



MUNICIPALITY OF SKAGWAY, ALASKA
REGULAR ASSEMBLY MEETING

February 15, 2018
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DRAFT

1. **Call To Order:**

Assemblyman Henry called the meeting to order at 7:00 p.m.

2. **Roll Call:**

Present: Mayor: Monica Carlson (via telephone) **Assembly Members:** Jay Burnham (via telephone), Steve Burnham Jr. (via telephone), Orion Hanson, Dan Henry

Absent: David Brena, Tim Cochran

3. **Approval of Minutes:**

Minutes for the February 1, 2018, regular Assembly meeting were approved as presented by roll call vote, 4 yes, 0 no, 2 absent.

4. **Approval of Agenda:**

The agenda of the February 15, 2018, regular Assembly meeting was approved as presented by roll call vote, 4 yes, 0 no, 0 absent.

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

A. **Mayor's Report:**

Mayor Carlson thanked Assemblyman Henry for chairing the meeting. Mayor Carlson reported that she attended Southeast Conference and also met with Rep. Sam Kito, Sen. Dennis Egan, Department of Transportation and Public Facilities (DOT&PF) Commissioner Marc Luiken, Lt. Governor Byron Mallott, and Governor Bill Walker, and discussed full funding, the ferry float replacement project, Klondike Highway passing lanes, highway resurfacing and widening, and vehicle lanes at the border station. Mayor Carlson thanked Borough Lobbyist John Walsh for his dedication and hard work for Skagway.

Mayor Carlson reported that Lt. Gov. Mallott spoke to Southeast Conference on February 14, 2018, and noted that he had recently traveled to Ottawa with Sen. Dan Sullivan; Skagway's neighbors to the north see Skagway as an increasingly important energy corridor and deep-water port. Mayor Carlson indicated that Lt. Gov. Mallott will provide Mr. Walsh with his notes from the Ottawa visit to pass on the Skagway.

Mayor Carlson reported that she and Manager Hahn attended a Department of Environmental Conservation (DEC) meeting with all stakeholders at the DEC office on February 13, 2018, where Blair McDonald of Golder Associates presented a more detailed report on the ore basin contamination. Mayor Carlson noted that DEC is reviewing the Golder report in-house and has also hired an outside firm to review the report; review should be completed within 60 days, at which time an additional stakeholder meeting will be held.

Mayor Carlson indicated that she attended a breakout session at Southeast Conference with Southeast Cruise Port Association, and learned that in 2018 Alaska will experience tourist and

cruise grown, to approximately 1.1 million visitors. Mayor Carlson indicated that preliminary growth estimates for 2019 show a 12-percent increase to 1.3 million visitors, and Skagway should experience 1 million visitors for the first time in 2019. Mayor Carlson indicated that Skagway's future is bright.

Mayor Carlson noted that there is a letter from Holland America Group in the correspondence packet regarding a lease and partnership proposal; legal counsel has requested that the Assembly refrain from discussing the proposal at tonight's meeting.

**B1. Finance Committee:
Motion/Second: S. Burnham/Hanson**

To approve the check run of February 15, 2018:

- General checks 115344 through 115528 and EFT totaling \$273,654.32;
- Payroll checks 115336 through 115343 and Direct deposits DD19121 through DD19190 totaling \$146,081.83;
- Grand total of \$419,736.15.

Motion passed by roll call vote, 4 yes, 0 no, 2 absent.

B2. Public Safety Committee:

Assemblyman Henry reported that the Public Safety and Civic Affairs Committees met again regarding parking and traffic flow; progress is being made and another meeting will be scheduled soon. Assemblyman Henry indicated that not everything will change, but improvements will be made due to what the Municipality knows will be a busier season this year. Assemblyman Henry indicated that alternate parking locations are being considered to alleviate congestion, and the one-way northbound traffic idea does not have traction and will not be pursued. Assemblyman Henry indicated that one change will involve the staging pattern for larger buses incorporating the artery road between Congress Way and Broadway Street; the Public Works Department will do some groundwork to enable larger buses to make the turn there. Assemblyman Henry indicated that he wants to keep the momentum going, as these issues are important in light of increases in vessels and visitors that will result in more tour vehicles on the road.

B3. Public Works Committee:

Assemblyman Hanson reported that the Public Works Committee met to discuss Public Works capital projects, including the Mollie Walsh restrooms, State Street utility work, the odor control program, the Broadway sidewalk project, and a handful of other projects. Assemblyman Hanson noted that the committee also discussed potential fee changes for solid waste, as mixed loads are brought to the incinerator and require more staff time and cause delays; an increased fee for these mixed loads will help recoup the cost of the additional labor needed to sort the waste.

Assemblyman Hanson reported that the Planning and Zoning Commission (P&Z) met and finalized a draft code amendment proposal addressing vacation rentals. Assemblyman Hanson

noted that Permitting Official Shane Rupprecht has done a lot of work on the matter and they now have good baseline information about what is needed to regulate vacation rentals in Skagway. Assemblyman Hanson indicated that generally, if the vacation rental is owner-occupied there would be no limitation on use as long as the property is maintained for life safety; if the property is not owner-occupied, the number of permits issued will be limited so as not to exacerbate the housing issue. Assemblyman Hanson reported that the minimum lot size for RV parks was discussed; the minimum is currently 60,000 square feet but vacant lots of this size do not exist in Skagway. Assemblyman Hanson indicated that P&Z did not find it wise to change the minimum lot size for RV parks. Assemblyman Hanson noted that P&Z approved a conditional use permit for a property at Third Avenue and Main Street.

B4. **Civic Affairs Committee:** None.

B5. **Health, Education and Welfare Committee:** None.

B6. **Parks and Recreation Committee:** None.

C. **Staff Report:**

6. **Communications to the Assembly:**

A. **Correspondence:**

Correspondence in the meeting packet includes: a letter from Kim Burnham regarding the Higher Ground Program and the Fruit and Nut Tree Planting Initiative and their respective resolutions on the agenda; a letter from the Skagway Development Corporation in response to Manager Hahn's letter; and a letter from the Holland America Group regarding an economic partnership. No additional correspondence was received.

B. **Hear Citizens Present:**

Simon Vansintjan voiced support for the Fruit and Nut Tree Planting Initiative and the Higher Ground Program, and noted that they are two awesome initiatives that the Municipality supports that are also inexpensive.

Port Commission Chair Tom Cochran reported on the last Port Commission meeting in December, and noted that Dave Hunz gave public comment about several items. Mr. Cochran indicated that Mr. Hunz reported that the Minto Mine is planning four more years of operation at a reduced rate of about 40,000 tons per year, which equates to four ore ships per year. Mr. Cochran indicated that Mr. Hunz is also worried about the effects of the ferry schedule and highway closures on fresh fish transfer; in the last year over two million pounds of fish was brought in to Skagway on the ferry and shipped out via the highway. Mr. Cochran indicated that Mr. Hunz noted that the northern mines need to be kept informed about the Municipality's intent for mining beyond 2023, and questioned the metes and bounds and square footage of the lease area described in the recently approved memorandum of understanding (MOU) with White Pass. Mr. Cochran indicated that the Port Commission discussed at its last meeting the direction of the Municipality, and Manager Hahn

had noted that he would bring additional information to the next Port Commission meeting. Mr. Cochran indicated that the letter from Holland America Group is interesting and time is needed to digest it; it is pretty significant and indicates that there is some movement.

Jan Wrentmore thanked the Emergency Medical Technicians (EMT) who hauled her off of the hill on a stretcher recently and to all of the Clinic staff who helped her instead of watching the football game that day. Ms. Wrentmore indicated that a summer campground at Yakutania Point is a terrible idea for a variety of reasons; it has no water or sewer and is a fire hazard, especially in light of recent dry summers during which the undergrowth is like kindling. Ms. Wrentmore indicated that she has taken steps to reduce the fire risk on her property and the proposed campground would be right under her deck; she has been told that if a fire started at Yakutania Point it would spread quickly to the border due to the prevailing winds from the south during the summer. Ms. Wrentmore indicated that she has 12 acres of undeveloped land in Liarsville that is just sitting there, and this could be developed for use along with other available lands if water and sewer are extended over the bridge. Ms. Wrentmore indicated that the water table is high in the area and the water and septic are questionable; providing water and sewer to the area over the bridge would help solve a lot of housing issues.

Tim Bourcy encouraged the Assembly to support maximum funding for the school and to support the liquor license renewal applications. Mr. Bourcy noted that utilizing the Skagway Development Corporation (SDC) executive director as an interim port director is positive, and he would suggest that SDC also undertake looking at housing related issues as well, though he has not discussed this at all with the SDC board. Mr. Bourcy indicated that he has been asked to sit on the SDC board and has not accepted but is considering it; Mr. Bourcy believes that SDC could be a useful tool for the Municipality and he has several ideas for further involvement. Mr. Bourcy indicated that the letter from Holland America Group is positive, and the Municipality has negotiated in good faith with White Pass on an MOU that will create a new draft lease. Mr. Bourcy indicated that now another entity is coming in and suggesting they would like to be a part of that process and the Municipality should consider it; it is his belief that there is a fiduciary responsibility to consider other offers. Mr. Bourcy indicated that this does not diminish the work already done with White Pass and that effort needs to continue forward, and a plan is needed to ensure that the process happens appropriately and properly. Mr. Bourcy indicated that the Municipality would be remiss not to consider other alternatives regarding the port, and he encourages the Assembly to engage with Holland America Group and other potential interested parties. Mr. Bourcy noted that the Port of Skagway is strategically important, and because the Municipality has desires to construct pools, senior centers, and more, he encourages the Assembly to look at everything and think of what is best for the citizens and for the community.

Assemblyman Henry indicated that the letter was received from Holland America Group late in the afternoon on February 14, and time is needed to read and digest it before being discussed by the Assembly at a time when all members are present.

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

A. **Public Hearing and Adoption of Resolution No. 18-01R:** Supporting the Higher Ground Program

Motion/Second: Henry/Hanson

To adopt Resolution No. 18-01R.

Assemblyman Henry opened the hearing to the public. No comments were made; Assemblyman Henry closed the hearing to the public.

Assemblyman J. Burnham indicated that the Parks and Recreation Committee reviewed and discussed the resolution, and the resolution indicates that the Municipality will continue to support the program.

Assemblyman S. Burnham indicated that he had the opportunity to help deliver all three garden beds last year, and it was probably the greatest thing he has had the opportunity to do since being elected. Assemblyman S. Burnham indicated that it feels really good to be able to help out seniors who would like to garden and are unable to do so or have difficulty accessing gardenable ground, and it made him feel like the Municipality was doing the right thing.

Assemblyman Hanson noted that Lead Groundskeeper Gregg Kollasch has talked to the school to see if they could be involved in constructing the beds, and he has a good handle on how to streamline the program and make more garden beds available for seniors. Assemblyman Hanson indicated that this is a successful program at a low cost, and he sees no reason not to support it.

Motion passed by roll call vote, 4 yes, 0 no, 2 absent.

B. **Public Hearing and Adoption of Resolution No. 18-02R:** Supporting the Fruit and Nut Tree Planting Initiative

Motion/Second: Henry/Hanson

To adopt Resolution No. 18-02R.

Assemblyman Henry opened the hearing to the public. No comments were made; Assemblyman Henry closed the hearing to the public.

Assemblyman S. Burnham indicated that the initiative is summarized well in Kim Burnham's letter, which includes a link to a good slideshow about the initiative. Assemblyman S. Burnham indicated that this initiative supports the community and local food growth, and it gets people outside; Assemblyman S. Burnham supports the initiative.

Motion passed by roll call vote, 4 yes, 0 no, 2 absent.

8. **Unfinished Business:** None.

9. **New Business:**

A. **Approval of Clinic Executive Director Employment Contract**

Manager Hahn indicated that the Clinic Board recommends approving the contract, and Manager Hahn agrees. Mayor Carlson indicated that she supports approving the contract.

Motion/Second: Henry/Hanson

To approve the new contract for the Clinic Executive Director.

Motion passed by roll call vote, 4 yes, 0 no, 2 absent.

B. **Consideration of Starfire Restaurant/Eating Place Liquor License Renewal**

Motion/Second: Hanson/Henry

To protest the Starfire Restaurant/Eating Place liquor license renewal application.

Motion failed by roll call vote, 0 yes, 4 no, 2 absent.

C. **Consideration of Skagway Brewing Company Liquor License Renewal**

Motion/Second: Hanson/Henry

To protest the Skagway Brewing Company Beverage Dispensary liquor license renewal application.

Motion failed by roll call vote, 0 yes, 4 no, 2 absent.

D. **Request to Increase School Funding to Meet Maximum Local Contribution**

Manager Hahn indicated that the Finance Committee recommended using some senior center engineering funding that may not be needed in FY18 and applying those monies to school funding.

Motion/Second: S. Burnham/Henry

To provide the school with \$58,907 from the FY18 line item 8019 for Senior Center Engineering.

Motion passed by roll call vote, 4 yes, 0 no, 2 absent.

Assemblyman Henry noted that this puts total school funding for FY18 at \$1,480,031.

E. **Confirm Appointments to Solid Waste Advisory Committee, Recreation Board**

The proposed appointments are as follows:

- Solid Waste Advisory Committee
 - Confirm Appointment of Adam Smith to seat vacated by Rod Jensen, term ending 2019.
 - Confirm Appointment of Annemarie Hasskamp to regular seat, term ending 2020.

- Confirm Appointment of Jim Sager to alternate seat, term ending 2018.
- Recreation Board
- Confirm Appointment of Jaimie Lawson, term ending 2020.

Motion/Second: S. Burnham/Hanson

To confirm the February 15, 2018, Boards, Commissions, and Committees appointment list.

Motion passed by roll call vote, 4 yes, 0 no, 2 absent.

F. Consideration of Incinerator Upgrade Engineering Services Proposal

Manager Hahn indicated that the incinerator equipment needs to be upgraded before the summer, as it will not last much longer. Manager Hahn noted that there are two quotes, one from Eco Waste Solutions for burners at a cost of \$11,862.13, and one from Boreal Controls for \$213,234; the total cost is \$225,096.13 and the budget is \$289,000. Manager Hahn indicated that the remaining funds would be used for additional work on the incinerator, and he is requesting two separate approvals from the Assembly.

Motion/Second: Hanson/S. Burnham

To approve the engineering services contract from Boreal Controls for \$213,234 for incinerator upgrades.

Motion passed by roll call vote, 4 yes, 0 no, 2 absent.

Motion/Second: S. Burnham/Hanson

To approve \$11,862.13 to Eco Waste Solutions.

Assemblyman Hanson asked for clarification on the role of Eco Waste Solutions in the project, and noted that he understands that the burners are fabricated. Manager Hahn indicated that the burners themselves are provided by Eco Waste Solutions, and there is a lot of special fabrication because parts for the incinerator are no longer available. Assemblyman S. Burnham clarified that the incinerator itself is one-of-a-kind; the original burners were specially fabricated so the replacements must also be fabricated.

Motion passed by roll call vote, 4 yes, 0 no, 2 absent.

Assemblyman Henry noted that the total approved expenditure is \$225,096.13.

G. Sprinkler and Alarm Testing Request for Bids Award

Manager Hahn reported that there were two bidders for the project, Taylor Fire Protection for \$7,950 and ATS Alaska for \$36,268; staff recommends awarding the project to low bid from Taylor Fire Protection.

Motion/Second: Hanson/Henry

To award the sprinkler and alarm testing bid to Taylor Fire Protection for \$7,950.

Assemblyman S. Burnham asked why the bid from ATS Alaska is so much higher than the bid from Taylor Fire Protection. Clerk Deach indicated she believes that the higher cost is due to the proposal of a subcontractor to do some work for ATS Alaska, which adds cost to the technician labor bid section; the travel costs for Taylor Fire Protection are also less, possibly because they are in Skagway more often. Assemblyman Hanson noted that the documentation for Taylor Fire Protection shows no per diem costs while the ATS Alaska proposal has approximately \$7,000 for food costs, and the travel costs for Taylor Fire Protection are lower; the hourly rates are similar but ATS Alaska proposes more hours than Taylor Fire Protection.

Motion passed by roll call vote, 4 yes, 0 no, 2 absent.

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

Mayor Carlson indicated she would like to ask DOT&PF to add to the Statewide Transportation Improvement Program (STIP) highway passing lanes and the widening of vehicle lanes approaching the U.S. Customs station. Mayor Carlson noted that she discussed this with DOT&PF Commissioner Luiken, Sen. Egan, the Lt. Governor, and the Governor, and they all felt it prudent to include these projects in the STIP; the projects would be beneficial to the community and to commerce moving through the corridor.

Assemblyman Hanson noted that he is new to this process, but would like to reiterate that Haines is getting \$28 million for end berthing ferry dock improvements while the State continues to suggest that putting a Band-Aid on the Skagway ferry float is acceptable. Assemblyman Hanson indicated that DOT&PF has a plan that Skagway riders would have to take the ferry to Haines and transfer to another ship to go to Juneau; however, this would be eliminated if Skagway had a proper ferry float with end-berthing facilities. Assemblyman Hanson indicated that the Municipality should continue to say it prefers a new ferry float with end-berthing capabilities to accommodate the new ferries servicing the Northern Lynn Canal. Assemblyman Hanson indicated that getting on two ferries to get to Juneau is a cockamamie plan; Skagway has been saying the entire time that it wants a new ferry float with end-berthing capabilities and it should continue to say that. Assemblyman Hanson indicated that Skagway has never supported resurfacing and patching over an old, defunct ferry float.

Manager Hahn indicated that this has been the Municipality's position; refurbishment will give the float only five to 10 more years and it makes more sense to build it right from the start. Manager Hahn indicated that spending the money correctly should be an important issue for the State. Assemblyman Hanson noted that Mr. Walsh recommends that the Municipality submit comments on the STIP. Manager Hahn indicated that he will draft a comment letter for consideration at the next Assembly meeting. Mayor Carlson noted that she spoke to state representatives for quite some

time about the project, and left the meeting optimistic that Skagway will get full replacement of the float.

10. **Executive Session:** None Scheduled.

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

Assemblyman Henry asked School Superintendent Josh Coughran to give a recap of the vocational education facility and program. Dr. Coughran indicated he met with Assemblyman Henry, who is the new School Board liaison, about this project to explain the school's efforts thus far. Dr. Coughran noted that the project has been developed over the last two years, and alternate sites were investigated for use as a vocational education facility; what came out of the report from Architects Alaska was that the best possible option is to build the facility on the school site in the footprint of the existing tennis court. Dr. Coughran indicated that the School Board is adamant that it wants a comprehensive vocational education program; currently the program is offered to high school students, but the school would like to offer it to all K-12 students in the future. Dr. Coughran indicated that even the youngest students could participate, and an understanding and appreciation will develop that vocational arts is a calling for many children.

Dr. Coughran indicated that there is also potential to build relationships with existing entities in town such as the railroad and construction companies. Mr. Coughran noted that the school has the engineering, the space, and a plan, and is now only waiting on the Municipality to give direction on moving forward. Assemblyman Henry indicated that this project can be addressed during the next budget cycle; it has been discussed for many years and expanding the scope to include younger kids is a great idea. Dr. Coughran noted that it will also provide an opportunity for community education as well; the person employed to run the program would focus not only on K-12 students but also on the community. Dr. Coughran indicated that it is a huge investment for the Municipality, but it is his view that the school is the centerpiece of the community and anything that will attract citizens to participate would be a great thing to do.

Assemblyman S. Burnham noted that for future check runs, any reimbursement information related to Clinic patients should not be detailed in the check register. Assemblyman S. Burnham indicated that there were also checks for Community Waste Solutions; there was another 13,000 pounds at an average of 21 cents per pound, and while he is not sure how much the Municipality took in on the shipment he is sure it was not much. Assemblyman S. Burnham indicated that this is another reason for the Municipality to look into getting some sort of truck scale, because it could save money in the long run. Assemblyman S. Burnham indicated that the expanded vocational education program sounds promising, but he still finds it laughable that the Municipality spent money analyzing the old Police Department building as if it was a possibility for a vocational education building; it seems like the Municipality was stacking the deck against itself.

Assemblyman J. Burnham thanked Mr. Bourcy for bringing up the pool during this meeting so he did not have to. Assemblyman J. Burnham indicated that he read that the Skagway School District is rated number one in the state of Alaska, so he thinks the school is doing something right. Assemblyman J. Burnham indicated that discussion of the incinerator brings to mind what is being

put into the incinerator; the Municipality should take a serious look at getting a composter so it is not putting food waste into the incinerator and making it work harder.

Assemblyman Hanson indicated that Public Works Director Tyson Ames is getting information together for a composter as well as a building to house it, perhaps a smaller version than what was initially proposed by Corvus Design. Assemblyman Hanson indicated that this ties in well with trying to be more efficient with the waste stream and taking food garbage out of the incinerator cycle; food waste is expensive to burn, and a composter could produce a useful product that is in short supply. Assemblyman Hanson noted that this will ultimately prolong the life of the incinerator, but would somewhat change the way people have to process their garbage. Assemblyman Hanson indicated that with the new garbage truck there will be charges based on weight instead of a flat fee, and this will give people incentive to reduce the amount of their waste through composting.

Assemblyman Hanson noted that the Assembly discussed a seasonal campground broadly at the last Assembly meeting and brainstormed locations for it; there was some alarm from the public about placing the campground at Yakutania Point. Assemblyman Hanson indicated that the Assembly realizes the Municipality cannot just plop down a campground with no services and expect it to be fine; it is looking for options and solutions because the housing problem is severe. Assemblyman Hanson noted that the manager was authorized at the last meeting to solicit engineering services for designs for installing water and sewer across the bridge, which is the first step in relocating Garden City RV Park in order to develop better housing options in the downtown area of Skagway. Assemblyman Hanson indicated that P&Z, the Police Department, and Permitting Official Rupperecht are coming up with a comprehensive concept of how housing can be addressed in a 3-year plan; there is a lot of substandard housing because there are no other options, and seasonal employees should not be evicted out of their current housing.

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

To adjourn the meeting of February 15, 2018, at 8:09 p.m. **Motion passed by voice vote.**

Monica Carlson, Mayor

ATTEST:

Emily A. Deach
Municipal Clerk

(SEAL)

Approved: