



MUNICIPALITY OF SKAGWAY, ALASKA  
REGULAR ASSEMBLY MEETING

July 20, 2023  
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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 Tlingit people.

The pledge of allegiance was recited.

2. **Roll Call:**

**Present:** Mayor: Andrew Cremata **Assembly Members:** Deb Potter, Sam Bass, Orion Hanson, Dan Henry, Jay Burnham, Alex Weddell

**Absent:**

3. **Approval of Minutes:**

- A. June 15, 2023
- B. June 23, 2023: Special

**Motion/Second: Hanson/Bass**

To approve the June 15, 2023 Assembly and June 23, 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.

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:

- His written report is in the packet.

B. **Assembly Committee Reports:**

A. **Assemblymember Jay Burnham:**

**Motion/Second: Burnham/Hanson** to approve the check run dated July 20, 2023.

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

Assemblymember Burnham indicated that Finance met on July 19, 2023 and did the following:

- Reviewed Ordinance No. 23-19: Increasing the Sales Tax Rate to 6.5% During the 2nd and 3rd Quarters, and Directing the Borough Clerk to Place a Proposition on a Special Election Ballot.
  - Finance recommends Assembly consideration.
- Reviewed Ore Dock Redevelopment Construction Management Proposal.
  - Finance recommends Assembly approval.
- Reviewed the Contract for Municipal Facilities Heating Fuel.
  - Finance recommends Assembly approval.
- Reviewed the Draft Letter of Support for Spruce Root’s EPA Greenhouse Gas Reduction Fund Application.
  - Finance recommends Assembly approval.
- Reviewed Rock Slope Mitigation 100% Design Services Proposal.
  - Finance recommends Assembly consideration.

**Assemblymember Potter** indicated that Parks and Recreation met on July 18, 2023. They discussed Resolution No. 23-XXR: Amending the Dyea Campground Rules and moved to send to the Assembly for consideration. They also recommended staff proceed with soil testing at the new community garden and discussed locations of a new outhouse.

**C. Treasurer’s Report:**

**D. Manager’s Report:**

**Manager Ryan**, indicated that:

- His written report is in the packet.
- The first meeting in August will have a recommendation regarding the lease with Petro Marine; either a long-term ballot item to be placed before voters or another short-term extension.

**6. Communications to the Assembly:**

**A. Correspondence:**

**B. Hear Citizens Present**

**Sharon Bolton** indicated that:

- She would like to speak to Ordinance 23-19; she urges the Assembly to place the item on the next ballot and also send a fact sheet to all P.O. Box holders that shows what sales tax can be used for:
  - \$1.8 million in payments for bonds the voters approved
  - \$2.6 million in school funding
  - \$293,000 in capital projects
  - \$947,000 in clinic support
  - Property tax mill rate reduction resulting in \$800,000 that would have gone to the general fund to support the fire department, police department, library, museum, and donations to KHNS and childcare providers, among other things the people of Skagway want funded.

- The Municipality has two main sources of income: property tax and sales tax.
- This increase would result in \$1.50 increase on a \$100 purchase.
- She is concerned that if this sales tax increase does not pass, there will need to be budget cuts in 2024, a possible property tax increase, or a possible need to discontinue the sales tax holiday in the winter when residents need it most.

**Tim Cochran, Petro Marine Services** indicated that:

- The amount of money the Assembly is spending is concerning.
- Petro Marine did not bid on the fuel bid because they are short staffed and cannot compete with city wages and benefits.
- The newest drawing for port redevelopment still shows three pipelines and he was under the impression the existing pipelines would be left intact during the first phase of construction.

**Lea Mauldin** indicated that:

- She has reviewed Resolution 23-27R several times, and while she understands the intent behind it, she does not agree that it should be adopted.
- To remain in compliance with the HRSA grant, the clinic board must approve the selection and termination of the executive director.
- Municipal code states that when there is a vacancy, the clinic board shall establish a search committee consisting of two board members, the borough manager, and the ex-officio of the clinic board with a purpose of finding and recommending a qualified executive director to the board. Then the board would need to approve the selection.
- With a committee already in place, she does not see a need for this resolution. If the intent is to have an odd number of members to avoid a tie vote, then the deputy borough manager could be added to the existing committee.

**Michelle De Kennedy** indicated that:

- She believes the existing code is sufficient to find an executive director and that Resolution 23-27R is unnecessary.
- There have been two instances of contracts not being signed in a timely manner, and a provider was lost due to this issue.
- She would like to see the Municipality and the clinic board either work together or go their separate ways.

**Lisa Mandeville** indicated that:

- She has concerns regarding Resolution 23-27R:
  - It conflicts with current municipal code. If the intent is to change code, then an ordinance would be more appropriate.
  - There is an existing executive director search in progress and she does not believe the process should be changed mid-process. There are currently two candidates that the existing committee would like to move forward with interviews.
  - It has not been reviewed by the clinic board, nor any assembly committee. The resolution has been public for less than one week.
  - The clinic representative on the selection committee should be chosen by the clinic board and not the manager.

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

A. **Mayoral Proclamation: Declaring July 22, 2023, as Idaho Potato Day in Skagway**

**Mayor Cremata** read his proclamation in full for the record:

**WHEREAS:** On the auspicious day, July 22nd, 2023, the Skagway community will gather in solidarity and celebration for the long-awaited Idaho® Potato Day in Skagway, making history as we welcome the Big Idaho® Potato Tour for their 49th state visit and the first time ever in Alaska; and

**WHEREAS:** On this very day, we take a momentous step forward in bridging the gap between our states – Idaho and Alaska; and

**WHEREAS:** As we come together to savor the bountiful harvest of the Idaho® potato, we not only share our love for the iconic spud but strengthen our connection with our fellow Americans; and

**WHEREAS:** The Idaho® potato, an ever-present staple of our tables and kitchens, is the manifestation of our shared dedication to hard work, innovation, and unity;

**NOW, THEREFORE,** as a tribute to this remarkable occasion, I, Mayor Andrew Cremata, do hereby proclaim July 22nd, 2023, as Idaho® Potato Day in Skagway, Alaska! As we indulge in this delightful day full of festivities, let us remember the importance of community and commonality. In times of division and uncertainty, let us revisit the essence of America – the root of what binds us together. We rise above the fray and beyond our individual states. We unite as one nation, embracing our collective love for what is simple, honest, and wholesome. Together, let us rejoice on this historic day as we welcome the Big Idaho® Potato Tour and our dear friends from Idaho. May the triumphant Idaho® potato's journey forge new connections, friendships, and adventures. In the spirit of unity, love, and potatoes, Andrew Cremata, Mayor and Idaho® Potato Day Supporter.

B. **Public Hearing, Second Reading, and Adoption of Ordinance No. 23-11: Amending Code to Add a Secretary to the Skagway Visitor Advisory Board**

**Motion/Second: Henry/Hanson** to adopt Ordinance No. 23-11.

**Public Hearing**

The Public Hearing was closed with no comments.

**Assemblymember Weddell** indicated that civic affairs reviewed all of the visitor advisory board code and will bring more amendments forward at another time.

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

C. **Public Hearing, Second Reading, and Adoption of Ordinance No. 23-17: Amending the FY23 Budget to Account for a School Budget Adjustment, West Creek Levee Design, and an Additional Police Officer**

**Motion/Second: Henry/Hanson** to adopt Ordinance No. 23-17.

**Public Hearing**

The Public Hearing was closed with no comments.

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

**D. Introduction and First Reading of Ordinance No. 23-19: Increasing the Sales Tax Rate to 6.5% During the 2nd 3rd Quarters, and Directing the Borough Clerk to Place a Proposition on a Special Election Ballot**

**Main Motion/Second: Henry/Burnham** for first reading of Ordinance No. 23-19.

**Clerk Burnham** indicated that there is a typo in the heading and that the proposition would go on the regular October election ballot.

**Assemblymember Bass** indicated that he has reservations about bringing it back to the public so soon after it was voted down.

**Assemblymember Potter** indicated that it is worth reconsidering, especially after the thick of the summer season with extra burdens and increased need.

**Assemblymember Hanson** indicated that there should be better outreach to the public.

**Assemblymember Henry** indicated that if the community wishes to present itself every summer as the best destination available in Southeast Alaska, then the Municipality needs the increased revenue stream to be able to support the heavy use and increased wear and tear that comes with that. The other way to increase revenue is through property tax, but that is an increased burden on the year-round residents.

**Assemblymember Weddell** indicated that she can see the need for this increase; however, she is also concerned about asking the exact same question of the voters just six months later.

**Secondary Motion/Second: Weddell/Bass** to amend Ordinance No. 23-19 to increase the sales tax rate to 6% instead of 6.5%.

**Assemblymember Henry** indicated that an increase in sales tax would be easier for residents to absorb into their budgets than having their property tax nearly double.

**The Secondary Motion failed by roll call vote, 3 yes, 4 no, 0 absent; with Assemblymembers Burnham, Hanson, and Henry dissenting with Mayor Cremata breaking the tie by voting no.**

**Assemblymember Burnham** indicated that he believes the public is educated but may not be aware of some of the newly determined needs, such as additional police officers. The reason the increase is in the 2nd and 3rd quarters is so the visitors pay the bulk of the increase. Local citizens can wait until the sales tax holiday to purchase big ticket items, and if not, then it is only a small increase. The Assembly cannot raise taxes, they can only request that the public ratify a proposed tax increase.

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

**E. Public Hearing and Adoption of Resolution No. 23-27R: Executive Director Selection Committee**

**Motion/Second: Henry/Potter** to adopt Resolution 23-27R.

**Public Hearing**

The Public Hearing was closed with no comments.

**Mayor Cremata** indicated that he asked the borough attorney to draft this resolution and requested he attend this meeting telephonically to answer any questions.

**Bob Blasco, Borough Attorney** indicated that:

- Ordinances are how code is changed, but it can also be done through a resolution by making changes that are consistent with code.
- The resolution is in compliance with HRSA requirements. The only requirement they have is that the clinic board ultimately approves the selection.

**Assemblymember Bass** indicated that there should be more time spent on this, including going through committee.

**Assemblymember Weddell** indicated that she has concerns about changing the process in the middle of actively hiring and that it would only promote further delay to make changes now.

**Mayor Cremata** indicated that he thinks the clinic board should be autonomous and file as a non-profit. The clinic could then come to the Assembly once a year for a budget request, and they would be empowered to make decisions and act autonomously. For now, it is being operated as a department of the municipality, and the hiring process should reflect that.

**Assemblymember Hanson** indicated that he believes the clinic representative should be determined by majority vote of the clinic board.

**Secondary Motion/Second: Hanson/Bass** to move Resolution 23-27R to Health, Education & Welfare.

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

**8. Unfinished Business:**

**9. New Business:**

- A. Consideration of Liquor License Renewal Applications
1. Gold Rush Brewery LLC dba Klondike Brewing Co., Liquor License #4695 Renewal Application

**Motion/Second: Hanson/Henry** to protest liquor license #4695.

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

B. Approval of Ore Dock Redevelopment Construction Management and Support Proposal

**Motion/Second: Potter/Hanson** to approve the ore dock redevelopment contract.

**Manager Ryan** indicated that there is a lot to manage in this project and it is not something that can be managed in house with our limited staff. This is the kind of oversight needed to make this project successful.

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

C. Award of Contract for Municipal Facilities Heating Fuel

**Motion/Second: Potter/Hanson** to award the contract for municipal facilities heating fuel to Klondike Fuels at \$0.96 per gallon.

**Assemblymember Henry** indicated that he would like to know why Petro Marine Services did not submit a bid.

**Tim Cochran, Petro Marine Services** indicated that with the increased cost of operations and with only two drivers on staff they are stretched to the limit.

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

D. Approval of Draft Letter of Support for Spruce Root's EPA Greenhouse Gas Reduction Fund Application

**Motion/Second: Potter/Hanson** to approve the draft letter of support for Spruce Root's EPA Greenhouse Gas Reduction Fund application.

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

E. Approval of Rock Slope Mitigation 100% Design Services Proposal

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

**Motion/Second: Hanson/Potter** to set the Mayor and Assembly discussion items on the table.

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

11. **Executive Session:**

**Motion/Second: Hanson/Henry** to go to executive session at 8:52 p.m.

**Motion passed with no objection.**

**Motion/Second: Hanson/Henry** to reconvene as the assembly at 9:25 p.m.

**Motion passed with no objection.**

**Mayor Cremata** indicated that the Assembly directed the attorney to proceed as directed.

**9. New Business:**

**Motion/Second: Potter/Burnham** to revisit agenda item 9E, approval of rock slope mitigation 100% design services proposal.

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

E. Approval of Rock Slope Mitigation 100% Design Services Proposal

**Main Motion/Second: Potter/Henry** to approve rock slope mitigation 100% design services proposal.

**Assemblymember Hanson** indicated that finance was unable to discuss this item at their meeting. He has some concerns and it should be looked at more thoroughly and possibly use the legislative grant funds for a different use, such as continued rock scaling.

**Manager Ryan** indicated that the legislative grant was approved based on a scope of work for design. If the Assembly wants to use it for a different scope of work, then an amendment would need to be requested from the legislative grant agency, which may or may not accept the changes.

**Secondary Motion/Second: Potter/Henry** to send the rock slope mitigation 100% design services proposal to the next finance meeting.

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

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

**Assemblymember Hanson** indicated that:

- He is looking forward to the start of the ore dock redevelopment project.

**Assemblymember Potter** indicated that:

- She participated in a clinic board meeting in January where it was unanimously agreed that municipal staff would be requested to help in the executive director search. Resolution 23-27R highlights that a code clean up is necessary.
- The president of the clinic board told her that the SEARHC issue was never a problem with hiring an executive director, which contradicts comments made by the vice-president of the clinic board to the Assembly.

**Assemblymember Weddell** indicated that:

- The word "potato" has been mentioned 30 times at tonight's meeting.

**Assemblymember Burnham** indicated that:



- He would request that the manager find out if the legislative grant can be used for other rockslide work as opposed to the specific design work. He would like to discuss it at the next finance meeting.
- He would like to know how many gallons of fuel the municipality has had delivered over the last few years.

**Motion/Second: Burnham/Weddell** to direct staff to figure out the amount of fuel used by the Municipality over the past three years for delivery.

**Assemblymember Burnham** indicated that it was suggested during finance that the Municipality might look into delivering its own fuel.

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

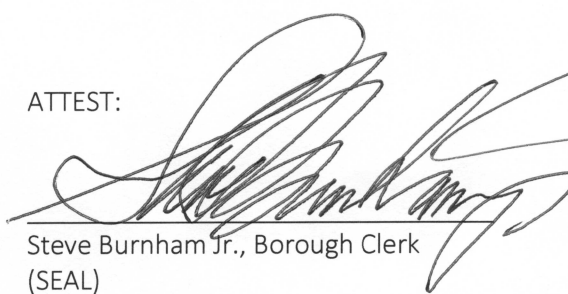
**Mayor Cremata** indicated that:

- If businesses are having trouble hiring people, there are better solutions than blaming the local government for raising their wages.
- There is increased spending happening because there is a \$65 million bond that the community chose to build a dock and prioritize cruise ships.

**12. Adjournment:**

With no more business on the agenda and receiving no objection from the Assembly, Mayor Cremata adjourned the regular Assembly meeting of July 20, 2023 at 10:05 p.m.

ATTEST:



Steve Burnham Jr., Borough Clerk  
(SEAL)



Andrew Cremata, Mayor

**Approved: August 17, 2023**

