



MUNICIPALITY OF SKAGWAY, ALASKA
SPECIAL ASSEMBLY MEETING

October 28, 2022
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1. **Call to Order:**

Vice Mayor Hanson called the meeting to order at 4:00 p.m.

2. **Roll Call:**

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

Absent: **Mayor:** Andrew Cremata

3. **Proof of Notice:**

Vice Mayor Hanson indicated that the 'Proof of Notice' was printed on the back of the agenda as well as at the back of the room.

4. **Hear Citizens Present:**

Mike Healy, Skagway Brewing Company indicated that:

- The larger ships are very important; when there is a large ship in town, his business increases between 25 and 30%. This is also an increase in sales tax revenue generated for the Municipality.
- When the bigger ships are in port, it pushes people out further than they normally go. This is a make-or-break deal for small businesses.
- Without the bigger ships, he does not know how his business will make it. They opened their doors in 2022 living off their line of credit and did not do well in the end—another lackluster summer would compound that even further.
- His bankers indicate that they will not lend further until they see a plan from the Municipality.
- Skagway is earning a reputation, because so much time is spent quarreling, that nothing gets done.
- Hoonah and Sitka are happy to collect money from cruise ships not visiting Skagway.
- He would like to see every effort exhausted to bring in the larger ships to Skagway in 2023.

Tim Cochran, Petro Marine Services indicated that:

- Fuel resupply is critical for Skagway and the Yukon.
- Overlaying the current fuel barge atop the 2023 Mooring Plan that shows there would be a mooring dolphin alone in the water without access to tie up the barge.
 - It is critical to be able to get a fuel barge secured to mooring dolphins, and the engineer has suggested they could go out in a skiff to access the ladder. It would be too dangerous to do that with the Skagway weather.
- MOS and Petro Marine need to work together on some sort of access for securing the fuel barge.

John Tronrud indicated that:

- If the Municipality is going operate as a private enterprise, a Port Authority should be created so things are done properly.
- The wind capacity variables being used are gusting between 32 and 36 knots.
 - This is the daily average for a summer afternoon and there are a lot of times that gusts are above 40 knots.
- Design option two, with three doors on the float, is the best way forward as the large ships like the Norwegian Joy and Bliss prefer having three gangways.
- Catwalk “L” should come from the south, not from the north where it does not provide a way to help get the lines to that dolphin.
- The removal of the ship loader and addition of another cleat to run hundred-ton lines is probably necessary to help make the very large ships more secure.
- There has been no discussion of how the larger Princess ships will fit at the Broadway dock. Princess has implemented a line-safety mandate requiring hundred-ton lines for the safety of crew. There are four capstans in the quotes for materials, but that would be the very minimum we would need.
- The results of tonight’s Executive Session should be put on the record.

Liz Lavoie indicated:

- Her thanks to everyone involved in this process. If Skagway is not successful in getting breakaway-class ships for the 2023 season, it will not be due to a lack of trying.
- If it is not possible to have larger ships at the Ore Dock, conventional sized ships will suffice.

5. Consideration of the Alternative Mooring Plan

Manager Ryan indicated that:

- The municipality has been working very hard to get the Alternative Mooring Plan in place for 2023, and it was feeling like a success; however, follow up meetings with the simulators, ship captains, and pilots have revealed that the cruise lines are not comfortable with the clearance between the ore dock’s large cruise ship and any cruise ship moored at the Broadway dock.
- There was a request to slide the ships back an additional 132 feet, which would put the dolphins in 155 feet of water; however, completion of that option is not feasible before the 2023 season.
- Royal Caribbean has submitted a letter stating that their large ships will not berth at the ore dock without an additional 132 feet.
- Norwegian Cruise Lines has said that they could potentially operate with the Alternative Mooring Plan, but it would be very limited and believe that wind conditions would frequently prevent them from berthing.
 - Norwegian Cruise Lines would like the municipality to explore an option for better tendering vessels.
- Holland America seems open to the possibility of mooring at the Ore dock.
- The design that includes a dolphin 75-feet further south is now estimated to cost about \$15 million. This is much more that we had originally planned for, and he is not convinced it could be completed in time.

- Another issue with putting an additional dolphin 75-feet further back is that we would need to put in piles over an existing AP&T power cable and intertwined with the other dolphin, creating a spiderweb of cables.
- He does not believe the Alternative Mooring Plan will work for 2023; there are too many unknowns and hurdles to make it happen.
- The municipality is estimating that \$2 million of this project would not be utilized for the future project.

Assemblymember Hanson indicated that:

- Moving the dolphin 75-feet south would open up the north end more for mixed-use industry.
- This would be an additional unbudgeted \$4.4 million, and the municipality has a good chance of receiving a grant for the roll-on-roll-off project.
- If the municipality cannot accommodate the newer cruise vessels, they will go elsewhere and Skagway will not retain its position as a premier cruising destination.
- The additional \$4.4 million is not a huge risk as it enhances multiple operations.
- Getting a contractor on board is paramount because they will know what can or cannot be done.

Assemblymember Potter indicated that:

- Not all ships are created equal; they all have very different demographics and spending habits. The larger class ships are great at going on shore excursions and spending money in town.
- She would entertain a discussion regarding the rockslide mitigation before committing on the Alternative Mooring Plan.

Assemblymember Burnham indicated that:

- This is not the time to stop the project. We should issue an RFP, which would inform projected costs.

Assemblymember Henry indicated that:

- Skagway needs to get some professionals involved with an RFP process.

Port Director Jennings indicated that:

- It was a surprise to hear that the cruise lines were not comfortable with the Alternative Mooring Plan after the simulations.
- Her concern is that there are a lot of variables and we do not have a commitment from the cruise lines that they would come in to the Ore dock with the Alternative Mooring Plan.
- Focusing on the rockslide mitigation would allow four ships to berth, with two tendering from the Railroad dock.
- If construction on the ore dock is delayed in any way, by marine mammal wildlife for instance, we may not be able to put a cruise ship there at all.

Main Motion/Second: Hylton/Potter to table the consideration of the Alternative Mooring Plan until after the Executive Session.

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

Manager Ryan provided an update on the rockslide mitigation:

- Rock Supremacy and Shannon & Wilson representatives were in town to look at the rockslide, and have a plan for scaling and installing the attenuation measures. Once the attenuation measures are complete, two ships should be able to berth at the railroad dock and lighter passengers in.
- The Municipality has requested that White Pass indemnify, or make a release of claims, for damage that could occur to the Railroad dock during the rock scaling. White Pass is not willing to provide this and is asking for the Municipality to insure them for possible damage.

6. Executive Session:

- A. Pursuant to AS 44.62.310(c)(1) and (3), Matters That May Have a Significant Adverse Impact on the Finances of the Municipality and Which are Confidential by Law, Protected by the Attorney-Client Privilege: **Discussion with Borough Attorney Regarding Rock Slide Contract****

Motion/Second: Potter/Hylton to enter executive session for the purpose of discussing matters that may have a significant adverse impact on the finances of the Municipality and which are confidential by law and protected by the attorney-client privilege; a discussion with the Borough Attorney regarding the rock slide mitigation contract.

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

Executive Session occurred between 5:17 p.m. and 6:59 p.m.

Motion/Second: Burnham/Hanson to direct the manager not to move forward with the rockslide mitigation project until White Pass agrees to indemnify the Municipality or provides a comprehensive release of all claims.

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

Motion/Second: Potter/Burnham to take from the table, Consideration of the Alternative Mooring Plan.

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

Assemblymember Hanson indicated that:

- The Municipality needs to show the community that we are working to build a multi-use dock for mixed industry.

Assemblymember Hylton indicated that:

- She is in support of moving forward with the Alternative Mooring Plan because it will send the message that we want the ships to come here.

Assemblymember Bass indicated that:

- He would like more time to consider the additional costs.

Assemblymember Hanson indicated that:

- Gaining another 75-feet gives more space to the industrial area which will make the ore dock more versatile and allow more separation between industry and tourism.

Assemblymember Burnham indicated that:

- Whether or not we use the pilings for the extra dolphin or we just have them as extra in case of damage, it is good to have them. Next year it will cost more to buy them, so why not make the purchase now?

Assemblymember Potter indicated that:

- She is comfortable procuring the pilings; however, uncomfortable risking the viability of ore dock for use by conventional sized ships during 2023.

Motion/Second: Potter/Burnham to instruct Manager Ryan to proceed with purchasing \$3.4 million in pilings for the Alternative Mooring Plan.

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

7. Mayor and Assembly Discussion Items:

Assemblymember Hylton indicated that:

- It is disappointing that White Pass is preventing the rock slide mitigation to move forward.

Assemblymember Bass indicated that:

- While there have been many challenges over the last couple of years, the Assembly has done a great job in taking action and moving swiftly.

Assemblymember Hanson indicated that:

- In 1898 it took two years, two months, and two days to build 110 miles of railroad through some of the most difficult mountain terrain in the world. While building our Port is another big task, the Municipality can and will accomplish it.

8. Adjournment:

Vice Mayor Hanson adjourned the Assembly special meeting of October 28, 2022 at 7:30 p.m.

Andrew Cremata, Mayor

ATTEST:

Steve Burnham Jr., Borough Clerk
(SEAL)