



MUNICIPALITY OF SKAGWAY

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MEMORANDUM

TO: Mayor and Assembly Members
FROM: Borough Clerk
DATE: February 26, 2018
SUBJECT: March 1, 2018, Staff Report

MANAGER'S REPORT

The Skagway Development Corporation (SDC) is interested in considering some Port Director work, however as their letter said they cannot put off hiring given the other workloads they are trying to cover (the letter is attached to the staff report). The Assembly is probably not ready to decide funding for SDC so I plan to just suggest they get someone that they feel has good administrative skills and could branch out into Port responsibilities. When I researched Skagway for taking the job, the SDC was promoted as being the lead in Port development. If you want to take a different approach let me know.

ORDINANCES, RESOLUTIONS, AND PROCLAMATIONS

A. Ordinance No. 18-03; Amending FY18 Sales Tax, Capital Projects, General Fund Budget:

On February 15, 2018, the Borough Assembly approved the use of \$58,907 in existing budgeted FY18 funds to increase funding to the Skagway School in order to meet the maximum local contribution. The funds to be used are unexpended Capital Projects funds for Senior Center Engineering; this FY18 line item was originally funded with Sales Tax, but because it was adopted within the Capital Projects budget an amendment is needed to move the money back to the Sales Tax Fund. Additionally, the Municipality received a Homeland Security grant in the amount of \$20,000 to purchase fingerprinting equipment; the FY18 budget needs to be amended to reflect the receipt and expenditure of these funds. If introduction of the ordinance passes at this meeting, a public hearing will be held at the March 15, 2018, Assembly meeting prior to adoption.

B. Resolution No. 18-03R; Reviewing and/or Amending Accounting Policies & Procedures:

The Finance Department has requested that the Assembly review and/or amend certain accounting policies and procedures as specified in this resolution. The Finance Committee is scheduled to review Resolution No. 18-03R at its meeting of March 1, 2018. After a public hearing, the Assembly may consider adopting the resolution.

C. Resolution No. 18-04R; Amending Accounting Policies & Procedures:

The Finance Department has requested that the Assembly add a Federal Award Procurement Method to existing accounting policies and procedures as specified in this resolution. The Finance Committee is scheduled to review Resolution No. 18-04R at its meeting of March 1, 2018. After a public hearing, the Assembly may consider adopting the resolution.

D. Resolution No. 18-05R; Establishing the Assembly Rules of Procedure:

At its meeting of January 29, 2018, the Civic Affairs Committee voted to propose Resolution No. 18-05R to the Assembly. The resolution establishes Assembly procedures that are not already adopted into municipal code, and provides for the orderly conduct of Assembly business. After a public hearing, the Assembly may consider adopting the resolution.

UNFINISHED BUSINESS

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

The 2018-2021 draft Statewide Transportation Improvement Program (STIP) is available for public review and comment through March 16, 2018. At its meeting of February 15, 2018, the Assembly asked the Borough Manager to provide them with a draft comment letter for consideration at this meeting. There are two projects in the draft STIP for Skagway: 1) Skagway Terminal Modifications (13883); and 2) Skagway – State Street Rehabilitation (24337). Please see the draft letter in your meeting packet.

NEW BUSINESS

A. Approval of Agreement with National Park Service re: Air Quality Monitoring:

The FY18 budget includes \$36,500 to partner with the National Park Service on an air quality monitoring program. The agreement in the packet solidifies this partnership; the Borough Attorney has reviewed the agreement. Once approved, the agreement will allow for a one-time FY18 expenditure of \$36,500 to the National Park Service, which would be advance payment for the program to be implemented over several fiscal years. Staff recommends approval of this agreement.

B. Recommendation from Nahku Bay Property Oversight Ad Hoc Committee:

The Nahku Bay Property Oversight Ad Hoc Committee was established in 2016 to discuss and develop guidelines for the use of USS 3307 in Long Bay, a property purchased by the Municipality from the Estate of Bud Matthews. The committee recommendations in your packet include: general recommendations for use of the property; a cost estimate and recommendation for the Nahku Bay Conservation Area Memorial Stele; and proposed amendments to SMC 16.14 Nahku Bay Conservation Area Management Plan. Staff asks that the Assembly discuss and give direction on the general recommendations; consider funding the stele from existing FY18 funds or planning for funding in FY19 (perhaps with guidance from the Finance Committee); and consider proposing a code amendment ordinance as drafted in the recommendations.

C. Approval of Amendment to M&M Tours Agreement:

The M&M Tours agreement specifies that the company has the option of a 5-year contract renewal for its current contract, which expired on September 30, 2017. The amendment in your packet grants the 5-year renewal per the contract, and provides for a rental adjustment per the attached appraisal. The rent adjustment would result in the increase of the annual rent payment from \$2,080 per year to \$3,040 per year. Please see the material in your packet for this item; staff recommends approval of the amendment and appraisal.

D. Authorization to Issue RFB for Garden City RV Park Electrical Repair:

Manager: There are two cost estimates from the engineer in your packet for Garden City RV Park electrical repair, and we recommend the Assembly authorize using the scope of work for buried cable in a Request for Bids, at an estimated cost of \$128,973, as opposed to the alternative scope of work which is more expensive. The more expensive option would provide for special conduit for the electrical line so that one could replace it in the future or use it for other wiring needs. However, the expense is greater than we feel it is worth. Failing to do this project will worsen the summer housing crisis significantly. We would not be able to allow electrical hook ups at the RV camp. The pedestals could be easily moved to a new RV park in the future.

I drafted an agreement and Request for Proposals (RFP) for management services at the campgrounds. Essentially, the contractor would run the day-to-day operations and clean the bathrooms. The Municipality would do the landscaping. What is completely different is that the contractor does not get to keep the revenue from the campground. Instead the Municipality would pay the contractor a fixed fee. The RFP will set a maximum limit of what the Municipality is willing to pay. Bidders can submit that bid or a lower amount to keep this competitive, however a low bid will not be the only criteria and the proposals must show the bidders' capability to manage campgrounds. I would like the Assembly to agree with the maximum payment amount. I should have that decided before your meeting.

What I propose is budgeting \$200,000 in revenue from the campgrounds. I think that is reasonable. The management fee and any capital project work could be covered by that revenue. After a year of operation, we should know what really goes on in the campgrounds, both the need and the potential revenue. Again, I am proposing to take in as many seasonal RVs as demand requires until June 1, 2018 and then primarily serve the tourist RVs. I may need to be a bit flexible though as caravan and other reservations need certainty of space for them.

E. Consideration of Proposal for Water/Sewer Installation Over the Bridge:

Manager: The estimate for both water and sewer engineering is \$209,078. There is no budget for this, however the Assembly can choose to amend the budget in the near future to cover this. We plan to put this in our budget for 2019 as well.

F. Consideration of Proposal for Mollie Walsh Restroom Expansion:

Manager: The total for this design work is \$24,297. You have \$300,000 in CPV funds budgeted for this project.

G. Consideration of Alaska Travel Adventures Liquor License Renewal Application:

Pursuant to SMC 5.12.040 Recommendation by assembly – Application, the Borough Clerk certifies that Alaska Travel Adventures Inc. has paid in full any and all taxes, fees, assessments, utility bills and remittance of sales tax due to the municipality. Alaska Travel Adventures was issued Conditional Use Permit No. 06-19 on April 27, 2006, which allows the use of a Recreational Site liquor license on Tract B, Lot 2, of the Liarsville Subdivision. The Assembly has 60 days to protest this liquor license renewal pursuant to the notice of application from the State of Alaska.

EXECUTIVE SESSION

A. Discussion with Borough Attorney re: Holland America Group Letter:

This subject is allowable in executive session as (1) a matter, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; and (2) a matter which by law, municipal charter, or ordinance is required to be confidential. The subject is: discussion with the borough attorney regarding legal considerations of the Holland America Group proposal and the application of municipal code.



ECONOMIC AND COMMUNITY DEVELOPMENT

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February 12, 2018

Borough Manager Hahn,
Municipality of Skagway
PO Box 415
Skagway, AK 99840

Dear Borough Manager Hahn,

We would like to thank you for taking the time to attend our Board meeting on February 8, 2018 and for starting the conversation about the future funding of SDC, including the possibility of SDC acquiring the responsibilities of an interim-Port Director. After further discussion, we find your proposal fits within SDC's mission statement and are willing to work with you, the Assembly, Mayor and Port Commission to further expand on this idea and see if we can come up with a solution that will provide the best service value to the community.

In response to the Assembly's request to hold off on hiring a new Executive Director, we are extending the job application submission deadline to give us more time to consider your request. With our current ED starting a new job in March, we need to fill our vacancy as soon as possible.

As a business that provides services to the community, we have important commitments to fulfill in this fiscal year. These commitments bring economic value to the Municipality and it is important they are executed in a timely manner. These commitments include:

- Buckwheat Banquet & Awards Ceremony,
- Made in Skagway enrollment and website updates for the 2018 tourism season,
- Small business assistance in preparation for the 2018 season,
- North Words Writers Symposium registration and financial oversight,
- Skagway Marathon planning and financial oversight,
- Garden City Market financial oversight

As we move forward with our hiring process, we are hopeful we can continue a path forward with the Municipality and not have to close our doors, as there are many businesses and organizations in the community that rely on our services.

We thank you again for your time and look forward to further discussions with the MOS.

Sincerely,

SDC Board of Directors
Cori Giacomazzi, Julene Brown, Chris Ellis & Paul Taylor