



MUNICIPALITY OF SKAGWAY, ALASKA
REGULAR ASSEMBLY MEETING

September 7, 2023
Page 1 of 10

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, Alex Weddell, Dan Henry (via telephone), Jay Burnham (via telephone)

Absent:

3. **Approval of Minutes:**

- A. August 3, 2023 Assembly
- B. August 14, 2023 Assembly Special Meeting

Motion/Second: Bass/Potter

To approve the August 3, 2023 Assembly and August 14, 2023 Special meeting minutes.

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

4. **Approval of Agenda:**

Motion/Second: Hanson/Potter

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:

- His written report is in the packet.
- He asked borough attorney Bob Blasco to attend this meeting and answer any questions regarding Garden City RV Park and obtaining the title reports.

B. **Assembly Committee Reports:**

A. **Assemblymember Jay Burnham:**

Motion/Second: Burnham/Potter to approve the check run in the amount of \$3,858,156.72.

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

Assemblymember Burnham indicated that Finance met on September 6, 2023, and did the following:

- Reviewed Resolution No. 23-30R: Expressing Intent to Dispose of Blocks 95 and 102, Known as the Garden City RV Park
 - Finance declined to make a recommendation due to there being a few proposed amendments in the packet, knowing that it would inevitably be changed at the table.
- Reviewed Community Funding Grant Application from the First Presbyterian Church for their “Open Doors Program.”
 - Finance awarded a grant in the amount of \$13,041 to continue that program.
- Reviewed Ore Dock Pile Splice and Delivery Change Order #001
 - Finance recommends Assembly approval.
- Reviewed AP&T’s request for a letter supporting an application for AEA REF Grant Funds for Goat Lake.
 - Finance recommends the Assembly direct staff to draft a letter of support.
- Reviewed the quote for replacement of the SERV-U engines and controls.
 - Finance recommends Assembly direct staff to draft a budget amendment to cover the cost of replacing the motors and controls. The SERV-U is the only marine emergency response vessel the Municipality has, and it is currently out of service. It may be needed with all the upcoming waterfront work.

Assemblymember Potter indicated that Parks and Recreation would be meeting on Tuesday, September 12th at 6:00 p.m.

Assemblymember Hanson indicated that he spoke to Public Works Director Ames regarding the possibility of future water treatment that would require access to the well located at Garden City RV Park. This is an important thing to consider when discussing what will be done with the property.

C. Treasurer’s Report:

Mayor Cremata indicated that the Treasurer’s report is in the packet.

D. Manager’s Report:

1. General Update

Manager Ryan, indicated that:

- The archeological assessment that can be used as a resource regarding Garden City RV Park, as well as the title report, has been received and distributed to the Assembly.
- The Ore peninsula project is in progress and the community may hear some noise happening on Monday from the removal of ore dust from the loader.
- Port Director Jennings has reported that as of August 31st 983,260 cruise passengers have visited Skagway. Of the \$6 million billed, \$4.2 million has been received, and that does not include vessel impact fees for August. The port is generating more revenue than anticipated.
- The rest of his written report is in the packet.

2. Update on Archeological Assessment and Title Report for Blocks 95 and 102

Manager Ryan indicated that the report has been received and approved by the STC, so it is a resource to refer to. No artifacts of emotional significance were located.

6. Communications to the Assembly:

A. Correspondence:

Correspondence was received from:

- Bruce Weber, Chair of Dyea Community Advisory Board re: DCAB Board Report
- jeremy simmons, President of DMC Clinic Board re: Dahl Memorial Clinic Board Report
- Beth Smith, Chair of Skagway Visitor Advisory Board re: Recommendations to the Assembly from the SVAB

B. Hear Citizens Present

Mavis Henrickson indicated that:

- There is a lot of pressure behind the water that flows under Skagway.
- The creek runs back and forth under State Street.
- Skagway does not have to be overly worried about the pollution of our water because it is 600 feet down before it hits bedrock. All the sand and gravel in between help to clean the water.
- If the Municipality wants to bring water and sewer across the bridge then they should buy the piece of property north of the Corrington's property up the highway.
- She brought a photo to show what the waterfront used to look like.
- The citizens were promised a say in what happens with the waterfront, and it should be separated from the Municipality and run as a business.
- She resents the borough manager and believes the Assembly should take action.

Charity Pomeroy indicated that:

- The last conversation she had with former Mayor Carlson was about Skagway taking over the port. She is grateful to the current Assembly and borough manager for all the work that went into accomplishing that.
- She objects to Resolution No. 23-30R. Skagway needs high density housing and affordable housing for year-round residents and families, and this resolution does not address that. She asks the Assembly to decline from passing it.

Lynne Davison indicated that:

- Public Works has the right to maintain safe and navigable sidewalks; however, it would be a more respectful process for them to notify property owners of the infraction and provide a date in which the owner must comply. If the owner does not address the infraction by that date, then Public Works can do what they need to do to keep the sidewalks clear. This system would leave the property owner with the decision-making power and the city achieves their goal and may possibly save money in the process.

Val Larson indicated that:

- She implores the Assembly to find a way to provide affordable housing for year-round residents.

- She would like to thank dispatcher Denver Evans and officers Michels and Ackerman for handling a situation at her home with an uninvited intruder.

Johanna Evans indicated that:

- She was excited to hear that the Municipality may be moving forward with a cabin at Lost Lake. Focusing on cabins and enhancing trails will facilitate more independent travelers, who spend more money per head than cruise passengers. It could also expand winter tourism and improve the quality of life for locals.
- The proposed amendments to the Garden City RV Park resolution are moving in the right direction.

Kate Kolodi indicated that:

- She wanted to introduce herself to the Assembly and the community since she is running for Assembly in the upcoming October election.

Nan Saldi indicated that:

- She hopes that from now on, before a city worker does anything to the vegetation on private property, they will contact the owner beforehand.

Gretchen Whemhoff, Skagway News indicated that:

- The Skagway news will be hosting a candidate forum on Monday September 11 at 7:00 p.m. in the Assembly Chambers.

Alain d'Eprenesnil, KHNS indicated that:

- He would just like to thank everyone who spoke to him over the last year to help him understand the local issues in Skagway.

Melinda Munson indicated that:

- Her family has multiple children who use wheelchairs, so she was glad to see that Public Works cleared the sidewalks because it is too dangerous to walk in the street during the busy summer season.
- She would like to see the Assembly return to limiting the time for citizens to speak to three minutes.

7. Ordinances, Resolutions, & Proclamations:

- A. Public Hearing and Second Reading of Ordinance No. 23-21: Amending Code to Clarify Skagway Visitor Advisory Board Functions and Remove Line Item Transfer Notification Requirements**

Public Hearing

The Public Hearing closed with no comments.

Motion/Second: Hanson/Potter for second reading and approval of Ordinance No. 23-21.

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

B. Public Hearing and Second Reading Ordinance No. 23-22: Amending SMC 15.10 for Street Naming

Main Motion/Second: Weddell/Hanson to approve Ordinance No. 23-22.

Public Hearing

The Public Hearing closed with no comments.

Secondary Motion/Second: Weddell/Hanson to amend Ordinance No. 23-22 with the proposed amendment, item 7B.1 in the packet.

Assemblymember Weddell indicated that this was discussed at Civic Affairs, which recommended these amendments. The amendment incorporates language that allows residents to name their private driveways without an additional fee imposed and clarifies requirements to have signs posts at all intersections.

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.

C. Public Hearing and Adoption of Resolution No. 23-30R: Expressing Intent to Dispose of Blocks 95 and 102, Known as the Garden City RV Park

[Clerk's Note: there is an active motion on the table to adopt Resolution No. 23-30R from the August 17, 2023 Assembly meeting.]

Secondary Motion/Second: Weddell/Potter to amend Resolution 23-30R to replace it with the proposed amendment which is item 7C.2 in the meeting packet; and refer the main motion to the Civic Affairs Committee for review.

Assemblymember Weddell indicated that her amendment is an attempt to address the need for housing and short-term RV rental space, and allows time for budgeting, planning, and timeline development. She listened to all the ideas presented at the table and tried to incorporate aspects of all of them. Assemblymember Hanson also has a proposed amendment in the packet and that is why she would like it to go to Civic Affairs so that those can also be further discussed and possibly included. It is not a perfect amendment, but it is a beginning to a productive discussion.

Assemblymember Potter indicated that there was correspondence received from Mike Healy that was received after the deadline to add to the packet. She has the writer's permission to read it into the record:

"Hello Steve. Could you please pass this along to the Mayor and Assembly Members for tomorrow's meeting?

I would like to express my discontent with the way Resolution 23-30R is worded.

Specifically, the line that states, " Provide for the disposal of all remaining parcels to the public by lottery, with no requirements for development.

Due to the lack of requirements for building, this land sale will not solve the current housing crises that Skagway is experiencing. Yes, there will be some people that purchase a lot and build their home on it in short order, but I don't believe that will be many people. This will, however, provide investment properties for people that can afford the lots. They will purchase them and sit on them till the price is high enough that it's worthwhile to sell. That just further hinders the people that most need that land. We just witnessed something similar in the last land sale of two lots near Kallen's Landing.

One is a recreational property and the other is owned by someone who has zero intention of building on it, but rather speculating on it. I cannot blame those two parties for what they have done, as they have just followed the guidelines, or lack thereof, that were applied to their purchase. Many of us would have done the same thing. This sale didn't help anyone get into a home. Let's please not make this same mistake on land that is ever so important to keeping people in our community.

It is my recommendation that requirements to build be put on these lots. I believe that five years from the date of purchase to receive your certificate of occupancy is fair.

If there are no development requirements placed on these lots, you will see my wife and I at the lottery, hoping to get some land to speculate on, just like most of the other folks will be doing. Thank you for your time, Mike Healy."

Assemblymember Bass indicated that he brought this forward to get the process started. Whatever happens, he hopes it will focus on getting property into the hands of people to build homes and will not focus on Municipal ownership and control.

Assemblymember Burnham indicated that he is in favor of sending this to a committee.

Mayor Cremata invited borough attorney, **Bob Blasco**, to provide a background on the title report and answer any questions.

Bob Blasco, Borough Attorney, indicated that there have been three title reports on this property; the first found no exceptions to the ownership of the diocese, the second added an exception related to the Skagway Traditional Council, and the third report has no exceptions. When the second report came back with the exception, the Assembly was advised not to accept the purchase and sale agreement without a defendant indemnification provision from the diocese. That was provided and the Assembly proceeded with the purchase. The third and most recent report from the title company does not have any exceptions that would preclude the Municipality from selling or otherwise disposing of the property.

Mayor Cremata indicated that he agrees with statements in Mike Healy's letter that suggest properties will be bought by investors and not by individual year-round residents to build a home.

Assemblymember Hanson indicated that what is affordable to one person is not affordable to another. He does not want to see the Municipality become a landlord, but he does like the phased approach suggested in the amendment; however, if the Municipality is going to put utilities in, then there will be duplicated and added expenses if it is not done all at one time.

Assemblymember Potter indicated that she wants to make sure these properties do not get purchased and get turned into short-term rentals because we have a housing shortage for year-round and seasonal residents.

Assemblymember Bass indicated that he would like to see growth in year-round residents and make homeownership affordable for those who want to make Skagway their home.

Secondary Motion/Second: Weddell/Bass to call the question.

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

The Secondary Motion to amend and refer to committee passed by roll call vote, 4 yes, 2 no, 0 absent; with Assemblymembers Bass and Henry dissenting.

8. Unfinished Business:

9. New Business:

- A. Consideration of Marijuana License Renewal Applications
 - 1. Coyote and Toad's Garden, LLC, Limited Marijuana Cultivation Facility License #10141 Renewal Application

Motion/Second: Hanson/Potter to protest Coyote and Toad's Garden Marijuana Cultivation Facility License.

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

- B. Approval of Ore Dock Pile Splice and Delivery Change Order #001

Motion/Second: Hanson/Bass to approve the Ore Dock pile splice delivery to Hamilton Construction in the amount of \$212,277.

Manager Ryan indicated that this change order reflects the removal of charges for welding inspection which has been contracted through KPFF, and the additional cost of splicing that is required after the project was reconfigured.

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

- C. Consideration of Letter Supporting AP&T Application for AEA REF Grant Funds for Goat Lake Study

Motion/Second: Bass/Hanson to direct staff to write a letter of support for the Goat Lake study.

Assemblymember Bass indicated that the requested letter is to support a study of the impacts of raising the Goat Lake Reservoir by three feet to possibly create 900,000 kilowatts of additional storage capacity.

Assemblymember Weddell indicated that she is not in support of the Municipality writing a letter of support due to AP&T currently being in the process of requesting a rate increase. She does not object to the project itself but does not think the Municipality should extend support to a utility company that wants to raise the rates by 25% in a community in which they have a monopoly. Especially considering that their revenue was up this year, net income increased by 8.7%, and they issued dividends to all shareholders, which is information she learned from listening to their shareholder's meeting.

Assemblymember Hanson indicated that the Municipality has challenged rates in the past and it is possible that may happen again because of this proposed rate increase. However, Skagway has always supported hydroelectric projects and has signed on to be part of the green corridor. This project may get the municipality closer to being able to provide shoreside power to cruise ships and the big picture is that Skagway supports green technologies.

Assemblymember Henry indicated that he agrees with Assemblymember Weddell that it is not the Municipality's responsibility to write letters of support for AP&T. He can remember when the Goat Lake project was first presented to the community with promises of lower rates, and yet the rates increased.

Mayor Cremata indicated his agreement that the Municipality should not write a letter of support. He also remembers the promises of AP&T's lower rates and failure to deliver for the people that live here. This is a private business, and it is convenient that they waited until after the Municipality signed an agreement for easements to propose the rate increase.

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

D. Approval of Quote for Replacement of SERV-U Engines and Controls

Motion/Second: Potter/Weddell to replace the SERV-U engines and controls in the amount of \$65,326.17.

Assemblymember Hanson indicated that SERV-U is the Public Safety vessel, and it has been damaged by corrosion.

Assemblymember Bass indicated that this vessel needs to be operational to provide maritime emergency response.

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

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

Assemblymember Henry indicated:

- His concern that there are three empty school board seats with no candidates.

Assemblymember Burnham indicated that:

- There is still time for people to register as write-in candidates.
- He would like to see the Municipality build more cabins and improve trails.

Assemblymember Weddell indicated that:

- She likes the idea of Public Works writing letters to give property owners a chance to comply with clearing the sidewalks before they come and cut it themselves.

Assemblymember Bass indicated that:

- He supports the idea of separating the port by creating a port authority because it creates a business model for the port and protects the Municipality from lawsuits.

Assemblymember Potter indicated that:

- Filmmaker Michael Moore ran for school board when he was 18 years old and unhappy with the school vending machine. He felt the school was not listening to him, so he ran for school board and was elected. She would like to see community members who speak out about the school and the assembly submit as a write-in candidates.

Assemblymember Hanson indicated that:

- There will be a lot of upcoming changes with the waterfront.
- He commends all parties involved with making the season successful on the railroad dock.

Mayor Cremata indicated that:

- There will always be problems, but it is up to the community to work together to solve them. To be a part of the solution it requires getting involved.
- The Municipality was awarded a \$19.9 million grant for rockslide mitigation and will be going through the pre-approval process. His thanks to staff for their hard work in applying for this grant.
- He is also in support of transitioning to a Port Authority.
- When he began as mayor there was no permanent manager and morale was low. Now, he sees a staff that is hardworking, engaged, and with positive morale.

11. Executive Session:

- A. Matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity, and matters which by law, municipal charter, or ordinance are required to be confidential: Discussion with the Borough Attorney regarding the Marine Services Platform Project and Export Cooperation Agreement with Yukon Government

Motion/Second: Hanson/Bass pursuant to Alaska Statute 44.62.310(c)(1) to enter into an executive session, to include the Manager, Clerks, Port Director, and Attorney Brena, for matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity, and matters which by law, municipal charter, or ordinance are required to be confidential: Discussion with the Borough Attorney regarding the Marine Services Platform Project and Export Cooperation Agreement with Yukon Government; AND that the Assemblymembers Henry and Burnham, and Attorney Brena are allowed attendance via Zoom.

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

Motion/Second: Hanson/Bass to reconvene as the assembly.

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

The Executive Session lasted from 9:40 p.m. to 10:54 p.m.

12. Adjournment:

Motion/Second: Potter/Hanson to adjourn.

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

Mayor Cremata adjourned the regular Assembly meeting of September 7, 2023 at 10:57 p.m.

ATTEST:

Andrew Cremata, Mayor

Steve Burnham Jr., Borough Clerk
(SEAL)

DRAFT