the Nore Estate for a sum of \$203.18; that the Appraisal fee is waived, and that the conditions of sale of tidelands as stated in WMC 16.12.040 Paragraphs' A, B, and C are also waived. Motion approved unanimously by polled vote.

13d Approval to cancel the November 26, 2013 Regular Borough Assembly Meeting

Moved by Stough, seconded by Christian, to approve the cancellation of the November 26, 2013 regular Borough Assembly Meeting, and conduct only one meeting on November 12, 2013. Motion approved unanimously by polled vote.

ATTORNEY'S FILE

Summary provided to the Borough Assembly.

EXECUTIVE SESSION

15a Discussion with Borough Attorney on former employee arbitration proceeding

Moved by Stough, seconded by Decker, to go into executive session to discuss the arbitration proceeding, which the immediate knowledge of would clearly have an adverse effect upon the finances of the Borough. Motion approved unanimously by polled vote.

Recessed into Executive Session at 9:32 p.m.

Reconvened back into Regular Meeting at 9:58 p.m.

There was no action taken.

ADJOURNMENT: 9:59 p.m.

David L. Jack, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

Unapproved

**Minutes of Special Assembly Meeting
Held September 26, 2013**

Mayor David Jack called the Special Assembly meeting to order at 7:00 p.m., September 26, 2013, in the Borough Assembly Chambers. Assembly Members McCloskey, Decker, and Stokes were present. Assembly Members Wiederspohn, Stough, and Christian were absent. Borough Clerk Kim Lane was also in attendance.

CONFLICT OF INTEREST

There were no conflicts of interest declared.

PERSONS TO BE HEARD

There were no persons to be heard.

ITEMS OF BUSINESS

5a Executive Session – Review and possible action relating to the resumes received for the Borough Manager’s position

Moved by McCloskey, seconded by Decker, 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 process of selecting and hiring a Borough Manager. Motion approved unanimously by polled vote.

Recessed into Executive Session at 7:02 p.m.

Reconvened back into Special Meeting at 7:39 p.m.

Mayor Jack stated that the Assembly had narrowed the applicants down to five. Mayor Jack directed Clerk Lane to conduct background checks on the five applicants.

Clerk Lane was directed to schedule a Special Meeting on Thursday, October 10, 2013, at 5:30 p.m., so that the Borough Assembly could meet in Executive Session to review the final five resumes submitted for the Borough Manager’s Position.

Special meeting adjourned at 7:42 p.m.

David L. Jack, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

Agenda Item 7

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM October 8, 2013

COMMUNICATIONS:

INFORMATION: The Assembly may receive items for Communications, reasons only which do not require 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.

- *7a Expenditure Report from Southeast Senior Services' covering the Fourth Quarter – April 1, 2013 through June 30, 2013
- *7b Minutes of the Economic Development Committee meeting held June 27, 2013

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September 13, 2013

Mr. Timothy Rooney, Borough Manager
 City and Borough of Wrangell
 P O Box 531
 Wrangell, AK 99929

CITY CLERK
 AUG 27 2013
 RECEIVED

Dear Mr. Rooney:

A copy of the Quarterly Expenditure Reports for Southeast Senior Services' Wrangell program is enclosed. These reports cover the fourth quarter period from April 1, 2013 through June 30, 2013.

The following services were provided during the fourth quarter of Fiscal Year (FY) 2013:

- * 33 individuals received 1,353 home-delivered meals.
- * 71 individuals received 775 congregate meals.
- * 1 individual received 4 unassisted rides.
- * 30 individuals received 933 assisted rides.
- * 8 individuals received 93.5 hours of driver homemaker services.
- * 2 individuals received a total of 66 hours of Caregiver Support homemaker services.
- * 1 disabled individual under the age of 60 received 7 home-delivered meals.
- * 1 disabled individual under the age of 60 received 55 congregate meals.
- * 1 disabled individual under the age of 60 received 134 assisted rides.

Wrangell increased days of service from 4 to 5 in February. Figures this quarter reflect 5 days of service all months of this quarter.

On behalf of Wrangell seniors, I would like to thank you for your continued support of the Wrangell Senior Program.

Sincerely,

Jean Trafford
 Executive Director

JS/hi

Enclosures

029 20-15 Wrangell

Fiscal Year 2013

Description	4th Quarter Actual	Year to date Actual
4001 T3 NSIP	\$ 472.01	\$ 1,882.88
4033 T3 Nutrition & Transportation	\$ 10,917.58	\$ 43,667.00
4037 T3 Health Promotion/Disease Prec	\$ 436.70	\$ 5,869.95
4106 City of Wrangell	\$ 2,005.21	\$ 8,021.00
4364 Title VI-Care Giver Support	\$ 2,435.52	\$ 9,742.08
4365 Title VI-NTS	\$ 165.71	\$ 39,662.84
4369 Title VI-NSIP	\$ 330.99	\$ 1,323.96
4410 Congregate Meal Contr-Over 60	\$ 1,174.00	\$ 4,257.05
4411 Congregate Meal Contr-Under 60	\$ 11.66	\$ 116.67
4412 Home Deliv Meal Contr-Over 60	\$ 44.50	\$ 519.24
4414 Transportation Contr-Over 60	\$ 468.53	\$ 1,335.56
4415 Transportation Contr-Under 60	\$ -	\$ 113.02
4553 Medicaid	\$ 6,342.84	\$ 28,054.78
4600 In-Kind Revenue	\$ 3,276.24	\$ 13,104.96
4920 Fund Raising	\$ 3,710.00	\$ 6,116.00
4950 Individual Donations	\$ 1,245.00	\$ 4,078.00
4990 Miscellaneous Revenue	\$ -	\$ 1,282.00
Total Revenue	<u>\$ 33,036.49</u>	<u>\$ 169,146.99</u>
6110 Salaries & Wages Expense	\$ 22,707.25	\$ 77,941.13
6115 Substitute Wages Expense	\$ 1,981.62	\$ 10,392.00
6120 Payroll Taxes & Benefits	\$ 5,871.78	\$ 23,319.43
6220 Staff Travel & Training	\$ -	\$ 60.00
6311 In-Kind Rent	\$ 2,460.00	\$ 9,840.00
6320 Phone Service Charges	\$ 412.20	\$ 1,531.76
6330 Facility Utilities	\$ 1,317.58	\$ 5,314.58
6410 Office Supplies	\$ -	\$ 404.50
6420 Postage	\$ 0.00	\$ (211.32)
6450 Program Supplies	\$ 175.69	\$ 1,281.17
6470 Household Supplies	\$ 15.83	\$ 585.38
6475 Home Delivery Containers	\$ -	\$ 3,293.58
6480 Raw Food	\$ 3,768.34	\$ 21,897.63
6485 Fundraising	\$ 352.52	\$ 1,000.00
6491 In-Kind Gas & Oil	\$ 316.26	\$ 1,265.04
6511 In-Kind Vehicle Repair	\$ 499.98	\$ 1,999.92
6620 Vehicle Insurance	\$ 343.21	\$ 1,342.84
6630 Property & Liability Insurance	\$ 46.65	\$ 186.60
6660 Advertising	\$ 3.90	\$ 236.10
6650 Printing	\$ 347.82	\$ 424.80
Total Expenditure	<u>\$ 40,620.63</u>	<u>\$ 162,105.14</u>
Excess Revenues over (under) Expenses	<u>\$ (7,584.14)</u>	<u>\$ 7,041.85</u>

City and Borough of Wrangell, Alaska

Economic Development Committee
June 27, 2013
6:30pm Assembly Chambers

Minutes

Call To Order

Roll Call: Present - Dawn Angerman, Daniel Blake, Dorothy Hunt- Sweat, Marlene Clark, Julie Decker, Cyni Waddington, Bob Maxand

Amendments to the Agenda- none

Approval of Minutes: April 24, 2013

DB moves

BM 2nd

Approved

Persons to be Heard - None

Correspondence

a) Draft Alaska Mariculture Development Prospectus

State of Alaska's draft prospectus with community meetings in the fall. Glenn Haight at DCCED has been working on. What are the needs to better launch the industry. Think how our community could potentially participate from this development opportunity. 70 permitted farms in AK with about 30 having sales every year. This targets shellfish farming.. but it could be broadened to look at restoration and enhancement. Getting ready to release first King crab raised in captivity out of Seward for release in Kodiak Island. SE dive fisheries are looking for seacumbers to be hatched.

Jackie DeMontigny asks about the regional oyster farmers needing a local market and distribution. The local oyster product doesn't seem to be well known in Wrangell. Will that be part of the plan?

JD main issue is the seed and getting the oysters, the technical elements of the business.

Bob Dalrymple. USFS is also very interested in this being the upland land owner and we have 2 permitted in the Wrangell district.

b) July 10: Wrangell Stewardship Contracting Public Meeting

Erik Wortman: Community workshop being put on working with USFS, STATE, and SEACC. Hopefully looking at stewardship contracting issues and looking at receipts and how to use them for forest enhancement projects.

JD What kind of enhancement? For timber/trails/road improvement/ fisheries habitat?
EW there are criteria that identifies stewardship type projects. But need to get public collaboration

c) Brass Tacks business workshop – video conference at the library on 6/27
5:00pm

Old Business

a) Draft Wrangell Timber Plan

DA: Should pass on to the assembly to review and accept or not.

Is all happy with content? Generically? What it says? And what can we do with it..

BM moves to approve with clean up changes and final review by committee by email

DA 2nd

Approved

Marlene Clarck has issue with fact that the USFS focuses on fact that 80 years to cut 2nd growth. AO... usually 70 years is the minimum BD.. By law cannot cut stand of trees until it reaches mean annual increment... when the rate of growth declines.. usually around 80 years

b) Maritime business development – update- started website.. contract has been signed and we will start the design work in August.

JD.. do we want to do a Marine Industry plan like the timber plan? Basis for the timber was as an outcome of the Transition Cluster plan

We have been in contact and discussion with the region and other communities. Workforce Development.. do an interview rather than survey to solicit information for the plan.

c) Former Institute Property- update
working on the advertising plan for the prospectus...

JD get ROW receipts and stick into fund for development of the property

We plan to talk to the USFS regarding contract and harvesting

Send recommendation to the Assembly. Logs would be going to Pats LTF
Concern about the log trucks

City trees.. where does it go. MHTL is 100% export but city could say trees on borough land must remain in Wrangell. City could control where their ROW logs could go. Does the city want to get the most money or do you want to have jobs. MC If they can be locally milled and jobs kept in town we should be kept here. Is anyone in the borough up to arguing with ALCAN.. timber plan argues for encouraging, putting things in place to allow it to grow.

City trees, so they can have them decked or export.. what do we do with it.

AO in reality it is what negotiations you can work out with Alcan.

List of issues to discuss... need or want for timber on the Institute by music wood folks and Mike Allen

DA.. try to get aeriels of the Institute.

d) Kiva Zip

DA moves to turn down participating in the program

BM 2nd

approved

New Business

a) Borough-USFS collaboration and coordination efforts: Update on USFS programs and projects by District Ranger Bob Dalrymple. Also present Austin Obrien timber staff, Tim Piazza – project leader for Wrangell Island Sale, IT leader out of Ketchikan.

Part of our collaboration with the community is to Update the City via the EDC, a noticed meeting, with minutes, and information that will be passed to Assembly and community.

Updates: Cabin removal EA.. not progressed further. Formal comment period is closed but still accepting comments regarding the cabins proposed for removal. Have been alot of comments not supporting getting rid of certain cabins.. Binkley Slough Cabin comments are to move it or reuse it.

Invasive Plant EA has been worked on over last year. Draft document hope to have out in July. The plan is to look at how to manage invasive plants on the district. Providing a suite of tools.. from hand pulling, mechanical treatment, herbicides, burning. Restrictions for certain uses – some are for individual plants by hand or on target species only. No herbicides are proposed near waterways.

RAC funded a community invasive plant plan in partnership with the Alaska Association of Conservation Districts and should probably be out this summer. How the borough wants to proceed is entirely up to the Borough, but it presents the Borough with the invasive weed situation and possible options.

USFS is now doing hand pulling with boy scouts, but it has limited effectiveness. Would take collective suite thru all landownerships. USFS has some brochures on invasive species.

USFS had surplus property, sold two lots up on the hill. Getting ready to sell the Ranger house on First Avenue

In Fall, revision to the Anan management plan will be out for comment. Decision is between the allocation for commercial and non commercial. Caveat is that people can hire commercial to take down. Trend right now is that 70% use someone to take them rest go on their own

Subsistence Issues: BD was required to close Stikine River for subsistence fishery first time ever. Normal fish allocation and Transborder agreements determines allotment. We did not get enough anticipated escapement, so all fish on subsistence was closed. They look at the numbers every week and it was opened as soon as numbers got bigger. Sockeye is now back open. Strict reporting requirements. USFS manages the federal subsistence fishery.

Deer: State of AK has requested USFS federal Subsistence Board to close harvest on Lindenberg Peninsula near Mitkof Island. Concern on that closure are the related effects, people going over to Zarembo to hunt. Having a meeting on 7/1 at 6:00pm if interested in participating.

Wrangell Island Sale update: We have just recently gotten through the USFS internal process. Can't yet show the individual units proposed for harvesting. Timber harvest is now allowed in Red areas on the map (will leave in Carol's office). White area is what has been harvested, cross hatch is Old Growth Reserves (OGR) wildlife conservation strategy for Forest Plan. This has been through a scoping process a couple of times, but the results from the recent internal discussion is that we have to go back out to public once more in Fed Register. We have a new objection process, anyone can appeal. USFS is trying to move away from appeals to an objection process. Let people know. A 218 objection process 218 CFR requires a new notice of intent. Public news letter. We received a lot of public input and feedback that we need to manage road systems as part of the sale process, look at how we will manage roads on the island. Current policy is now to close all the roads when done with sale, but the idea is to take another look in the EIS at what might stay open and what type of traffic the roads should have, what the community wants. Many roads are closed because of water quality issues- plugged culverts, ditches over grown, erosion. The Wrangell Island website is http://www.fs.fed.us/nepa/nepa_project_exp.php?project=27243 and you can sign up for the newsletter.

TP: the proposed action originally was scoped at 80 million board feet, but based on more field work completed it is now at 60 million to meet Forest Plan design standards and guidelines without any modifications or adjustments. In the design looked hard at resource concerns. We have issues on the resources.... Some of the issues could be significant. Trying to package an economic sale, providing enough timber. Looking at modifying the OGR. Was directed to

consider this option in light of the Roadless Rule – it wasn't in place in Alaska when the plan last went into effect. If we could shift some of the OGR into the Roadless areas, and allow harvest in those opened up areas. Significant issue but drives the alternatives. Do it in a different way but still meet the Forest Plan? Another issue is road access based on community comments. This affects more recreation and subsistence use rather than timber volume, so the issue is how the roads are handled after the sale is complete. Can we dual designate roads.. allow all vehicles until sale is complete and then close it but open to ATVs. It is possible that there could be new comments

Proposed action is Alt 2 at 60 million board feet. Alt 3 is the maximum timber available... stemmed from the original intent of the project to provide one sale over 10 year to provide incentive to create an opportunity to capitalize a mill. This alternative will take Forest plan amendments to shift OGR.. and change visual constraints on the road system. It will change how much can be harvested near recreation sites, more than normal., and redesignating Land use designations. 125 million Board feet is estimated. Was originally identified over 300,000 suitable timber acres, which did NOT include OGR. OG is a subjective term- it may be Old Growth and isn't merchantable, old wood vs. merchantable. Alt 4 lies between Alternatives 2 and 3.. it is unique and based on comments from the borough. While we are not ready yet to transition to Young Growth for another 30 years, it looks at how can we bridge that, looking at a 30 year horizon, and what could be harvested over a 30 year period. It tries to identify what will green up during that time so areas can be harvested later that cannot be harvested now. Looks at more resource concerns, at partial helicopter harvesting and not build some roads.

Green up: requires that an adjacent stand reaches point of maturity before harvesting next to it.. an over all visual landscape that can be modified at one time.. green up takes usually around 10-15 years before harvesting adjacent stands if it is OG.

Maximizes open size to 150 acres in Alt 3. Alt 4 varies between 40 and 100 acres of the opening. 91million total, but 13 million is in the latter years.. so 70 million board feet is for first 10 years.

Another component of the EIS is road management and what we plan on doing with them. Proposed action is to build and then close using current ATM plan.

Alts 3 and 4 will take action on road by road basis... and then the ATM plan would become what is approved for Wrangell island sale. If you have concerns about some certain roads, during scoping is the time to comment again.

Need to look at existing roads- uses, needs.

Will have a project website (right now it is http://www.fs.fed.us/nepa/nepa_project_exp.php?project=27243) .. post all the maps

and letters for everything. Info will be in Federal Register and mailed to all those who previously responded.

Stewardship projects: looking for brainstorming ideas.. restoration projects, to create a robust list of opportunities - -utilize the contractor to implement the project. Receipts from the sale of the timber are used to do these restoration and enhancement projects. We can retain them back to work on the ground. The authority will sunset 9/3 2013.. but should be renewed. More geared toward watershed restoration.. wildlife thinning.. some recreation uses such as maintenance/restoration, hardening a trail surface. Receipts can be used on non federal lands.. borough and state and private. Will put some of these projects within the EIS.. or might be handled separately. Again, ideas need to be submitted to USFS.

The 7/10 Stewardship contracting workshops will be a continuation of previous workshop.

July have new scoping. 30 day comment period. NEPA late fall with 45 day comments and public meetings... maybe final EIS by next spring. The objection process puts out the draft decision so folks can comment on that.

Borough has cooperating agency status as does state forestry and habitat, and USFWS. Process that is more inclusive than normal.. all cooperating agencies must be governmental agencies...

Discussion about Pats Creek restoration opportunities – mix of land ownership.

Considering vault toilets – could create a business opportunity to pump.

What is the experience of working with the State? ie Pats Creek Road. Gets more complicated when not Fed lands. Promoting economic opportunity.. .. borough land does not need to be adjacent...

USFS will share the existing list.

Has wildlife habitat improvements, fish improvements, talking with school district about egg boxes. Get a whole bunch of ideas before dismissing any particular project.

If put into EIS will be displayed and can be implemented through contracting tools we have.

b) RFP develop a master plan identifying uses along the water front.

c) If sales tax initiative passes.. how long before it can be changed. Is it 3 years?? BM: I am used to paying it now, but if you were to raise it, I might object.

Going to lose a lot of money if it is lowered. Is there anyway to get this info out?
Information materials will be comprised in July/August.

CW: The budget page is handed out in Chamber office. People must know what the consequences are. Hopefully the chamber board will be proactive

Adjourned 8:37pm

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

**FROM: JEFF JABUSCH
INTERIM BOROUGH MANAGER**

RE: BOROUGH MANAGER'S REPORT

DATE: October 2, 2013

MANAGER OUT OF TOWN:

Just a reminder, I am going to be out of the office twice during October:

Friday, October 4th through Tuesday the 8th. I am scheduled for the afternoon plane and will be at the assembly meeting if the plane lands.

October 14th (afternoon plane) and return on October 23rd. I will miss the meeting on the 22nd. Kay has surgery on the 16th and a follow up appointment on the 22nd, so the 23rd is the soonest we can get back. Carol Rushmore will be in charge in my absence. I plan on working while I am there and will have access to my computer and e-mail and phone so anyone who needs me is welcome to call or e-mail.

LIBRARY:

The Friends of the Library have sold all of their raffle tickets and raised about \$4,200 which will be used to do various things to support the library. The winning ticket will receive (2) round trip tickets anywhere Alaska Airlines flies and will be drawn in the near future.

PARKS AND RECREATION:

AQUATICS:

- a. In August, the Irene Ingle Library hosted a pool party for the participants of their Summer Reading Program. There were approximately 80 children who completed the program and attended the party. Kay Jabusch indicated she was very pleased with the level of professionalism and care that the Parks & Recreation staff provided during their annual event.
- b. Parks & Recreation is bringing to Wrangell an Instructor for a Water Safety Instructor *Trainer* (WSIT) class during the weekend of October 4th – 6th. This is a twenty-hour course that is offered to aquatics professionals who are already Water Safety Instructor (WSI)-certified. This additional training would provide them with the certification needed to train people under the American Red Cross' WSI course work.

RECREATION PROGRAMS:

CO-ED YOUTH BASKETBALL PROGRAM - Our season of Youth basketball began with the Jamboree Games on September 21st. There were four teams, consisting of 30 boys and girls who participated in the event, and roughly 60 visitors in attendance. We saw a lot of good work and many smiles on players' faces that day, and our coaches did a great job with the teams.

ECONOMIC DEVELOPMENT:

OLD BYFORD JUNKYARD CLEAN UP - Several years ago the Borough received a Targeted Brownfield Assessment grant from EPA where EPA, working in cooperation with State DEC and the Borough, would perform the baseline assessment of the Byford's Junkyard site. This assessment is required before the Borough can pursue funding assistance for the site clean-up. There have been numerous delays – in part because there was so much junk onsite, it was difficult to perform the testing required, but now that the site has had metals and other items removed, the Borough is discussing again a timeframe for the assessment. A teleconference is set for October between EPA, DEC and the Borough to discuss efforts in the upcoming year.

SALTY DOG RALLY - On Sunday June 15, 2014 Wrangell will host the arrival of the Salty Dog Rally..... This is organized by Boating Puget Sound and was developed from contacts made at the Seattle Boat Show and fostered by Leslie Cummings. The website <http://www.boatingpugetsound.com/salty-dog-rally-alaska-seattle-to-wrangell-ak-june-2014/> provides basic information at this time. 30 to 40 yachts, approximately 40-80 feet, travel together from Puget Sound to Wrangell. Organizers say that often times, family members that don't want the long transit fly in to join their friends and family at their final destination. The Wrangell Convention and Visitor Bureau is putting together the welcome, the celebration events, and other activities for the guests. More to come as they further develop the itinerary.

WRITE UP IN OCTOBER 2013 EDITION OF ALASKA AIRLINES MAGAZINE - In July of this year, during Bearfest, Wrangell hosted Travel Writer Eric Lucas. He was here for three days before heading off to Petersburg. Last year during the Alaska Travel Industry's Media Road show, Carol Rushmore was there representing the Alaska's Rainforest Islands (a cooperative marketing effort between Petersburg, Wrangell and POW). She was able to pitch several story ideas to Mr. Lucas and we were successful in bringing him to town. His first article is in October 2013 edition of Alaska Airlines Magazine. We hope to have several other stories from him over the next couple of years.

ELECTRICAL DEPARTMENT:

The light department has a variety of projects planned and are listed as follows:

- Upgrade of several key power poles that will require power outages. These will be posted to the public
- They will be doing a meter upgrade to remove older meters and when appropriate replace with new digital meters. This will clean up some problems and streamline the meter reading process.
- Unit #4 has been taken out of service to do repairs to the engine oil coolers.
- New Power Lift Doors have been ordered for the truck bays.
- Heat Pump for the administration office is ordered and will be installed as soon as it arrives.

FINANCE DEPARTMENT:

We just received a draft of our 2013 FY Audited Financial Statements. There is a review process done to be sure everything is corrected and then a 10 to 20 page analysis of the fiscal year is required by the Finance Director and is included in the final document. We expect to be able to

present these to the assembly in November. The audit again went smooth and there were no issues to report.

HOSPITAL PROJECT:

We have had several meetings with Marla Sanger, the hospital's CEO, about moving forward with the hospital project. Per the agreement the assembly approved, she is moving forward with a review by Peace Health folks to see if the current hospital plans and scope is the most economical and prudent way to move forward. It has been 3 or 4 years since the plans were finished and health care is in constant change. She wants a second opinion to be sure what made sense a few years ago still makes sense today. She believes within a month or two that review will be complete and then we can update the assembly on what we believe is the next steps.

Agenda Item 9

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM

BOROUGH CLERK'S FILE:

Mark Your Calendar:

- 10/10 Planning & Zoning Committee @ 7 pm in the Assembly Chambers
- 10/12 Sales Tax Free Day – All day
- 10/16 Hospital Board Meeting @ 5:30 pm at the Nolan Center
- 10/17 WCVB Meeting @ 6:30 pm in the Assembly Chambers
- 10/22 PH & Regular Borough Assembly Mtg. starting @ 6:30 pm
- 10/23 Economic Development Committee @ 6:30 pm in the Assembly Chambers

Regular Borough Election of October 1, 2013



I would like to extend a big dedication, and to the following City Departments:

*The Employees of Public Works
The Nolan Civic Center Staff*

The preparations for the Election went very well. As of September, Wrangell had **1,618** Registered Voters. The total number of ballots counted for the October 1st Regular Election was **737**. The voter turnout was **46%**.

AML (AcoM, NEO & Conference)

Alaska Municipal League Conference schedule is as follows:

- Pre-Conference (NEO-Newly Elected Officials Training) - Nov. 18 & 19, 2013
- Regular Conference - Nov. 20 & 21, 2013
- ACom (Alaska Conference of Mayors) - Nov. 19, 2013

I have received confirmation from the Mayor that he would like to attend ACoM & the Regular Conference. Assembly Member Decker will be attending the Newly Elected Officials training, and Assembly Member Blake will be attending the Newly Elected Officials training & the Regular AML Conference, and Assembly Member McCloskey will be attending the AML Conference. Anyone else interested in attending?

*Thank you,
Kim Lane*

Here is some parliamentary information on the use of:

Main Motion (rank 1)

Jasmine: I move that we build a mammalian outreach center.

A motion is a proposal to do something. A main motion suggests that a group take some action. It is the first step in the process by which a board or other body takes action. In meetings run according to strict parliamentary procedure, a main motion is necessary before discussion can begin.

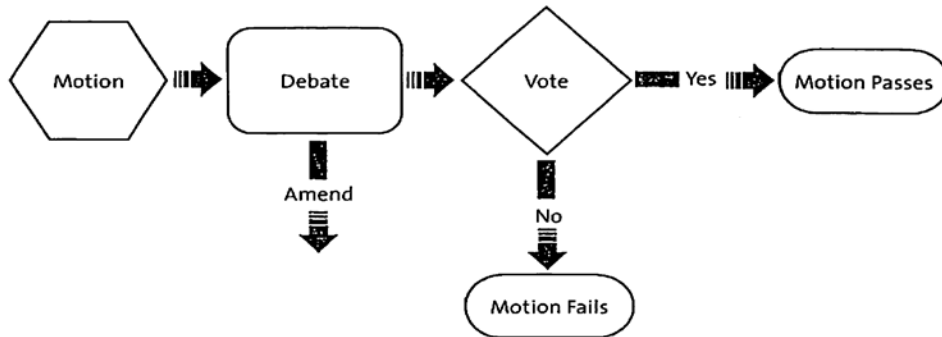


Figure 5. Main Motion

Main motions can only be made when no other motions are pending. In large groups, when the full force of Robert's Rules is in play, the main motion serves to open discussion. When using Robert's small board rules, a main motion can move a group from discussion into action.

Ideas for action take on "standing" when someone is recognized (given permission to speak) by the presider, and uses the words, "I move that..." followed by the proposal.

Any member has an equal right to make motions, though in large meetings, the presider does not do so. The person who makes the motion is called "the mover" or "the maker" of the motion.

Main motions have the following characteristics:

- Should be in writing unless very short.
- Should be clear and unambiguous.
- Should be phrased in the grammatical positive.
- Must comply with the rules of procedure.
- Are in order when no other business is pending.

*This section was taken from: Mastering Council Meetings, Jurassic Parliament
by Ann G. Macfarlane, PRP, CAE and Andrew L. Estep, CAE
p. 43*

Agenda Items 10 a - d

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY
AGENDA ITEM
October 8, 2013

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:

- | | |
|----------------------------|---------------------------------|
| • Terri Henson | Planning & Zoning Commission |
| • Stanley Schnell | Planning & Zoning Commission |
| • Robert Lippert | Parks & Recreation Board |
| • Apryl Hutchinson | WCVB |
| • Wilma Leslie | WCVB |
| • Brenda Schwartz-Yeager | WCVB |
| • James Stough | TBPA Commission Member |
| • Robert Maxand | Economic Development Committee |
| • Donald J. McConachie Sr. | Nolan Museum/Civic Center Board |
| • Olinda White | Nolan Museum/Civic Center Board |

Recommended Action:

Note that there were three (3) letters of interest received for the Wrangell Convention & Visitors Bureau committee. There are two (2) seats available.

If there are seats that are left vacant (no letters received), direct the Borough Clerk to advertise for the vacancies.

Mayor: If there are no objections to the above appointments to the City Boards and Committees, I will declare them appointed for terms ending October, 2016.

Planning & Zoning Commission - (**3 vacancies** – 3 year terms)

Terri Henson
Stanley Schnell

Parks & Recreation Board - (**1 vacancy** – 3 year term)

Robert Lippert

WCVB - (**2 vacancies** – 3 year terms)

Apryl Hutchinson
Wilma Leslie
Brenda Schwartz-Yeager

TBPA Commission - (**1 vacancy** – 3 year term)

James Stough

Economic Development Committee - (**2 vacancies** – 3 year terms)

Robert Maxand

Cemetery Committee - (**2 vacancies** – 3 year terms)

There were no letters received

Nolan Museum/Civic Center Board - (**3 vacancies** – 3 year terms)

Donald J. McConachie
Olinda White

➤ **Item 10c** Elect Vice-Mayor

RECOMMENDED ACTION

Move to nominate: ????? for Vice-Mayor.

(There needs to be a second to the motion)

➤ **Item 10d** Appointment to fill the vacancies on the Parks & Recreation Board

There was one letter of interest received from:

- *Haig Demerjian*

RECOMMENDED ACTION

Appointment to be filled by the Mayor with the consent of the assembly for the unexpired term ending October 2015

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

Motion: Move to appoint _____ to fill the vacancy on the Parks & Recreation Board for the unexpired term up until October 2015.

If there was only one letter of interest received, the Borough Clerk will continue to advertise for letters of interest to fill the remaining vacancy.

Sheet intentionally blank

Agenda Item 13a

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
October 8, 2013**

INFORMATION:

Approval of Change Order #5 for the Marine Service Center Concrete Paving Phase 2 Project

Attachments

Memorandum from Interim Borough Manager Jeff Jabusch, dated September 28, 2013

1. Memorandum from Public Works Director Carl Johnson, dated September 27, 2013
2. Contract Change Order No. 5

RECOMMENDED ACTION:

Move to approve Change Order No. 5 for the Marine Service Center Paving Phase 2 project in the amount of \$51,447.12 to be paid from project grant funds.

MEMORANDUM

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

**FROM: JEFF JABUSCH
INTERIM BOROUGH MANAGER**

**SUBJECT: MARINE SERVICE CENTER CONCRETE PAVING PHASE 2- CHANGE
ORDER #5**

DATE: SEPTEMBER 28TH, 2013

BACKGROUND:

Carl Johnson has explained the reason for the change order in the attached memo. I would like to add that this project will be well within budget. Although we have had a few change orders, we expect to have other areas of the contract to be less than the bid amount. We had a 10% contingency built in the budget. Although there were test holes and other methods used to estimate the amount of unsuitable materials that would need to be removed, these areas were much worse than expected. Our 10% contingency will easily cover these change orders and will likely result in a healthy amount of grant money remaining that can be used to do additional paving at the Marine Service Center.

CONCLUSION:

This change order is based on actual quantities and unit prices per the contract for this additional work and there is sufficient grant money in which to pay it.

RECOMMENDATION:

Move to approve Change Order 5 for the Marine Service Center Paving Phase 2 project in the amount of \$51,447.12 to be paid from project grant funds.

ATTACHMENTS:

1. Memo from Carl Johnson
2. Contract Change Order No. 5 (8 pages)

Sheet intentionally blank

MEMORANDUM

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

**FROM: CARL JOHNSON
PUBLIC WORKS DIRECTOR**

SUBJECT: Wrangell Marine Service Center Concrete Paving Phase 2 - Change Order 5

DATE: 9/27/2013

BACKGROUND:

Based on past experience, test holes, and current settlement problems in the Marine Service Center yard, it was known that large quantities of wood waste and other unsuitable fill materials would be encountered during the course of this project and have to be removed and replaced with rock.

To account for some of this, a quantity of 3,800 cubic yards of sub-excavation and backfill was inserted into the bid documents for this project. This 3,800 yards being only an estimate, there was also a 10% contingency budgeted for this project to safely manage any additional unknown underground conditions.

In the course of the work there ended up being two large areas where the fill was almost completely made up of wood waste. One of these areas was Area-1 between the Belt Freezer and Shakes Street. The other area was Area-2A in front of Jenkins' shop building. The excavation and backfill of this wood waste was an additional quantity of 4,287.26 cubic yards over and above the 3,800 cubic yards already accounted for in the bid.

There was enough rock excavated from other portions of the project to provide backfill for no additional cost. This change order is for the excavation of the wood waste, to be paid at the same unit price as bid of \$12 per cubic yard. A total cost of \$51,447. There are sufficient grant funds for this project to pay for this change order.

All remaining work on this project will occur in areas were backfilled with rock during previous Marine Center projects so no additional wood waste will be encountered.

RECOMMENDATION:

Staff recommends Borough Assembly approval of Change Order 5 for the Marine Service Center Paving Phase 2 project in the amount of \$51,447.12 to be paid from project grant funds.

ATTACHMENTS:

1. Contract Change Order No. 5 (8 pages)

Sheet intentionally blank

CONTRACT CHANGE ORDER

NO: 5



Contract No./Title: Wrangell Marine Service Center Concrete Paving Phase 2					
Contractor Name: South East Road Builders Inc					
Purchase Order No.:					
Date: September 16, 2013					
Reference Item No.	Item Description	Unit of Measure	Unit Cost	Quantity	Increase/ (Decrease)
2202.1	Foundation Sub-Excavation	CY	\$12.00	4287.26	\$51,447.12
TOTAL Increase/(Decrease)in Contract Amount					\$51,447.12



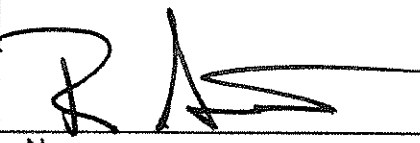
CONTRACT CHANGE ORDER

NO: 5

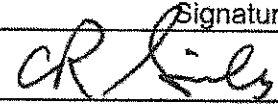
Sheet 2 of 3

Contract No./Title: Wrangell Marine Service Center Concrete Paving Phase 2
Original Contract Completion Date: November 20, 2013
Days added/subtracted by previous change order: None
Days added/subtracted for this change order: 0
Revised Contract Completion Date: November 20, 2013

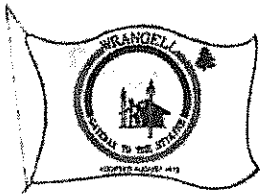
This document is an amendment to the above referenced contract and all provisions of the original contract shall apply hereto:

 9/20/13

Name: _____ Contractor's Title: _____ Date: _____

Description	Signature	Date
Consultant Firm Representative		9/16/13

Approved by Borough Manager _____ Date _____



CONTRACT CHANGE ORDER

NO: 5

Sheet 3 of 3

Contract No./Title: Wrangell Marine Service Center Concrete Paving Phase 2		
CHANGE ORDER COST SUMMARY		
	Amount	Change in Contract Days
Original Contract Bid Amount	\$4,535,272.50	N/A
Change Order No. 1	\$4,300.00	None
Change Order No. 2	\$22,526.70	2
Change Order No. 3	\$0.00	(223)
Change Order No. 4	\$24,625.00	2
Change Order No. 5	\$51,447.12	None
Change Order No. 6		
Change Order No. 7		
Change Order No. 8		
Change Order No. 9		
Change Order No. 10		
Change Order No. 11		
Change Order No. 12		
Change Order No. 13		
Change Order No. 14		
Change Order No. 15		
Change Order No. 16		
Change Order No. 17		
Change Order No. 18		
Change Order No. 19		
Change Order No. 20		
Total of All Change Orders	\$102,898.82	(221)
Percentage of Original Contract bid Cost	2.27%	
New Construction contract Total Amount	\$4,638,171.32	



9360 Glacier Highway, Suite 100
Juneau, Alaska 99801
phone 907.586.2093
fax 907.586.2099

Project: WAA SC Concrete Paving Phase II
Sheet Number: 1 Of: 1
Calculated by: MDS Date: 9/16/13
Checked by: PJR Date: 9/16/13

Change order No. 5 Quantities

Item 02602.1 Foundation Sub-Excavation

Summary of Quantities by Area

$$\text{Area 1} = 1363.46 \text{ cy} \checkmark$$

$$\text{Area 2} = 811 \text{ cy} \checkmark + 143 \text{ cy} \checkmark = 954 \text{ cy}$$

$$\text{Area 2A} = 4791.59 \text{ cy} - 1158.79 \text{ cy} = 3632.8 \text{ cy} \checkmark$$

$$\text{Area 3A} = 809 \text{ cy} + 60 \text{ cy} + 727 \text{ cy} = 2137 \text{ cy} \checkmark$$

$$\begin{aligned} \text{Total} &= 1363.46 \text{ cy} + 954 \text{ cy} + 3632.8 \text{ cy} + 2137 \text{ cy} \\ &= 8087.26 \text{ cy} \checkmark \end{aligned}$$

$$\text{Bid Quantity} = 3800 \text{ cy} \checkmark$$

$$\begin{aligned} \text{Total Additional Quantity from Bid} &= 8087.26 - 3800 \\ &= 4287.26 \text{ cy} \checkmark \end{aligned}$$



SOUTHEAST
ROAD BUILDERS
P.O. BOX 4809 • HANES, AK 99827
(907) 786-2631 • FAX (907) 784-8992

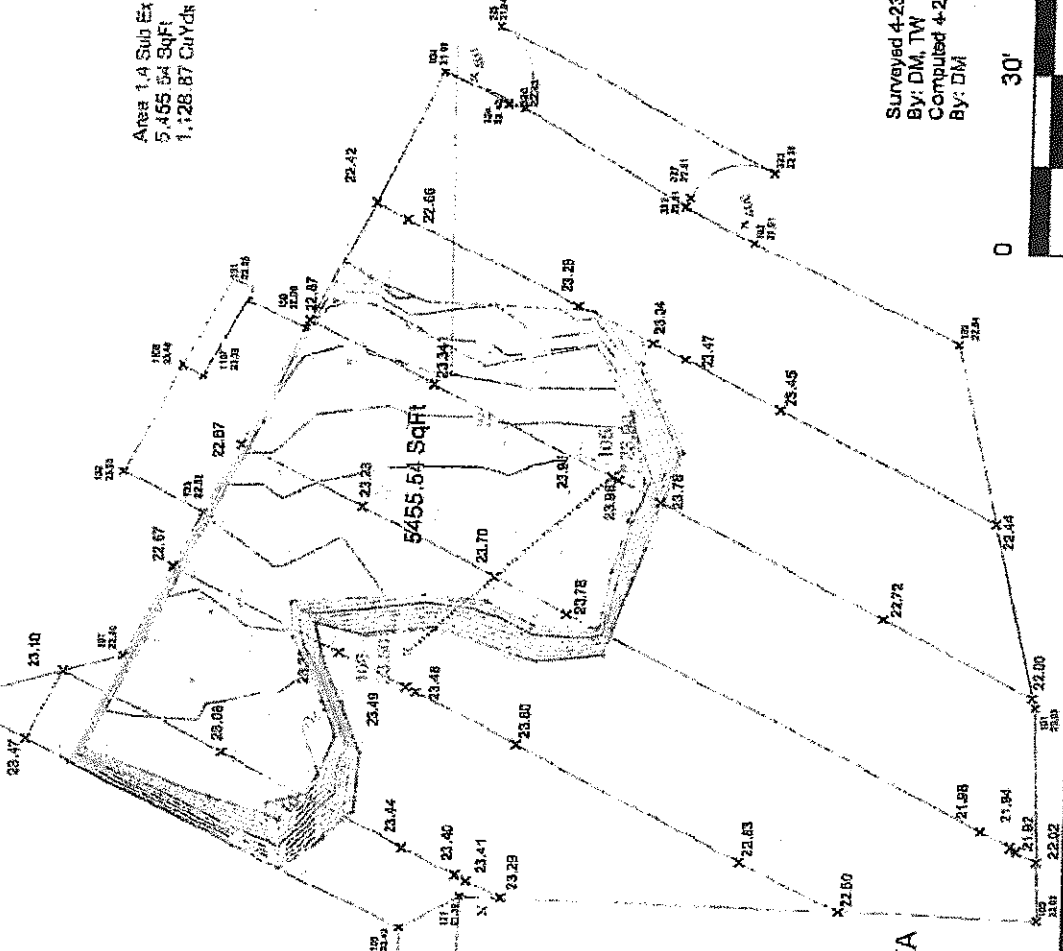
Wrangell Marine Service Center Sub Excavation Area 1.4 Base Bid

4-20-4-24

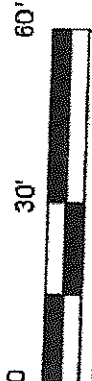
Area 1.1 = 122.69 CY
 11 1.2 = 33.19 CY
 01 1.3 = 78.75 CY
 11 1.4 = 1128.87 CY

TOTAL 1363.46 CY

Area 1.4 Sub Ex
 5,455.54 SqFt
 1,128.87 CuYds



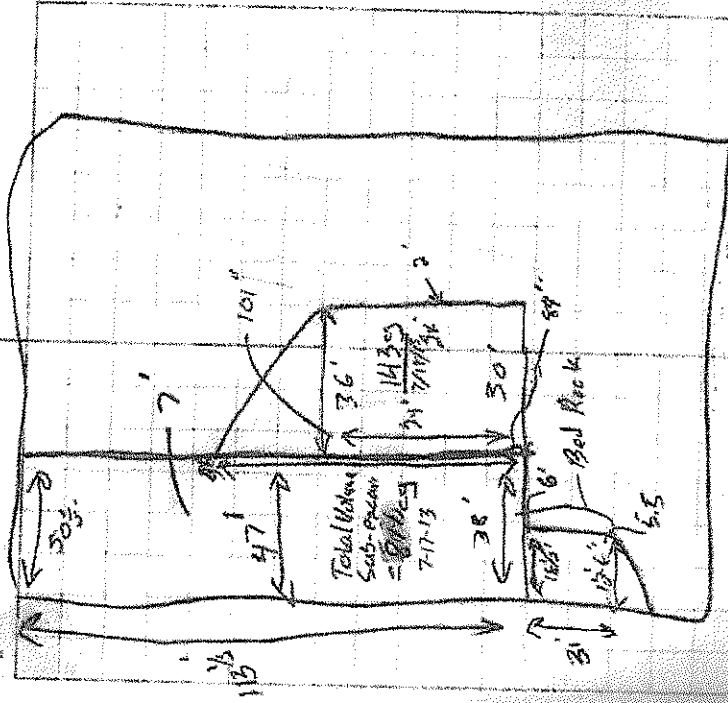
Surveyed 4-23-2013
 By: DM, TW
 Computed 4-25-2013
 By: DM



CITY AND BOROUGH OF WRANGELL ALASKA
 WRANGELL MARINE SERVICE CENTER
 CONCRET PAVING-PHASE II
 Submitted by: SouthEast Roadbuilders
 Drawn By: DM

Area 2 Foundation Sub-excavation limits.

7/17/13



AGREED UPON FOUNDATION
SUB EX.

Hand's work

[Signature]
Mark Smith



Date 7/02/2013
Comp By: DM

**WRANGELL MARINE SERVICE CENTER
CONCRETE PAVING - PHASE II
Area 2A Sub X**

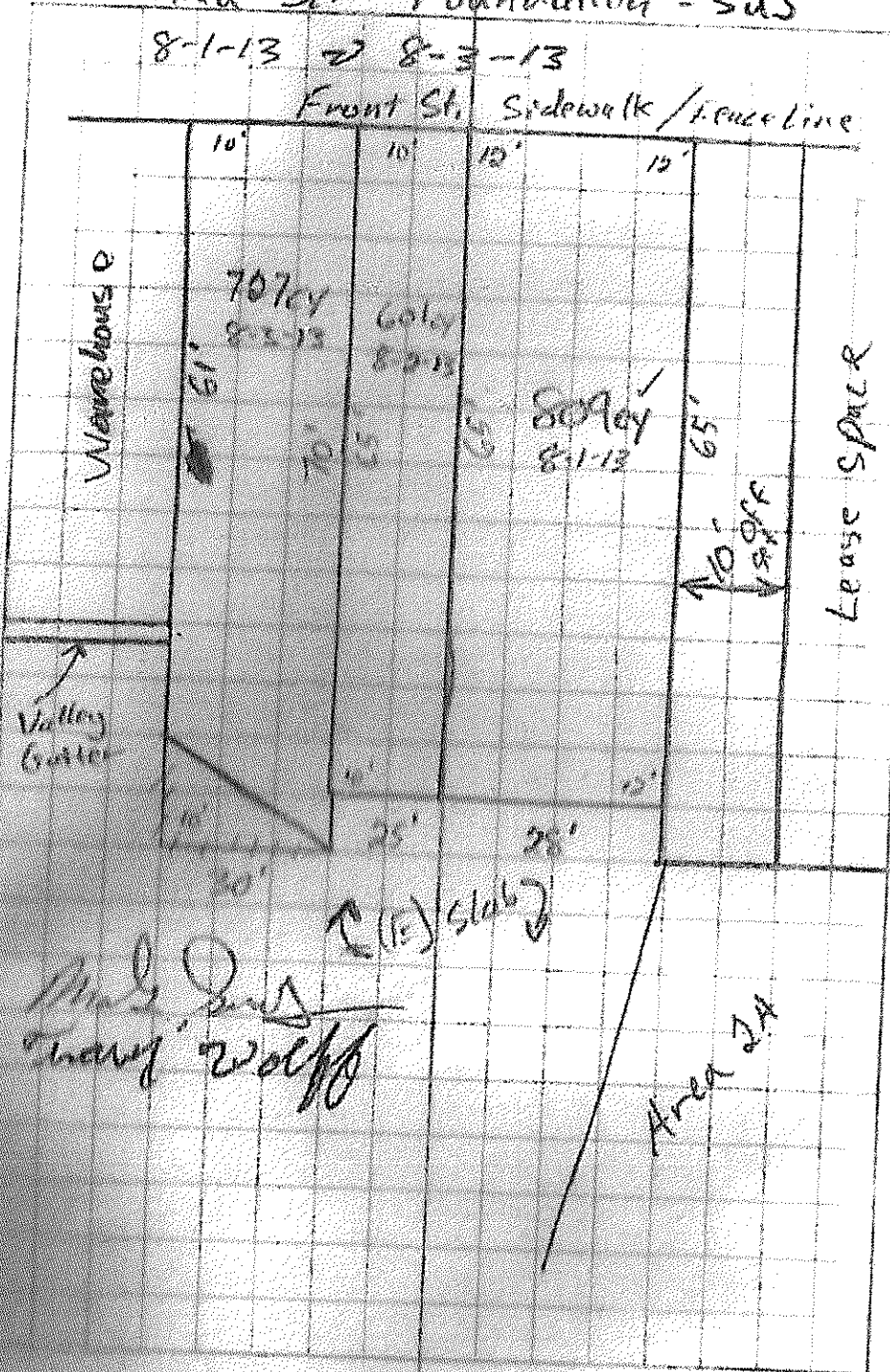
Area 10,429.10 SqFt
Perimeter 464.789 Ft

Sub X ALL	129,372.62 CuFt	4,791.59 CuYds ✓
Finished Template 3' Thick	31,287 CuFt	1,158.79 CuYds ✓
Thickened Edge (351.15 x 3.5 x 1.0)	1,129.02 CuFt	41.82 CuYds
Placed Stockpiled Suitable Type A	30,271.31 CuFt	1,121.16 CuYds
Sub X Total	66,685.19 CuFt	2,469.82 CuYds

Area 3A Foundation - Sud

8-1-13 → 8-3-13

Front St. Sidewalk / Fence line



Mary Wolf

Area 3A

Agenda Item 13b

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
October 8, 2013**

INFORMATION:

Discussion and possible action relating to specific questions to ask an attorney with regards to the TBPA/SEAPA issues

Attachments

None.

RECOMMENDED ACTION:

Assembly Discussion and Possible Action.

Agenda Item 13c

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
October 8, 2013**

INFORMATION:

Approval of the Wrangell Timber Industry Plan

Attachments

1. Memorandum from Carol Rushmore, Economic Development Director, dated October 1, 2013
2. *Draft Wrangell Timber Products Plan*

RECOMMENDED ACTION:

Move to approve the Wrangell Timber Industry Plan.

Sheet intentionally blank

MEMORANDUM

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

**FROM: MS. CAROL RUSHMORE
ECONOMIC DEVELOPMENT DIRECTOR**

SUBJECT: Draft Wrangell Timber Industry Plan

DATE: OCTOBER 1, 2013

BACKGROUND:

For the last year and half, the Economic Development Committee has been working on a Timber Plan that the Community could present to the USFS as a document representing the Borough's position of support for various timber industry activities. The Committee has had many discussions regarding this position, and at time the disagreements reflected the larger regional issues between harvesting, how much, where and to what extent. The Committee does support a timber industry, but exactly what that industry looks like is harder to describe. The Committee has attempted to describe a vision and efforts for an industry that could create long term jobs within the community of Wrangell. This is a plan for the Timber products industry, not specific to the Wrangell Island Sale currently being developed, but looking toward the USFS efforts to develop sales that could produce opportunity within Wrangell.

RECOMMENDATION:

Both staff and the Economic Development Committee recommend Borough Assembly approval of the Wrangell Timber Industry Plan

ATTACHMENTS:

1. Draft Wrangell Timber Industry Plan

DRAFT WRANGELL TIMBER INDUSTRY PLAN

Wrangell Economic Development Committee
October 2013

Goal: To maintain and enhance Wrangell's existing and future small and medium size (50-100 employees) mills and value added forest products industries.

Objectives:

1. Establish a plan to deliver a long-term timber supply for small and medium size mills in Wrangell providing value-added manufacturing
2. Encourage private investment to develop infrastructure to maximize value from local wood manufacturing businesses
3. Support regional efforts to create, promote, and market a sustainable wood brand from the Tongass
4. Support "Buy Local" campaign for wood products
5. Recruit wood product manufacturers
6. Enhance workforce development and opportunities for youth
7. Facilitate full utilization of wood waste to create additional jobs and add value to the resource harvested

Vision:

This plan is a vision for the City and Borough of Wrangell to support, develop, and encourage growth of local wood product businesses. Wrangell supports the sustainable use of Tongass wood; value-added product development; development of infrastructure improvements to attract entrepreneurs to relocate or create new wood product businesses; promoting the value of using local wood products; initiatives to actively develop the local workforce, including our youth; developing harvest prescriptions to provide for economic sales; development of new wood-based businesses; and minimizing conflicts over harvest areas by community discussion in an effort to minimize risks to the timber industry.

History

Wrangell has seen near continuous operation of sawmills in one form or another for the past 122 years, longer than any other community in Alaska.¹ The first sawmill, operated in 1889, processing 1 million board feet of timber per year. By 1900, that volume increased more than three fold. In the '60s and through the early '90s, the Alaska Pulp Corporation (APC) sawmill in Wrangell processed more than 60 million board feet per year until the 50-year contracts with the Forest Service were terminated in 1994. Impacts from the mill closure resulted in an immediate loss of 20% of Wrangell's employment and 30% of local employment earnings. Wrangell's

¹ "Southeast History: The early years of Wrangell's sawmills," by Frank Roppell; http://capitalcityweekly.com/stories/101211/new_898642463.shtml

population dropped from 2,758 in 1994 to 1,911 in 2006 before a small trend in population increase began.

Between 2010 and 2012, Wrangell's 6-mile mill 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 medium sized mills and other value added wood product businesses, as well as marine industry activities.

Today, 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.

USFS is undergoing a transition as well and refocusing many of their timber efforts into recreational and restoration efforts. In July of 2013, the USFS announced a faster transition from an old-growth management to second or young growth management. There is concern from the industry that the second growth will not be ready for harvest and providing for a stable industry in the next 15 years established for the transition. The US Department of Agriculture also funded a multi-year economic Cluster Analysis to identify industry needs in 4 economic clusters and opportunities to spur regional economic growth. The City and Borough of Wrangell developed their own transition plan modeled after the regional transition planning effort to address issues that were needed for job growth in Wrangell.

Community Support

Since the early '90s, Wrangell has consistently prioritized development of value-added wood products as key to diversifying and strengthening the local economy. During the "Wrangell 2001" economic development planning meetings in 1992 facilitated by the USDA Cooperative Extension Program, value-added wood products from small and medium mill operators was identified as an important component to Wrangell's economic future.² In 2002, as part of the Wrangell Economic Development Forum, value-added wood products were listed in the "Top 10 Economic Development Priorities."³ In 2007, the Wrangell 20-20 Envisioning process once again identified timber products using sustainable development and infrastructure improvements for business development as high priorities to diversify the economy.⁴

² "Core Information" document, Cooperative Extension Program, 1992

³ "Executive Summary," Wrangell Community Economic Development Forums, June 2002

⁴ Wrangell 20-20: Envisioning our Future final report, City of Wrangell, 2007.

In the USFS's own "Wrangell Island Analysis Report," which included community input from the aforementioned planning documents, the Wrangell Ranger District's position on timber was as follows: "As part of our contribution to the Tongass National Forest timber supply (TLMP 2-4), over the next ten years we plan to offer 25 to 30 MMBF of timber in a way that responds to the need for very small and 1- 5 MMBF offerings. In particular, our objective is to provide wood products in an economical way close to Wrangell in support of local wood industries and jobs."⁵

Long-term Timber Supply

Key to the success of a wood product industry in Wrangell is a long-term supply of suitable, economical, and available timber. For the next few decades, small operators in the Wrangell Borough will have to rely on old-growth timber as its primary resource until second-growth stands are of a marketable condition. As the primary land manager in southeast Alaska, and in the spirit of the USFS Transition and Investment Strategies, the Forest Service should provide an enabling environment for communities to realize economic development while maintaining high degrees of ecological integrity.

On the Wrangell Ranger District, second-growth trees are not anticipated to be available for use for at least another four decades (the projected volume of second-growth trees is only 11.4mmbf and 19.8mmbf the following decade). To sustain Wrangell's existing small mill operators and provide incentives for new manufacturers for the next 40 years, old-growth timber will need to be utilized during that time.

Several criteria can be used to develop a long-term timber supply plan for Wrangell. Focusing on resources on the existing road system in the Wrangell Ranger District where possible to minimize sale costs. While road construction can increase the cost of timber sales, often resulting in sales that smaller operators are unable to effectively bid on or become uneconomical even for larger operators, road construction can also provide access to areas that can provide timber over a long period of time, as well as for other community needs.

Second, minimizing conflict by limiting access or timber harvests in the highest value habitat areas should also be considered. Because there are so many areas in the Wrangell Ranger District that are also part of the Roadless area and thus already excluded from access, only highest valued habitat areas outside of the Roadless should be limited. Harvesting timber in areas embroiled in conflict usually results in litigation, and litigation prolongs access to timber sales. Actively avoiding conflict begins through seeking input from community user groups (tour, fishing, and hunting guides, subsistence hunters/gatherers, recreationalists, tribal members among others) to narrow those areas on the district that are acceptable for providing a long-term supply of timber.

The Wrangell Island Timber Sale currently in development, was originally planned as a 10-year sale. The sale focuses on resources available on Wrangell Island only,

not the Wrangell District. The initial sale estimates was a 150mmbf single sale over a 10-year timeframe which was hoped to provide new financial investment in Wrangell. On the ground analysis of prescriptions and resources by the US Forest Service has reduced the volume to approximately 60mmbf, without plan amendments. This lower volume is not of adequate size to provide incentive for new capital investment in a manufacturing facility. The Wrangell Island Timber Sale is an important component, along with other Wrangell District and nearby sales, to a successful long-term value-added industry in Wrangell.

Action Items:

- Borough participation as a cooperating partner in timber sales in the Wrangell Ranger District
- Develop a community stakeholder group to provide input on land base suitable for long-term old-growth timber harvest
- Develop long-term timber supply plan on the existing road system to minimize cost and risk to mill operators into the future
- Develop a long-term plan for new roads to harvest areas that can provide economic sales
- Support efforts to create a State Forest from 2 million acres of the Tongass National Forest to create economic value for communities

Value-Added Infrastructure

A long-term supply of timber provides the incentive for investments for expanding existing mill operations and promoting new manufacturing opportunities in Wrangell. Infrastructure to support the manufacturing use of the needed timber supply is critical for a successful operation. Much like Wrangell's infrastructure related to the seafood industry, such as the Marine Service Center or the community cold storage and belt freezer, key pieces of infrastructure create incentives for entrepreneurs to relocate or startup new businesses that will diversify and strengthen Wrangell's economy.

In 2006, the USFS conducted a study titled "Alaska's Lumber-Drying Industry—Impacts From a Federal Grant Program" that analyzed the economic impact of the dry kiln grant program in five regions throughout Alaska.⁵ The grant program provided funding for dry kilns and related equipment, such as pre-dryer facilities, lumber storage buildings, planers and moulders.

The report found that the grant program had the most significant impact in the Southeast region. Between 2000 and 2005, the volume of kiln-dried wood grew

⁵ "Alaska's Lumber-Drying Industry—Impacts From a Federal Grant Program," Pacific Northwest Research Station, August 2006

from 0mbf to 411mbf. The value of the dried wood also grew from \$0 to \$149,000. Additionally, between 2004 and 2005, full time jobs operating kilns grew from 7 to 15, and part time jobs grew from 1 to 5. While this provides alternatives and new wood product opportunities, manufacturing facilities with a stable supply of timber is still needed to process logs, create additional jobs and create an integrated industry.

Developed industrial land is essential to expanding small and medium mill operations and value-added manufacturing in Wrangell. The former 6-mile mill site is an ideal location with 46 acres of upland developed industrial space, a deep-water port, and access to utilities. This site is for sale. Should current private negotiations fail due to the inability of the purchaser to secure capital due to an unknown supply of timber, the City and Borough of Wrangell has considered purchase of all or a portion of this land for an industrial park for business development to incentivize industry expansion.

Action Items:

- Develop list describing key infrastructure necessary for wood products industry development and cost with input from industry
- Market Wrangell as a great place to do business, describing the opportunities in Wrangell to potential investors
- Begin prioritization of infrastructure on a Capital Improvement Plan in City and Borough of Wrangell that will be attractive to an investor

Tongass Wood Product Branding

Just as the fishing industry has successfully created a brand for wild Alaska seafood, creating an international demand while increasing the product's value, Southeast Alaska should consider a brand for wood products from Tongass. Such a brand would differentiate the products from others on the market and promote its unique and valuable qualities, such as sustainable harvesting practices; preserving forest ecology; supporting local jobs; and promoting the positive physical attributes of the wood. Just as the Forest Stewardship Council established a certification to "support responsible forest management worldwide," so should Southeast Alaska. Branding wood products from the Tongass could increase local wood product market value. Southeast Conference is currently developing a marketing and branding promotional effort. The City and Borough of Wrangell should review and support efforts to create a brand for wood products from the Tongass that will differentiate regional products using the criteria above.

Wrangell wood products must also be marketed both in and outside of the region. A significant barrier to marketing is the lack of grading. While in operation, the Ketchikan Wood Technology Center was able to get three Alaskan trees species their own grade stamps. These grade stamps enable Alaska wood to be sold as dimensional lumber in communities with more restrictive building codes and it also

allows sellers to market Alaska's unique wood qualities. Marketing Wrangell wood products can be done alone, or in conjunction with other manufacturers in the region, particularly the small mill operators on Prince of Wales Island. Marketing Tongass wood products is also a priority identified in the Juneau Economic Development Council's "Forest Products Cluster Initiatives."

Action Items:

- Support efforts by SEC to develop a marketing plan which incorporates branding, differentiation, quality, and promotion of wood products from the Tongass
- Develop appropriate grading

"Buy Local" Campaign for Wood Products

To support local small mills and other potential wood product manufacturers in Wrangell, an effort should be made to increase awareness of the community's ability to buy wood products that are locally manufactured. A "buy local" campaign will also project the message to potential new businesses that Wrangell fully supports and embraces the value-added wood products industry.

Action Items:

- Develop a "Buy Local" campaign with the Chamber of Commerce, small mill operators, and other stakeholders
- Resolutions and policy changes to support using local wood in public projects when possible

Recruit Wood Product Manufacturers

Access to timber, infrastructure, a brand, and a marketing plan is necessary components, but they won't create jobs or wealth. Entrepreneurs who can manufacture a high quality product out of an old or second-growth tree are key to the success of any plan to grow a sustainable timber economy in Wrangell. An outreach plan should be developed to communicate with existing or potential wood product manufacturers so they know Wrangell is "open for business" and looking to support manufacturing of products. Such outreach could include advertisements in magazines and other timber products or woodworking publications, ads on related websites, strategically placed newspaper articles in communities where woodworkers and timber product businesses are prolific, and establishing contact and providing information to institutions that teach wood working skills.

Action Items:

- Identify opportunities and budget to market Wrangell as a community with high value wood product manufacturing possibilities
- Develop page on new website with information on resources for wood products industry
- Develop a prospectus for distribution in order to help recruit new businesses

- Support a timber supply that provides incentive and capital for wood product manufacturers

Workforce development and opportunities for youth

In addition to recruiting wood products manufacturers, opportunities should be identified and/or created to develop local manufacturers of value added wood products. This effort should also extend to the community's youth and should include an entrepreneurial and business component. Wrangell High School has a long history of teaching students to work with wood and some basic wood-manufacturing infrastructure exists for this purpose. The Wrangell School District is engaged in discussions to develop a program that includes components such as biology/forest science, business development, and manufacturing techniques could help create the next generation of local entrepreneurs.

Action Items:

- Work with the Wrangell School District to develop a wood products manufacturing curriculum for high school students
- Reach out to the Timber Task Force, Southeast Conference, USDA, and others to identify potential startup funding for a workforce development plan in the wood products industry and potential "re-tooling" of the high school shop for enhanced wood working instruction
- Identify existing vocational programs for timber manufacturing training for the local workforce and high school graduates

Full Utilization of Wood Waste

Utilizing as much of the wood waste as possible from timber harvests and milling operations will increase local value from the timber harvested in the Tongass. Over the past year, several meetings were held, surveys conducted, and initial research completed on the feasibility of creating either wood pellets or bio-bricks from wood waste and/or recycled paper waste. This initial scoping indicates that there is local interest in producing, selling and buying these types of products. The draft Southeast Alaska Integrated Resources Plan also suggests the production and use of wood waste (biomass) as an important component to meeting the region's energy needs.

Action Items:

- Work with the Wrangell Cooperative Association on their efforts to investigate potential production of "bio-brick"
- Facilitate entrepreneur developing a business in Wrangell which utilizes wood waste and paper waste

Conclusion

Restoring a strong timber industry in Wrangell will not be quick or easy, but it is certainly possible. It will require a clear vision and specific action items that taken together will create an environment where the timber sector of the economy can thrive. This restoration will take a new form of coordination between the Forest Service (as managers of 95% of the land in the Wrangell Borough) and the economic development plans of the community. Wrangell has demonstrated its ability as a community to pull together and overcome economic adversity, and with the right support, may prove to be a new model for restoring timber-based industries in Southeast Alaska.

DRAFT

Agenda Item 14

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
October 8, 2013**

INFORMATION:

ATTORNEY'S FILE – None.

Agenda Item 15

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
October 8, 2013**

INFORMATION:

**EXECUTIVE SESSION – Discussion with Borough Attorney regarding
a letter from the attorney for Oliver Construction**

RECOMMENDED ACTION:

I move to go into executive session to discuss the letter from the attorney for Oliver Construction, which the immediate knowledge of would clearly have an adverse effect upon the finances of the Borough.