



MUNICIPALITY OF SKAGWAY, ALASKA
REGULAR ASSEMBLY MEETING

January 19, 2023
Page 1 of 10

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 Tlingit people.

The pledge of allegiance was recited.

2. Roll Call:

Present: **Mayor:** Andrew Cremata **Assembly Members:** Sam Bass, Jay Burnham, Orion Hanson, Dan Henry, Reba Hylton (via telephone), Deb Potter (via telephone)

Absent:

3. Approval of Minutes:

- A. December 1, 2022
- B. December 15, 2022

Motion/Second: Bass/Henry

To approve the December 1, 2022 and December 15, 2022 minutes.

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

4. Approval of Agenda:

Motion/Second: Hanson/Henry

To eliminate item 9C.

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

Motion/Second: Hanson/Henry

To approve the now amended agenda.

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

5. Reports of Officials and Committees:

A. Mayor's Report:

Mayor Cremata indicated that the written Mayor's report is in the packet, and added that he accompanied Megan Brocklesby, the Department of Health representative for Skagway, to provide overdose kits and tools to local businesses. Mayor Cremata indicated that the lives of friends and neighbors cannot be replaced and the Municipality will make sure these tools are available to everyone in the community so that people have a better chance of survival in the event of an overdose.

B. Assembly Committee Reports:
A. Assemblymember Jay Burnham:

Motion/Second: Burnham/Hanson

To approve the check run dated January 19, 2023, totaling: \$1,637,893.03

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

At its meeting of January 18, 2023, Finance Committee did the following:

- Reviewed Ordinance 23-01 Amending 4.08.070 Sales Tax Proceeds—Finance Committee recommends Assembly approval.
 - Reviewed Resolution 23-01R Providing for the Issuance and Sale of Port Revenue Bonds—Finance Committee recommends Assembly approval.
 - Reviewed Resolution 23-02R Amending Fees for Use of the Garden City RV Park and the Pullen Creek RV Park—Finance Committee recommends Assembly approval with amendments provided in the packet.
 - Reviewed Resolution 23-03R Adopting an Alternative Allocation Method for the FY23 Shared Fisheries Business Tax Program—Finance Committee recommends Assembly approval.
 - Reviewed the 2023-2024 Lobbying Proposal—Finance Committee recommends Assembly approval.
 - Reviewed the Draft FY21 Audited Financial Statements—Finance Committee recommends Assembly approval.
 - Reviewed and recommends the Assembly award the Appraisal Contracts for Port of Skagway Upland Leases to Reliant.
 - Discussed raising the property tax exemption for seniors and disabled veterans.
- B. **Assemblymember Bass** indicated that the Public Safety Committee met on January 18, 2023 and discussed the illicit drug concerns in Skagway and how overdose response kits can be distributed throughout the community. There was also a demonstration by a representative from the Department of Health about how to use such kits.

6. Communications to the Assembly:

A. Correspondence:

- From Ethan Berto re Temsco Helicopters Lease Negotiations dated January 17, 2023

B. Hear Citizens Present

Tim Cochran, Petro Marine Services indicated:

- His thanks to Megan from the Department of Health for her presentation during the Public Safety meeting.
- That the Petro Marine Services corporate office has been working with the Manager and Port Director and the Petro Marine legal department has sent a red line copy that should be received soon.
- He would like to request a timeline be sent regarding the appraisal of the upland leases.

Tom Cochran indicated that:

- He applauds the Municipality and the Police Department's response to the recent overdose tragedies.

- He supports the approval of the John Walsh lobbying proposal.
- Packet materials added at the last minute and not publishing correspondence gives the appearance that the Municipality is hiding something.

Lea Mauldin indicated that:

- She would like to respond to Mayor Cremata's recommendation that she be removed from the clinic board because of a potential conflict of interest with her new position as Accounting Clerk at the Municipality.
 - She has reviewed clinic policies and municipal code and does not believe a conflict is likely.
 - If a conflict occurs, she will recuse herself from the discussion--just as Assemblymembers do.
- She hopes that the Assembly will not remove her from the Clinic Board of Directors.

Rocky Outcalt indicated that:

- He understands the drug addiction issues are ongoing in the community; the community should resolve to remove the demand for these illicit drugs.

Kelly Healy, of Temsco Helicopters indicated that:

- Temsco has submitted a letter offering compromise for their lease negotiations regarding the lease term and the leasing of the improvements.
- Temsco is trying to decide if they should invest in the improvements for a lease that is short term and may become the future location for a ferry terminal.
- There should be leeway granted to businesses that have made improvements to the leased land.

Jaime Bricker indicated that:

- As Tourism Director for the Municipality, she supports the proposed amendments to Resolution No. 23-02R made by the Finance Committee.
- As a citizen of Skagway, she requests that the Assembly find a way to bring back published correspondence of the public.

Megan Brocklesby, Public Health Nurse for State of Alaska indicated that:

- She and Mayor Cremata worked to distribute Naloxone throughout the community, including red boxes in public spaces, small kits to individuals, as well as fentanyl test strips.

Corey Bricker, of Alaska Marine Lines indicated that:

- The lease expires on March 19, 2023; 60 days from now.
 - They have been working with the manager and port director on lease negotiations, but they have many concerns.
 - The goal is to offer a similar level of service with a similar cost structure; however, under a new lease, it is not clear what level of service will be provided or what the rates will be.

Chief Reddick, of Skagway Police Department indicated:

- His thanks to Mayor Cremata and Manager Ryan for their support.
- Commendation to his team of officers and dispatchers for their tireless work.
- That he is hopeful that they will make an arrest, or multiple arrests, for the distribution of illicit drugs in Skagway.
- That the police department is here for the community.

Jonathon Flood indicated that:

- He appreciated the presentation at the Public Safety Committee meeting regarding what to do in case of an overdose, but he felt that the overall concern for the community was glossed over.
- He would like to hear that the elected officials and public safety department are being proactive to create an opioid and drug-free community.

Mayor Cremata indicated that since there is an Executive Session scheduled and members of the public may not be around for the Mayor and Assembly discussion items, he would like to comment on the topic of public correspondence:

- Some letters received over the previous year needed to be redacted or omitted due to legal concerns, including HIPAA violations, that could potentially bring lawsuits against the Municipality.
- Correspondence addressed to the Mayor and Assembly are not necessarily meant for public distribution and by adding them to the website, the Municipality becomes the publisher and the legalities of publishing need to be considered. If the Municipality publishes a letter that contains untrue statements about another person, even though the Municipality did not write the letter, they could be found guilty of libel because it was published on the Municipal website.
- If a citizen wants to make sure that the public can see correspondence they submit, then they will need to take on the responsibility of publishing it and addressing it to the community via the newspaper or social media.
- He has proposed a compromise: He will maintain a folder on the bulletin board at City Hall. If a member of the public submits a letter to the Assembly and they would like it to be available to the entire community, then they can place a copy of that letter in the folder so that anyone can come and look at it. The contents of the folder will then be placed on the back table before each Assembly meeting.

5. Reports of Officials and Committees:

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

D. Manager's Report

Manager Ryan indicated that:

- The dock extension is moving forward. He will be traveling to Seattle for the simulations to make sure we are engaging with cruise alliance and pilots so we understand what their concerns might be.

- Conversations with Yukon delegates regarding their possible investment of \$13.9 million for a marine services platform will continue with meetings in Vancouver next week.
- The revenue bond is on the agenda tonight to decide how much to take in the first allocation. \$30 million is proposed to avoid paying interest on money the Municipality is not yet using. If more funds are needed, another request can be made in the fall.
- The Transfer Station will be going out to bid soon.
- Rockslide mitigation continues to move forward. Rock Supremacy will be returning in February to install the attenuators. White Pass has indicated that they will be ordering the dock protection materials.

7. Ordinances, Resolutions, & Proclamations:

A. Introduction and First Reading of Ordinance No. 23-01: Amending 4.08.070 Sales Tax Proceeds

Motion/Second: Henry/Burnham for the introduction and first reading of Ordinance No. 23-01.

Assemblymember Burnham indicated that this Ordinance allows the Municipality to put more money received from sales tax into the general fund. As it stands now, 4.5 mills of sales tax go into the general fund, and this Ordinance raises that to 6 mills. This will add \$656,715 to the general fund to cover increasing costs for the Municipality. Mills is a measure of the total value of the town and does not signify an increase in citizens' property tax.

Assemblymember Henry indicated that when it comes time to vote on raising sales tax, he hopes people will refer to this Ordinance to understand where that increase will be allocated to.

Assemblymember Hanson indicated that this is just changing the formula so that the Municipality can pay the bills.

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

B. Public Hearing and Adoption of Resolution No. 23-01R: Providing for the Issuance and Sale of Port Revenue Bonds

Motion/Second: Henry/Burnham for the adoption of Resolution 23-01R.

Public Hearing

Tom Cochran indicated that the Resolution references dedicating CPV funds for the Port Revenue Bond, but when the bond was voted on, the Municipality's past message was that the bond would be paid with user fees. The Resolution also does not indicate how much of that CPV would be dedicated to pay the bond.

Public Hearing was closed.

Assemblymember Hanson indicated that this document was written by a bond attorney, and if the Municipality wants to receive the \$65 million bond, then it cannot be changed in any way; CPV funds are a backup in case user fees cannot cover the bond payments.

Assemblymember Burnham indicated that if it becomes necessary make bond payments using CPV, the Municipality may but is not obligated to.

Manager Ryan indicated that the language regarding CPV funds is a security measure, in case there is not enough port revenue to make the bond payment.

Assemblymember Hanson indicated that it is improbable that the Municipality would have high CPV funds and no port revenue.

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

- C. Public Hearing and Adoption of Resolution No. 23-02R:** Amending Fees for the Use of the Garden City RV Park and the Pullen Creek RV Park

Main Motion/Second: Henry/Hanson to adopt Resolution No. 23-02R.

Public Hearing

The public hearing was closed with no comments.

Assemblymember Burnham indicated that after receiving some input and direction from the Tourism Director and the person who takes reservations for the RV park, the Finance Committee made a few modifications in the proposed amendment—adjusting the cancellation policy from 14 days to 3 days, and removing the wifi fees.

Primary Amendment/Second: Hanson/Henry to adopt the amendments as proposed by Finance.

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

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

- D. Public Hearing and Adoption of Resolution No. 23-03R:** Adopting an Alternative Allocation Method for the FY23 Shared Fisheries Business Tax Program

Motion/Second: Henry/Hanson to adopt Resolution No. 23-03R.

Public Hearing

The public hearing was closed with no comments.

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

8. Unfinished Business:

- A. Rockslide – Update

Manager Ryan provided an update on the rockslide mitigation project. He anticipates that the testing of the mitigation efforts will be conducted in early spring.

9. New Business:

A. Approval of Assembly Assignments: Liaisons

Mayor Cremata indicated that he brought this forward because there are a few new members on the Planning & Zoning Commission and he wanted them to benefit from Assemblymember Hanson's experience.

Motion/Second: Henry/Bass to approve the Assembly Assignments for the P&Z Liaison.

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

B. Confirmation of Appointments to the Dahl Memorial Clinic Board of Directors

Mayor Cremata indicated that he is proposing to remove Lea Mauldin from the Dahl Memorial Board of Directors and replacing her with Ethan Jansen, as well as adding Joel Jorgensen as an alternate. The Clinic Board is different than the Assembly and other boards because it must adhere to HRSA guidelines. The Municipality needs to be cautious about possible conflicts of interest.

Assemblymember Hanson indicated that it would be appropriate to appoint the two new applicants to the vacant alternate seats and decide on the mayor's recommendation to remove a member after the executive session.

Main Motion/Second: Hanson/Burnham to appoint Ethan Jansen and Joel Jorgensen to the two open alternate seats on the clinic board.

Secondary Motion/Second: Bass/Henry to table the appointment for the clinic discussion.

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

Item '9B Confirmation of Appointments to the Dahl Memorial Clinic Board of Directors' was placed on the table.

D. Approval of 2023-2024 Lobbying Proposal

Motion/Second: Hanson/Henry to approve the Lobbying Proposal for John Walsh.

Assemblymember Bass indicated that Mr. Walsh is very professional and is an asset to the community.

Assemblymember Henry indicated that Mr. Walsh's work has been very impactful to our community.

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

E. Approval of Draft FY21 Audited Financial Statements

Motion/Second: Burnham/Hanson to approve the audited Financial Statements.

Assemblymember Burnham indicated that sales tax and CPV reserves were not used as heavily as was budgeted due to higher revenues and reduced spending.

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

F. Waterfront Upland Lease Negotiations— Update

Manager Ryan provided an update on Upland Lease Negotiations:

- Code requires that market rent be paid for any Municipal owned property and he is receiving some pushback regarding paying market value rent on the improvements that have been made.
- Temsco is requesting a longer lease term; however, the RFP indicated that the Municipality would only consider longer terms for those who are making capital investments on the property.
- The Petro Marine tanks are a liability to the Municipality and a request regarding the condition of the tanks has been submitted by the Municipality.
- Appraisal proposals in today's packet will help to educate the Municipality what the market rent is.
- CLAA has indicated that they are interested in renting the office space they have been in and suggested that they would pay reasonable market rent.

G. Discussion of Terms of Duration of Temsco Lease

Motion/Second: Hanson/Bass to authorize the manager to negotiate with Temsco a three-year lease term at market rent, including uplands and improvements, with a two-year option to extend.

Motion passed by roll call vote, 5 yes, 1 no, 0 absent, with Assemblymember Burnham dissenting.

H. Award of Appraisal Contract for Port of Skagway Upland Leases

Motion/Second: Hanson/Bass to award the appraisal contract for the Upland Leases.

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

10. **Executive Session:**

- A. Pursuant to AS 44.62.310(c)(1), Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Public Entity: Discussion related to the Continued Operation of the Dahl Memorial Clinic

Motion/Second: Hanson/Henry to adjourn and reconvene in Executive Session.

Motion passed with no objections.

Motion/Second: Hanson/Bass to reconvene as Assembly.

Motion passed with no objections.

Executive Session lasted from 9:00 p.m. to 10:12 p.m.

9. New Business:

- B. Confirmation of Appointments to the Dahl Memorial Clinic Board of Directors

Motion/Second: Hanson/Henry to pick up item 9B that was previously tabled.

Motion Passed with no objections.

[Clerk's Note: The main motion to appoint Ethan Jansen and Joel Jorgensen to the two open alternate seats on the clinic board is still active]

Main Motion/Second: Hanson/Burnham to appoint Ethan Jansen and Joel Jorgensen to the two open alternate seats on the clinic board.

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

11. Mayor and Assembly Discussion Items:

Assemblymember Potter indicated that:

- She wants to acknowledge Rocky Outcalt's words; the idea of dismissing a suspicion and replacing it with trust. Some community members have not been comfortable working with the police. She wants to be clear that she has nothing but respect and trust in our current Chief of Police, and she encourages the community to work with him and his team. The community will get through this by thinking of us as whole.
- She would like to address Jonathan Flood's concerns that Skagway is not the safe place he thought it was; Skagway is the safest place she has ever lived. What makes Skagway safe is that we are a community that works together.

Assemblymember Burnham indicated that:

- The police officers in this town are regular people that you can speak with if you are having a problem and they will help you.

Assemblymember Bass indicated that:

- He would like to extend his praise to the Skagway Police Force. They carry a burden and have hundreds of hours that will be added to their already heavy schedule. They are willing to put in the work to get to a resolution.
- If there is anyone out there that is having an addiction problem, please try to go get help. There are countless people who have found that life is better on the other side of addiction. There is help available, just reach out and ask for it and find a way into recovery.

Assemblymember Hanson indicated that:

- He applauds the mayor's efforts to make citizen correspondence available.

- The Municipality is proposing market rent to the upland lease holders, and that is fair.
- He will be attending Mineral Roundup with the mayor and Port Director. The manager and Port Director Jennings will also be attending the simulations of the proposed ore dock and will be going to Transpac to see the 500-foot float that is being constructed.
- He is happy to be returning to the Planning and Zoning Commission as liaison.
- He does not believe that hauling ore this summer is viable once the lease expires as the Municipality has not been given the opportunity to conduct due diligence.
- He has had friends who have died because of narcotics, and family members who will never be the same--it is difficult.
- Monday, January 15, 2023 was Martin Luther King, Jr. Day and Assemblymember Hanson read a quote by Mr. King: "Darkness cannot drive out darkness. Only light can do that. Hate cannot drive out hate. Only love can do that."

Assemblymember Henry indicated that:

- He has no position for or against citizen correspondence. Having a letter included in the packet does not give more validity to the correspondence, nor does it affect what the Assembly may or may not do with it. The issue has nothing to do with transparency. If a writer wants the public to see their correspondence to the Assembly, then they have several ways of making that happen that does not involve the Municipality publishing it on the website.

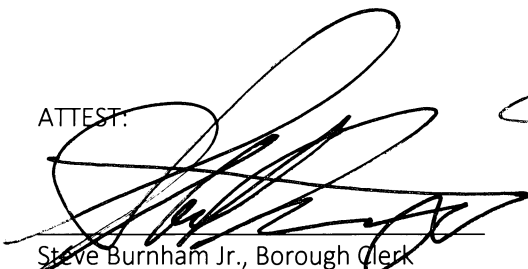
Mayor Cremata indicated that:

- He feels hopeful because of the hard work of the clinic, first responders, police department, fire department, health entities across the state of Alaska, and the community members' response to the overdose crisis. The community is pulling together for all of the right reasons. The effort by the state and the police will save lives, and he cannot express enough gratitude for the hope they have provided.
- There are 57 days until the community will, for the first time in its history, take control and manage its own port. It will not be easy, but it will be a reason to celebrate.

12. Adjournment:

With no more business on the agenda, Mayor Cremata adjourned the regular Assembly meeting of January 19, 2023 at 10:35 p.m.

ATTEST:



Steve Burnham Jr., Borough Clerk
(SEAL)



Andrew Cremata, Mayor

Approved: February 16, 2023

