



MUNICIPALITY OF SKAGWAY, ALASKA
REGULAR ASSEMBLY MEETING

March 2, 2023
Page 1 of 9

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:** Jay Burnham, Deb Potter, Sam Bass, Orion Hanson, Reba Hylton, Dan Henry (via telephone)

Absent:

3. **Approval of Minutes:**

- A. February 2, 2023
- B. February 10, 2023: Special Meeting

Motion/Second: Bass/Hanson

To approve the February 2, 2023 Assembly and February 10, 2023 Special Meeting Minutes.

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

4. **Approval of Agenda:**

Motion/Second: Potter/Bass

To approve the agenda.

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:

- He received phone calls from Senators Murkowski and Sullivan after the fire over the weekend and that it is nice to know they are paying attention and care about what is happening in our community.

B. **Assembly Committee Reports:**

A. **Assemblymember Jay Burnham:**

Motion/Second: Burnham/Hanson

To approve the check run dated March 2, 2023.

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

At its meeting of March 1, 2023, Finance Committee did the following:

- Reviewed Ordinance No. 23-03: Authorizing the Municipality of Skagway to Lease Tidelands Property to Alaska Maine Lines, Inc.
 - Finance recommends Assembly approval.
- Reviewed Ordinance No. 23-04: Authorizing the Municipality of Skagway to Lease Tidelands Property to Cruise Line Agencies Alaska.
 - Finance recommends Assembly approval.
- Reviewed Ordinance No. 23-05: Authorizing the Municipality of Skagway to Lease Tidelands Property to TEMSCO Helicopters, Inc.
 - Finance recommends Assembly approval.
- Reviewed Ordinance No. 23-06: Authorizing the Municipality of Skagway to Lease Tidelands Property to Petro 49, Inc.
 - Finance recommends Assembly approval.
- Reviewed Resolution 23-07R: Committing Matching Funds for the Seven Pastures Pedestrian Path Improvements Project.
 - Finance recommends Assembly approval.
- Reviewed Resolution 23-08R: Approving General Terms for an Export Cooperation Agreement with the Yukon Government for Construction of a Marine Services Platform.
 - Finance recommends Assembly approval.
- Reviewed Resolution 23-09R: Directing the Royal Caribbean Cruise Lines \$75,000 Donation Towards Senior Programs and Facility.
 - Finance recommends Assembly approval.
- Reviewed Fuel Tank Historical Report Estimate.
 - Finance recommends Assembly approval.
- Reviewed ADA 10-Station Portable Restroom Trailer Quote
 - Finance recommends Assembly approval.
- Reviewed Ore Terminal Removal and Ore Terminal Area Dredging Proposals.
 - Finance does not recommend Assembly approval.
- Reviewed the Fire Alarm Inspections Contract.
 - Finance recommends the Assembly award the contract to Taylor Fire Protection Services.
- Discussed a Budget for a Special Event Commemorating the Future of the Port of Skagway.
 - Finance had a few questions and did not make a recommendation.

Assemblymember Hanson indicated that there will be a Public Works Committee meeting scheduled in the coming weeks.

Assemblymember Bass indicated that as the chair of the Public Safety Committee he would like to thank all of the first responders, volunteers, private citizens, businesses, and other city and state officials that assisted with the 9th Avenue fire; a special thank you to Chief Rauscher, Chief Reddick, and all of their departments for their work in fighting the fire in the cold, making sure no lives were lost and the fire did not spread.

Assemblymember Hylton indicated that Civic Affairs met on February 21, 2023 and unanimously recommended the Assembly approve the letter regarding the Royal Caribbean Cruise Line donation.

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

Mayor Cremata indicated that there are reports in the packet from the Dahl Memorial Clinic Board and the Solid Waste Advisory Committee.

D. Manager's Report :

Manager Ryan indicated that:

- The Fire Marshal's office was in town to investigate the 9th Avenue fire, and while the official report will not be complete for a few weeks, their determination was that the fire was accidental in nature due to electrical problems.

E. Treasurer's Report :

Mayor Cremata indicated that the treasurer's report is in the packet.

6. Communications to the Assembly:

A. Correspondence:

Correspondence was received from:

- D. McBee re: Skagway Ore Peninsula Plan
- J. Plachta, of Lynn Canal Conservation, Inc. re: Ore Terminal Proposals
- National Park Service re: Judith Munns

B. Hear Citizens Present

Harold Jahn, of Prosperity Investments Alaska indicated that:

- He met with the manager about removing the ore loading equipment for \$1.
- There is a rumor that they would take this equipment to Haines, but their intent is to send the equipment to Bellingham to be refurbished.
- They are meeting with the Department of Natural Resources to fast-track approval to remove the structure. Since it is all above water, they believe this could be completed by April 28th.
- The project could create 45 local jobs to dismantle it.
- They could provide a detailed cost analysis within seven days.

Michelle De Kennedy indicated that:

- She would like the Municipality to bring back the siren to notify the community that there is a fire.

7. Ordinances, Resolutions, & Proclamations:

- A. Introduction and First Reading of Ordinance No. 23-03:** Authorizing the Municipality of Skagway to Lease Tidelands Property to Alaska Marine Lines, Inc.

Motion/Second: Hanson/Potter to adopt Ordinance 23-03.

Manager Ryan indicated that to follow code there must be an ordinance to put Municipal properties up for lease. Alaska Marine Lines requested to only lease two acres of the originally leased property. This means the Municipality will have control of the dock and we will also be maintaining it to our standards.

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

B. Introduction and First Reading of Ordinance No. 23-04: Authorizing the Municipality of Skagway to Lease Tidelands Property to Cruise Line Agencies Alaska.

Motion/Second: Potter/Hanson to adopt Ordinance 23-04.

Manager Ryan indicated that CLAA requested to continue using the space and since the Municipality will be working closely with them on scheduling and providing security, it seemed appropriate to lease it to CLAA while the Municipality develops a longer-term plan for the future.

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

C. Introduction and First Reading of Ordinance No. 23-05: Authorizing the Municipality of Skagway to Lease Tidelands Property to TEMSCO Helicopters, Inc.

Motion/Second: Bass/Hanson to approve the first reading of Ordinance No. 23-05.

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

D. Introduction and First Reading of Ordinance No. 23-06: Authorizing the Municipality of Skagway to Lease Tidelands Property to Petro 49, Inc.

Motion/Second: Potter/Bass to approve the first reading of Ordinance No. 23-06.

Manager Ryan indicated that an appraisal for the leased area is forthcoming. This proposal is for an eight-month lease to allow Petro Marine and the Municipality to negotiate a longer-term lease at a later date, as it will likely be over \$5 million and would need to go to a public vote.

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

E. Public Hearing and Adoption of Resolution No. 23-07R: Committing Matching Funds for the Seven Pastures Pedestrian Path Improvements Project

Motion/Second: Potter/Burnham to adopt Resolution No. 23-07R.

Public Hearing

The Public Hearing was closed with no comments.

Assemblymember Potter indicated that these matching funds would be necessary to receive the grant, but that the Municipality is not obligated to accept it if awarded next year. If built, it would create a total

of 791 linear feet of accessible trails to seven pastures. This would increase recreational opportunities for people who have mobility issues.

Manager Ryan indicated that if awarded, DOT would complete the project and likely not until next year. The Municipality would also have to provide a potential contingency of \$21,000. The grant application required a Resolution from the Assembly.

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

F. Public Hearing and Adoption of Resolution No. 23-08: Approving General Terms for an Export Cooperation Agreement with the Yukon Government for Construction of a Marine Services Platform.

Motion/Second: Potter/Hanson to adopt Resolution 23-08R.

Public Hearing

Justin Ferbey, Deputy Minister of Economic Development in the Yukon indicated that he and his team have a responsibility for international trade and mining is a longstanding part of driving their economy. It is vital that they have access to a deep-sea port like Skagway. They are hoping to achieve a government-to-government relationship with the Municipality.

Michael Prochazka, Assistant Deputy Minister of Operations in the Yukon indicated that the Export Cooperation Agreement is meant to represent both the interests of Skagway and the Yukon. Discussions with the manager have led to the provisions around access, duration of use, discounts, and the Municipality's eventual ownership of the asset. They are hopeful they can continue to work with the Municipality and come to a final decision and agreement.

Public Hearing was closed.

Assemblymember Bass indicated that he supports Skagway having a diverse economy and maintaining an industrial component of the waterfront, but he does not support the terms outlined in this resolution. The Municipality is just coming out of a long lease of the waterfront and should not get locked into this 35-year agreement. An alternative to this agreement would be for the Municipality to finance the marine services platform without investment from the Yukon; the Yukon would still have access but Skagway would maintain autonomy to determine how the waterfront is used. Another alternative would be that the Yukon pays for building the marine services platform with an option for Skagway to buy out their investment if the deal is no longer advantageous to our community.

Assemblymember Hanson indicated that he would like to know if there is some flexibility with the amount of land committed to use by the Yukon, because we do not know what the future holds and the Municipality may have a need for land that is directly adjacent to the uplands.

Michael Prochazka indicated that they are not fixed to the four acres amount and would be open to discussing that.

Manager Ryan indicated that if the resolution is passed then it authorizes him to execute an agreement with the basic terms in the Resolution and would not necessarily come back to the Assembly. While the 35-year length is long, it is very important to build this relationship, and if we were to lease the land to the Yukon over that time, rent would total to about \$13 million. That is lower than their investment of \$17 million to build the dock.

Secondary Motion/Second: Hanson/Hylton to amend the term sheet to provide 3 to 4 acres on the waterfront and 3 to 4 acres off waterfront, for a total of 6 acres.

Secondary Motion passes by roll call vote, 5 yes, 1 no, 0 absent; with Assemblymember Bass dissenting.

Secondary Motion/Second: Bass/ to amend the term of the agreement to 5 years with renewal for 5 years by mutual agreement.

Secondary Motion fails due to lack of second.

Secondary Motion/Second: Potter/Hanson to establish the automatic review at 15 years instead of 20.

Secondary Motion passes by roll call vote, 5 yes, 1 no, 0 absent; with Assemblymember Bass dissenting.

Secondary Motion/Second: Bass/ to amend the Resolution by removing section 2.

Secondary Motion fails due to lack of second.

Assemblymember Henry indicated that he has concerns regarding the Municipality not having any control over the volume of truck traffic coming in to town.

Manager Ryan indicated that because the Municipality would be operating the facility, there would be some level of control over truck volume. He believes it could be wise to have some legislation limiting that and he does not believe the Yukon would protest that.

Secondary Motion/Second: Bass/ to postpone this item to the next meeting.

Secondary Motion fails due to lack of second.

Main Motion passed as twice amended by roll call vote, 5 yes, 1 no, 0 absent; with Assemblymember Bass dissenting.

G. Public Hearing and Adoption of Resolution No. 23-09R: Directing the Royal Caribbean Cruise Lines \$75,000 Donation Towards Senior Programs

Motion/Second: Hylton/Potter to adopt Resolution No. 23-09R.

Public Hearing

Public hearing was closed with no comments.

Assemblymember Hylton indicated that this is a generous donation from Royal Caribbean. There has been a need for the seniors to have a designated place for them to gather, and this resolution would designate \$50,000 of the donation money to outfit the property on 21st and State, and the remaining \$25,000 for a coordinator type position.

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

8. Unfinished Business:

9. New Business:

- A. Approval of Letter to Royal Caribbean Cruise Lines re: Donation

Motion/Second: Hylton/Potter to approve the letter to Royal Caribbean.

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

- B. Consideration of Marijuana License Renewal Applications
1. Coyote and Toad's Garden, LLC, Limited Marijuana Cultivation Facility License #10141
Renewal Application

Motion/Second: Hanson/Potter to protest the renewal application for Coyote and Toad's marijuana cultivation facility license.

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

- C. Approval of Fuel Tank Historical Report Review Estimate

Motion/Second: Potter/Burnham to approve the Fuel Tank Historical Review Estimate.

Manager Ryan indicated that the Municipality needs to know the condition of the tanks to help us understand what is and is not a concern before we enter a lease with Petro Marine.

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

- D. Approval of ADA 10-Station Portable Restroom Trailer Quote

Motion/Second: Hanson/Hylton to approve the Portable Restroom Trailer Quote for \$142,240.

Assemblymember Hanson indicated that this would be a portable facility with five stalls for men, five stalls for women, and one unisex bathroom.

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

- E. Consideration of Ore Terminal Removal Proposal

Motion/Second: Bass/Burnham to consider the Ore Terminal Removal Proposal

Assemblymember Hanson indicated that the Municipality is on a tight timeline and he does not believe this removal would be completed within the timeline indicated.

Assemblymember Potter indicated that she is not willing to risk a delay and interfere with cruise ship traffic, and she will not support this proposal.

Manager Ryan indicated that he is also concerned about the timeline, and that the proposer could work with the contractor who wins the bid to obtain the dismantled ore loader.

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

F. Consideration of Ore Terminal Area Dredging Proposal

Motion/Second: Bass/Hanson to consider Ore Area Dredging Proposal.

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

G. Award of Fire & Alarm Systems Inspections Contract

Motion/Second: Hanson/Potter to award Fire & Alarm Systems Inspection Contract to Taylor Fire Protection Services for \$149,804.

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

H. Approval of a Budget for a Special Event Commemorating the Future of the Port of Skagway

Motion/Second: Hylton/Hanson to approve the budget for a Special Event Commemorating the Future Port of Skagway in an amount not to exceed \$10,000.

Mayor Cremata indicated that there has been some public comment requesting a town photo, and the community prides itself on a rich history and this will commemorate that. There will also be invitations going out to dignitaries, and a brochure to give out to remember the event.

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

10. Executive Session:

11. Mayor and Assembly Discussion Items:

Assemblymember Potter indicated that:

- She is in awe of our majority volunteer fire department who kept the fire from spreading in the wind and cold and thanked everyone who helped out.

Assemblymember Hylton indicated:

- Her thanks to Royal Caribbean for their donation jumpstarting a project that is very important to our community.
- That she is proud of the relationship we are building with the Yukon.
- She has accepted the position of Tourism Director in Haines and she will be resigning in the future.

Assemblymember Hanson indicated:

- His sincere thanks to the fire department, police department, manager Ryan, and all of the volunteers. It is difficult to watch your business burn to the ground, but the spirit of cooperation makes this a great community.

Assemblymember Bass indicated:

- That it was a great job done by the fire department, police department, and EMS.
- Congratulations to Assemblyperson Hylton and thank you for your service.

Assemblymember Henry indicated:

- His thanks to Assemblyperson Hylton for your service; it will be Skagway's loss and Haines' gain.

Mayor Cremata indicated that:

- He has a lot of appreciation for the hard work of the first responders, fire department, police department, and volunteers.
- There is value in building relationships and he is very grateful to come to an agreement with the Yukon Government.
- He expressed his gratitude to everyone at the Assembly table for the civil discourse, maintaining respect, and being gracious in the way business is conducted at the table.

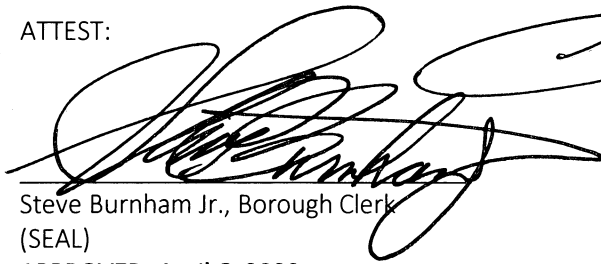
12. Adjournment:

Motion/Second: Henry/Hanson to adjourn the meeting.

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

Mayor Cremata adjourned the regular Assembly meeting of March 2, 2023 at 9:27 p.m.

ATTEST:



Steve Burnham Jr., Borough Clerk
(SEAL)

APPROVED: April 6, 2023



Andrew Cremata, Mayor

