

**ALASKA RAILROAD CORPORATION
BOARD OF DIRECTORS**

SPECIAL BOARD MEETING AGENDA
January 14, 2026 ~ 10:00 am

Join Zoom Meeting

<https://us02web.zoom.us/j/81961043647?pwd=bvwSWQPZPJXn6L07ZeyOXoMayrJYg5.1>

Meeting ID: 819 6104 3647
Passcode: 230633

Dial in 1 253 205-0468

I. CALL TO ORDER

This special meeting has been called for the purpose of Board review and approval of Resolution No. 2026-01 – Relating to Switch in Funding from AFEs for ARRC General Facility Repairs and Birchwood Operations Improvements to the AFE for the Wasilla Elevator Installation Project (AFE Nos. 11328 S-2, 11373 S-1 and 11212 S-1).

A portion of this meeting may be held in Executive Session to discuss confidential and privileged information related to the foregoing matters.

II. ESTABLISHMENT OF QUORUM

III. ADOPTION OF AGENDA

IV. CONFLICT OF INTEREST DISCLOSURES

V. OPPORTUNITY FOR PUBLIC COMMENT (For Agenda Items Only)

VI. NEW BUSINESS

A. Action Items

[Resolution No. 2026-01](#) – Relating to Switch in Funding from AFEs for ARRC General Facility Repairs and Birchwood Operations Improvements to the AFE for the Wasilla Elevator Installation Project ([AFE Nos. 11328 S-2, 11373 S-1](#) and [11212 S-1](#)).

VII. OPPORTUNITY FOR PUBLIC COMMENT (For Agenda Items Only)

VIII. DIRECTORS/CEO/STAFF COMMENTS

IX. ADJOURNMENT

Res. No. 2026-01_Wasilla Elevator Project Funding Transfer (AFE Nos. 11328 S-2 11373 S-1 11212 S-1)

Adopted:

Resolution No. 2026-01

Relating to Switch in Funding from AFEs for ARRC General Facility Repairs and Birchwood Operations Improvements to the AFE for the Wasilla Elevator Installation Project (AFE Nos. 11328 S-2, 11373 S-1 and 11212 S-1)

WHEREAS, the Alaska Railroad Corporation (ARRC) owns a two-story commercial building in Wasilla, Alaska (“Building”), and entered into a lease of office space on the second floor of the Building with a new tenant (the “Lease”), which required ARRC to install by October 1, 2025, an ADA-compliant elevator for use by the tenant and its clients, many of whom will be dealing with disabilities; and

WHEREAS, the ARRC Board previously approved AFE No. 11328 as part of the 2025 Capital Budget, which authorized a total expenditure of \$550,000 for the design, fabrication and installation of an elevator in the Building to comply with ARRC’s obligation to do so under the Lease (the “Project”); and

WHEREAS, when the Project was put out for bid, proposals came in higher than the initial engineering estimates due to increased material and labor costs, as well as additional building code requirements imposed by the electric utility and local building authorities, resulting in a lowest proposal of \$699,000 and a second lowest proposal of \$835,000; and

WHEREAS, in order to meet ARRC’s obligations under the Lease and in light of the higher-than-expected bids, the ARRC President and Chief Executive Officer on May 20, 2025, approved AFE No. 11328 S-1, which added \$290,000 to AFE No. 11328 as an unbudgeted capital expenditure, bringing the total amount of AFE No. 11328 S-1 to \$840,000; and

WHEREAS, the contract for the Project was awarded to the lowest bidder and was due to be completed no later than October 1, 2025, but the contractor began to exhibit sustained and profound deficiencies in its performance, including but not limited to failing to order the elevator, to pay for utility relocation or to communicate adequately with ARRC, which culminated in the contractor’s failure to meet the contractual deadline and in ARRC terminating the contract in early November 2025 for failure to perform; and

WHEREAS, during the duration of the contract, ARRC was invoiced for Project costs of \$270,000 and AFE No. 11328 has a remaining balance of \$530,000; and

WHEREAS, although ARRC is currently exploring potential avenues for recouping those invoiced costs, such as against the contractor’s performance bond, it remains late in meeting the October 15, 2025 deadline set forth in the Lease for the completion of the Project; and

WHEREAS, ARRC has obtained a new quote of \$866,000 from the second lowest bidder to complete the Project; and

WHEREAS, the latest estimate for the total cost of completing the Project, including the amount previously invoiced, is \$1,205,000, which includes an additional \$365,000 above the amount previously approved under AFE No. 11328; and

WHEREAS, ARRC proposes to increase funding for the Project by an additional \$365,000 by transferring unused funds approved under AFE Nos. 11373 and 11212 due to the unexpected circumstances described above; and

WHEREAS, AFE No. 11373 authorized a total expenditure of \$330,000 to effect general repairs to ARRC facilities, including Bill Sheffield Depot concrete replacement, but the scope was reduced to minor repairs due to lack of contractor availability with the result that ARRC's expenditures under AFE No. 11373 have totaled \$33,401, which is \$296,599 less than previously approved under that AFE ; and

WHEREAS, AFE No. 11212 authorized a total expenditure of \$300,000 to effect improvements to the Birchwood Operations facilities, including electrical improvements, but actual expenditures for such electrical improvements came in well below budget, with the result that ARRC's expenditures under AFE No. 11212 have totaled \$148,821, which is \$151,179 less than previously approved under that AFE; and

WHEREAS, there are no restrictions on the use of funds under AFE Nos. 11373 and 11212 that would prevent the use of funds initially approved for the general repairs to ARRC facilities or for the Birchwood electrical improvements to cover the increased costs for the Project under AFE No. 11328; and

WHEREAS, AFE No. 10328 S-2 would increase the approved funding for the Project under AFE No. 10328 by \$365,000, in conjunction with which the Corporation would reduce the total approved funding under AFE No. 11373 by \$290,000 and also would reduce the total approved funding under AFE No. 11212 by \$75,000 for a total reduction of \$365,000, thereby resulting in a net zero change in the combined approved expenditures under AFE Nos. 11328, 11373 and 11212; and

WHEREAS, the funds to be switched from AFE Nos. 11373 and 11212 to AFE No. 11328 as proposed consist of 100% ARRC internal funds; and

WHEREAS, ARRC's Approval Authority Guide requires Board approval of unbudgeted capital expenditures in excess of \$300,000.

NOW, THEREFORE, BE IT RESOLVED, that the ARRC Board of Directors has considered the proposed transfer of funds previously approved under AFE No. 11373 for general repairs to ARRC facilities and under AFE No. 11212 for electrical improvements Birchwood Operations to AFE No. 10328 for the Project involving the Wasilla elevator, as presented by ARRC Management, and hereby approves AFE No. 10328 S-2, which increases AFE No. 10328 by \$365,000; AFE No. 11373 S-1, which decreases AFE No. 11373 by \$290,000; and AFE No. 11212 S-1, which decreases AFE No. 12212 by \$75,000, for the purposes stated therein, bringing the total for AFE No. 10328 to \$1,205,000 and reducing the combined totals for AFE Nos. 11373 and 11212 by \$365,000.

Alaska Railroad Corporation

Authorization for Expenditure Form

For Accounting Use Only

AFE# 11328 S-2

Page 1

General Information:	
AFE Title:	Wasilla Elevator Installation
Prepared By:	Adam Godfrey
Resp. Center (Name):	Facilities/Real Estate
Resp. Center (#):	1830
Depreciation Center:	1830-Office Buildings
Line of Business:	Real Estate/Facilities
Spending Timetable	
2025	\$ 308,375
2026	\$ 896,625
2027	\$ -
2028	\$ -
2029	\$ -
Total	\$ 1,205,000
Other Information	
Useful Life (Years):	20
Annual Depreciation:	\$ 60,250
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2025 Unbudgeted
Total Amount	\$ 1,205,000	
Source of Funding	ARRC	\$ 1,205,000
Source of Funding		
Source of Funding		\$ -
Grant Number	N/A	
Grant Name	N/A	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 550,000	11/08/24
Supplemental #1	\$ 290,000	05/20/25
Supplemental #2	\$ 365,000	12/17/25
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 1,205,000	12/17/25

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Shane Maloney	Shane Maloney	12/17/2025
Responsible Owner:	Shane Maloney	Shane Maloney	12/17/2025
VP, Owner Department:	Christy Terry	Christy Terry	12/18/2025
Funtional User	Shane Maloney	Shane Maloney	12/17/2025
Chief Operating Officer:	Clark Hopp	Clark Hopp	12/23/2025
Grant Administration:	Christina Isabelle	NA	
Chief Financial Officer:	Michelle Maddox		
Accounting Department:	Amy Kinnaman	Amy Kinnaman	12/23/2025
CEO & President:	Bill O'Leary	Bill O'Leary	12/23/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation

Authorization for Expenditure Form

For Accounting Use Only

AFE# 11328 S-2

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Is this project related to health and/or safety?	Yes	If yes describe:
The tenant's customers require access to the 2nd floor of the space. It is dangerous to expect an individual with disabilities to access the space using the stairwell. Installing the elevator will allow customers a safe ADA compliant mode to access the second floor.		
Scope of Work:		
<p>Obtain quotes from local contractors, submit a requisition, and issue a purchase order to install an elevator in the Wasilla tenant space. Deliverable will be an installed elevator in the space.</p> <p>Structural work: \$240,000 Elevator unit: \$250,000 Internal labor: \$10,000</p> <p>Supplemental No.1 increases project funding to complete the original scope of work. Contractor’s proposals were higher than initial project engineering estimates due to increased material and labor costs, as well as, additional code requirements imposed by the utility and the local jurisdiction having authority.</p> <p>Supplemental No.2 increases project funding to complete the contractually obligated scope of work. The original contractor has defaulted due to lack of performance. ARRC has reached out to the next lowest bidder to obtain their price to finish the elevator installation. Funds will be made available from AFE 11373 2025 General Repair (\$290,000) and AFE 11212 Birchwood Ops Improvements (\$75,000).</p>		
ARRC Business Justification		
Installation of this critical ADA device is needed to allow safe access to the second floor of the building. Under the conditions of the lease, we are required to install an elevator NLT 10/1/2015. Additionally, installing an elevator increases the versatility of the lease space and brings the building int compliance with local ADA requirements.		
Alternatives Considered:		
N/A		
Preliminary Budget:		
Line Description	Amount	
Equipment		
Labor (Fully Burdened)	\$	10,000
Materials		
Contracts	\$	1,195,000
Other Expenses	\$	-
Total	\$	1,205,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation
Authorization for Expenditure Form

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AFE# 11373 S-1

Page 1

General Information:		Included in Capital Budget:		
AFE Title:	2025 General Repair	Capital Budget	Year:	2025 Budgeted
		Total Amount	\$ 40,000	
Prepared By:	Adam Godfrey	Source of Funding	ARRC	\$ 40,000
Resp. Center (Name):	Facilities/Real Estate	Source of Funding		
Resp. Center (#):	1835	Source of Funding		
Depreciation Center:	1835-Depots	Grant Number	N/A	
Line of Business:	Real Estate/Facilities	Grant Name	N/A	
Spending Timetable:		AFE History:		
2025	\$ 40,000		Amount	Date Prepared
2026	\$ -	Original AFE	\$ 330,000	11/18/24
2027	\$ -	Supplemental #1	\$ (290,000)	12/17/25
2028	\$ -	Supplemental #2	\$ -	
2029	\$ -	Supplemental #3	\$ -	
Total	\$ 40,000	Supplemental #4	\$ -	
Other Information		Supplemental #5	\$ -	
Useful Life (Years):	25	Supplemental #6	\$ -	
Annual Depreciation:	\$ 1,600	Supplemental #7	\$ -	
Estimated Annual Operating Costs	\$ -	Total	\$ 40,000	12/17/25
Required Signatures for Approval:				
(if applicable)	Name(s) (Print)	Signature	Date	
Project Manager:	Kyle Brown	Kyle Brown	12/23/2025	
Responsible Owner:	Shane Maloney	Shane Maloney	1/5/2026	
VP, Owner Department:	Christy Terry	Christy Terry	1/5/2026	
Functional User:	Shane Maloney	Shane Maloney	1/5/2026	
Chief Operating Officer:	Clark Hopp			
Grant Administration:	Christina Isabelle	N/A		
Chief Financial Officer:	Michelle Maddox	Michelle Maddox	12/18/2025	
Accounting Department:	Amy Kinnaman			
CEO & President:	Bill O'Leary			
Board of Directors:	John Shively	N/A		

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Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11373 S-1

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Is this project related to health and/or safety?	Yes	If yes describe:
<p>The degrading concrete at the Bill Sheffield Depot (BSD) is becoming a tripping hazard to guests and the general public, and need to be repaired as soon as possible. We have made temporary repairs, but a permanent solution is needed.</p>		
Scope of Work:		
<p>This is a continuing program which helps us upgrade the facilities and have money set aside for large emergency maintenance items. Repair degrading concrete at the BSD and remodel the Fairbanks Car Shop Restrooms.</p> <p>BSD Concrete repairs: \$250,000 Car Shop Restrooms: \$80,000</p> <p>Supplemental No.1 decreases project funding of this project by (\$290,000) to complete the contractually obligated elevator installation as part of a tenant improvement. These funds will be reallocated to AFE 11328 Wasilla Elevator Installation.</p>		
ARRC Business Justification:		
<p>Failing to make these repairs will cause further damage to the building, causing more costly repairs to take place. The degrading concrete at the BSD is becoming a tripping hazard to guests and the public and needs to be repaired as soon as possible. We have made temporary repairs, but a permanent solution is needed. The Car Shop restrooms are very dated, and the wood finishes are unsanitary for the given application. Upgrades are needed to increase morale in the shop and improve working conditions.</p>		
Alternatives Considered:		
N/A		
Preliminary Budget:		
Line Description	Amount	
Equipment		
Labor (Fully Burdened)	\$	5,000
Materials	\$	-
Contracts	\$	35,000
Other Expenses	\$	-
Total	\$	40,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation

Authorization for Expenditure Form

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AFE# 11212 S-1

Page 1

General Information:	
AFE Title:	2024 Birchwood Operational Improvements Phase 2
Prepared By:	Adam Godfrey
Resp. Center (Name):	Facilities/Real Estate
Resp. Center (#):	1845
Depreciation Center:	1845-Section Buildings
Line of Business:	Real Estate/Facilities
Spending Timetable	
2024	\$ 225,000
2025	\$ -
2026	\$ -
2027	\$ -
2028	\$ -
Total	\$ 225,000
Other Information	
Useful Life (Years):	30
Annual Depreciation:	\$ 7,500
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2024 Budgeted
Total Amount	\$ 225,000	
Source of Funding	ARRC	\$ 225,000
Source of Funding		
Source of Funding		
Grant Number	N/A	
Grant Name	N/A	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 300,000	12/06/23
Supplemental #1	\$ (75,000)	12/17/25
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 225,000	12/17/25

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Shane Maloney	Shane Maloney	12/18/2025
Responsible Owner:	Andrew Donovan	Andrew Donovan	12/19/2025
VP, Owner Department:	Christy Terry	Christy Terry	12/19/2025
Functional User:	Andrew Donovan	Andrew Donovan	12/19/2025
Chief Operating Officer:	Clark Hopp	Clark Hopp	12/23/2025
Grant Administration:	Christina Isabelle-Glover	N/A	
Chief Financial Officer:	Michelle Maddox	Michelle Maddox	12/18/2025
Accounting Department:	Amy Kinnaman	Amy Kinnaman	12/23/2025
CEO & President:	Bill O'Leary	N/A	
Board of Directors:	John Shively	N/A	

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Alaska Railroad Corporation

Authorization for Expenditure Form

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AFE# 11212 S-1

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Is this project related to health and/or safety?	No	If yes describe:
Scope of Work:		
<p>This multi-year program will improve operational efficiency and safety of the newly acquired property by: Phase one, relocating approximately 1,100 feet of overhead power lines. Phase two, installing electrical services and lighting to a MOW approved location. Phase three, constructing an office area, and demising operational lands from lease areas.</p> <p>This AFE is for Phase 2 to extend approximately 550 feet electrical service to the yard's major operations area. Work will also include installing area lighting and a bull rail to plug equipment into during winter operations.</p> <p>Supplemental No.1 decreases project funding of this project by \$75,000 to complete the contractually obligated elevator installation as part of a tenant improvement. These funds will be reallocated to AFE 11328 Wasilla Elevator Installation.</p>		
ARRC Business Justification		
<p>Currently, there is not commercial electrical power to the operations area in the Birchwood yard. By installing this service, we will have adequate lighting, an area to plug in heavy equipment, and the ability to install additional security cameras. This service will allow for expansion into the yards now that ARRC owns the entire area.</p>		
Alternatives Considered:		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	-
Labor (Fully Burdened)	\$	10,000
Materials	\$	-
Contracts	\$	215,000
Other Expenses	\$	-
Total	\$	225,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.