



MUNICIPALITY OF SKAGWAY, ALASKA
REGULAR ASSEMBLY MEETING

December 15, 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, Orion Hanson, Dan Henry (via telephone)

Absent:

3. Approval of Minutes:

A. November 3, 2022

Motion/Second: Potter/Bass

To approve the November 3, 2022 minutes.

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

4. Approval of Agenda:

Main Motion/Second: Bass/Potter

To approve the December 15, 2022 agenda.

Primary Amendment/Second: Hanson/Hylton to add item 8E, under New Business, Discussion of the First Meeting in January.

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

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:

B. Assembly Committee Reports:

A. **Assemblymember Jay Burnham:**

Motion/Second: Burnham/Hylton

To approve the check run dated December 15, 2022, totaling: \$1,441,871.31

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

At its meeting of December 14, 2022, Finance Committee reviewed the following:

- Ordinance 22-10 Increasing the Sales Tax Rate to 6% During the 2nd and 3rd Quarters. After discussion, Finance recommends Assembly approval with amendments for clarification.
- Resolution 22-39R Committing Port Fund Revenue to Serve as Matching Funds for FEMA Building Resilient Infrastructure Community (BRIC) Grant; Finance recommends Assembly approval of the amended Resolution 22-39R dated December 13, 2022, with a small change to the proposed amendment.
- The Minto proposal for the ore terminal; after discussion Finance recommends the Assembly have a committee review further before directing the Manager on how to proceed.
- The Clinic Interim Director Contract Amendment; after discussion, Finance recommends (with a two to one vote) Assembly approval.
- The Tour Broker Contract Amendment; after discussion, Finance recommends Assembly approval.

Assemblymember Hylton indicated that at the last Civic Affairs meeting they discussed Resolution 22-11R Amending Code in regards to physical addressing and Resolution 22-45R Providing a Policy to Digitally Record Meetings, both of which are on the agenda tonight. Civic Affairs recommends Assembly approval of both.

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

D. Manager's Report :

Manager Ryan indicated that:

- The Municipality has received the \$4.3 million short term loan.
- Negotiations with the upland lease holders continue.

6. Communications to the Assembly:

A. Correspondence:

B. Hear Citizens Present

Sarah Kinjo-Hischer indicated that:

- There are communities that allow public comments to be published on their websites with a disclaimer that citizens must agree to.
- A 2008 study ranked Alaska 40th in government transparency.
- A 2002 study, titled FOI in USA, ranked Alaska law as the 40th worst in the country.
- Instead of looking at other Alaska governments, the Municipality should look into how other states handle community correspondence.
- An informed, educated, and engaged citizen is a cornerstone of democracy.
- Public comment requests are taking over 10 days to receive and by that time the topic has been decided.
- She believes posting public comments keeps accountability in check by the people and allows for an open perception of our government.
- She requests that the Assembly and Mayor address comments made by citizens in previous meetings on this topic and provide reasons why a disclosure agreement would not work for Skagway.

7. Ordinances, Resolutions, & Proclamations:

- A. **Introduction and First Reading of Ordinance No. 22-11:** Amending SMC Chapter 15.10 Building Numbering System to Provide for the Assignment of Physical Addresses in the Dyea Road and Klondike Highway Areas

Main Motion/Second: Potter/Hylton to approve the first reading of Ordinance No. 22-11.

Primary Amendment/Second: Bass/Hanson to amend Ordinance No. 22-11 to reinstate line two and remove the next paragraph.

Assemblymember Hanson indicated that he is not in favor of imposing a monetary fee to citizens on a day-to-day basis, as is stated in the original Ordinance. However, requiring that houses be numbered could be added as a part of the certificate of occupancy process.

Assemblymember Bass indicated that while it is important for public safety workers to be able to identify houses, the Municipality should not force people to put something on their house if they do not want to. A request that all citizens install identifying numbers on their houses can be made, and a program that would pay for the numbers themselves can be implemented, but the Municipality should not use the force of law or threat of fines to force the citizenry to do so.

Primary Amendment 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.

- B. **Public Hearing and Second Reading of Ordinance No. 22-10:** Increasing the Sales Tax Rate to 6% During the 2nd and 3rd Quarters, and Directing the Borough Clerk to Place a Proposition on a Special Election Ballot for Ratification

[CLERK'S NOTE: The main motion to approve the second reading of Ordinance No. 22-10 was postponed from the December 1, 2022 meeting, and is still active]

Primary Amendment/Second: Henry/Potter to amend Ordinance 22-10 to increase the sales tax rate to 6.5% instead of 6%.

Assemblymember Henry indicated that the Municipality is facing significant challenges that need to be funded. Increasing to 6.5% would put Skagway in-line with other Southeast Alaska communities and would allow the Municipality to draw the appropriate amount of money for the community and the amount of people visiting each summer.

Assemblymember Bass indicated that Juneau and Sitka have a 5% sales tax, Ketchikan is at 6.5%, and Seward is at 7%. If raised to 6.5%, that would put us tied for the highest rate on the cruise ship route.

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

Primary Amendment/Second: Burnham/Hanson to amend Ordinance No. 22-10 to add the language “for increased operational and infrastructural demand.”

Assemblymember Hanson indicated that there are many needs of the community, and by adding this language it would allow the revenue to be diversified where needed instead of obligating it to one specific operation.

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

Primary Amendment/Second: Potter/Hylton to change section 6 to make the effective date the first day of 2024.

Assemblymember Hanson indicated that the business community would be burdened if required to pay this sales tax increase if implemented before 2024.

Assemblymember Potter indicated that the Municipality is still in a declared state of financial emergency and the tour operators are still in a state of recovery. Despite the immediate need for this increased revenue, it would be fair to give tour operators one year to build the increase into their prices.

Primary Amendment 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.

- C. **Public Hearing and Adoption of Resolution No. 22-39R:** Committing Port Fund Revenue to Serve as Matching Funds for a FEMA Building Resilient Infrastructure Community (BRIC) Grant

[CLERK’S NOTE: The Main Motion to adopt Resolution No. 22-39R was postponed from the December 1, 2022 meeting, and is still active]

Primary Amendment/Second: Hanson/Hylton to adopt Resolution No. 22-39R with the attached amendment.

Public Hearing

The public hearing was closed with no comments.

Secondary Amendment/Second: Burnham/Hylton to change the word “significant” under the 5th whereas to “unbearable.”

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

Primary Amendment 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.

- D. **Public Hearing and Adoption of Resolution No. 22-45R:** Providing a Policy to Digitally record Public Meetings

Motion/Second: Potter/Hylton to adopt Resolution No. 22-45R.

Public Hearing

The public hearing was closed with no comments.

Assemblymember Potter indicated that the public and elected officials having access to meeting recordings is important.

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

- E. **Public Hearing and Adoption of Resolution No. 22-46R:** to Change the Personnel Policy to Clarify the Process for Selection of Employees

Main Motion/Second: Bass/Potter to adopt Resolution No. 22-46R.

Public Hearing

The public hearing was closed with no comments.

Primary Amendment/Second: Burnham/Hylton to add the language under 1.2 B, "Executive Assistant" to "Executive Assistant and/or Deputy Manager."

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

Assemblymember Hanson indicated that it is helpful to have a chairperson or Assemblymember on the hiring committee for department heads. It allows for a more thorough vetting and interview process, rather than holding the discussion in public when it comes time for the Assembly to approve the appointment.

Primary Amendment/Second: Hanson/Potter to amend Resolution 22-46R to say that appointments of Department supervisors shall be done by the manager, mayor, committee chairperson or board member.

Assemblymember Burnham indicated that elected officials should not be included in hiring any employees other than the manager and clerk. If the manager hires someone who is not competent, the manager will have to answer to the Assembly.

Primary Amendment failed by roll call vote, 1 yes, 5 no, 0 absent; with Assemblymembers Bass, Burnham, Henry, Hylton, and Potter dissenting.

Main Motion passed as amended by roll call vote, 5 yes, 1 no, 0 absent; with Assemblymember Hanson dissenting.

8. New Business:

- A. Consideration of Liquor License Renewal Applications

1. Chilkoot Trail Outpost, Beverage Dispensary-Tourism Seasonal License #5530 Renewal Application

Motion/Second: Bass/Hanson to protest the dispensary license for Chilkoot Trail Outpost.

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

- B. Consideration of Minto Proposal for Ore Terminal

Manager Ryan indicated that the question is if the Municipality should continue using the current ore loader as is, and he believes it deserves a community discussion. He requests the Assembly send this to committee to establish an open forum for that discussion.

Motion/Second: Hanson/Potter to send the consideration of the Minto proposal for the ore terminal to the Ports and Harbors Committee for public discussion.

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

- C. Consideration of Clinic Interim Executive Director Contract Amendment

Motion/Second: Potter/Burnham to accept the contract amendment for the clinic interim Executive Director.

Assemblymember Hylton indicated that continuing this contract for another 3 months is not fiscally responsible.

Assemblymember Hanson indicated that the interim Director has stabilized the clinic, and that is what is important.

Assemblymember Potter indicated that the advertised salary for the position of Clinic Executive Director is \$90,000-\$140,000.

Mayor Cremata indicated that the average wage for this type of position in Alaska is approximately \$205,000 and the Clinic Board should be doing everything in their power to hire a new director at a reasonable wage.

Assemblymember Potter indicated that the Clinic Board would be addressing raising the advertised wage at their next meeting.

Assemblymember Bass indicated that approving the contract needs to be done to keep the clinic functional, but that after March 2023 it would be more difficult to approve this spending.

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

- D. Approval of Tour Broker Contract Amendment

Mayor Cremata recused himself from the conversation due to his employment by the Tour Broker with no objection from the table; Vice-Mayor Hanson assumed the chair.

Manager Ryan indicated that an appraisal was done to renew the contract. Due to the Municipality's closure of the sea-walk, M&M will be using carts they built and the rates will be calculated on a square footage basis until such time that their building at the railroad dock can be used safely.

Motion/Second: Hylton/Bass to approve the Tour Broker Contract Amendment.

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

Mayor Cremata returned to the chair.

E. Discussion of the January 5, 2023 Meeting

Motion/Second: Burnham/Potter to cancel the January 5, 2023 Assembly Meeting.

Manager Ryan indicated that there are some contracts coming up that would likely need attention prior to the January 19, 2023 meeting.

Mayor Cremata indicated that if a quorum cannot be established for the January 5, 2023 meeting, then another meeting could be scheduled within 24 hours.

Motion was withdrawn with the second in agreement and no objection from the table

9. **Executive Session:** None.

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

Assemblymember Potter indicated that:

- One of the things she learned from meeting other government officials at the Alaska Municipal League is that everyone is struggling with budgets.
- She would like to wish everyone happy holidays, but would like to remind people that holidays are not always joyful for people. Our country experiences a suicide every 11 minutes—if there is someone out there that you know is struggling, reach out and check in on that person. Skagway is good at lifting each other up and showing they care.

Assemblymember Hylton indicated that:

- She will be taking a break over the next 7 weeks, calling in to the next two meetings and missing the third.
- The clinic has never made her feel comfortable, and the world of medicine is different now. She is working to do the best thing for our community because she loves Skagway.
- She has spoken with a Royal Caribbean representative about using a portion of the President's Cruise donation for the Senior Center, and they seem excited about that. She will be working with the clerk to draft a letter for Assembly approval.

- Her time at the Alaska Municipal League conference allowed her to see how other communities have addressed some of their issues, and she is excited to come back and apply some of the things she learned to help our community.

Assemblymember Hanson indicated that:

- He would like to thank the cruise lines and White Pass for working with the Municipality to secure funding from FEMA, and for being open to finding solutions to our challenges, particularly the rockslide, in 2023.
- He would like to thank Tim Bourcy and Matt Deach for all their years of service on various community boards.

Assemblymember Bass indicated that:

- He requests the clerk's office to look into some options on how we can allow public comments to be published.
- He hopes to see the SEARHC issue go to a vote soon so that the Assembly will know what the public wants and we can move forward.

Mayor Cremata indicated that:

- There is a large amount of money being used to support the clinic, and the Municipality is at risk of that level of spending becoming permanent, at a time when every dime is critical. He would like to motivate the Clinic Board to move swiftly in hiring an Executive Director.
- Matt Deach and Tim Bourcy are pillars of this community and their years of service are greatly appreciated.
- He would like to extend his gratitude to staff for all of their hard work keeping the roads plowed.

12. Adjournment:

With no more business on the agenda, Mayor Cremata adjourned the regular Assembly meeting of December 15, 2022 at 8:55 p.m.

Andrew Cremata, Mayor

ATTEST:

Steve Burnham Jr., Borough Clerk

(SEAL)