



**Date:** Tuesday, March 24, 2026

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

**From:** Mason F. Villarma, *Borough Manager*

**RE:** Borough Manager's Report

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## Wrangell in Motion- A Community Update

Wrangell continues to move forward with purpose.

Over the past month, the Borough administrative team has been fully engaged in preparing for what will be a busy spring and summer season. A central focus of our work was the submission of a \$50 million EDA Industry Transformation Pathway Grant—an ambitious effort that reflects both the scale of our vision and the strength of our partnerships. The momentum behind this initiative was evident at the February 19<sup>th</sup> Town Hall, where strong community participation and thoughtful dialogue reinforced the broad support for the projects that will help shape Wrangell's future.

Much of my recent attention has been dedicated to advancing shipyard planning and related advocacy efforts, which remain a cornerstone of our long-term economic strategy. Our ongoing discussions with JAG Marine Group represent a generational opportunity to activate the Borough's 42-acre deepwater port and position Wrangell as a key player in Alaska's maritime economy. This work is part of a broader, coordinated effort with partners such as Alaska Marine Lines, SEAPA, Trident Seafoods, Structure, the Trust Land Office, American Cruise Lines, and others, all of whom are contributing to a growing and diversified economic development portfolio.

At the same time, the Borough is preparing to transition nearly \$30M worth of major capital projects into construction this season, signaling continued investment in critical infrastructure and community assets. These projects include the Wrangell Public Safety Building, the School District-wide Major Maintenance Project, the Waterfront Fill Project, McKinnon Street (Ottesen's Hill)

utilities and surface improvements, and the expansion of the shooting range with a new trap and skeet facility. Collectively, these efforts reflect our commitment to public safety, education, infrastructure reliability, and quality of life in Wrangell.

In parallel with these initiatives, we have continued to advocate for Wrangell's core industries while maintaining focus on sound financial planning and accountability. The Borough recently submitted testimony to the Alaska Board of Fisheries in support of our local fleet and fishing economy, reinforcing the importance of maintaining hatchery production for our commercial, subsistence and recreational harvesters. Internally, we have begun development of the FY 2027 budget, with departmental submissions now under review, and our annual audit is progressing as scheduled with anticipated completion in May.

Our partnership with the Wrangell Public School District also continues to strengthen through ongoing collaboration and long-term planning. During a recent joint work session, the Borough presented a 25-year financial model designed to achieve maximum contribution levels while introducing policy concepts that promote shared accountability and responsible stewardship of public facilities.

Beyond our local efforts, we remain committed to strengthening regional collaboration and aligning with neighboring communities on shared priorities. Joint resolutions are currently being advanced with both Ketchikan and Petersburg—one to formally position the region as a Maritime Prosperity Zone (Ketchikan), and the other to establish clear expectations for responsible growth and shared management of Tyee Lake hydroelectric supply to Wrangell and Petersburg. These efforts reflect a proactive approach to regional coordination and long-term resource planning.

We also appreciated the opportunity to host Congressman Nick Begich and his team in Wrangell, where we recognized his support in securing federal funding for the Public Safety Building and discussed additional priorities critical to our continued progress. Engagement at the federal level remains essential as we work to advance large-scale infrastructure and economic development initiatives.

Wrangell is experiencing meaningful momentum across multiple fronts. This progress is the result of strong local leadership, an engaged and supportive community, and effective collaboration with partners at every level. We remain focused on executing these opportunities with discipline and ensuring that the benefits of this growth are realized throughout the community.

Sincerely,

*Mason F. Villarma*

Mason F. Villarma

*Borough Manager*

**City and Borough of Wrangell**

### *EDA Disaster Supplemental Grant Application Submitted*

On March 3, 2026, the City and Borough of Wrangell submitted its application for the EDA Disaster Supplemental Industry Transformation Grant. The application is currently undergoing technical review and is expected to advance to the Internal Review Committee (IRC) for further evaluation. While the Borough does not yet have a definitive timeline for award announcements, we remain optimistic that funding decisions could be made as early as this summer. This grant represents a generational opportunity to implement a coordinated, three-project portfolio designed to move Wrangell from recovery to long-term economic resilience and growth.

The **Reservoir Flume Replacement Project**, with a total cost of **\$1,987,402** (including a federal share of \$1,589,921.60 and a Borough match of \$397,480.40), addresses one of Wrangell’s most critical underlying constraints—water reliability. The current flume system experiences material leakage and inefficiencies, creating risk during peak demand periods and limiting the Borough’s ability to expand industrial and residential capacity. This project replaces deteriorating infrastructure to improve water capture, reduce loss, and provide a stable foundation for seafood processing, healthcare, housing, and industrial development. As outlined in the overarching narrative, water reliability is not just a utility upgrade—it is the enabling backbone that allows all other economic activity to scale sustainably.

The **Six-Mile Deepwater Port Development Project**, with a total cost of **\$38,393,888** (including a federal share of \$30,715,110.40 and a Borough match of \$7,678,777.60), is the cornerstone of Wrangell’s industrial transformation strategy. This project converts a largely underutilized 42-acre site into a fully serviced marine industrial hub capable of supporting shipyard-scale operations, freight consolidation, and heavy industrial activity. Improvements include shoreline stabilization, utility extensions, industrial roadways, and power infrastructure. As detailed in the portfolio narrative, Southeast Alaska’s primary bottleneck is not demand—but the lack of serviced industrial land. This investment unlocks that constraint, enabling significant private-sector deployment, including shipyard development, freight relocation, and emerging energy and data infrastructure, while also relieving pressure on the downtown waterfront.

The **Downtown Waterfront Expansion Project**, with a total cost of **\$12,561,943** (including a federal share of \$10,049,554.40 and a Borough match of \$2,512,388.60), focuses on modernizing Wrangell’s Port of Entry to enhance safety, accessibility, and economic productivity. Planned improvements include installation of ADA-compliant access and modifications and improvements to docking infrastructure to include a floating dock component to City Dock. This project is designed to increase vessel tie-ups, improve passenger safety, and capture greater visitor spending, all while transitioning incompatible industrial uses away from the downtown core. As emphasized in the waterfront master plan, relocating industrial activity to Six-Mile allows the downtown waterfront to function at its highest and best use—supporting local businesses, cultural tourism, and community-centered economic activity. Ultimately, this project promotes a balanced

waterfront concept ranging from industrial activity at the Marine Service Center to commercial activity adjacent to the downtown port that supports Wrangell's long-term growth and economic diversification strategy.

### *JAG Marine Group – Deep Water Port & Shipyard Update*

The Borough has formally executed a Mutual Non-Disclosure Agreement (MNDA) with JAG Marine Group and is currently working through final lease revisions consistent with the terms approved by the Assembly last month. These refinements are focused on ensuring alignment between the Borough and JAG as the project transitions from planning into execution, with the goal of bringing a finalized lease forward for signature in the near term.

On March 18, the Borough officially kicked off shipyard design in partnership with JAG Marine Group and the Pearlson Group, with both the Borough and JAG jointly funding (\$750k) the design effort. This marks a significant milestone in advancing the project from concept to implementation, as early-stage engineering and site planning begin to take shape at the Six-Mile Deepwater Port. In parallel, the Borough and JAG continue an aggressive and coordinated outreach effort with federal and state partners to secure funding and build awareness of the project's regional and national significance. Together, we remain confident that through a strategic capital stack involving AIDEA, EDA, the U.S. Coast Guard, NOAA, and support from our federal delegation, this project can achieve full funding by the end of the federal fiscal year.

### *Structure MOU*

The Borough has been working with Structure, the sister company to AK Automations, which implemented the SCADA system at the new Wrangell Water Treatment Plant. SCADA (Supervisory Control and Data Acquisition) is a centralized system used to monitor and control infrastructure like water, wastewater, and power systems in real time. It relies on PLCs (Programmable Logic Controllers)—industrial computers installed in the field that automate equipment such as pumps, valves, and motors and communicate back to the SCADA system to keep operations running efficiently and reliably.

Structure is nearing completion of a new SCADA software platform and has been working with communities during early deployment, with Sitka serving as a successful pilot. Building on that momentum, Structure is exploring development of a 20,000 square foot light manufacturing facility in Wrangell to produce PLC panels integrated with their SCADA systems—creating an opportunity for local jobs and industrial diversification.

Structure will present to the Assembly prior to the April 14 regular meeting (public attendance encouraged), and the Borough is preparing an MOU for consideration. McGraw Construction is also planning to attend, reflecting growing private-sector interest in this opportunity.

## *Alaska Marine Lines*

The Borough continues to work closely with its partners at Alaska Marine Lines (AML) to evaluate the potential relocation of the existing cargo transfer facility to the Six-Mile Deepwater Port. AML was a key contributor to the EDA grant application, helping ensure the proposed port development meets the operational needs required for a functional laydown yard and long-term freight operations.

As a reminder, the Borough and AML previously executed a storage and wharfage suspension agreement to reduce costs for both AML and the community, in exchange for AML's commitment to advance design and cost estimates for a new ramp and supporting infrastructure at the mill property. Borough Administration will be meeting with AML in person on March 31 to discuss next steps, refine the preferred alternative, and establish a clear path forward for evaluation and community presentation of findings.

## *SEAPA Grid Reliability and Stability Upgrades*

The Borough continues to work closely with SEAPA on a series of capacity, resiliency, and grid stability improvements to support existing demand and future industrial growth. McMillen Design was recently in Wrangell to evaluate upgrades to the SEAPA switchyard, and SEAPA has committed to funding these improvements to ensure sufficient power delivery to the Six-Mile mill site as it transitions to heavy industrial use.

In addition, the SEAPA Board has approved a \$6 million new generation project to be located in Wrangell. The Borough is actively coordinating with SEAPA on the project's size, scope, and schedule as planning advances. SEAPA has also advanced key funding requests, including submission of a 20 MW transformer for the Wrangell substation through the State's CAPSIS process and a portion of the broader grid reliability and stability upgrades to Senator Murkowski for Congressional Directed Spending (CDS) consideration. SEAPA will present further details to the community at a May 6 Town Hall at the Nolan Center. In parallel, Borough Administration will begin discussions on a proposed lease area and negotiate associated terms to facilitate development of the project. Wrangell SEAPA board members will attend the next meeting down in Ketchikan on March 26<sup>th</sup>. Administration will provide a meeting update at the April 14<sup>th</sup> Assembly meeting.

## *Timber Sales – 4.5mi Zimovia Highway Salvage & Borough Entitlements*

The Borough continues to take measured steps to advance timber activity within Borough lands. As part of this effort, a small timber sale of approximately 6.24 acres has been proposed, targeting blowdown and timber susceptible to future blowdown that was not captured by a previous logging operation. If approved, harvest activities are anticipated to move forward within the next month, allowing the Borough to recover value from existing timber while reducing future loss.

In parallel, the Borough will be engaging a third-party contractor to survey, cruise, and appraise Borough Entitlement lands, including the Earl West and Thoms land areas. This work will provide the data necessary to responsibly bring additional timber to market. Upon completion, the Borough intends to develop and release a Request for Proposals (RFP) for timber harvest. As part of that process, the Borough anticipates incorporating a local milling component to ensure that value-added activity and economic benefit are retained within the community.

## USFS – Wrangell Ranger District – Focus Points

The Borough continues to strengthen its partnership with the U.S. Forest Service on several priority initiatives focused on land management, recreation, and long-term economic opportunity. A key effort underway is development of a Good Neighbor Authority (GNA) agreement to support the Wrangell Island EIS, with a primary focus on the Upper Mill Basin area. This work has the potential to responsibly advance timber sales while reinvesting proceeds into enhanced recreational access and infrastructure. In parallel, the Borough is working with USFS to map and plan the Wrangell Island Sea Trail program, creating a network of campsites and recreational stops around the island that will serve as a valuable asset for both residents and the visitor economy.

The Borough is also coordinating closely with USFS on the East Channel Emergency Access Road, including survey work, bridge design, and land ownership and easement coordination to move the project forward. Additional efforts include evaluating opportunities for Title II funding and potential FERC-related reclamation funding to support local projects. Finally, the Borough continues to advocate for improvements to the Chugach shelter, emphasizing to USFS leadership the importance of this facility as a key component of Wrangell's downtown waterfront and broader visitor experience.

## *Trident Seafoods MOU*

On March 18, the Borough met with local leadership from Trident Seafoods to discuss the framework for a new Memorandum of Understanding (MOU). The conversation focused on aligning priorities between Trident, Alaska Marine Lines (AML), and the Borough as major infrastructure and operational shifts are evaluated within the community.

The CBW and Trident are committed to advancing a coordinated approach that includes: (1) understanding and mitigating impacts associated with relocating the cargo transfer facility to the Six-Mile Deepwater Port, (2) resurveying and reconfiguring plat where plant and expected loading dock would need to go to accommodate freight shift to 6-mile (3) exploring potential divestiture alternatives for the cold storage facility while preserving access for current users, (4) identifying long-term economic development opportunities and incentives to support increased seafood production, and (5) enhancing marketing and visibility of the partnership to reinforce Wrangell's position as a regional seafood and maritime hub.

## *American Cruise Lines*

The Borough continues to work closely with American Cruise Lines (ACL) on advancing the waterfront fill project and associated docking infrastructure. Final design and specifications for the docking facility remain a prerequisite for completing the Borough's waterfront fill design and progressing into construction. Coordination between ACL and the Borough is ongoing to ensure the project is aligned and construction-ready once design elements are finalized.

The first phase of work on the *American Empress*—currently moored at the mill property and intended to serve as a "floating dock"—has been completed. In the interim, the Borough is working with ACL to identify storage solutions ahead of the vessel being dry-docked for additional modifications.

## *Regional Joint Resolutions – Strategic Partnerships*

The Borough continues to advance regional collaboration through two joint resolutions with neighboring Southeast Alaska communities. These efforts reflect a deliberate strategy to align economic development, infrastructure investment, and policy advocacy at a regional scale—positioning Wrangell and its partners to compete for federal resources, support industrial growth, and ensure long-term sustainability across Southeast Alaska.

- **Wrangell–Ketchikan Joint Resolution (No. 03-26-2031) – Maritime Prosperity Zone:** In partnership with the City of Ketchikan and the Ketchikan Gateway Borough, the Assembly has been presented with Joint Resolution No. 03-26-2031, formally supporting the creation of a Maritime Prosperity Zone (MPZ) and nominating the Southeast Alaska Maritime Industrial Corridor (SEAMIC) for federal designation.

This resolution establishes a unified regional strategy centered on maritime dominance and industrial capacity. It aligns Wrangell's emerging shipyard and deepwater port development with Ketchikan's established ship repair capabilities to form a complementary corridor capable of supporting commercial fleets, federal assets, and national defense missions. The designation is intended to unlock enhanced access to federal funding, policy tools, and private investment, while reinforcing Southeast Alaska's strategic role in Arctic operations, fisheries enforcement, and maritime logistics. At its core, the resolution reflects a shared commitment to scaling maritime infrastructure through regional partnership—maximizing collective capacity rather than competing for limited opportunity.

- **Wrangell–Petersburg Joint Resolution – Responsible Energy Co-Management:** The Borough is also advancing a joint resolution with the Petersburg Borough focused on responsible economic development and coordinated energy management across shared hydroelectric resources. This resolution formalizes a proactive framework for collaboration as both communities pursue energy-intensive economic opportunities.

Specifically, the resolution affirms a shared commitment to responsibly utilizing the Tye Lake Hydroelectric Project, which provides approximately 24 megawatts of firm power to both communities through SEAPA. It establishes clear expectations for intercommunity communication regarding large energy users, coordination when evaluating projects that may impact regional load capacity, and accountability for securing supplemental generation if a community exceeds its allocated share of firm power. The resolution also emphasizes maintaining affordable and reliable energy for existing users while supporting sustainable economic growth, including emerging industries such as data infrastructure and other high-load sectors. Collectively, this agreement ensures that growth is pursued deliberately and collaboratively—protecting grid stability while enabling long-term economic expansion across Southeast Alaska.

## State and Federal Engagement & Update

### *Congressmen Begich's Wrangell Visit*

The City and Borough of Wrangell was pleased to host Congressman Nick Begich during his recent visit to the community. The visit provided an opportunity to highlight Wrangell's ongoing infrastructure investments, economic development priorities, and the strong alignment between local initiatives and federal interests.

During his time in Wrangell, Congressman Begich toured several key facilities, including the Public Safety Building, the Six-Mile Deepwater Port site, the SEAPA Switchyard, the Diesel Generation Plant, and the Wrangell Harbor Basin. These site visits provided a comprehensive look at both existing infrastructure and the projects currently underway to position Wrangell as a regional hub for maritime industry, energy development, and transportation.

The Congressman was also briefed on a range of priority initiatives outlined in the Borough's formal briefing memo, including the JAG Marine Group shipyard and homeport opportunity, the Borough's EDA Industry Transformation grant application, harbor improvements, and long-term transportation and resource development projects such as Bradfield Road. These discussions reinforced the importance of continued federal partnership in advancing projects that carry both regional economic and national strategic significance.

In addition to infrastructure and development discussions, Congressman Begich met with members of Wrangell's commercial fishing community to hear directly about industry challenges. A key topic of discussion was the ongoing impact of sea otter predation on Southeast Alaska fisheries. The Borough reiterated its support for federal policy reform, including the potential reintroduction of the Murkowski–Begich 2011 legislation (S.1453), which would amend the Marine Mammal Protection Act to allow for the sale of unaltered sea otter pelts. This approach represents one pathway toward restoring balance in nearshore ecosystems while supporting the economic viability of local fisheries.

The Borough appreciates Congressman Begich's time in Wrangell and his continued engagement on issues that are critical to the community's long-term economic stability and growth.

### *Federal Congressional Directed Spending (CDS) Requests*

In accordance with RES 01-26-2013 the Borough submitted the following CDS requests to Senator Murkowski and Representative Begich

- **Wrangell Harbor Basin O&M Dredging — \$4,330,000**  
This request supports U.S. Army Corps of Engineers-led maintenance dredging of the Wrangell Harbor Basin in coordination with the Borough's \$25 million federally funded harbor replacement project. Dredging approximately 41,000 cubic yards of material will ensure safe navigation depths, improve marine transportation reliability, and sustain a harbor system that serves as a critical transportation lifeline for the community.
- **Wrangell Deepwater Port Subdivision Development — \$15,474,897**  
This project will advance development of the Six-Mile Deepwater Port into a shovel-ready industrial subdivision by constructing access roads, utility corridors, and a marine industrial laydown yard, while completing surveys, plats, and permitting. This investment is foundational to supporting major private-sector projects, including the JAG Marine shipyard, Alaska Marine Lines' cargo facility, and broader maritime industrial growth in Southeast Alaska.
- **Wrangell Diesel Power Plant Roof Replacement — \$1,136,243**  
This request will fund replacement of approximately 5,500 square feet of deteriorated roofing and structural upgrades at the Borough's diesel generation facility. The project is critical to protecting backup power infrastructure, ensuring reliability during hydroelectric shortfalls and emergencies, and improving safety conditions for operations staff.

### *State of Alaska Capital Project Submission and Information System (CAPSIS) Submissions*

The Borough has advanced a comprehensive list of priority capital projects through the State of Alaska CAPSIS program, focused on strengthening core infrastructure, supporting economic development, and ensuring long-term community resilience:

- **Inner Harbor Replacement (SHMP) — \$5,000,000**  
This project will replace aging and failing float infrastructure within Wrangell's Inner Harbor with a modern, code-compliant facility. Improvements include new float systems, pilings, utilities, and fire protection, while expanding moorage capacity for 34'-40' vessels to meet current demand within the regional fleet.
- **Wrangell Harbor Basin Dredging — \$4,330,000**  
This request supports U.S. Army Corps of Engineers-led maintenance dredging of the

Wrangell Harbor Basin, coordinated with the Borough's federally funded harbor replacement project. Dredging will restore navigational depths and ensure continued safe and reliable marine access for the community. *(Aligned with FY27 CDS request.)*

- **McKinnon Street Rehabilitation (Storm Drain, Sidewalk, and Surfacing) — \$1,029,406**  
Reconstruction of approximately 280 feet of a key downtown corridor, including roadway surfacing, ADA-compliant sidewalks, and storm drainage improvements. The project also integrates replacement of aging water and sewer infrastructure critical to Wrangell's downtown business district.
- **Elevator Replacement – Public Safety Building — \$550,000**  
Replacement of the existing 40-year-old elevator system, which has exceeded its service life and poses operational and accessibility risks. This upgrade will ensure continued ADA compliance and reliable access to essential public safety, judicial, and emergency response functions.
- **Wastewater Treatment Plant Effluent Disinfection Upgrades — \$3,000,000**  
Funding to address regulatory requirements under the Borough's NPDES permit by implementing effluent disinfection systems. These upgrades are necessary to meet updated water quality standards and protect Wrangell's marine environment.
- **Shoemaker Harbor Boat Ramp Replacement (ADF&G Recreational Boating Access Program) — \$731,250**  
Replacement of the existing 208-foot concrete plank boat launch ramp, including structural improvements to enhance safety, durability, and usability across tidal conditions for both recreational and subsistence users.
- **Downtown Waterfront Planning — \$250,000**  
Planning, permitting, and conceptual design to advance implementation of Wrangell's Waterfront Master Plan. This effort will position priority projects for future construction, enhance public access, and stimulate economic activity along the downtown waterfront.
- **\*SEAPA Wrangell Transformer — \$2,000,000 (Request from SEAPA)**  
Installation of a new 20-megawatt transformer to double Wrangell's electrical delivery capacity and improve grid resiliency. This project will support load growth, reduce reliance on diesel generation, and enable future industrial and energy-intensive development in the community.

## *Alaska Industrial Development and Export Authority (AIDEA)*

On March 11, the Borough met with the Alaska Industrial Development and Export Authority (AIDEA) to begin discussions on structuring a capital stack for the proposed shipyard development

at the Six-Mile Deepwater Port. The conversation focused on identifying viable financing and partnership pathways to advance the project from planning into construction, recognizing the scale and strategic importance of the investment.

Discussions will continue following execution of a Non-Disclosure Agreement (NDA) with AIDEA, which will allow both parties to evaluate a range of potential funding strategies. These include support for matching requirements associated with a successful EDA grant, exploration of joint equity participation, and access to low-interest financing tools. AIDEA is expected to remain a critical partner in advancing the project, alongside anticipated federal participation from the U.S. Coast Guard and/or NOAA, as the Borough continues to position Wrangell as a key hub for maritime infrastructure and national security operations.

### *Alaska Board of Fisheries Advocacy – Proposal 170*

The Borough recently submitted formal testimony to the Alaska Board of Fisheries in strong opposition to Proposal 170, which would reduce permitted hatchery egg take for pink and chum salmon by 25 percent. While concerns regarding interactions between hatchery and wild stocks are important and warrant continued study, this proposal takes a broad, one-size-fits-all approach that is not grounded in Alaska-specific, regionally applied data. The Borough supports continued investment in science, monitoring, and adaptive management; however, implementing sweeping reductions without a clear causal link to improved wild stock productivity introduces significant risk without demonstrated benefit. Alaska’s hatchery system is actively managed under a science-based framework, and decisions of this magnitude should be driven by targeted data, not generalized conclusions.

Wrangell’s position reflects the critical role hatcheries play in sustaining Southeast Alaska’s economy, food security, and way of life. Hatchery production provides stability for commercial fishermen and, in many years, represents the difference between a viable season and financial hardship—supporting not only permit holders, but also processors, tenders, and small businesses throughout the region. Hatcheries also help ensure harvest opportunity for subsistence users and provide accessible fisheries for sport and recreational use, all of which contribute to the social and economic fabric of our community. Additionally, raw fish tax revenues tied to harvest levels are essential to maintaining municipal services in small communities like Wrangell. For these reasons, the Borough advocated for a balanced, science-based approach that recognizes the complexity of factors impacting wild salmon—including ocean conditions, climate variability, predation, and bycatch—and urged the Board of Fisheries to reject Proposal 170 in favor of maintaining a stable and responsibly managed hatchery program. A copy of my written testimony is embedded in the Assembly packet.

## Capital Projects & Maintenance

While the full Capital Projects Department report provides a comprehensive update on the Borough's nearly \$70 million portfolio, this year's focus is squarely on transitioning several priority projects into construction and delivering visible progress across the community.

At the forefront is the completion of Alder Top Village Subdivision, which is now in its final phase and expected to wrap up following required cultural resource work and final grading. This project remains a cornerstone for housing development and long-term community growth. In parallel, the Borough is preparing to commence construction on the Public Safety Building Rehabilitation, a critical investment in public safety infrastructure that will modernize and extend the life of this essential facility.

The Borough will also be advancing the District-wide School Major Maintenance and Renovations project, with construction anticipated to begin this year following final design and bidding. This work represents a significant reinvestment in educational facilities and long-term asset preservation. Additionally, the McKinnon Street Surface and Utilities Recapitalization project is expected to move into construction, addressing aging underground utilities while improving roadway and pedestrian infrastructure in the downtown core.

On the waterfront, the Borough is working toward initiating construction of the Downtown Waterfront Fill Project, a key component of the waterfront master plan, expanding access, and economic activity. Lastly, progress continues on the Trap and Skeet Range improvements, with design advancing and the project positioned to move toward construction as final coordination with partners and funding agencies is completed.

Collectively, these projects represent a coordinated push to deliver on long-planned infrastructure investments while laying the groundwork for broader economic development opportunities across Wrangell.

## Finance Update

### *FY 2027 Budget Development*

The Borough has initiated development of the FY 2027 budget, with department directors submitting proposed budgets on March 20. Administration is also working through insurance renewals while monitoring key cost pressures, including anticipated healthcare increases of at least 10 percent and rising energy costs driven by global instability. These conditions are expected to create continued upward pressure on shipping, goods, and service costs across the community. From an operating standpoint, the General Fund and Enterprise Funds are expected to remain relatively flat at FY 2026 service levels, reflecting a disciplined approach amid economic uncertainty. The reauthorization of Secure Rural Schools (SRS) is expected to provide approximately \$1.6 million in additional revenue, strengthening the Borough's financial position.

The primary focus of the FY 2027 budget will be capital investment. The Borough is advancing a significant pipeline of infrastructure projects—many of which are prerequisites to broader economic development opportunities. Administration is developing matching strategies to leverage state and federal funding while maintaining long-term financial stability, ensuring today's investments position Wrangell for sustained growth.

### *FY 2025 Audit*

The Borough is currently working through the FY 2025 financial statement audit and Single Audit, including providing requested sample support and documentation to the auditors. The process is progressing as expected, and we anticipate completion of the audit in May. The Borough will also host BDO for a presentation on the audited financials prior to the end of the fiscal year.

### *Irene Ingle Public Library – Grant Success!*

The Borough would like to extend its congratulations to Library Director Sarah Scambler for securing two additional grant awards in support of the Irene Ingle Public Library.

The first award, through the 2026 Camp Initiative—a highly competitive statewide program supported by the Mat-Su Health Foundation, Rasmuson Foundation, the George and Stephanie Suddock Foundation, and the Alaska Community Foundation—will fund \$20,000 of enhanced youth programming, day camps, and the purchase of library supplies. Out of 139 applications totaling more than \$3.3 million in requests, this award reflects the strength of Wrangell's commitment to serving local youth and expanding educational opportunities.

The second award, a \$10,000 grant from the American Library Association's Libraries Transforming Communities program, will support the purchase and installation of automatic door openers at the library—improving accessibility and ensuring the facility is welcoming and usable for all members of the community.

These awards are a direct reflection of Director Scambler's leadership and dedication to expanding services, improving accessibility, and enhancing the role of the library as a community hub.

### *Sales Tax Reform – Business Licensing & Compliance*

The Borough will be bringing forward a proposed sales tax ordinance aimed at strengthening compliance and clarifying application of the code. The ordinance will require all businesses operating within the Borough to obtain a business license and will further define taxable services to ensure consistent interpretation and administration.

The intent of this update is to ensure that all businesses are operating in compliance with the Borough's sales tax code and that a fair and equitable playing field is maintained across the local

economy. By improving clarity and enforcement, the Borough can better support responsible business practices while protecting municipal revenues that fund essential services. The ordinance will also include reasonable accommodations for youth conducting small-scale business activities, recognizing the importance of encouraging entrepreneurship while maintaining appropriate regulatory balance.

### *School Contribution Model & Framing a Future of Accountability and Stewardship*

The Borough recently held a joint work session with the Wrangell Public School District to align on long-term funding strategy, financial sustainability, and stewardship of shared public facilities. The discussion centered on establishing a more structured and accountable framework for local contributions, recognizing that maintaining sustainable operations will require clear policies, consistent communication, and a shared commitment to accountability between both entities.

Administration is currently developing a draft Memorandum of Understanding (MOU) to be brought forward for Assembly and School Board discussion. The proposed framework will tie local contributions to responsible financial practices, including maintaining appropriate fund balances, prioritizing near-term capital needs, and improving transparency through regular reporting. The goal is to create a durable partnership that ensures financial stability while responsibly stewarding public facilities and supporting long-term educational outcomes.

## **Public Safety Update**

### *Hostile Intruder Tabletop*

The Wrangell Police Department recently hosted a hostile intruder tabletop exercise at the Fire Hall, bringing together representatives from the Borough, School District, SEARHC, and local media. The exercise provided a valuable opportunity to walk through coordinated response protocols and identify gaps in communication, roles, and operational readiness. It was a productive session that helped underscore areas for improvement and how those deficiencies can be addressed moving forward.

Thank you to Chief Meek and Bunes for organizing and leading this important effort. Following the exercise, Borough Administration has developed a dedicated annex to be incorporated into the Emergency Operations Plan (EOP), strengthening preparedness and ensuring clearer coordination in the event of similar incidents.

### *Wrangell Volunteer Fire Department 4th of July Update*

In honor of the 250th anniversary of the United States, the Wrangell Volunteer Fire Department will be moving the community fireworks display back to the evening of July 4th, returning to the

traditional Independence Day celebration. In recent years, the display had been held on July 3rd; however, this year's milestone provides a meaningful opportunity to celebrate on the Fourth itself.

The Borough appreciates the continued commitment of the Wrangell Volunteer Fire Department in organizing this event and helping bring the community together to celebrate our nation's history.

## **Borough Employment Opportunities**

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

- Power Generation Mechanic – Open and accepting applications
- Cruise Ship Facility Security Officer – Open and accepting applications
- \*Contracted Project Manager – Solicitation to be released soon