



MUNICIPALITY OF SKAGWAY, ALASKA
REGULAR ASSEMBLY MEETING

August 3, 2023
Page 1 of 6

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:** Deb Potter, Sam Bass, Orion Hanson, Dan Henry, Jay Burnham (via telephone), Alex Weddell

Absent:

3. **Approval of Minutes:**

A. July 6, 2023

Motion/Second: Henry/Hanson

To approve the July 6, 2023 Assembly meeting minutes.

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

4. **Approval of Agenda:**

Motion/Second: Henry/Hanson

To approve the agenda.

The 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:

- He will be attending the Alaska Municipal League Mayor's conference next week and he will have a report when he returns.

B. **Assembly Committee Reports:**

A. **Assemblymember Jay Burnham:**

Assemblymember Burnham indicated that he was not able to attend the finance meeting and he would like to ask Assemblymember Hanson to provide an update on the meeting.

Assemblymember Hanson indicated that Finance met on August 2, 2023 and did the following:

- Reviewed Ordinance No. 23-20: Authorizing the Municipality of Skagway to Lease Tidelands Property to Petro 49, Inc., and Directing the Borough Clerk to Place a Proposition on the October 3, 2023 Regular Election Ballot for ratification.
 - Finance recommends Assembly consideration.

Motion/Second: Hanson/Henry to approve the check run in the amount of \$2,991,695.03.

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

Assemblymember Henry indicated that Health, Education, and Welfare met to discuss Resolution No. 23-27R and recommended it be returned to the Assembly for further discussion.

Assemblymember Bass indicated that he will be scheduling a Public Safety meeting in September to discuss the following items:

- Creating a timeline regarding implementing the recommendations of the Police audit.
- Traffic patterns.
- Public Safety in Dyea.

Assemblymember Weddell indicated that Civic Affairs will be meeting on Thursday, August 10, 2023 at 7:00 p.m.

C. Treasurer's Report:

D. Manager's Report:

Manager Ryan, indicated that:

- His written report is in the packet.
- Port Director Jennings submitted some updated numbers:
 - Port revenues- \$3.9 million billed, \$2.2 million received.
 - Cruise ship passenger counts have exceeded expected capacity in every month, except for May which was at 92% capacity.

6. Communications to the Assembly:

A. Correspondence:

Correspondence was received from:

- Lisa Mandeville
- Sara Kinjo-Hischer; Skagway Traditional Council
- Jaime Bricker, Andrew Beierly, Marla Belisle, Judean Gordon, Savannah Ames; Skagway Traditional Council

B. Hear Citizens Present

Mavis Henrickson indicated that:

- She opposes the proposed sales tax increase to 6.5%.
- Skagway's sales tax should not be greater than our neighbor, Juneau, which is at 5%.

- When she was a council member, property taxes were at eight mills, with four going to the city and four going to the school. Today, property taxes are at seven mills, which go entirely to the school.

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

A. **Introduction and First Reading of Ordinance No. 23-20: Authorizing the Municipality of Skagway to Lease Tidelands Property to Petro 49, Inc., and Directing the Borough Clerk to Place a Proposition on the October 3, 2023 Regular Election Ballot for Ratification**

Main Motion/Second: Henry/Hanson to adopt Ordinance No. 23-20.

Assemblymember Bass indicated that he is concerned that the ballot question language is not clear enough for the voters to understand what it is they are approving.

Assemblymember Hanson indicated that he agrees that the ballot question should let the voters know exactly what they are voting for.

Assemblymember Potter indicated that voters will not have Ordinance No. 23-20 in the voting booth to help make the decision.

Clerk Burnham indicated that when ordinances have been ratified in the past, the ordinance has been available to the voters. He believes there could be printed copies available to the voters on voting day and he will verify that.

Manager Ryan indicated that the attached appraisal would need to be updated in order to be within the six-month timeframe, and that has been scheduled.

Secondary Motion/Second: Bass/Hanson to add that it will be a 35-year lease to the language of the ballot question.

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

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

B. **Public Hearing, Second Reading, and Adoption of Ordinance No. 23-19: Increasing the Sales Tax Rate to 6.5% During the 2nd and 3rd Quarters, and Directing the Borough Clerk to Place a Proposition on a Special Election Ballot**

Main Motion/Second: Henry/Hanson to adopt Ordinance No. 23-19.

Public Hearing

The Public Hearing was closed with no comments.

Assemblymember Hanson indicated that increasing to 6.5% would be in line with other Southeast Alaska port communities. This will be placed on the October ballot during the general election.

Assemblymember Bass indicated that citizen government sometimes requires making another decision on the same topic within six months. However, if the voters do not pass this increase, he cannot imagine bringing it back to them any time in the near future.

Secondary Motion/Second: Weddell/Bass to amend Ordinance No. 23-19 to 6% instead of 6.5%.

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

Secondary Motion/Second: Henry/Hanson to amend Ordinance 23-19 to 6.25% instead of 6%.

Assemblymember Henry indicated that the subsidies that need to be maintained and expanded by the Municipality will be jeopardized if the proposed amount is lowered to 6%.

Assemblymember Weddell indicated that she is concerned that if the question proposed to the voters is not changed, then it will fail again. By amending the sales tax percentage to 6%, it may have a chance.

The Secondary Motion passed by roll call vote, 4 yes, 2 no, 0 absent; with Assemblymembers Bass and Weddell dissenting.

Mayor Cremata indicated that the reason there will be a significant increase in sales tax revenue this year, is because the manager and staff budgeted at 60%. Some people may try to spin that as the Municipality having received a great windfall, but that will not be the case come next year.

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

C. Public Hearing and Adoption of Resolution No. 23-27R: Executive Director Selection Committee

[Clerk's Note: there is a live motion to adopt Resolution No. 23-27R on the table from the July 20, 2023 Assembly meeting]

Mayor Cremata indicated that at the last meeting, a member of the hiring committee was asked about why an executive session was attempted to be called, and their statements contradict an email from the president of the clinic board to the borough attorney.

Assemblymember Bass indicated that he does not want to pass a resolution that conflicts with code. At a minimum, the clinic board representative should be chosen by the clinic board and not the manager.

Mayor Cremata indicated that during the last meeting the borough attorney stated that the resolution would supersede code in this circumstance. When the Municipality is spending half a million dollars for an interim executive director and is not getting the truth from the people on the hiring committee, then it raises concerns about our community healthcare becoming politicized from the Assembly, which is charged by the voters to manage the clinic.

Assemblymember Weddell indicated that she does not believe there was malicious intent made by any of the clinic board members. Sometimes people don't have answers to the questions they are being asked, and they do their best. It is strange to have this as a resolution and not an ordinance, and she does not see the advantage of changing the make-up of the hiring committee in the middle of the hiring process.

Assemblymember Potter indicated that she does see value in changing the process of something that has not worked in the past, in hopes of getting a different result. She also believes that this resolution does align with the intent of Resolution 22-46R, that was passed to remove political influences from hiring committees.

Assemblymember Bass indicated that he does not think the makeup of the hiring committee is what is not working; it is the shortage of executive directors, the difficulty of hiring in Skagway, and the previously undecided SEARHC question.

Assemblymember Weddell indicated that in Resolution 22-46R, the clinic is specifically listed as being exempted from that resolution.

Secondary Motion/Second: Hanson/Potter to amend Resolution 23-27R to make the member of the clinic board on the hiring committee elected by the clinic board.

Assemblymember Hanson indicated that the clinic board has expertise on how the clinic is managed and should participate by selecting their own representative on the hiring committee.

The Secondary Motion passed by roll call vote, 4 yes, 2 no, 0 absent; with Assemblymembers Burnham and Henry dissenting.

The Main Motion passed as amended by roll call vote, 4 yes, 3 no, 0 absent; with Assemblymembers Bass, Burnham, and Weddell dissenting and Mayor Cremata breaking the tie by voting yes.

8. Unfinished Business:

9. New Business:

- A. Update on Rock Slope Mitigation Project and Funding

Manager Ryan provided an update:

- Senator Murkowski's office called and indicated that the Municipality has made it through the first step of potentially receiving around \$5 million for rockslide mitigation. He is looking in to amending the design proposal so that the \$5 million can be used as soon as possible. He will bring that to the Assembly at a future meeting.
- The state is still reviewing the submitted design scope. The Assembly could choose to amend that scope of work after it is reviewed.

10. Mayor and Assembly Discussion Items:

Assemblymember Weddell indicated that:

- She is still learning how to communicate effectively at the table, but she hopes to fulfill her obligation of representing the constituents.

Assemblymember Potter indicated:

- Her thanks to Senator Murkowski and staff for the hard work on behalf of Skagway.
- That she has not given up on returning a portion of Garden City RV Park to the Skagway Traditional Council.

Assemblymember Bass indicated that:

- Skagway needs high density housing as well as single family housing to encourage year-round residency.

Mayor Cremata indicated that:

- He would like to see the clinic board and staff given autonomy by becoming a non-profit, outside the purview of the Assembly. As mayor, he cannot bring that forward; it will have to come from an assemblyperson.

11. **Executive Session:**

12. **Adjournment:**

Motion/Second: Hanson/Weddell to adjourn the meeting.

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

Mayor Cremata adjourned the regular Assembly meeting of August 3, 2023 at 8:25 p.m.

ATTEST:

Andrew Cremata, Mayor

Steve Burnham Jr., Borough Clerk
(SEAL)