



MUNICIPALITY OF SKAGWAY, ALASKA  
REGULAR ASSEMBLY MEETING

April 7, 2022  
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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:** Sam Bass, Jay Burnham, Reba Hylton, Deb Potter, Dustin Stone, Orion Hanson

**Absent:**

**3. Approval of Minutes:**

A. March 17, 2022

**Main Motion/Second: Stone/Potter**

To approve the March 17, 2022 Regular Meeting minutes.

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

**4. Approval of Agenda:**

**Main Motion/Second: Stone/Bass**

To approve the April 7, 2022 Regular Assembly meeting agenda.

**The main motion passed as amended by roll call vote, 6 yes, 0 no, 0 absent.**

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

**A. Mayor's Report:**

**Mayor Cremata** indicated that there is a mayor's report included in the meeting packet and added that:

- A last-minute piece of correspondence was inaccurate when it indicated that the Assembly was in violation of code regarding lease renewals. The Municipality cannot renew an upland lease when it does not have any uplands leases to renew.
- The Municipality has had MOUs with port operators and the consensus has been to maintain healthy and positive relationships with those entities.
- The Municipality must follow a set process to arrange future use the uplands, be it a for a current or unknown user.
- A lease extension for current users is not possible.

- This is very positive time for Skagway.
- A cruise line has been approaching businesses in Juneau, requesting the businesses join a “medallion program.” Cruise passengers who spend funds at participating businesses would receive 7% in ship credits, however the business would pay 18% from the revenue of these sales to the cruise line. This should be addressed before it becomes a reality.

**B. Assembly Committee Reports:**

**1. Assemblymember Jay Burnham:**

**Motion/Second: Burnham/Stone**

To approve the check runoff dated April 6, 2022 totaling: \$1,455,905.91.

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

Assemblymember Burnham indicated that the Finance Committee met on Wednesday, April 6, 2022.

The Finance committee recommends:

- Approval KPFF proposal for or peninsula development design.
- Approval of financial statement, audit services, price proposal.
- Approval award of the contract for archeological assessment of St. Pius mission school site.
- Approval of draft request for proposals RFPs for port of Skagway leases.
- Upgrading the Assembly iPads and passing our current iPads to another board such as Ports and Harbors Advisory Board.

**2. Assemblymember Orion Hanson** indicated that the Public Works committee met on Thursday, March 31, 2022.

The Public Works committee recommends:

- That staff find a firm to assist with the drafting of subdivision code for Skagway.
- That the Municipality oversee the spring and fall Clean Sweep events.

**C. Reports from Boards, Commissions, and Solid Waste Advisory Committee: None.**

**D. Manager’s Report**

Manager Ryan indicated that his report was in the packet and added that:

- That he and Treasurer Rodig will meet with the school next week to clarify the school’s request. The result of that meeting will go to Finance.
- State Fire Marshalls have been in town inspecting buildings and the results sound positive; they will return in July.
- Staff is reaching out to code drafting firms regarding subdivision code.
- For the Municipality to take on Clean Sweep would require the Chamber of Commerce to approve.

**6. Communications to the Assembly:**

Clerk Burnham indicated that all of the correspondence is available in the packet and he is considering setting a limit for correspondence, so that no correspondence will be accepted after 4:00 p.m. on the day of the meeting—it is difficult to add it to the website, dropbox, print it, and ensure the Assembly has adequate time to read it. Clerk Burnham requested the Assemblymembers contact him if they have concern about this idea.

**A. Correspondence:**

Correspondence was received from:

- Skagway School re Maximum Local Contribution Increase
- Weidner re Bus Traffic on Spring Street
- Petro49 re draft lease RFP
- Freshwaters re Small Boat Harbor
- Auer re MOS Wage Support
- E.Berto re Application for Lease of Temsco Heliport Property

**B. Hear Citizens Present:**

**Tim Cochran** indicated she is speaking as local Petro Marine Plant Manager and that:

- There is a letter from Matt Lindsay in the packet.
- Petro Marine would like to continue doing business on the waterfront and improving the assets they have.
- The RFP process causes concern because when the 10-year Petro Marine lease with the Municipality expired it was not renewed, instead the company was required to conduct an environmental assessment before they were given a new lease.
- Petro Marine has been a model tenant as a sublessee under the railroad.
- Matt Lindsay's letter indicates that the RFP proposal should inform potential bidders that the fuel tanks and infrastructure is property of Petro Marine. If Petro Marine is not considered for the lease, those assets could be removed or sold.

**Johanna Evans** indicated:

- That she has been working on her own cost-of-living analysis, to ascertain what one person would need to earn during a 40-hour work week, to live in Skagway comfortably.
- That a living wage as defined by the MIT wage calculator is designated to estimate the cost of living in your region. Based on the typical expenses, the tool helps individuals, communities, and employers to determine a local wage rate that allows residents to meet the minimum standard of living and does not include any savings, retirement, or vacation pay. A living wage would cover food, housing, transportation, and utilities.
- That she is excited that the Municipality is doing a cost-of-living analysis because an accurate, complete analysis is necessary.

**Kelly Healy** indicated he was representing Temsco Helicopters and that:

- There is a letter in the packet from Temsco CEO Ethan Berto that outlines Temsco's opinion on RFP and current waterfront lease.
- Temsco has been a partner of the Municipality for 21 years.
- The sublease has been approved several times by the Municipality with the most recent iteration having been edited by the Municipality to add different conditions.

- The RFP process is not consistent with the MOU that came out of the port master planning process.
- The RFP process needs a longer public process than has been provided for it. It should not be pushed through without further review.
- Temsco is interested in remaining where they are as a partner to the Municipality, and feel the particular route being taken is not necessary and is contrary to the routes previously taken.

**C. E. Furbish** indicated that:

- It is a good idea to investigate the expansion of the ferry system to add an electric ferry.
- It is the State's responsibility to provide ferry service; however, the reality is that there have been open attempts to dismantle the whole system including month long breaks in service. There have been ferries designed for the Lynn Canal only to be reassigned elsewhere.
- Skagway cannot depend solely on the State and should find a compromise between local and State operations.

**Mavis Hendrickson** indicated that:

- The Municipality should hire Paul Taylor to run the port for a couple of years.
- She doesn't favor the electric ferry proposal and does not want to ride it to Haines in order to connect to another ferry headed to Juneau.
- The State is in trouble because it exports all of its resources with no value added.
- She is upset that the Assembly placed three of its members on the Clinic Board.

**Mayor Cremata** asserted that he will not allow testimony to devolve into heresy or gossip and criticism of policy by Assembly should be directed toward the Assembly. Members of the public should not be criticized in this forum.

**Tim Bourcy** indicated that:

- It has been two very difficult years for the community and he has complete faith in the seated elected body. This is an exciting moment for Skagway. The community has decided to move beyond the expiring waterfront lease and to look to a new future.
- He is here to support the community moving forward.
- The community is in a rebuilding phase.

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

**A.** Public Hearing and Adoption of Resolution No. 22-07R: Amending the Employee Pay Scale by Implementing a Cost-of-Living Allowance (COLA) Adjustment Based on the Urban Alaska Consumer Price Index

**Motion/Second: Potter/Stone** To adopt Resolution 22-07R.

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

**8. Unfinished Business:**

**9. New Business:**

**A. Appointments to Boards, Commissions, and Committees**

**Motion/Second: Bass/Stone** To confirm KayLynn Howard and Nicole Cooper to the vacant alternate seats on the Dahl Memorial Clinic Board of Directors.

**Mayor Cremata** indicated that the Clinic Board report indicated that it recommended Tim Cochran to fill an alternate seat on the Dahl Memorial Clinic Board of Directors, however after review of the audio transcript, it was apparent that there was no formal recommendation, nor was an interest form filed with city hall. If members of the public are interested in serving on a committee, they need to fill out a volunteer form.

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

**Mayor Cremata** indicated that if there is no objection, he is dissolving the ad hoc Conservation Committee and the ad hoc 4<sup>th</sup> of July Planning Committee.

**The Assembly did not voice objection.**

**B. Consideration of Letter of Support for Spruce Root's Build Back Better Challenge Proposal**

**Assemblymember Bass** indicated that:

- The Spruce Root appears to be an outstanding non-profit organization, however there is not an apparent specific program for Skagway in this proposal.

**Mayor Cremata** indicated that:

- There is some benefit to the community of Skagway and all the Southeast School Districts.
- This will assist in moving the economic development philosophy and approach to a more progressive place that better reflect how Skagway has been approaching them as an Assembly.
- This is not support for the Spruce Root organization but rather the specific regional project that Spruce Root is working on.

**Motion/Second: Potter/Hanson** To approve the letter of support for Spruce Root's Build Back Better Challenge Proposal.

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

**C. Consideration of Electric Ferry Recommendation from Marine Highway ad hoc Committee**

**Jan Wrentmore, Skagway Marine Highway ad hoc Committee Chair** presented a powerpoint\* regarding the history of the committee work done and of the electric ferry recommendations.

**\*Note from the Borough Clerk:** The powerpoint presentation was included in the packet material.

**Manager Ryan** indicated that Wrentmore would be attending the grant writing symposium and potentially a proposal could be ready for Assembly consideration at the April 21st meeting.

D. Approval of Draft Requests for Proposals (RFPs) for Port of Skagway Leases

**Robin Brena, Borough Attorney** participated via telephone, and indicated:

- There is a certain amount of misunderstanding about the waterfront lease expiration.
  - All of the subleases expire a couple of days before the master lease expires.
  - When the ground lease expires, the improvements that are on the ground lease go to the owner of the land. This is a matter of the terms of the subleases.
  - For years, Skagway has been getting appraisals that do not include the improvements the land was built out by PARN in building the waterfront out. As soon as the ground lease expires, all the fill in the waterfront becomes property of the Municipality of Skagway.
  - Any future lease that includes fill, or buildings, docks or ground up improvements will benefit the Municipality.
  - The current terms of the ground lease include a limited right to remove improvements by the subtenant and by the master tenant.
  - Temsco's letter request for a renewal of their lease under SMC 16.03.160(m) is not possible because Temsco's lease is with PARN. Temsco's lease expires two days before the master lease.
  - When the master lease expires, the Municipality will own everything.
  - When people build improvements on ground leases, they know that their right to those improvements ends when the ground lease ends.
  - The sublessee's right to sell is only to a subsequent sublessee. Since there is only two days left before the master lease expires, this option is not a possibility.

**Manager Ryan** indicated that:

- The Assembly voted March 3, 2022, to direct staff to draft an RFP lease process.
- The Ports & Harbors Advisory Board intends to review the RFP drafts on Monday; however, this should not prevent approval tonight.
- If recommendations from the Ports & Harbors Advisory Board are good and appropriate, they can be incorporated into the RFPs.

**Robin Brena** indicated:

- The purpose of the RFP process is to gain market exposure to the assets and gather an idea of different opportunities for the waterfront.
- There is a fiduciary duty involved with disposing or leasing public lands; to ensure that the Assembly is getting the optimal value for the community.
- Petro Marine's attorneys visited Brena's offices and discussed this on March 23, 2022.

**Motion/Second: Hanson/Stone** To approve the draft request for proposals for the Port of Skagway leases, with consideration from the Ports & Harbors Advisory Board meeting on Monday, April 11.

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

E. Approval of KPFF Proposal for Ore Peninsula Development Design

**Motion/Second: Hanson/Stone** To approve the KPFF scope of work and fee proposal for the ore peninsula development and design project in the amount of \$430,000.

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

F. Award of Contract for Archaeological Assessment of St. Pius Mission School Site

**Motion/Second: Potter/Bass** To award the contract for archeological assessment of the St. Pius Mission school site to the Bureau of Applied Research and Anthropology, University of Arizona in an amount not-to-exceed \$111,555.

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

G. Approval of Financial Statement Audit Services Price Proposal

**Motion/Second: Hanson/Bass** To approve the 2021 audit service proposal from BDO in the amount of \$76,000.

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

H. Consideration of Liquor License Renewal Application

1. BPO Elks #431 dba BPO Elks #431, Liquor License #356 Renewal Application

**Motion/Second: Potter/Hanson** To protest the BPO Elks #431, doing business as BPO Elks #431, renewal application #356.

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

10. **Executive Session:** None.

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

Assemblymember Bass indicated that:

- There are 22 applications for executive director at the clinic and they are close to inviting a strong candidate to Skagway for an in-person interview. Much of this action with the hiring process is due to Lisa Mandeville who is doing a great job.

Assemblymember Burnham made a motion regarding the investigation of Dyea Road maintenance.

**Motion/Second: Burnham/Hanson** To direct the manager to look into DOT repairing and improving the condition and a maintenance schedule the Dyea Road.

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

Assemblymember Stone expressed disappointment with the correspondence from Temsco President & CEO Ethan Berto regarding "Application for Lease of Temsco Heliport Property," indicating:

- The everyone on the Assembly votes to represent the best interests of the community.
- That letters from the Berto's represent shareholders, companies and their bottom line, and exhibit bad faith argument and doublespeak which could poison the well of public opinion against the Municipality. That the letters insinuate that the Municipality doesn't know how to manage its own port and don't know what is best for the community.
- The people of Skagway voted to take over their port, and the best way to fairly do that is an RFP process. The process will ensure that the Municipality receives a fair offer.

Assemblymember Potter made a motion regarding the Medallion program.

**Motion/Second: Potter/Hanson** To direct the Mayor to write a letter formally opposing the Medallion Program.

Assemblymember Bass indicated that Municipalities should not be involved in relationships between two businesses.

Mayor Cremata indicated that there is a potential for the cruise ship company to exclude specific businesses and that it is a third party operating this program.

Assemblymember Hylton indicated that she will be abstaining as this discussion directly relates to her position at the Skagway Brewing Company.

The Borough Clerk indicated concern that the topic was not on the agenda and neither the Assembly nor the public have had an opportunity to research the issue.

**Assemblymembers Potter and Hanson withdrew the motion and second to which the Assembly had no objection.**

Assemblymember Potter indicated that:

- She would like to acknowledge the work Johanna Evans did in conducting her own cost-of-living analysis. That this work was likely conducted while Assemblymember Potter was streaming the Tiger King.
- April is Sexual Assault Awareness Month.
  - That sexual assault, domestic violence and rape occurs in Skagway.
  - Alaska has the highest rate of sexual assault in the country, with nearly 3 times the national average.
  - She has had discussions with John Hischer and Chief Reddick regarding Sexual Assault Advocacy training to occur hopefully this month.



Assemblymember Hanson indicated:

- The Chilkat Valley News published a well-written article concerning a violation of the open meetings act which resulted in the Haines Ports and Harbors Chairman resigning from his post. This cause was brought about when seven delegates from the mining industry gave a presentation without public notice.
- That Skagway will provide open meetings and will welcome business.
- Please do not place shrimp or crab pots near the vicinity of the Port of Skagway at this time, as the dredging project involves heavy metal contamination.

Assemblymember Hylton indicated:

- She will be out of town for the next meeting and will be attending SeaTrade in Miami.
- She intends to begin working on childcare in the community.

Mayor Cremata indicated:

- Childcare was big topic at the Southeast Conference.
- He was pleased with how the discussion with Attorney Robin Brena was held in open session. That if discussions are held in executive session, it will be because of sensitive legal issues that could negatively affect the community.
- He will be missing the next meeting and unavailable to call-in.

## 12. Adjournment:

With no more business on the agenda, Mayor Cremata adjourned the regular Assembly meeting of April 7, 2022 at 10:08 p.m.

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Andrew Cremata, Mayor

ATTEST:

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Steve Burnham Jr., Borough Clerk

(SEAL)

Approved: