



MUNICIPALITY OF SKAGWAY, ALASKA
REGULAR ASSEMBLY MEETING

October 20, 2022
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1. **Call to Order:**

Vice Mayor Hanson called the meeting to order at 7:00 p.m.

Vice Mayor Hanson 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 (via telephone) Assembly Members: Sam Bass, Jay Burnham, Orion Hanson, Reba Hylton, Deb Potter, Dan Henry

Absent:

3. **Approval of Minutes:**

A. September 15, 2022

Main Motion/Second: Bass/Henry

To approve the September 15, 2022 Assembly minutes.

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

4. **Approval of Agenda:**

Main Motion/Second: Hylton/Potter

To approve the October 20, 2022, Regular Assembly meeting agenda with the amendment striking item 8A Approval of Rockslide Monitoring Equipment and Software Purchase Quote

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.

B. **Assembly Committee Reports:**

A. **Assemblymember Jay Burnham:**

Motion/Second: Burnham/Hylton

To approve the check run dated October 19, 2022, totaling: \$2,496,745.15

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

At its meeting of October 19, 2022, Finance Committee reviewed and made the following recommendations:

- Approval of Resolution 22-33R Providing for an Early Access and Transition Agreement between the Municipality and PARN/WPYR.
- Approval of Change Order for Cruise Float UHMW Fender Wear Panels.

- B. **Assemblymember Potter** indicated that Parks and Rec is planning to meet next week to discuss Rain Gardens and the Municipal Community Garden.
- C. **Assemblymember Hylton** indicated that Health, Education, and Welfare met October 11, 2022 to discuss SEARHC, an update of which is in the Manager's Report. Also discussed was a lease proposal for a Senior Facility at the You Say Tomato building. The Committee directed the Manager to continue looking into the details of the lease, hoping to shorten the duration to a two or three-year lease and determine the responsible party for maintenance of the building. Hylton indicated that she had lunch with nine local seniors who gave positive feedback about wanting their own space, so HEW will continue to move forward and bring it back to the committee.
- D. **Assemblymember Bass** indicated that the Police Department audit has been completed with initial recommendations made, and the detailed report will be coming out soon.

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

D. **Manager's Report :**

Manager Ryan indicated:

- SEARHC has a long purchase agreement and has requested information from the clinic; he has engaged an individual to put on contract to help get that expedited and done.
- University of Arizona is conducting the site investigation at Garden City; he will be meeting with them tomorrow to see what has been discovered so far.
- There was a meeting with the Yukon Government and Minto Mines to work on a short-term solution to load Ore out. They will be engaging their engineers to work on creative solutions, and it was a positive discussion. They will also follow up with a report about air monitoring they have recently done on their own accord.

6. **Communications to the Assembly:**

A. **Correspondence:**

Correspondence was received from:

- C. Thoe re: Bears
 - Thoe indicated that concerning bears and trash, a simple solution would be for the municipality to reduce or eliminate the Solid Waste Facility fees for the month of October.

B. Hear Citizens Present

Fable Wallace indicated that:

- She wants to remind the Assembly and City Manager about the pool topic.
- If help is needed, don't be afraid to reach out.

Jaime Bricker indicated that:

- She supports Resolution 22-33R for WPYR Early Access Transition.
 - It simplifies the Ore Basin cleanup planning.
 - Provides that Broadway and Ore docks will be functioning in 2023.
 - Allows for early access to infrastructure and upgrades.
 - Sends message to the cruise industry that we can accommodate ships and tells potential visitors that we are ready to receive them.
 - The agreement avoids long, expensive legal battles and puts a tumultuous past behind so we can focus on a healthy economic future.
 - It is time to move forward in a productive way.

Tim Bourcy indicated that:

- The Assembly should approve Resolution 22-33R.
 - In 15 years, Skagway went from being one of the best port facilities in Alaska to one of the worst, and we cannot let that stand.
 - We made the decision to take over our port, to invest in our port, and this allows us to move forward in developing our port.
 - He encourages the Assembly to approve Resolution 22-33R.

Kelly Healy indicated that:

- The Assembly should reconsider allowing correspondence to go on the website; suggests putting more guidelines or disclosures on submitting correspondence.
- He is in agreement with coming to a compromise with White Pass; the \$15 million cap on clean up pales in comparison to the loss of long-term revenue.

Viola Gazzara indicated that:

- It is depressing to see town with empty stores and destruction.
- Skagway lost 30 cruise ships in one month to other communities like Haines, Ketchikan, and Hoonah.
- She wants the cruise ships, small businesses, and artisans back.

Tim Cochran, Petro Marine Services indicated that:

- He is looking forward to working with the Assembly on the Petro Marine lease.
 - There are some concerns about the upcoming construction, mainly access lighting.
 - Bow lines to current fuel headers are an issue.
 - He will be meeting with Brian Donahue on the pipeline design and will bring the results of that to the next meeting.

Lisa Mandeville indicated that:

- She respectfully says no thank you to negotiations with SEARHC.
- She Requests the Assembly go to the community for a public vote to confirm a lease and sale to SEARHC.
- She is grateful to the Assembly for providing Clinic Board training and for approving the Interim Executive Director contract.

- With more administrative staff, the clinic can devote more time applying for additional grants that will help offset the City's financial subsidy and provide better healthcare to our community.
- The Clinic is an asset to this community and there are amazing opportunities to better our healthcare and be able to manage and control it ourselves.

Melinda Munson, Skagway News indicated that:

- She is against correspondence no longer being placed on the Borough Website.
 - Requests for information can be a slow process.
 - It is important that the community is able to go to the website and not social media to understand the opinions of other community members.
 - She would very much like to see the citizen's correspondence continue to be available online.

7. Ordinances, Resolutions, & Proclamations:

- A. Public Hearing Second Reading and Adoption of Resolution 22-33R:** Providing for an Early Access and Transition Agreement between the Municipality of Skagway and Pacific and Arctic Railway & Navigation Company

Main Motion/Second: Henry/Hylton to adopt Resolution 22-33R.

Public Hearing

The public hearing was closed with no comments.

Assemblymember Burnham indicated that there is a concern about the lack of public process. This Resolution has only been available to the Assembly and Public for five days and that does not give enough time to examine all the ramifications of committing \$15 million to remediate contamination of the Ore Basin, which the Municipality is not responsible for.

Assemblymember Bass indicated that this is a fair, compromising agreement that is overall beneficial to the Municipality. It enables us to develop a remediation plan alongside our development plan. It also allows us earlier access to the complete our port development, which will help to decompress our timeline. While it does place a possible \$15 million burden on the Municipality, at least we know what the worst-case scenario is, and can plan for that.

Assemblymember Potter indicated that Skagway overwhelmingly voted to take ownership of our port, and with ownership comes a lot of responsibility; the greatest responsibility we have is to the wellbeing of our community. When you weigh \$15 million against the potential revenue loss to our community, it seems like a deal. We need to focus on getting our docks ready and it is time to move forward.

Assemblymember Hylton indicated that this is something we need to do to move forward. We need to do whatever we can to secure our economy because the long-term damage would be far worse than the \$15 million to clean up our Port.

Assemblymember Henry indicated that the cost will not be remotely close to \$15 million and that is a good high number to put on this as a ceiling. We need to return to our rightful place as the jewel of Alaska for hosting cruise vessels.

Mayor Cremata indicated that this is not a walk away, this is the start of walking toward each other. Skagway does not have room for animosity or grudges, and needs a relationship with the number one tour in Alaska. The geological disaster has motivated two sides that have had a tumultuous relationship into coming together to find a solution. This is the opportunity to avoid a long-term battle. The silver lining is that Skagway can take control of the remediation and conduct it properly.

Secondary Motion/Second: Burnham/ . . . that bullet four be changed from \$15 million to \$5 million.

Secondary Motion does not carry due to lack of second.

Secondary Motion/Second: Burnham/ . . . that the fourth bullet point be changed from \$15 million to \$10 million.

Secondary Motion does not carry due to lack of second.

Assemblymember Hanson indicated that if we do not come to this compromise, we are at a stalemate. If we do not get the larger class ships in next year, then we are facing an economic plummet. Skagway needs to move forward now.

Main Motion passed by roll call vote, 5 yes, 1 no, 0 absent, with Assemblymember Burnham dissenting.

8. Unfinished Business:

~~A. Approval of Rockslide Monitoring Equipment and Software Purchase Quote~~

9. New Business:

A. Approval of Change Order for Cruise Float UHMW Fender Wear Panels

Motion/Second: Potter/Hylton to approve the TRANSPAC Marina Change Order for Cruise Float UHMW Fender Wear Panels in an amount not to exceed \$96,680.

Manager Ryan noted that it was an oversight that these were left out in the RFP and bid process, but we do need them because they protect the dock and will make it a longer lasting and better facility. Manager Ryan indicated that the funds could come out of the current bond, the future bond, or even CPV funds, depending on when we receive the bill for them. Manager Ryan indicated that he does not anticipate many more change orders like this, it was just a small oversight.

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

B. Port of Skagway 2023-2024 Update

Manager Ryan provided an update on the Alternative Mooring Plan:

- Draft simulation report will be in tomorrow; it will be reviewed over the weekend and there will be a meeting with the pilots, the cruise lines, the simulation people, and the engineers on Monday to go over what changes might need to take place to make sure we can bring in the larger cruise ships to the Ore peninsula in 2023.
- Permitting has been submitted and is moving forward.
- We are purchasing gangways, fenders, and pilings.
- We are reviewing two spud barges to figure out which will be the most capable before we purchase.
- Requested from AMHS access to the storage area at the back of the ferry peninsula so that we can come up with a plan to lighter passengers through the Small Boat Harbor. Once there is a plan drawn up, we can present that to the community and to the cruise lines to see if it will work.
- Holland America is looking into getting us access to special lightering vessels they use in the Channel Islands. If we can get access, they would charge a fee to make it happen.
- For the long-term, we are still on track to bring in the 500-foot float for winter 2022/2023. Also, we are processing the bond application in hopes to get it in place in early 2023.

Manager Ryan provided an update on the Rockslide Mitigation:

- We have been working with the State and have given them the Shannon and Wilson \$3.3 million mitigation proposal for them to review. We are lobbying for them to provide more than a million dollars and they are working hard to get that for us.
- Shannon and Wilson will be doing a site visit next week with the rock scaling company, Rock Supremacy, to assess what they are going to do. The general plan is to roll large rocks down with hand tools and airbags, as well as placing three attenuation measures at the very top, at mid-slope, and at the bottom. We are working through insurance and indemnification discussions with White Pass, so we can get this moving forward.
- The real-time monitoring station was taken off the docket again today. This is a monitor that will help us watch the movement in real time and help us understand if it starts to move too much during the cruise ship season. We want to get the right equipment and the right program associated with it, and we just need to make sure we get it in place before next spring.
- The long-term rockslide mitigation cost is currently estimated at \$21 million. Port Director Jennings and Kaitlyn Jared are working on a BRIC grant application and

Holland America has provided their grant writer to assist us with this. We hear that Murkowski is lobbying hard for us to get the PIDP grant

Manager Ryan provided an update on Berthing Agreements and the Condition of the Port:

- We have three draft berthing agreements we are working on with NCL, Holland America, and Disney.
- We have every intention to use revenue generated in the Port to beautify the Port. You will see capital projects in the upcoming budget. We also have design contracts with KPFF to improve the Broadway dock.
- There appears to be some sinking at the open cell wall and we are talking to KPFF about an underwater survey they can do to make sure that is not a long-term project problem.
- We have plans to straighten up the parking lots, and we have added a couple of groundskeepers to spruce up the area down there.

Assemblymember Henry requested that Manager Ryan include Tim Cochran of Petro Marine Services in some of the discussions regarding the Ore peninsula.

C. Approval of Assembly Assignments, Boards, Commissions, and Liaisons

Motion/Second: Bass/Henry to approve Assembly Assignments: Boards, Commissions, and Liaisons

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

D. Confirmation of Appointments to Boards, Commissions, and Committees

Motion/Second: Potter/Henry to confirm the Appointments to Boards, Commissions, and Committees

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

E. Confirmation to Appointments to the Dahl Memorial Clinic Board of Directors

Motion/Second: Bass/Henry to confirm the Appointments to the Dahl Memorial Clinic Board of Directors

Assemblymember Henry indicated that now that he has been appointed chair of Health, Education, and Welfare, that it would be redundant to be on the clinic board.

Mayor Cremata indicated that he would need some time to figure out how to change things around, and suggested the motion be tabled.

Assemblymember Bass indicated that he would consider moving from Liaison to the Board, but he is not sure he wants to shift gears at this point, and further requested time to consider it.

The Borough Clerk indicated that the Assembly could consider an amendment to still appoint the two seats that have submitted applications.

Motion was withdrawn with no objection.

Motion/Second: Henry/Bass to confirm the appointment of Kaylynn Howard to the Dahl Memorial Clinic Board of Directors for a term ending October, 2025

Assemblymember Potter indicated that she would like her appointment to the Clinic Board to be confirmed as well.

Secondary Motion/Second: Burnham/Bass to amend the appointment to the Dahl Memorial Clinic Board of Directors to include Assemblymember Potter to a term ending in 2023

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

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

10. Mayor and Assembly Discussion Items:

Assemblymember Bass indicated:

- That he would move forward with an Assembly vote on the SEARHC lease; however, if the public has a great interest in seeing this come to a community vote, then he would like to hear your input.
- A Port Authority is something we may need to reconsider as we continue to move forward with our Port management. It is something that would be good for our community and make our Port Management better.

Assemblymember Potter indicated:

- Thank you to Assemblymember Hanson for the hard work on Resolution 22-33R. It is time for us to move forward and now we can focus on the path forward. Thank you to White Pass for recognizing that we are in this together.
- The Clerk has valid points regarding the correspondence issue and it is worthy of further discussion.

Assemblymember Hylton indicated:

- She is in agreement with Viola that it is difficult to see the empty storefronts and we have a lot of work to do.
- Thank you to Manager Ryan, Port Director Jennings, and everyone on staff.

Assemblymember Henry indicated that:

- Regarding SEARHC, he would be adamantly opposed to liquidating an appreciable asset. It does not make good financial sense to sell the building and the land.
- Skagway will get the ore basin contamination cleaned up.
- Regarding the Port budget, he is very hopeful we will hit the revenue stream reflected there; however, he feels the \$2 million debt retirement is a shade low.
- A sales tax increase to 7% would put us in range of other Southeast communities, would mean a 40% increase in revenue, and would not be a burden on year-round residents. What we are doing by buying down the mill rate is relieving a burden of higher tax to the year-round residents.

Assemblymember Burnham indicated that:

- He wants to recognize Fable Wallace for doing a good job coming to her second meeting to advocate for a pool. The Assembly is going to have to take action on the request because it seems Fable will be returning for more meetings.

Mayor Cremata indicated that:

- He had great meetings in Washington DC with the Alaska federal delegation, and individual meetings with Senators Sullivan, Murkowski, and Representative Peltola. It is true that you can accomplish far more face to face in an hour and a half than you can with months of correspondence.
- The meeting with the Department of Transportation was also very good. If we do not get the grant for the roll-on-roll off, they will give us information about other grants we can apply for, as well as an interview so that we can learn how to create a better grant the next time around.
- He really appreciates our lobbyist, John Walsh, who is dedicated and always willing to set up and attend meetings like this.
- The Assembly made a really good choice this evening, and while we may not all agree, this agreement with White Pass is a turning point for our community where we can start to look positively toward our future.
- Dealing with the Port transition is a monumental task and with the addition of the rockslide mitigation effort, that is a tremendous workload for a very small staff. He urges the Assembly and the Public to have patience with the staff, as they are working extremely hard.
- He was asked recently if he would support a public vote on SEARHC and the Clinic; there are times when code requires a public vote and there are times when public process initiates a public vote on issues that do not require one. Going to a vote takes a lot of time, is expensive, and often has the same result as it would have been without the vote. These issues are divisive and the elected officials bear a tremendous responsibility to make controversial decisions.
- He appreciates everyone on the Assembly, welcomes back Dan Henry's experience and expertise, and congratulates Orion Hanson for his re-election.

Assemblymember Hanson indicated that:

- Glacial Coffeehouse temporarily closing, however the White Pass coffeeshop will be staying open this winter to provide a coffee shop for our community.
- It will be tough to get to this finish line in 2023, but Skagway will get there.

12. Adjournment:

With no more business on the agenda, Vice Mayor Hanson adjourned the regular Assembly meeting of October 20, 2022 at 9:19 p.m.

Andrew Cremata, Mayor

ATTEST:

Steve Burnham Jr., Borough Clerk

(SEAL)

Approved: