



MUNICIPALITY OF SKAGWAY, ALASKA
REGULAR ASSEMBLY MEETING

March 1, 2018
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1. **Call To Order:**

Mayor Carlson called the meeting to order at 7:00 p.m.

2. **Roll Call:**

Present: Mayor: Monica Carlson **Assembly Members:** David Brena, Jay Burnham, Steve Burnham Jr., Tim Cochran, Orion Hanson, Dan Henry

Absent:

3. **Approval of Minutes:**

Minutes for the February 15, 2018, regular Assembly meeting were approved as presented by roll call vote, 6 yes, 0 no, 0 absent.

4. **Approval of Agenda:**

The agenda of the March 1, 2018, regular Assembly meeting was approved by roll call vote with the removal of item 7C, Public Hearing and Adoption of Resolution No. 18-04R, 6 yes, 0 no, 0 absent.

5. **Reports of Officials and Committees:**

A. **Mayor's Report:** None.

B1. **Finance Committee:**

Motion/Second: S. Burnham/Cochran

To approve the check run of March 1, 2018:

- General checks 115533 through 115575 and EFT totaling \$138,713.42;
- Payroll checks 115529 through 115532 and Direct deposits DD19191 through DD19255 totaling \$111,993.05;
- Grand total of \$250,706.47.

Assemblyman Cochran noted that there is a check for Petro Marine Services, a company for which he is plant manager. Assemblyman Hanson clarified the total expenditures for the check run.

Motion passed by roll call vote, 6 yes, 0 no, 0 absent.

Assemblyman S. Burnham indicated that the Finance Committee reviewed several agenda items and voted to: 1) recommend Ordinance No. 18-03 for adoption; 2) recommend Resolution No. 18-03R for adoption; 3) recommend sending the letter to the Department of Transportation and Public Facilities (DOT&PF) regarding the Statewide Transportation Improvement Program (STIP); and 4) recommend directing the manager to issue a request for bids (RFB) for Garden City RV Park electrical work using the direct burial cable method. Assemblyman S. Burnham indicated that the Finance Committee also held discussions on the municipal budget and the employee health plan.

Assemblyman S. Burnham reported that the Solid Waste Advisory Committee (SWAC) met and discussed “Garbage-by-the-Pound,” which is part of the “Pay-as-You-Throw” program but is more accurate to the proposed program for Skagway. Assemblyman S. Burnham indicated that there will be a 3-phase transition from garbage service that is billed by volume to garbage service that is billed by the pound. Assemblyman S. Burnham indicated that Phase I will involve utilizing the new garbage truck and cans and weighing all garbage; this weight will be provided to customers on their bill but customers would still be charged by volume. Assemblyman S. Burnham noted that this phase will allow the Municipality to let customers know of the planned transition and to gather data on average garbage weights. Assemblyman S. Burnham indicated that Phase II would involve letting customers know of the potential cost of their garbage by weight, but still billing for the cost by volume. Assemblyman S. Burnham noted that in Phase II, the Municipality would use the garbage weight data to determine a price-per-pound. Assemblyman S. Burnham indicated that Phase III would involve actually billing customers for garbage by weight. Assemblyman S. Burnham indicated that it would be best to stretch out each phase, and when composting facilities are available one-third of the waste would be diverted, thereby cutting down on garbage weight. Assemblyman S. Burnham indicated that there will be a standard fee for the garbage truck to check cans, even when someone is on vacation, in addition to the per-pound fee.

Assemblyman Cochran asked if there will be different rates for residential garbage and commercial garbage. Assemblyman S. Burnham indicated that this would be determined in Phase II, and there may only be a different standard fee for commercial and residential pickup, or perhaps a fee for food waste to encourage residents to compost it. Assemblyman S. Burnham explained that diverting food waste from the solid waste stream would cut down on the number of required burns at the incinerator, and because food waste is wetter less fuel would be needed for each burn; diverting food waste and decreasing the need for burns at the incinerator will also extend the life of the ash fill.

B2. Public Safety Committee:

Assemblyman Henry reported that there was a meeting held to discuss traffic flow and parking. Assemblyman Henry indicated that the Public Works Department will facilitate a 45-degree cut at the intersection of Congress Way and the access road to help RVs and buses turn the corner there. Assemblyman Henry indicated that Holland America-Princess will put together a safety seminar that will be attended by all bus drivers at the start of the season, and there will be a refresher seminar again in June. Assemblyman Henry indicated that Public Works Director Tyson Ames will groom the Westmark parking lot area to give users more space, and the angle of parking spaces in this area need to be determined. Assemblyman Henry indicated that conflicts in parking areas west of the Shirt Company and south of Family Fuel will be worked out, and there may be additional parking space behind the dedicated trees along Broadway Street; the area behind the old Police station will be cleared out to create parking space as well. Assemblyman Henry indicated that the discussion for street parking involves dedicating the north sides of the avenues for 20-minute parking and the south sides for 2-hour parking, with 20-minute parking up and down Broadway Street.

B3. Public Works Committee:

Assemblyman Hanson indicated that a committee meeting is scheduled for March 5 to discuss draft FY19 Public Works and Harbor department budgets. Assemblyman Hanson noted that the Planning and Zoning Commission (P&Z) held a work session on the Comprehensive Plan and will hold another; P&Z will hold a work session on March 6 to discuss a 3-year plan to evolve code enforcement procedures for housing.

B4. Civic Affairs Committee:

Assemblyman Brena noted that the Civic Affairs Committee held two meetings on Resolution No. 18-05R, which is on the agenda under item 7B.

B5. Health, Education and Welfare Committee:

Assemblyman Cochran reported that the Port Commission met, and Dave Hunz spoke about the Minto Mine acquisition by Pembridge Resources and the Tulsequah Project acquisition by BMC Minerals. Assemblyman Cochran reported that Steve Hites gave a cruise industry report and noted there are several new Disney ships in production and that SeaTrade will be held on March 5.

Assemblyman Cochran indicated that the draft FY19 Museum budget has increased less than one-percent from FY18; the draft FY19 Library budget has increased less than 2.4-percent from FY18; and the draft FY19 Clinic budget has decreased from FY18. Assemblyman Cochran noted that the Museum Board will be proposing a plan for storage and for public use of the Rapuzzi House; the Museum Board will hold a work session on March 15. Assemblyman Cochran noted that the Port Commission is proposing two capital projects in the FY19 budget, one for \$7.5 million for a floating dock, and another for \$50,000 for uplands planning.

B6. Parks and Recreation Committee:

Assemblyman J. Burnham indicated that he will schedule a Parks and Recreation Committee meeting in the upcoming week. Assemblyman J. Burnham indicated that the committee will review a code amendment to reduce the frequency of Recreation Board meetings from monthly to quarterly and will discuss possible locations for a seasonal campground.

C. Staff Report:

Borough Clerk Deach noted that Manager Hahn has asked for Assembly input regarding the Skagway Development Corporation (SDC) and its possible role in port development.

6. Communications to the Assembly:

A. Correspondence:

Clerk Deach noted that correspondence is included in the meeting packet from School Superintendent Josh Coughran, Kendall Emery, and Governor Bill Walker. No additional correspondence has been received.

B. Hear Citizens Present:

Michael Yee indicated that it has been a pleasure working with the Nahku Bay Property Oversight Ad Hoc Committee, and there has been great input from the public and from Assemblyman

Hanson. Mr. Yee indicated that the committee's recommendations in the meeting packet are a great foundation with public support, and Bud Matthews would be happy and proud of the result.

Wayne Selmer asked Assemblyman Henry if the committee is still discussing restricting Broadway Street to one-way traffic. Assemblyman Henry indicated that this is no longer being discussed. Mr. Selmer asked if there is any new information on the White Pass lease. Mr. Selmer asked if any Assembly members have met with Holland America Group and if there are any recordings or notes from these meetings. Mr. Selmer asked if the Municipality should consider hiring a staff engineer due to all of the engineering work needed by the Municipality. Mr. Selmer expressed concern regarding the potential purchaser of White Pass and how that would affect a new lease. Mr. Selmer asked who will run the Garden City RV Park, and what direction the Municipality will take with its RV park properties. Mr. Selmer noted that these RV parks are vital to Skagway, and the area across the river is not sufficient. Mr. Selmer indicated that if Skagway provided for the recycling of plastics and paper he would hardly have any garbage; Haines does not have regular recycling pickup but provides two locations to drop off recycling for a fee.

National Park Service (NPS) Superintendent Mike Tranel was present to answer any questions about agenda item 9A regarding the air quality monitoring agreement. Mr. Tranel indicated that NPS has sanded the Dyea Flats Road and will provide signage that the area is only minimally maintained; NPS cannot afford to maintain the road regularly. Mr. Tranel encouraged anyone to contact him about any road issues. Mr. Tranel indicated that he has accepted a position in Montana beginning at the end of May, and he will be managing four national parks in the area. Mr. Tranel indicated that it has been an honor to be part of the Skagway community and serve the public. Mr. Tranel noted that NPS plans to have an acting superintendent for three or four months during the summer and fall, and with the great NPS employees in town it should go fine. Mr. Tranel indicated that the NPS employees in Skagway are also community members, and he encouraged everyone to continue to work together.

Tom Cochran indicated it is nice to see a full Assembly table and noted that he is in support of putting money into the current incinerator system and emptying the ash pit; Skagway should take care of its own garbage and not ship it out. Mr. Tom Cochran reminded the Assembly that the solid waste from the wastewater treatment plant is required to be incinerated. Mr. Tom Cochran indicated that he supports the draft letter regarding the 2018 – 2021 draft STIP, and he appreciates the efforts of the Mayor, Manager, and Lobbyist. Mr. Tom Cochran agreed with Mr. Selmer and noted that a staff engineer has been discussed many times; a staff person can nip overspending in the bud and can protect the Municipality's interests. Mr. Tom Cochran indicated that he added the Holland America Group letter to the last Port Commission agenda; there was concern about making the letter public but it was included as public correspondence in the last Assembly meeting packet. Mr. Tom Cochran indicated it is the Municipality's fiduciary responsibility to look at the letter and indicated that there are concerns about the industry and clarification is needed about the sale of White Pass. Mr. Tom Cochran indicated that the Municipality needs to respond to the Holland America Group letter, and he encouraged the Municipality to hire specialized legal counsel to assist with lease negotiations.

Assemblyman S. Burnham clarified that his concern with the Holland America Group letter was not that it was public, as Holland America Group specifically asked it to be included as correspondence, but that the Port Commission would discuss the letter prior to the Assembly's discussion of the letter with the Borough Attorney. Assemblyman S. Burnham noted that the Municipality is in a fair negotiating process with White Pass because White Pass already has a lease; any offer from an entity without a current lease cannot be accepted unless the lease is put out to bid first. Assemblyman S. Burnham indicated that the Municipality needs to be fair to its bargaining partner, and the community could potentially look at the Port Commission discussion of the letter as the direction of the Municipality as a whole.

Tyler Rose of White Pass and Yukon Route Railroad updated the Assembly on two items. Mr. Rose indicated that TWC Enterprises announced in July of 2017 that it would be restructuring, and steps are needed at a higher level than his own regarding public announcements of any subsequent actions. Mr. Rose indicated that TWC is required as a publicly traded company to announce any sale; Mr. Rose needs direction from TWC prior to making any announcements. Mr. Rose indicated that a draft lease amendment has been sent to the Borough Attorney who is currently reviewing it; the process is continuing, and everyone understands the importance of constructing a floating dock to accommodate larger ships by 2020. Mr. Rose noted that mitigation on the rock slide area will be complete in April; the project involves a 35-foot-high fence that provides much improved protection of the area. Mr. Rose indicated that he will continue to share updates as progress is made.

7. **Ordinances, Resolutions & Proclamations:**

- A. **Introduction and First Reading of Ordinance No. 18-03:** Amending the FY18 Sales Tax, Capital Projects, and General Fund Budgets

Motion/Second: Henry/Cochran

To have first reading of Ordinance No. 18-03.

Assemblyman Cochran noted that the Finance Committee recommends adoption of the ordinance. Assemblyman Cochran indicated that there was some miscommunication, and the funding being moved with this ordinance is not Senior Center bond funding.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

- B. **Public Hearing and Adoption of Resolution No. 18-03R:** Reviewing and/or Amending Accounting Policies and Procedures

Motion/Second: Henry/S. Burnham

To adopt Resolution No. 18-03R.

Mayor Carlson opened the hearing to the public. No comments were made; Mayor Carlson closed the hearing to the public.

Assemblyman S. Burnham noted that this resolution reviews and updates current accounting policies and procedures.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

~~C. **Public Hearing and Adoption of Resolution No. 18-04R:** Amending Accounting Policies and Procedures to Implement a Federal Award Procurement Method~~

D. **Public Hearing and Adoption of Resolution No. 18-05R:** Establishing the Assembly Rules of Procedure

Motion/Second: Henry/S. Burnham

To adopt Resolution No. 18-05R.

Mayor Carlson opened the hearing to the public. No comments were made; Mayor Carlson closed the hearing to the public.

Assemblyman Brena noted that two Civic Affairs Committee meetings were held to review this resolution; the Borough Clerk attended the last meeting and the resolution has been reviewed by the Borough Attorney. Assemblyman Hanson indicated that the rules of procedure have been well discussed, and they clarify proper procedures so everyone is on the same page.

Clerk Deach noted that she discussed in depth Rule 3F with the Borough Attorney, and the effect of this rule is that the only way to cancel a special meeting that was scheduled by a majority vote of the Assembly is to call another special meeting to hold a vote on the cancellation, or to vote to cancel the special meeting at a regularly scheduled Assembly meeting. Clerk Deach indicated that the Borough Attorney sees the informal polling of members to cancel a special Assembly meeting as a possible violation of the Open Meetings Act.

Assemblyman Henry asked if an email counts as written notification under Rule 4D. Clerk Deach indicated that she interprets the rule to allow for email notification.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

8. **Unfinished Business:**

A. **Comments on 2018-2021 Statewide Transportation Improvement Program (STIP)**

Assemblyman S. Burnham noted that the Finance Committee recommends sending the letter as drafted for the meeting.

Motion/Second: S. Burnham/Cochran

To send the Statewide Transportation Improvement Program (STIP) letter dated February 23, 2018, to the Department of Transportation and Public Facilities.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

9. **New Business:**

A. **Approval of Agreement with National Park Service re: Air Quality Monitoring**

Mayor Carlson noted that the Assembly approved \$36,500 in FY18 funding for this project.

Motion/Second: S. Burnham/Cochran

To approve the National Parks Service air quality monitoring agreement.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

B. **Recommendation from Nahku Bay Property Oversight Ad Hoc Committee**

Assemblyman Hanson indicated that the committee kept in mind that the property would be used for recreation in the future and not development, and the water quality of the creek could be valuable in the future. Assemblyman Hanson indicated that addressing the two cabins was difficult due to their current state. Assemblyman Hanson indicated that a lot of discussion is still needed regarding a possible Southeast Alaska Land (SEAL) Trust arrangement and reserving instream water use rights as safeguards for the future. Assemblyman Hanson noted that the committee has spent 1.5 years developing guidelines and it has been very thorough and productive.

Assemblyman Cochran commented on the recommendation to give rental preference to a borough employee and indicated that when the A-frame was rented to an employee last year it was unfair because no other employees were asked. Assemblyman Cochran indicated that if an employee does not have to pay rent, that person's duties should be commiserate with the value of the rent.

Assemblyman S. Burnham indicated that the recommendations are well done, though he has some minor issues with punctuation. Assemblyman S. Burnham asked if there is a definition of "footprint" for the reference in SMC 16.14.030(B)(4). Mr. Yee indicated that the intent is for users to leave no trash or trace, and this language can be made more specific. Assemblyman S. Burnham asked what "green cleaning products" means under the proposed section 16.14.030(C)(3)(d)(iii). Mr. Yee indicated that the committee could make a list of what products should not be used. Assemblyman S. Burnham asked if Police Chief Ray Leggett had reviewed the Penalties section, as an effort was made in the past to clean up fine language in municipal code. Assemblyman S. Burnham indicated that the goal is to make sure the section is strong and clear enough to enforce. Assemblyman S. Burnham asked about whether or not the creek is officially named "Matthews Creek," and what would need to be done to legally name it. Assemblyman S. Burnham noted that the committee may consider amending SMC 8.10 Herbicides and Pesticides to include Matthews Creek.

Assemblyman Brena indicated that though there is a trend of non-impact uses listed as allowed recreational uses, the exception is A(8) regarding remote control airplanes; Assemblyman Brena asked about this inclusion. Mr. Yee indicated that Bud Matthews had traditionally allowed this use; the committee debated its inclusion and decided to leave it in. Assemblyman Brena asked if

horseback riding on the beach would work for such a small area. Mr. Yee indicated that Mr. Matthews had traditionally allowed this use recreationally, but the committee could remove it if there is a concern; there is no commercial horseback use on the property. Assemblyman Hanson noted that the Dyea Flats Management Plan chapter of code was used as a template for the Nahku Bay Conservation Area Management Plan. Mr. Yee indicated that there is an existing protocol for flying drones, and if drones have cameras users need permission to fly over any person.

Clerk Deach indicated that she could work with the committee to address Assembly concerns about the recommendation, and there are a couple of recommendations such as for the stele and the fire rings that could be addressed now.

Motion/Second: S. Burnham/Hanson

To approve the Nahku Bay Conservation Area Memorial Stele for \$1,100, with the Public Works Department assisting with installation if necessary; and upgrading the fire ring.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

Mr. Yee noted that the Municipality can hammer out details of the lease agreements for the cabins.

Motion/Second: Hanson/S. Burnham

To direct the clerk to work with Michael Yee and the ad hoc committee on updates to the draft code amendment proposal.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

C. Approval of Amendment to M&M Tours Agreement

Motion/Second: Henry/S. Burnham

To approve the amendment to the M&M Tours agreement for 2018.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

D. Authorization to Issue Request for Bids for Garden City RV Park Electrical Repair

Assemblyman S. Burnham indicated that the Finance Committee discussed this item; the packet material shows two quotes for different scopes of work and these are not bids for the work. Assemblyman S. Burnham noted that the lower amount does not include conduit. Assemblyman S. Burnham indicated that the Finance Committee recommends going out to bid for the direct burial cable scope of work because it is a short-term fix; this fix will last the life of the park and would then be removed because it is not suitable for housing purposes.

Motion/Second: Henry/Cochran

To authorize the manager to issue a request for bids for direct burial cable.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

E. Consideration of Proposal for Water/Sewer Installation Over the Bridge

Assemblyman Hanson indicated that he thinks the Assembly should move forward with this proposal. Assemblyman S. Burnham noted that an RFP process is not needed because it is professional design work. Mayor Carlson asked if Seven Pastures needs a lift station. Assemblyman Hanson indicated that a lift station is mandatory to make grade and it is the logical location on municipal property; sewer must be pumped over the bridge to tie into the existing sewer system.

Clerk Deach noted that the document proposes to build on an existing design for water installation to U.S. Customs housing, and will extend this design beyond that point to the DOT&PF shops.

Assemblyman S. Burnham asked if the Municipality should provide financial incentives such as loans to encourage private users to tie into the new system; in this way the asphalt would not need to be cut later. Assemblyman Brena asked why only one proposal is being considered at this time, as the work is not due to begin until the spring. Assemblyman Hanson indicated that the Assembly authorized staff to find a qualified firm to do this work, and PDC has the most experience with existing utility systems in Skagway. Assemblyman S. Burnham indicated that PDC is in town already for the Garden City RV Park, and Public Works Director Tyson Ames is comfortable working with them and believes they have a good product. Assemblyman Brena indicated that tie-in is normally required for private residences at some point, and there could be a relationship between the cost of the project and the fee to tie into it.

Motion/Second: Henry/Cochran

To have the manager move forward with the PDC proposal for \$209,078.

Assemblyman J. Burnham asked why an RFP was not issued for the work. Clerk Deach indicated that municipal code does not require an RFP process for professional services such as this.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

F. Consideration of Proposal for Mollie Walsh Restroom Expansion

Motion/Second: Henry/Cochran

To move forward with the Mollie Walsh restroom expansion proposal for \$24,297.

Assemblyman Henry noted that this is an appropriate expenditure from Commercial Passenger Vessel (CPV) excise tax funding.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

G. Consideration of Alaska Travel Adventures dba Liarsville Recreational Site – Seasonal Liquor License Renewal Application

Motion/Second: Hanson/Henry

To protest the Alaska Travel Adventures recreational site – seasonal liquor license renewal application for license 4567.

Motion failed unanimously by roll call vote, 0 yes, 6 no, 0 absent.

10. **Executive Session:**

(1) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Public Entity;

(2) Matters Which by Law, Municipal Charter, or Ordinance are Required to be Confidential:

A. **Discussion with the Borough Attorney** re: Legal Considerations of the Holland America Group Proposal and the Application of the Municipal Code

Motion/Second: Henry/S. Burnham

To recess the Assembly meeting and reconvene in executive session.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

Executive Session: 8:53 p.m. – 10:16 p.m.

Motion/Second: Henry/Hanson

To adjourn executive session and reconvene the Assembly meeting.

Motion passed unanimously by voice vote, 6 yes, 0 no, 0 absent.

Motion/Second: Henry/Cochran

To send Assemblymen Cochran and Hanson to meet with White Pass to discuss the Holland America Group letter.

Motion passed with Assemblyman Brena dissenting, 5 yes, 1 no, 0 absent.

11. **Mayor and Assembly Discussion Items:**

Assemblyman Hanson indicated that he is positive the Municipality is moving in the right direction to improve the housing situation by extending water and sewer over the bridge; this is the first step in the process, and he thanked the Assembly and staff for working on it.

Assemblyman S. Burnham noted that the manager wanted direction regarding potential SDC port responsibilities, and Assemblyman S. Burnham indicated he does not agree that the proposed approach is the right thing to do. Assemblyman S. Burnham indicated that a planner is needed for short- and long-term port planning, and the Municipality should consider hiring a port development director. Assemblyman S. Burnham indicated that it is best to hire a firm with resources that can aid the port director on the ground.

Motion/Second: S. Burnham/Brena

To direct the manager to not pursue the extended port responsibilities with the SDC.

Assemblyman Brena agreed with Assemblyman S. Burnham and noted that someone with experience should be hired. Assemblyman Brena indicated that he is not in favor of funding SDC going forward. The Assembly discussed its previous direction asking SDC to consider holding off on hiring an executive director until after the current budget process is complete.

Motion passed unanimously by roll call vote, 6 yes, 0 no, 0 absent.

Assemblyman S. Burnham congratulated NPS Superintendent Tranel and asked that the Municipality send him something. Assemblyman S. Burnham indicated that he is working with Clerk Deach and asking for assistance from the sound system company to figure out how to integrate the phone system into the sound system. Assemblyman S. Burnham indicated that this may take time, but the sound system company has been very responsive.

Assemblyman Brena indicated that as Assemblyman J. Burnham works on a seasonal campground location, the Municipality should look into budgeting now for temporary restrooms and showers on skids, which will be needed if a site is selected. Assemblyman Brena noted that Mr. Tom Cochran had good points and agreed that special legal counsel should be hired if the Municipality moves forward with a waterfront RFP. Assemblyman Brena noted that a staff engineer could dovetail in with the duties of a port director.

Assemblyman J. Burnham mentioned a pool, in case anyone is interested.

Mayor Carlson noted that the Municipality will not be getting rid of the incinerator, as it is still part of the solid waste program.

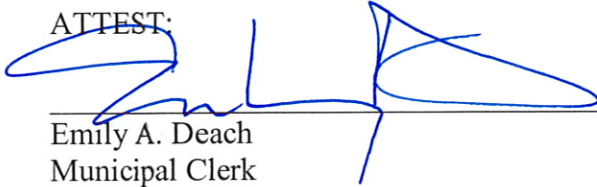
12. **Adjournment:**
Motion/Second: Henry/Cochran

To adjourn the meeting of March 1, 2018, at 10:36 p.m. **Motion passed by voice vote.**



Monica Carlson, Mayor

ATTEST:



Emily A. Deach
Municipal Clerk

(SEAL)

Approved: **March 15, 2018**

