



MUNICIPALITY OF SKAGWAY, ALASKA  
REGULAR ASSEMBLY MEETING

July 21, 2022  
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1. **Call to Order:**

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

Mayor Cremata formally acknowledged that the Assembly is gathered on the traditional land of the Chilkat people.

The pledge of allegiance was recited.

2. **Roll Call:**

**Present:** Mayor: Andrew Cremata **Assembly Members:** Sam Bass, Jay Burnham, Orion Hanson, Reba Hylton, Deb Potter, Dustin Stone

**Absent:**

3. **Approval of Minutes:**

- A. June 21, 2022 – Special Assembly
- B. July 7, 2022
- C. July 12, 2022 – Special Assembly

**Main Motion/Second: Bass/Stone**

To approve the June 21, 2022 Special Assembly minutes, July 7, 2022 Regular Assembly minutes, and July 12, 2022 Special Assembly minutes.

The main motion passed by roll call vote, 6 yes, 0 no, 0 absent.

4. **Approval of Agenda:**

**Main Motion/Second: Hanson/Stone**

To approve the July 21, 2022, Regular Assembly meeting agenda.

The main motion passed as amended by roll call vote, 6 yes, 0 no, 0 absent.

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

A. **Mayor's Report:**

Mayor Cremata indicated that there is a mayor's report included in the meeting packet, and added that the art by Beau Dennis, recently installed on the Shoreline Park restrooms is amazing.

B. **Assembly Committee Reports:**

A. **Assemblymember Jay Burnham:**

**Motion/Second: Burnham/Potter**

To approve the check run dated July 22, 2022, totaling: \$1,555,197.68.

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

Assemblymember Burnham indicated that finance met on July 20, 2022. Burnham indicated that the Finance Committee reviewed and recommended approval of:

- the police department audit
- the school kitchen change order
- Ordinance 22-07 regarding issuance of a port revenue bond

Assemblymember Burnham indicated that the Finance Committee approved the following applications for Community Grant Funding:

- CCS Senior Services
- Little Cherubs Daycare
- Little Dippers Daycare
- SCCC Admin Services
- SDC CDS Fiscal Sponsorship Program
- SDC Small Business Resource
- North Words Writers Symposium

Assemblymember Burnham indicated that the Finance Committee reviewed a draft ballot measure proposing an increase in sales tax to build a swimming pool.

2. **Assemblymember Bass** indicated that the Fire Department had began interviews for a full-time training officer.

**C. Reports from Boards, Commissions, and Solid Waste Advisory Committee**

- Solid Waste Advisory Committee Report dated July 20, 2022

**D. Manager's Report :**

Manager Ryan indicated that his written report is in the packet.

**6. Communications to the Assembly:**

**Mayor Cremata** indicated that he has a draft letter to Katherine Keith with the Alaska Department of Transportation, which he would like approval to send.

**A. Correspondence:**

Correspondence was received from:

- Fagerstrom re Medallion Program (July 7, 2022)
- Weidner re Bus Traffic (July 12, 2022)
- Paul Taylor re Port Conceptual Plan (July 19, 2022)

**B. Hear Citizens Present**

**John Tronrud** indicated that:

- After a 65 year lease of the waterfront to PARN, all of a sudden control of the area is being dropped in the Municipality's lap.
  - It was big mistake allowing PARN to control the waterfront for that long.
  - It was a mistake to allow DOT to take over the ferry peninsula because they aren't utilizing it as they should.
  - It is a mistake to move forward too quickly on a status quo project or in adopting Ordinance 22-07.
- More flexibility is needed in how the Municipality can use the \$65 million dollar bond should it pass.

**Larry Dumouchel** indicated that:

- He would encourage the Assembly to find a solution to the rockslide issue as it is an economic and a liability concern.
- A good local revenue source would be for a startup water bottling company as Skagway might have some of the best water in the world.
- The RV Park should be upgraded and maintained.
- The fiber optic cable that has recently been installed should be able to carry an enormous bandwidth. Dumouchel indicated that he does not understand why Skagway has such slow internet.
- More medical services that can support retirees could help them decide to relocate to Skagway.

**Tyler Rose, for White Pass** indicated that:

- White Pass is pleased to see the Municipality engage and look forward to working collaboratively.
- White Pass has responded to Manager Ryan's request for information.
- White Pass has been monitoring and have undertaken multiple projects in response to the rockslide area.
- White Pass submitted a letter to the Municipality in March of 2020, outlining a joint effort to seek State funding, to support rockslide mitigation, and looks forward to coordinating data collected by White Pass contractors as well as Municipal contactors.

**Mavis Henricksen** indicated that:

- The Municipality will need a court order in response to White Pass impeding a smooth transition on the waterfront.
- She objects to the first reading of Ordinance 22-06 regarding the dissolution of the Historic District Commission.
  - The Municipality should instead hire a planner.

**Valerie Larson** indicated that:

- She is extremely concerned about the rockslide area.
  - It is a matter of time before something devastating occurs down there.

- Housing in Skagway is atrocious; folks need clean, mold free, affordable housing.

**Tim Cochran** indicated that:

- The proposed dock project is a replacement project that does not meet the needs of the waterfront fuel business.
- The Municipality should be cautious before undertaking the massive \$65 million dollar revenue bond.
- The Municipality should consider Paul Taylor's suggestions.
- The project is moving along too fast.

**Paul Taylor** indicated that:

- The Municipality needs the revenue from two docks to retire the debt.
- His plan would be able to accommodate the revenue required to retire the construction debt.
  - Mr. Taylor explained his plan (which is including in correspondence).

**Dave Hunz** indicated that:

- He is concerned that the dock project may not keep freight flowing, the terminal going, and products coming into Skagway could be disrupted during the construction process.
- It will be detrimental to Skagway's economy if the port is developed as it grows.
  - If someone else develops the industrial shipment, some of the economy may be diverted and not return.

## 7. Ordinances, Resolutions, & Proclamations:

- A. Introduction and First Reading of Ordinance No. 22-06 Amending Title 19 Planning and Zoning to Disestablish the Historic District Commission and Reassign its Duties to the Planning and Zoning Commission

**Mayor Cremata** indicated that the Historic District Commission has had difficulty attaining quorum, and this will allow Planning & Zoning to take on the duties of the HDC. Cremata indicated that this was just a pause on the commission, and it could be brought back if the population improved.

**Main Motion/Second: Hylton/Potter** For introduction and first reading of Ordinance 22-06.

Assemblymember Hanson indicated that this ordinance was throwing the baby out with the bathwater. Hanson indicated that code could be changed so that the commission is no longer required to meet monthly.

Assemblymember Potter indicated that she would support the passage at first reading.

Assemblymember Burnham indicated that it may help if committee members were compensated for their attendance to meetings.

Assemblymember Bass indicated that since the Historic District Commission themselves recommended passage of this ordinance, he would support it at first reading.

**Motion passed by roll call vote, 4 yes, 2 no, 0 absent; with Assemblymembers Hanson and Stone dissenting.**

- B. Introduction and First Reading of Ordinance No. 22-07 Authorizing the Issuance of Port Revenue Bonds in an Aggregate Principal Amount not to Exceed \$65,000,000 to Acquire, Construct, and Equip Improvements to the Borough's Port Facilities

**Motion/Second: Hanson/Burnham** For public hearing and adoption of Ordinance 22-07.

**Assemblymember Hanson** indicated that a lot of work has gone into the planning of this port improvement project and that it is not status quo, and added that:

- The revenue bond will be retired by the funding earned from running the dock.
- If the Municipality waits to improve the dock structures, it will not put Skagway in a good position in the future.
- This is an opportunity to maintain Skagway's economy and stability.

**Assemblymember Bass** indicated that Skagway needs the project to remain viable and added that he agrees with Mr. Tronrud that the Municipality should allow some flexibility in the ordinance in case the plans are modified.

**Assemblymember Stone** indicated that he agrees with Mr. Tronrud regarding added flexibility as well.

**Assemblymember Hylton** indicated that she has full confidence in the plan in front of the Assembly, and that it would be foolish not to move forward with it.

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

8. Unfinished Business:

9. New Business:

- A. Approval of Memorandum of Understanding with Skagway Traditional Council re: Archaeological Assessment

**Motion/Second: Potter/Hylton** to approve the memorandum of understanding with the Skagway Traditional Council regarding the archeological assessment.

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

- B. Approval of Police Department Audit Proposal

**Motion/Second: Bass/Potter** approve the proposal for an analysis audit of the police department by McGrath consulting group and the amount of \$55,277.

Manager Ryan indicated that McGrath conducted an audit of the Fire Department and did a great job and had excellent follow up. Ryan indicated that the Police and Fire Departments are high profile departments with lots of impact and benefit to the community. Audits such as this could help to improve the department.

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

C. Approval of School Kitchen Change Order

**Motion/Second: Hanson/Hylton** to approve the kitchen change order by Island Contractors in the amount of \$49,842.

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

D. Discussion of Shannon & Wilson Report re: Initial Rockslide Site Visit Trip

Assemblymember Bass indicated after reviewing the report from Shannon & Wilson and given the onsite observation and historic movement of the slide, along with an apparent increase in movement, it appears that there is significant risk to life and property.

Assemblymember Potter indicated that many visitors and workers pass below the rockslide area. The visitors are looking for their shore excursions and aren't aware of the potential dangers. Potter indicated that the Municipality must make sure no one gets hurt.

Manager Ryan indicated that the assessment will be crafted with a goal toward mitigation; the contractor is being encouraged to be in Skagway as early as possible in August. The Municipality is reaching out to the State for funding assistance.

Assemblymember Hylton indicated that she has worked the dock in the slide area and now has a niece who is working in that vicinity; and it is unacceptable that an employer would risk its employees by causing them to work under the slide area.

**Main Motion/Second: Stone/Potter** to request White Pass suspend regular operations on the Railroad Dock, while allowing use of the Railroad Aft for the tendering of passengers, until such a time that proper rockslide mitigation has taken place.

**Secondary Motion/Second: Potter/Hylton** to call the question.

**Secondary Motion passed by roll call vote, 4 yes, 2 no, 0 absent, with Assemblymembers Stone and Bass dissenting.**

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

7. **Executive Session:**

- A. Pursuant to AS 44.62.310(c)(1) and (3), Matters That May Have a Significant Adverse Impact on the Finances of the Municipality and Which are Confidential by Law, Protected by the Attorney-Client Privilege: Discussion with the Borough Attorney Regarding Port Development Strategy, Tariff Document, Leasing, and Berthing

**Motion/Second: Hanson/Stone** to enter executive session for the purpose of discussing matters that may have a significant adverse impact on the finances of the Municipality and which are confidential by law and protected by the attorney-client privilege; a discussion with the borough attorney regarding Port Development Strategy, Tariff Document, Leasing, and Berthing.

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

**Executive Session occurred between 9:25 p.m. and 10:16 p.m.**

- B. Pursuant to AS 44.62.310(c)(1) and (3), Matters That May Have a Significant Adverse Impact on the Finances of the Municipality and Which are Confidential by Law, Protected by the Attorney-Client Privilege: Discussion with the Borough Attorney Regarding Hosford vs. Municipality of Skagway Litigation

**Motion/Second: Hanson/Stone** to enter executive session for the purpose of discussing matters that may have a significant adverse impact on the finances of the Municipality and which are confidential by law and protected by the attorney-client privilege; a discussion with the borough attorney regarding the Hosford vs. Municipality of Skagway Litigation.

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

**Executive Session occurred between 10:16 p.m. and 10:52 p.m.**

**Mayor Cremata** indicated that the Assembly directed the attorney and manager to continue to defend the Municipality.

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

**The Assembly** indicated “no objection” to the mayor sending a joint letter, dated July 27, 2022, with Haines Borough to ADOT in support of their ferry concept.

**Assemblymember Hanson** indicated that:

- AP&T is moving forward with permitting on replacing the underwater sea cable from Kasidaya to Smuggler’s Cove.
- A gravel sidewalk is being installed on Spring Street from the train loading area to the city hall area.

- Princess Cruise Lines, Holland America, Blackstone, Survey Point Holdings, and their shareholders should know that the correspondence the Municipality received indicating that White Pass would remove the dock pilings and infrastructure that allow cruise ships to tie up in Skagway would effectively eliminate half of the revenue on the train, as well as cripple the town.

**Assemblymember Potter** indicated that:

- The purpose of government is to keep people safe.

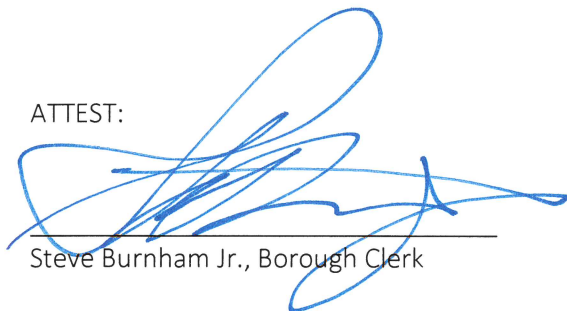
**Assemblymember Burnham** indicated that a stop sign on 7<sup>th</sup> and Spring has been removed and now buses go speeding along Spring Street; the speed bump that was going to be installed, has not been.

**Assemblymember Bass** indicated that in addition to government's role to ensure safety, it is just as important for government to enshrine personal freedoms and keep those sacred.

**12. Adjournment:**

With no more business on the agenda, Mayor Cremata adjourned the regular Assembly meeting of July 21, 2022 at 11:10 p.m.

ATTEST:



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Steve Burnham Jr., Borough Clerk

(SEAL)

**Approved: August 4, 2022**



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Andrew Cremata, Mayor

