

CITY & BOROUGH OF WRANGELL

BOROUGH MANAGER'S REPORT

Tuesday, February 27th, 2024



MEMORANDUM

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

FROM: MASON F. VILLARMA, *INTERIM BOROUGH
MANAGER/FINANCE DIRECTOR*

SUBJECT: BOROUGH MANAGER'S REPORT

DATE: Tuesday, February 27th, 2024

ALDER TOP & WRANGELL HOME WISE INFORMATION FAIR RECAP

On Saturday, February 24th, the Economic Development Department hosted a Home Wise Information Fair event. The first hour covered the process for the sale of Alder Top (i.e., Former Institute Property). In summary, the Borough will sell 10 lots via public surplus with no restriction on the number of lots purchased and 10 lots via lottery at which the sale price will be fixed at the appraised value to help first time home buyers achieve a price at market.

The next half of the event was an open house whereby residents had the opportunity to meet with Borough staff, financial institutions, consultants, homebuilders, and real estate agents to get a comprehensive view on building and financing a home in the current environment in Wrangell.

The Borough is working on refining the process for sale. Senior leadership will meet about the covenants that will be placed on the properties, review the resolution for the public surplus sale and noncodified ordinance for the lottery sale.

There will be other events as we near the land sale, one of which will be an open house. We thank those from the community who attended to event and we appreciate the Economic Development Department's hard work on organizing this well attended event.

STATE AND FEDERAL CAPITAL PROJECT REQUESTS

The Borough has submitted their State Capital Project Priorities to CAPSIS for SFY25. The following projects were submitted:

CAPSIS Submissions:

Dams Stabilization and Improvements - \$5,000,000 (FY24 Supplemental)
Public Safety Building Rehabilitation - \$6,500,000
Wastewater Treatment Upgrades to Address Disinfection - \$14,000,000
Eastern Channel Emergency Access Route - \$500,000
Inner Harbor Replacement - \$12,000,000

These detailed requests can be found at the end of this document.

Congressionally Directed Spending requests are also being submitted to both Senator Murkowski and Representative Peltola's office as follows:

CDS Requests:

Public Safety Building Rehabilitation - \$5,000,000
Wastewater Treatment Upgrades to Address Disinfection \$12,000,000
Eastern Channel Emergency Access Route - \$7,500,000
Inner Harbor Replacement - \$9,000,000
Zimovia Highway Sewer System Upgrades - \$2,500,000

MILL PROPERTY STRATEGY

The Borough is taking steps to make the mill property more productive in the short term. Management is actively negotiating a lease with Shorty Townsgard to allow him and his son to expand their recycling, scrap, and construction business at the mill site. The agreed upon lease will go to Planning and Zoning during their regular March meeting prior to putting it before the Assembly.

The Borough is also in the preliminary stages of developing a forestry management plan and pursuing a joint timber harvest effort with the State. Updates on our progress will be shared as critical milestones are achieved.

OLD HOSPITAL AND ADJACENT LOT SALE

The Borough signed a Real Estate Purchase and Sale Agreement for the Old Wrangell Medical Center on Friday, February 23rd. The agreement is a clean sale and transfer of title upon closing for a consideration of \$200,000 with the contingency that the six adjacent lots on the southside of the Old Wrangell Medical Center are also sold in amenable fashion. Please note the sales are dependent upon each other, but do have two distinct processes. The following are the remaining paths to final sale and divestiture of the WMC and the adjacent six vacant lots, respectively:

Old Wrangell Medical Center:

- Purchase and sale agreement signed - 2/23/2024

- Public Notice - 2/26/2024
- Economic Development Board - 3/5/2024
- Planning and Zoning - 3/14/2024
- Public Hearing Notice
- Assembly Approval of Sale and Conveyance - 4/9/2024

Six Adjacent Lots

- Planning and Zoning Recommendation - 2/15/2024
- Assembly Approval to Move forward with Sale - 3/12/2024
- Appraisal Ordered for 6-Lots.
- Public Notice (4 weeks)
- Assembly Approval of Sake and Conveyance - 4/9/2024

LOCAL PROCESSOR MEETING

Borough leadership will be organizing a local seafood processor meeting between Sea Level, Trident, Sumner Strait Seafoods, and Peninsula Seafoods. We will be discussing space in the Marine Service Center, safety, water consumption, and how to gain coverage over the local fishing fleet.

WATER TREATMENT PLANT PROCESS AND OLD PLANT LEAK UPDATE

Construction for the new Wrangell Water Treatment Plant continues to go well. The foundation has started to be poured but has seen some delays due to weather. A few pictures are shown below for reference:



Additionally, the Borough is investigating a leak in the current water treatment plant. Public Works is in the process of building a weir to assess the amount of the leak. Previous investigations suggest that the leak is somewhere in between filter bays 3 and 4. We will update the Assembly on the leak investigation and repair process.

BUDGET, BONDING, AND STRATEGIC PLAN

The Borough has sent out the FY 2025 budget workbook. General Fund departments have begun budgeting. This process has been aided through the development of the Borough's strategic plan. The following is the FY 2025 budget schedule:

CITY & BOROUGH OF WRANGELL FY 2025 Budget Development Calendar



FEBRUARY:

- Friday, February 23rd New Director Budget Orientation/Best Practices
- Monday, February 26th Budget Workbook Sent to Department Directors

MARCH:

- Friday, March 8th General Fund Operating Budgets Due
- Friday, March 15th Special Revenue Operating Funds Due (MY)
- Friday, March 22nd Enterprise Operating Funds Due (MY)
Maintenance & Interdepartmental Charges Due (Tom, Steve, and Lucy)

APRIL:

- Monday, April 1st - 15th Capital Projects Final Reappropriation Analysis
- Monday, April 1st - 31st Draft Operating Budget Compiled
Manager/Finance Director Review and Director Meetings

MAY:

- Wednesday, May 1st Statutorily Required Date for FY 2025 WPSD Budget Transmittal to CBW
- Thursday, May 9th Draft Budget Sent to Assembly
- Thursday, May 16th Assembly Budget Work Session
- Friday, May 31st Final Draft Budget Composed and Sent to Assembly

JUNE:

- Tuesday, June 11th FY 2025 Official Budget Public Hearing (Regular Assembly Meeting)
FY 2025 Budget Adoption

*The school budget and local contribution must be approved within 30 day of submittal of the district's budget. Action by the Assembly will change based on when the budget is submitted to the Borough.

In conjunction with the FY 2025 budget process, the Borough will be considering bonding opportunities for unfunded priorities of the Borough. It may also be a means to assess the voting population on what "wants" are desired. A work session of the Borough Assembly should take place to fully evaluate bond proposals and alternatives.

Additionally, the Borough will inform the Assembly when the Wrangell Public School District (WPSD) budget has been approved and transmitted to the Borough. Once the budget is received the local contribution will have to be approved within 30-days of the WPSD budget transmittal.

Rates will also have to be addressed in advance of FY 2025 budget adoption. The Borough will host a work session on the March 26th meeting to offer a rate analysis with approval in the regular Assembly meeting.

EMERGENCY OPERATIONS PLAN UPDATE

The Borough is working to redraft the Wrangell EOP. It is nearly a 200-page document that is taking a substantial amount of time to update without contracting a third party to complete the document. The Borough believes that a final EOP can be complete prior to fiscal year end. If that timeline is not acceptable to the Assembly, the Borough may have to consider hiring a consultant to perform the redraft.

As always, I am at the Assembly's disposal. I look forward to continuing the meaningful progress we are making.

Sincerely,

Mason F. Villarma

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Interim Borough Manager/Finance Director