



MUNICIPALITY OF SKAGWAY, ALASKA
REGULAR ASSEMBLY MEETING

February 16, 2023
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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:** Dan Henry, Orion Hanson, Sam Bass, Jay Burnham, Deb Potter, Reba Hylton

Absent:

3. **Approval of Minutes:**

A. January 19, 2023

Motion/Second: Potter/Henry

To approve the January 19, 2023 minutes.

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

4. **Approval of Agenda:**

Main Motion/Second: Henry/Potter

To approve the agenda.

Secondary Motion/Second: Burnham/Hanson

To remove item 7B from the agenda.

The Secondary Motion 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:**

Mayor Cremata indicated that the written Mayor's report is in the packet, and added that he would like to extend his gratitude to the Police Department for handling another difficult situation earlier in the week.

B. **Assembly Committee Reports:**

A. **Assemblymember Jay Burnham:**

Motion/Second: Burnham/Bass

To approve the check run dated February 16, 2023, totaling: \$1,066,545.72.

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

At its meeting of February 15, 2023, Finance Committee did the following:

- Reviewed Ordinance 23-03 Amending the Exemption for Senior Citizen and Disabled Veteran Property Tax.
 - The Ordinance needs a little more work, and will need to go to a vote, so they will bring it back at a later date.
- Reviewed Resolution 23-04R Directing the Borough Clerk to Schedule a Special Election for the Purpose of Placing a Question Before the Voters Regarding the Ratification of Ordinance 22-10.
 - A discrepancy was found in the Resolution and Finance recommends Assembly approval with an amendment.
- Reviewed Resolution 23-06R Directing the Borough Clerk to Place a Question Regarding the Sale of E.A. Jenny Rasmuson Community Health Center.
 - Finance recommends Assembly approval with an amendment.
- Reviewed the 60% Ore Peninsula Redevelopment Design.
 - Finance recommends Assembly approval.
- Reviewed the waterfront draft lease ordinances.
 - Finance recommends Assembly approval when they are available at a future meeting.
- Discussed the Clinic Executive Director Salary.
 - Finance recommends a \$20,000 wage increase.

B. **Assemblymember Bass** indicated that the Public Safety Committee met on February 15, 2023:

- The committee discussed public safety in Dyea
- They also reviewed the busking draft code and did not find any public safety concerns. The committee recommended the draft code go to the Civic Affairs Committee for further review.

C. **Assemblymember Henry** indicated that as Health, Education, and Welfare Chair he met with the business manager at the school to work on an approach to the budget process.

D. **Assemblymember Hylton** indicated that the Civic Affairs Committee met on February 8, 2023, and they discussed the following:

- A possible lease of the former You Say Tomato building to be used as a senior center--the manager was requested to continue lease negotiations with a lesser maintenance liability for the Municipality.
- Citizen Correspondence and a proposed resolution from Assemblymember Potter that could allow written comments to be available on the website.
- The Garden City RV Park and a resolution addressing the Skagway Traditional Council request for a portion to be returned to them.
- The AB subdivision.

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

Liz Lavoie indicated that:

- She is the new chair for the Ports and Harbors Advisory Board.
- On February 7, 2023 they held a work session with a presentation by KPFF representatives, Ed DeBroeck and Brian Donahue, to present the 60% design for the Ore Peninsula. There were also representatives from the Yukon government.
- The next day they held a regular meeting to discuss the 60% design, had a rockslide mitigation update from Rex at Shannon and Wilson, and the manager and port director spoke about the simulation report.
- The summary of the simulation report reads that the final conclusion of the January 2023 working group is that the extension of the berth and the 2024 design safely meets the cruise line standard requirement of avoiding parallel section overlap between vessels moored at the Ore and Broadway docks. Additionally, extending the berth 200 feet southwest has seemingly resolved many of the industrial docking concerns for the ore and fuel vessels.
- The Ports and Harbors Advisory Board will have another meeting on February 22, 2023.

D. Manager's Report:

Deputy Manager Deach indicated that there are a few items that were not covered in the written manager's report in the packet:

- Next week is the deadline for the TAP grant through the Department of Transportation (DOT). This was Assemblymember Potter's project to fund an accessible pedestrian path connecting the Klondike Highway down to the Dedman stage area. They will need a resolution from the Assembly stating support for the project. If approved, DOT will do all the work and when complete, it becomes the property of the Municipality and we continue to maintain it.
- The Police Department audit report should be coming by the end of the week, or early next week.
- The Westcreek subdivision has a preliminary plan, but they will be making some amendments before it is presented to a committee for discussion.
- She will be reaching out to the Mental Health Trust to schedule a meeting regarding the AB Mountain subdivision possibility. The Municipality's goal is to make the subdivisions available to the public.
- They have been working with the cruise lines and local transportation companies on a plan for the railroad dock for the upcoming season. Testing of proposed traffic flow patterns will be done at the end of next week.
- There are representatives from the Yukon Government Department of Economic Development present, Michael Prochazka, Lise Farynowski, and Bryce Aubrey, who may wish to speak under citizens present.

E. Treasurer's Report:

Mayor Cremata indicated that the Assembly should be getting a monthly treasurer's report and he thanks the Municipal Treasurer for providing one for this meeting.

6. Communications to the Assembly:

A. **Correspondence:**

- From Royal Caribbean Group re: President's cruise grant donation dated February 14, 2023.

B. **Hear Citizens Present**

Michael Prochazka, Assistant Deputy Minister with the Department of Economic Development, Yukon Government indicated:

- He is joined by his colleagues Lise Farynowski and Bryce Aubrey.
- They are happy to be working with Manager Brad Ryan, Deputy Manager Emily Deach, and Port Director Cody Jennings on a potential contribution from the Yukon Government for the ore peninsula redevelopment project. They are developing a positive relationship through the course of the negotiations. The conversations have been productive and they hope to reach a conclusion that works for both the Yukon mineral exports industry and the community of Skagway.

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

- A. **Public Hearing, Second Reading, and Adoption of Ordinance No. 23-02:** Amending SMC 16 Public Lands to Require Ratification by Public Vote Before a Sale or Lease of the Dahl Memorial Clinic

Motion/Second: Henry/Burnham to adopt Ordinance No. 23-02.

Public Hearing

The public hearing was closed with no comments.

Assemblymember Potter indicated that she is not comfortable making a change to code when the language of the petition does not reference amending code. She believes that Resolutions 23-05R and 23-06R will satisfy the legal requirements of the petition as well as poll the community for information.

Assemblymember Hylton indicated that she will be voting no because changing code has potential ramifications in other situations.

Assemblymember Burnham indicated that he brought this forward to satisfy the intent of the petition sponsor, which is to have the ability to vote on the decision to sell the clinic; code is changed all the time.

Assemblymember Bass indicated that the only way to ensure the Assembly is satisfying the intent of the petitioners is to put their petition language to a vote, not to interpret how code should be changed. He will be voting no.

Assemblymember Henry indicated that he would never vote to sell the Dahl Memorial Clinic. He believes the petitioner's intent is to put it to a vote.

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

- B. ~~Introduction and First Reading of Ordinance No. 23-03: Amending SMC 4.10.030 Exemption for Senior Citizen and Disabled Veteran Property Tax~~
- C. **Introduction and First Reading of Ordinance No. 23-04***: Transferring the Rapuzzi House to Friends of the Klondike Corridor

Motion/Second: Henry/Burnham to approve the first reading of Ordinance No. 23-04*.

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

***Clerk's Note: Ordinance No. 23-04 was administratively changed to Ordinance 23-07.**

- D. **Public Hearing and Adoption of Resolution No. 23-04R**: Directing the Borough Clerk to Schedule a Special Election for the Purpose of Placing a Question Before the Voters Regarding the Ratification of Ordinance 22-10

Main Motion/Second: Hanson/Henry to adopt Resolution No. 23-04R.

Public Hearing

The public hearing was closed with no comments.

Secondary Motion/Second: Hanson/Potter to amend Resolution 23-04R to replace the ballot question with the exact ballot question verbiage used in Ordinance 22-10.

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

Assemblymember Potter indicated that the Assembly is not voting to raise the sales tax, they are voting to have the question put on a ballot for the voters to ratify an increase.

Assemblymember Burnham indicated that it may be beneficial to host a town hall to discuss the intent behind raising the sales tax.

Assemblymember Henry indicated that there is a long list of wants and needs of the Municipal revenue stream. Millions of dollars were spent on relief to residents during COVID. The rockslide mitigation project is estimated to cost around \$30 million. Raising the sales tax would put the Municipality in a financial position to address some of the current needs.

Secondary Motion/Second: Henry/Hylton to amend Resolution 23-04R to include the date of the election as April 18, 2023.

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

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

E. Public Hearing and Adoption of Resolution No. 23-05R: Directing the Borough Clerk to Place a Petition Initiative Question Before the Voters at a Special Election

Main Motion/Second: Henry/Potter to adopt Resolution 23-05R.

Public Hearing

The public hearing was closed with no comments.

Assemblymember Burnham indicated that this is the exact wording from the petition.

Secondary Motion/Second: Potter/Hanson to amend Resolution 23-05R to add the date of April 18, 2023.

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

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

F. Public Hearing and Adoption of Resolution No. 23-06R: Directing the Borough Clerk to Place a Question Regarding the Sale of E.A. Jenny Rasmuson Community Health Center

Main Motion/Second: Henry/Hanson to adopt Resolution 23-06R.

Public Hearing

The public hearing was closed with no comments.

Secondary Motion/Second: Henry/Bass to amend Resolution 23-06R to include the date of the election as April 18, 2023.

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

Primary Amendment/Second: Burnham/Henry to adopt the language, "Shall the Municipality lease the E.A. and Jenny Rasmuson Community Health Center building and land for \$1 and sell the Dahl Memorial Clinic business and assets for \$1."

Assemblymember Hanson indicated that the manager is negotiating with SEARHC and that the question posed to the public should be as clear as possible.

Deputy Manager Deach indicated that they are negotiating with SEARHC to lease the building for \$1 and to sell the clinic business for \$1.

Assemblymember Bass indicated that he would support adding SEARHC to the question so that it is very clear to the voters.

Secondary Amendment/Second: Potter/Burnham to amend the amendment to include the word SEARHC to the question.

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

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

Main Motion passed as twice amended by roll call vote, 4 yes, 2 no, 0 absent; with Assemblymembers Henry and Hylton dissenting.

8. Unfinished Business:

9. New Business:

- A. Consideration of Liquor License Renewal Application
 - 1. Fraternal Order of the Eagles #25, Liquor License #334 Renewal Application

Motion/Second: Potter/Henry to protest the Liquor License Renewal Application of Eagles # 25.

Assemblymember Hanson indicated that he is a co-signer on the Eagles' bank accounts, but he does not receive any financial benefit from that.

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

- B. Approval of 60% Ore Peninsula Redevelopment Design

Motion/Second: Burnham/Potter to approve the 60% Ore Peninsula Redevelopment Design.

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

- C. Discussion of Clinic Executive Director Salary

Deputy Manager Deach indicated that the manager recommends the clinic executive director salary to be raised to a range of \$100,000 to \$150,000, based on what he knows about similar positions in this region. He would like the Assembly's direction on how to move forward.

Assemblymember Burnham indicated that the salary increase was discussed at the finance committee, and they recommend to the Assembly to raise it to a range of \$110,000 to \$160,000.

Motion/Second: Burnham/Hanson to increase the rate of the executive director of the clinic to \$110,000 to \$160,000 per year.

Assemblymember Potter indicated that the salary range does not include the benefits they receive.

Assemblymember Hylton indicated that what is being paid for the interim director is close to \$450,000.

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

10. Executive Session:

- A. Pursuant to AS 44.62.310(c)(1), Matters that May Have a Significant Adverse Effect Upon the Finances of the Municipality and Which are Confidential by Law, Protected by the Attorney-Client Privilege: Discussion with the Borough Attorney Regarding Hosford vs. Municipality of Skagway

Motion/Second: Bass/Henry to adjourn into Executive Session.

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

Motion/Second: Hanson/Bass to reconvene as Assembly.

Motion passed with no objections.

Executive Session lasted from 8:30 p.m. to 9:15 p.m.

Mayor Cremata indicated that staff is directed to manage the cabin at the Dyea flats in accordance with Resolution 21-16R.

11. Mayor and Assembly Discussion Items:

Assemblymember Potter indicated that:

- On February 22nd the Skagway Traditional Council will be having a presentation on substance abuse disorders and she encourages the public to attend.
- The library director found a grant which would provide \$20,000 to install an accessible door at the front entrance--letters of support are requested.

Assemblymember Hylton indicated that:

- She will be having Civic Affairs Committee meetings on a regular basis.

Assemblymember Henry indicated that:

- He will be traveling and attending meetings by phone.

Mayor Cremata indicated that:

- Two years ago, the clinic board president at the time said that it was a high priority to get a clinic audit, and he would like to know why no action has been taken; the Municipality is no closer to understanding the problems of the clinic than it was two years ago.

Assemblymember Burnham indicated that:

- He commends the mayor for his intent to improve the use of Robert's Rules of Order.
- He would like the mayor to consider signing the letter of support for the library grant on behalf of the entire assembly and the public.

Mayor Cremata stated that if there were no objections, he would compose the letter on behalf of the entire Assembly.

No objections were made.

12. Adjournment:

Motion/Second: Henry/Burnham to adjourn.

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

With no more business on the agenda, Mayor Cremata adjourned the regular Assembly meeting of February 16, 2023 at 9:25 p.m.

ATTEST:

Andrew Cremata, Mayor

Steve Burnham Jr., Borough Clerk
(SEAL)