



Date: Tuesday, October 21, 2025

To: Honorable Mayor and Members of the Assembly of
City and Borough of Wrangell, Alaska

From: Mason F. Villarma, *Borough Manager*

RE: Borough Manager's Report

It was a highly productive summer, and we continue to carry that momentum into fall as several key community projects, partnerships, and policy initiatives reach critical milestones. From major infrastructure advancements and waterfront development planning to new grant successes and progress in timber, port, and housing initiatives, Wrangell continues to position itself for long-term growth and resilience. The following report provides updates across Borough departments and highlights the collaborative efforts—among staff, the Assembly, and our regional partners—that are helping move Wrangell forward.

Honoring Wrangell High School Cross Country

The Wrangell High School Cross Country Team once again brought tremendous pride to our community with an exceptional season marked by dedication, perseverance, and historic achievement. For the first time in school history, the Wrangell girls captured the State Championship title, while the boys earned an impressive runner-up finish. A special shoutout to Wrangell's Boomchain Loucks and Jenna Meissner for earning the men's and women's individual title at the State meet. The team's success reflects years of hard work, discipline, and commitment—qualities that represent the very best of Wrangell's youth. Congratulations to the athletes, and families who made this remarkable season possible.

New Hires, Milestones, and Job Opportunities

The Borough is pleased to welcome Sean Gillen to the Borough's Sanitation Department. Sean comes to the Borough with his CDL and will be replacing Jacob Allen who will be moving to the Water/Wastewater Treatment Operator positions. Congratulations to both and welcome to the Borough.

Additionally, we'd like to recognize those employees who have hit the following length of service milestones in the Borough:

- Erik Scheib, Facilities Maintenance Specialist – 2 years of service
- Jayme Howell, Police Department Administrative Assistant – 1 year of service
- Jim Early, Facilities Maintenance Lead – 24 years of service

The following employment opportunities exist within the Borough. For information about any of the positions below, please visit www.wrangell.com/jobs:

- Power Generation Mechanic – Open and Accepting Applications
- Police Officer – First Review: Friday, October 31st
- Finance Director – Hired w/ November 17th Start Date

Fishery and Subsistence Advocacy – Sea Otter Predation

The Borough is advancing efforts to support responsible management of Southeast Alaska's sea otter population in partnership with tribal and regional stakeholders. From a policy standpoint, we will be advocating for: (1) joint management authority between the U.S. Fish & Wildlife Service and Alaska Native tribes, and (2) reintroduction of the Begich–Murkowski bill (S.1453) to amend the Marine Mammal Protection Act, allowing greater flexibility in the sale and transport of pelts and handicrafts derived from subsistence harvests. The Borough will host a stakeholder meeting on November 13th to refine this policy approach and assist in forming a Southeast Shellfish Harvesters Coalition to strengthen regional coordination and advocacy.

Projects & Maintenance Highlights

Alder Top Subdivision – Phase II Roads & Utilities

Construction continues with active road and utility work at the Alder Top Village Subdivision. The Borough has approved a scope modification to extend water, sewer, and power utilities to four additional lots (Lots 34, 33, 26, and 23), creating new opportunities for a separate spring land auction. This modification replaces prior plans to clear the 30-foot utility easement and install Phase II sewer infrastructure. Of the 20 lots currently offered for public auction, 14 have active bids. More information is available at wrangell.com/economicdevelopment/alder-top-village-subdivision-residential-land-sale, and bids may be placed at Public Surplus.

The Borough will present final land covenants and financing terms to the Assembly for approval. Under the proposed **Borough financing agreement**, purchasers may finance their lot with a 15% down payment and quarterly installments amortized over 20 years at a fixed interest rate of *prime plus 3%*, maturing in five years. Late payments accrue a 1% monthly penalty after a 10-day grace period, and early payoff is permitted without penalty. The Borough retains a Deed of Trust interest in each financed parcel until paid in full.

St. Michael's Street – Roadway & Utilities Reconstruction

Final roadway paving has been completed, marking a major milestone in the St. Michael's Street project. The contractor is now working to pour sidewalks and complete associated finishing work. Sewer and storm systems are fully installed, and the water main tie-ins have been completed following earlier replacement efforts that required minor time-and-material adjustments. The project remains active and on track for final completion in the coming weeks, with remaining work focused on sidewalk installation and surface restoration.

Meyers Chuck Harbor – Float Replacement

The Meyers Chuck Harbor project is now substantially complete. The contractor successfully completed float installation and associated infrastructure improvements following mobilization in late August and demolition work beginning September 5. Remaining activities are limited to minor punch list items and final inspection, which are weather- and tide-dependent. The project has progressed smoothly and is expected to be fully closed out soon, restoring safe and improved harbor access for local users.



High School Parking Lot Expansion

The New Reid Street Parking Lot project is nearing completion. Fill placement is complete, and the Public Works crew is now executing final surfacing and installation of safety barriers. These are the last remaining items before opening. The lot is expected to be available for use by students and the community within the next two weeks, providing improved circulation, additional event parking capacity, and safer access to the high school campus.

School Renovation Project (incl. Stikine MS Roof / CDBG component)

- **Status:** Consultant selected
- **Recent:** LCG Lantech selected as A&E Firm
- **Next:** Approval of a Professional Services Agreement 10/28/25 and revise DEED project agreement including matching strategy.

Reid Street Stairs

The Reid Street to McKinnon Avenue public stairway remains closed until further notice as repair work continues. Contractor Scott Brown and his crew are actively addressing



the project; however, the damage proved more extensive than initially anticipated. In addition to significant wood rot, erosion around the structural footings has created challenges requiring a tailored engineering solution. Despite these setbacks, work is progressing steadily. Once complete, the Borough will implement a preventative maintenance schedule for this site to help avoid similar deterioration in the future.

Request for Qualifications Priority List for next month:

1. **Mill Property Environmental Assessment Work** – Under review. Professional services agreement for Assembly consideration in November. (11/24/25 target date for approval of PSA).
2. **Public Safety Building Rehabilitation Project Design** –roof, siding, and fenestration replacements (11/24/25 target date for approval of PSA).
3. As part of the required submittals for the **EDA Disaster Supplemental Grant** program, the Borough is advancing three Preliminary Engineering Reports (PERs). To streamline the process and ensure consistency, the Mill Property and Downtown Waterfront PERs have been combined into a single solicitation.
 - a. **Mill Property:** Scope includes evaluation of utilities, back-up power generation, site surfacing, and expansion of the Marine Service Center, including provisions for a new travel lift.
 - b. **Downtown Waterfront:** Scope includes upgraded utilities, surface and parking improvements, and the addition of a floating dock at City Dock.
 - c. **Flume:** Scope includes reconstruction of the flume infrastructure to improve reliability and maximize water capture efficiency.
4. **McKinnon Street Road & Utility Replacement Design Project** – comprehensive utility replacement and surfacing.

Alaska Mental Health Trust Land Office Land Exchange Status

The Borough continues to make progress toward finalizing a land exchange with the Alaska Mental Health Trust. The Trust Land Office is expected to return its appraisal results imminently, after which negotiations over property values will begin to ensure the exchange is conducted value-for-value, consistent with Wrangell Municipal Code §16.08.010(E) governing land exchanges. The proposed transaction involves the Borough conveying approximately 27 acres east of Muskeg Meadows Golf Course in exchange for the Trust's parcel along Zimovia Highway. Once appraisals are finalized and terms are negotiated, the details of the exchange will be brought forward for Borough Assembly consideration.

MOU Update – AML/ACL

- **Alaska Marine Lines** – Planning and analysis continue for development of a barge and freight facility at the 6-Mile Mill Site. The Borough expects to receive a tideland lease application from Alaska Marine Lines (AML) in the coming days.

Upon receipt, staff intends to bring forward a Wharfage and Storage Suspension Agreement for Assembly consideration to help prevent cost increases to the community while AML prepares a comprehensive development plan. Planning and Zoning will review the lease application once submitted.

- **American Cruise Lines** – The Borough and American Cruise Lines (ACL) continue to make strong progress under the cost share agreement, which has supported development of conceptual designs and cost estimates for the downtown waterfront improvement project. The parties have agreed on a preferred concept that aligns with the Borough's Waterfront Master Plan and balances operational, aesthetic, and community objectives. The Empress, ACL's 360' x 60' paddle-wheeler, is scheduled to arrive in Wrangell in the coming weeks for retrofit work at Mr. Tonsgard's leased property at the 6-Mile Mill Site. During the retrofit period, Ports & Harbors will accommodate the vessel until construction begins.

Lease negotiations between the Borough and ACL are expected to begin in the coming weeks. Once a tentative agreement is reached between the Borough Manager and ACL, it will be presented to the Assembly and the public for review. At that time, the Borough will also present a return-on-investment (ROI) and cost-benefit analysis for community consideration. These analyses will be finalized once firm costs, conditions, and commitments are secured through the ongoing design and negotiation process.

EDA Disaster Supplemental

The Borough continues to make progress under the EDA Disaster Supplemental Grant program, advancing three major infrastructure projects: (1) the Mill Property, (2) the Downtown Waterfront, and (3) the Flume feeding the upper reservoir. As part of the grant's required submittals, these projects will each include a Preliminary Engineering Report (PER) to guide design and cost estimation.

The Borough is actively finalizing Memoranda of Understanding (MOUs) with coalition partners to strengthen regional coordination and investment in these initiatives. MOUs with Mike Allen, Trident Seafoods, and Pacific Seafoods will be presented to the Assembly on October 28 for consideration, with additional MOUs for other key partners scheduled for inclusion on the November 12 agenda. Following approval of these agreements, the Borough will work toward convening the first meeting of the Coalition to establish shared priorities and collaboration strategies. The Borough also plans to execute Professional Service Agreements with A&E firms during the November 24 Special Assembly Meeting to initiate the PERs and advance each project toward design readiness.

Waterfront Master Plan Execution & Port Bond Status

The Borough submitted its Port Bond Application for \$4M for the downtown waterfront fill project. Borough Administration and Bond Counsel will meet with PFM to begin the “underwriting” process and get a status report.

Hazard Mitigation Plan Adoption

The Borough has received a complete draft of the Hazard Mitigation Plan (HMP) from its consultants at Katmai Solutions. Borough staff will be reviewing the final draft next week and submitting revisions back to the consultant for incorporation. The finalized HMP will then be presented to the Assembly on November 12 for formal adoption.

As a reminder, the Borough adopted a new Emergency Operations Plan (EOP) earlier this year in April. While the EOP serves as the Borough’s playbook for response and coordination during and immediately after an incident, the HMP establishes the community’s long-term strategy for reducing disaster risk before events occur. The HMP identifies hazards, assesses vulnerabilities, and prioritizes projects and policies over time, ensuring eligibility for FEMA mitigation grant programs such as BRIC and HMGP. Together, the EOP and HMP provide a comprehensive framework for Wrangell’s emergency preparedness and resilience.

James & Elsie Nolan Trust – FY 2026 Distribution Request and Fund Health

The James & Elsie Nolan Trust currently holds assets of approximately \$2 million. Based on a sustainable distribution rate of 4.5%, the Borough is in a favorable position—supported by recent market gains—to request an increased annual draw of \$85,000–\$90,000, compared to the \$65,000 originally budgeted. This adjustment would reduce the General Fund contribution to the Nolan Center Special Revenue Fund, while maintaining the Trust’s long-term financial health and allowing for continued asset growth to support larger sustainable distributions in the future. It should be noted that draws made prior to 2021 exceeded the 4.5% sustainability threshold, resulting in relatively flat trust growth since inception.

Wrangell Timber Initiative Update

The Borough continues to make significant progress under the Wrangell Timber Initiative, advancing efforts to revitalize Wrangell’s timber economy and expand local processing and stewardship opportunities. Following Senator Sullivan’s recent visit, the Borough held a critical discussion with Tom Schultz, Chief of the U.S. Forest Service, to address several key issues. Topics included the Borough’s approach to entitlement lands, the need for approval of the State’s proposed Shared Stewardship Agreement (SSA) with the U.S. Forest Service, appraisal process reform, and an update to the 2017 Wrangell Island Project Environmental Impact Statement (EIS) with a new Record of Decision. The Borough also discussed pursuing a municipally driven Good Neighbor Authority framework and exploring long-term timber sale contracts. This was a highly

productive meeting, and the Borough plans to follow up on progress during the annual December lobbying visit.

In parallel, the Borough is finalizing a professional services agreement with Forest and Range Solutions LLC to survey, cruise, appraise, and administer the Earl West entitlement land area in advance of next summer's sale; this agreement will appear on the October 28 Assembly agenda. Additional MOUs with prospective coalition partners will be presented on November 12, after which the Borough will work toward hosting the first Southeast Timber and Forest Coalition meeting. Finally, I will be representing the Borough at the Alaska Forestry Association Fall Convention and Board Meeting on October 22–23 to advance these regional discussions and partnerships.

Stepping-up for Western Alaska Residents Displaced by Typhoon Halong

The Community Leadership group convened an emergency meeting yesterday to discuss how Wrangell can support families displaced by the recent and devastating flooding in Western Alaska. The group evaluated both immediate and long-term needs, focusing on areas such as housing, food security, education, health and social services, and workforce development.

As part of this effort, Borough staff and community partners have developed a Resource and Capacity Reference Guide to assess Wrangell's ability to accommodate and assist displaced individuals and families. The Borough will continue coordinating with the Governor's Office, Trident Seafoods, and other key stakeholders to identify pathways for meaningful support and relocation assistance. I will be seeking Assembly concurrence under Assembly Business to affirm Wrangell's commitment to this coordinated humanitarian response effort.

Grant Success!

The Borough is pleased to announce two significant competitive grant awards recently secured by Borough departments.

Congratulations to Library Director Sarah Scambler and Police Chief Gene Meek for their successful efforts in obtaining these grants and for their continued leadership in advancing community services through external funding.

The Irene Ingle Public Library was awarded the IMLS Native American Library Services Enhancement Grant in the amount of \$150,000. This two-year grant will fund a part-time Library Programming Coordinator, after-school tutoring for high school students, guest speakers and authors, an eSports program, a youth book club, and other community-based initiatives. The grant will strengthen partnerships, broaden access, and enhance the overall quality of life in Wrangell through expanded opportunities for learning, creativity, and connection.

The Wrangell Police Department received a COPS for Hire Grant totaling \$218,000, which will fund 75% of a new police officer position over three years. This officer will focus on school and youth engagement, enhancing public safety and strengthening relationships between students, families, and law enforcement.

These grants exemplify the Borough's success in leveraging external funding to expand local capacity, improve services, and invest in Wrangell's long-term community well-being.

School Incident After Action Report

On August 15, 2025, the Wrangell Police Department responded to a fraudulent extortion call that falsely claimed a student had been abducted and threatened violence at the high school. The call originated from a spoofed number connected to similar national scams. While the threat was quickly determined to be unfounded, the nature of the call prompted heightened concern in the community. Later that morning, misinformation stemming from the original incident led to a brief lockdown at Evergreen Elementary School, after a parent reported hearing an unverified threat. Officers responded immediately, secured the premises, and confirmed there was no active threat to students, staff, or the community.

The After Action Report (AAR) identified strong coordination between school staff and law enforcement, including rapid lockdown procedures, immediate police response, familiarity with school facilities, and access to master keys—all of which contributed to an effective and safe outcome.

The report also identified areas for improvement, including enhanced internal and external communication methods, improved mass notification systems, additional training for staff (including Head Start personnel), and public education for parents on school lockdown procedures. The Borough and Police Department will evaluate these findings and explore investments in updated technology, training, and communication tools to further strengthen school safety protocols.

Importantly, there was never an actual threat to any students or staff, and Wrangell remains one of the safest communities in Alaska. This incident serves as a valuable learning opportunity to refine response coordination and reinforce community preparedness.

Sincerely,

Mason F. Villarma

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Borough Manager