



MUNICIPALITY OF SKAGWAY, ALASKA
REGULAR ASSEMBLY MEETING

November 3, 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 Chilkat people.

The pledge of allegiance was recited.

2. **Roll Call:**

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

Absent:

3. **Approval of Minutes:**

- A. September 27, 2022 Special Meeting
- B. October 6, 2022

Main Motion/Second: Hylton/Potter

To approve the September 27, 2022 Special Meeting and October 6, 2022 Assembly Minutes.

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

4. **Approval of Agenda:**

Main Motion/Second: Henry/Bass

To approve the November 3, 2022, Regular Assembly meeting agenda

The main 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 Department of Transportation issued a press release regarding the acquisition of the Broadway Peninsula--the community of Skagway having control of 40% more waterfront is an exciting possibility.

B. **Assembly Committee Reports:**

A. **Assemblymember Jay Burnham:**

Motion/Second: Burnham/Hylton

To approve the check run dated November 2, 2022, totaling: \$1,500,914.31

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

At its meeting of November 2, 2022, Finance Committee reviewed and made the following recommendations:

- Approval of Ordinance 22-09 Providing for the Establishment and Adoption of the Budget for the Fiscal Year 2023.
- Approval of Resolution 22-32R Supporting Full Funding for the State of Alaska Municipal Harbor Facility Grant Program in the Fiscal Year 2024 State Capital Budget.
- Approval of Resolution 22-35R Requesting Commercial Passenger Vessel Excise Tax Funding for Capital Improvement Projects.
- Proposed amendments and approval of Resolution 22-37R Amending Resolution 22-31R Providing a Policy for Community Funding Grants.
- Approval of the School Remodel Construction Management Services Amendment.

B. **Assemblymember Potter** indicated that Parks and Rec met on October 25, 2022

- The committee recommended the design for the future community garden be tasked to the OASIS committee.
- The committee is also investigating a grant opportunity from the Alaska Clean Water Act to fund additional rain gardens. With the help of Reuben Cash and John Hudson, the Restoration Biologist for the Southeast Alaska Watershed Coalition, they believe they can complete the grant request by the November 9th deadline.

C. **Assemblymember Hylton** indicated that Civic Affairs will be meeting November 9th at 5:30 p.m. with the following items on the agenda:

- Naming the road behind Pullen Pond.
- Leasing the You Say building for Senior activities.
- Feasibility study for SMART bus electrification.
- Seasonal Housing.

D. **Assemblymember Bass** indicated that

- The Police Department requests that the community minimize bear attractants and stay bear safe.
- The Police Department audit is complete and results are forthcoming.
- The Police Department has an easy to use, web-based tip line.
- The Fire Department will be conducting a pinning ceremony for the Firefighters who have received a minimum of 100 hours of training, received specific certifications, and have one year of continuous service. Assemblymember Bass indicated congratulations to Stacy Fairbanks, Serena Jones, Shane Rupprecht, Joseph Torregrossa, Sean Watson, and Deputy Chief Greenstreet.

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

Dahl Memorial Clinic Board Report, indicated that:

- The Board elected:
 - Jeremy Simmons, Board President
 - Lisa Mandeville, Vice President
 - Leah Mauldin, Secretary

- The Board recommends extending the Thomas Steiner contract until March 31, 2023 and requests Assembly consider approval.

Solid Waste Advisory Committee Report, indicated that:

- The committee concludes that a Municipal Fish Net Recycling Program is not necessary so long as the Harbormaster can inform fisherpersons of the net recycling option in Haines.
- The committee maintains its recommendation that the municipality implement a smaller, lower cost, volume-based trash collection option as part of a tiered system.

D. Manager's Report :

Manager Ryan indicated that:

- A release of claims was received from White Pass and the rockslide scaling is underway.
- A dive survey is being conducted to determine the condition of the existing piles.
- Meetings have commenced with potential waterfront upland lease holders and draft leases have been provided to each of them for review.
- There is progress being made with Alaska Marine Highway System representatives to gain access to the area outside of the security gate to use as a bus turnaround.

6. Communications to the Assembly:

A. Correspondence:

Correspondence was received from:

- S.Bolton re: SEARHC
 - Bolton indicated she does not trust SEARHC to provide the same level of services or to keep the current employees at the clinic.
- J.Mallory re: Clinic
 - Mallory indicated that the residents of Skagway envisioned and invested in this medical facility for the community.
 - While it may have come close to closing the doors of the clinic, that is in the past and now we are looking to solve the problems in the future.
 - Tom Steiner has a manageable timeline to get the clinic out of crisis mode.
 - If SEARHC takes over management, the municipality will no longer have control of the clinic, SEARHC may not offer employees the same benefits, and clinic services may be reduced.
 - The clinic supports stability and recruiting providers that want to make Skagway a year-round home is the best investment we can make.
 - Mallory indicated that she has worked in Radiology and Ultrasound departments for 55 years throughout Southeast Alaska, and that she has contracted with SEARHC clinics in Juneau and Haines, and that SEARHC management is not the answer for Skagway.
 - If the Municipality insists on continuing down the SEARHC path, Mallory believes that a community vote is mandatory because so many community members have donated monetarily and voluntarily to build and maintain our medical center.

- L. Lavoie re: Cruise Capacity Worksheet, Season Tracker 2023
 - Lavoie indicated that the attached worksheet could be a useful tool for the Assembly, Community members, and businesses to plan for 2023. The worksheet is modified based on the October 13, 2022 CLA calendar and omits the Encore and Bliss calls (for their lack of tenders) to help illustrate that the 2023 season is still on track to be very robust despite the Port's current challenges.

B. Hear Citizens Present

Tim Cochran, Petro Marine Services indicated:

- Concerns regarding the Alternative Mooring Plan and how Petro Marine will be able to attend to the fuel barge once the timber dock is removed.
- That the Assembly should prioritize the top three capital projects and put off other projects so there is not a need to raise property tax.
- That the community is opposed to SEARHC taking over the Clinic.
- The Municipality needs to request the State to provide more DOT personnel to keep the highway open.

Jennifer Thuss indicated that:

- She opposes with the new procedure omitting Assembly correspondence from the packet.

Rocky Outcalt indicated that:

- The municipality should be cautious with our spending until we get the situation with the docks and the waterfront resolved.

Carol Nelson indicated that:

- She took an informal poll of the community regarding SEARHC and citizens who support or oppose SEARHC have signed in support of a community vote regarding the sale of clinic.

Michael Yee indicated that:

- In October there were three flood events in Dyea, with the last one being a record event. Yee requests that the Municipality help the McDermotts with mitigation efforts and/or put pressure on DOT and NPS to help as well.
- He would like to see more action on improving winter outdoor recreation in Skagway:
 - Improvement and better maintenance of the ice-skating rink.
 - Providing a trails person in the winter to take care of ice, maintain ski trails, walking trails, and winter biking trails.

Penny Sullivan indicated that:

- SEARHC has helped her tremendously in the past; however, their administration and communication has become very poor.

Liz Lavoie indicated that:

- Correspondence should be available to the public to help people formulate opinions.
- The worksheet she provided with her correspondence is a tool for people to use to view potential amounts of visitors even when some ships cannot berth.
- A raise in property tax will be difficult for individuals as well as businesses.
- Skagway should revisit the yearly panoramic town photo.

Lisa Mandeville indicated that:

- The proposed budget cuts in the Manager’s memo weigh heavily on the clinic, and there should be more equitable cuts across all departments.
- In the draft terms, SEARHC stated that they would continue current services and cutting clinic staff positions may lower the standard for what is considered “current services.”
- She supports extending Thomas Steiner’s interim Executive Director contract.

Jessica Ward indicated that:

- Reading citizen correspondence on the website informs the community regarding thoughts others have about local issues.
- An increase in property tax would be a difficult for families.
- There is no continuity of care at the clinic and it needs to be properly staffed.
- She has a statement to read on behalf of her father, Tom Hall requesting the Assembly focus on the rockslide mitigation.

Melinda Munson indicated that:

- She would like correspondence to be published on the website. By the time she can request the information and get it back, that issue is already out and the material would no longer be relevant.

7. Ordinances, Resolutions, & Proclamations:

- A. First Reading of Ordinance No. 22-09:** Providing for the Establishment and Adoption of the Budget for the Fiscal Year 2023

Motion/Second: Henry/Burnham to approve the First Reading of Ordinance 22-09.

Assemblymember Bass indicated that the mill rate increase is substantial and other options should be considered.

Mayor Cremata indicated that the proper way to fund the school is to use property tax revenues—if the school requests funding: either the mill rate is paid down with sales tax, or revenue increased by raising property taxes.

Assemblymember Potter indicated that the public opposes property tax increases and a property tax increase would burden the business community.

Manager Ryan indicated that the school communicated a willingness to contribute \$290,000 from their reserve fund to alleviate the difference in what they have requested from the Municipality.

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

- B. Public Hearing and Adoption of Resolution No. 22-32R:** Supporting Full Funding for the State of Alaska Municipal Harbor Facility Grant Program in the FY2024 State Capital Budget

Motion/Second: Henry/Burnham to adopt Resolution No. 22-32R.

Public Hearing

The public hearing was closed with no comments.

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

- C. Public Hearing and Adoption of Resolution No. 22-34R:** Setting the Priority List for Capital Improvement Projects

Motion/Second: Henry/Potter to adopt Resolution No. 22-34R.

Public Hearing

The public hearing was closed with no comments.

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

- D. Public Hearing and Adoption of Resolution No. 22-35R:** Requesting Commercial Passenger Vessel (CPV) Excise Tax Funding for Capital Improvement Projects

Motion/Second: Henry/Bass to adopt Resolution No. 22-35R.

Public Hearing

The public hearing was closed with no comments.

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

- E. Public Hearing and Adoption of Resolution No. 22-36R:** Naming the Cemetery at Mile 2 of the Dyea Road

Main Motion/Second: Henry/Potter to adopt Resolution No. 22-36R.

Public Hearing

The public hearing was closed with no comments.

Secondary Motion/Second: Burnham/Bass to amend Resolution No. 22-36R to change anywhere it refers to 2 Mile as 0.2 Mile of the Dyea Road.

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

The Borough Clerk indicated that the recommended names from the Skagway Visitor Advisory Board were: Hillside Cemetery, Homestead Cemetery, Riverside Cemetery, Skagway Family Cemetery, Skagway Memorial Cemetery, and Sourdough Cemetery.

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

- F. **Public Hearing and Adoption of Resolution No. 22-37R:** Amending Resolution 20-31R Providing a Policy for Community Funding Grants

Main Motion/Second: Henry/Burnham to adopt Resolution No. 22-37R.

Public Hearing

The public hearing was closed with no comments.

Primary Amendment/Second: Burnham/Hylton to amend Resolution No. 22-37R under the item, "B. Eligibility", removing "1. Be accessible to everyone."

Assemblymember Hylton indicated that this amendment is taking out very specific wording that can give projects the appearance of being exclusive even though it does benefit the citizens of Skagway, which is the intent. This intent is outlined in item three under Project Eligibility, "Benefit the citizens of Skagway."

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

Secondary Amendment/Second: Burnham/Potter to change under item, "A. General Guidelines", the 4% maximum to 2% maximum.

Assemblymember Hanson indicated that approximately 3% of the funds were used this past year.

Tertiary Amendment/Second: Hanson/Hylton to amend the Secondary Amendment from 2% to 3%.

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

Secondary Amendment passed as amended by roll call vote, 6 yes, 0 no, 0 absent.

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

8. **Unfinished Business:**

A. Consideration of the Alternative Mooring Plan.

Manager Ryan gave an update on the Alternative Mooring Plan.

Mayor Cremata indicated that he admires the Assembly's choice to move forward with the project, and with any luck we can get a lot of the problems resolved and have the ore dock operational in 2023.

Assemblymember Bass indicated that it is time to slow down and look at the project again to see what can be gained from it.

Assemblymember Burnham indicated that when the bids come in, the Assembly can accept one or refuse them all, and go from there.

Assemblymember Hanson indicated that the Municipality is trying to be a leader in the Southeast Alaska cruise industry and if the contractors come back and say they can build the dock within the budget and the timeline, then the Assembly should move forward with it because building this dock is the culmination of years of work.

Assemblymember Hylton indicated that the Municipality needs to keep moving forward with the Alternative Mooring Plan.

B. Rockslide Contract Schedule

Manager Ryan gave an update on the Rockslide Mitigation Schedule:

- Shannon & Wilson agreed to begin work with the language provided by White Pass and the scalers are currently working.
- Next week they will have heavier airbags working to move the larger material and they will be scaling for a couple of weeks.
- After scaling is complete, they will install the attenuation measures and test that the mid-slope attenuator is able to catch material coming down. This will provide confidence in ships' ability to berth at the railroad dock. It is possible to complete that testing this winter, but it may be next spring if weather prohibits testing.

9. New Business:

A. Consideration of Liquor License Application

1. Alaska Liquor Store, G&C Inc., Package Store Liquor License #37

Motion/Second: Potter/Henry to Protest G&C Incorporated Liquor Store License Application.

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

B. School Remodel Construction Management Services Amendment

Motion/Second: Potter/Burnham to approve the School Remodel Construction Management Services amendment in the amount of \$140,084.02.

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

C. Consideration of Clinic Interim Executive Director Contract Amendment

Motion/Second: Potter/Bass to Consider the Interim Executive Director Contract Amendment

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

D. Approval of Assembly Assignments: Boards, Commissions, Committees & Liaisons

Motion/Second: Bass/Burnham to approve the Assembly appointments.

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

E. 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.

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

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

Mayor Cremata indicated that Assemblymember Hylton will serve on the Clinic Board and Assemblymember Henry will serve on the School Board.

Assemblymember Bass indicated that having two Assemblymembers on the Clinic Board was an emergency solution that no longer seems necessary.

Assemblymember Potter indicated that the decision to appoint two Assemblymembers to the Clinic Board was discussed during an executive session and that revisiting that decision should also be done in an executive session.

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

10. Executive Session:

- A. Pursuant to AS 44.62.310(c)(1), Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Public Entity: Discussion with Borough

Attorney Regarding Potential Legal Implications as related to the Ongoing Negotiations with SEARHC and the Continued Operation of the Dahl Memorial Clinic

Motion/Second: Potter/Burnham to adjourn as Assembly and reconvene as an Executive Session.

Motion passed by roll call vote, 5 yes, 0 no, 0 absent; Assemblymember Hanson did not vote.

At 10:34 p.m., Assemblymember Hanson indicated, via telephone, that he was leaving the meeting.

Motion/Second: Henry/Hylton to reconvene as Assembly.

Main Motion passed by roll call vote, 5 yes, 0 no, 1 absent.

Executive session lasted from 9:35 p.m. to 10:37 p.m.

11. Mayor and Assembly Discussion Items:

Assemblymember Burnham indicated:

- The Municipality should consider assisting the McDermotts to keep flood water from going across the road.
- With some adjustments, Skagway could become a dark sky community, which would be another draw for tourists.

Assemblymember Potter indicated:

- Fable Wallace attended the Parks and Rec meeting to show that she has been circulating a petition at the school in favor of a pool.
- Michael Yee also attended the Parks and Rec meeting with suggestions regarding winter activities.
- The Municipality will need to focus on the capital projects, such as the wastewater treatment plant and incinerator, that will be necessary to keep up with the growing number of visitors.

Assemblymember Hylton indicated:

- The community would benefit from putting some money into the ice rink maintenance to help boost citizens' mental and physical health in the winter.
- She would like to see an Ordinance brought forward to increase sales tax.
- It is time to start thinking about what it will take to develop the Broadway peninsula.
- Light pollution should be considered while developing our port.

Assemblymember Bass indicated that:

- As the archeological assessment is near completion, a discussion should be held regarding the disposition of the Garden City RV Park property.

Assemblymember Henry indicated that:

- He will prepare a sales tax increase ordinance for the next meeting.

Mayor Cremata indicated that:

- There has been problematic correspondence submitted in the past and he agrees with the decision that the Municipality will no longer publish it on the website. Skagway was the anomaly when compared to other Municipalities, who do not publish correspondence on their websites. As the publisher, Skagway could be liable, and it would be expensive to send every piece of correspondence for attorney review.
- The OASIS Committee serves at the discretion of the mayor, and they were tasked with a Welcome Garden and green corridor along the waterfront. Since they have not yet completed those tasks, he is hesitant to further task them with maintaining the new community garden. His preference would be for Parks and Rec to come up with an operating structure for the garden, or to establish a new ad hoc committee through the mayor.
- A reminder that the CEO of Royal Caribbean made a gift of \$100,000 that we can use to establish the Welcome Garden as well as use for the community garden.

12. Adjournment:

With no more business on the agenda, Mayor Cremata adjourned the regular Assembly meeting of November 3, 2022 at 10:55 p.m.

Andrew Cremata, Mayor

ATTEST:

Steve Burnham Jr., Borough Clerk

(SEAL)

Approved: