

Mayor's Monthly Report

November 2025

I appreciate the support of my fellow council members in choosing me to serve again as Mayor. I look forward to another year in the position and feel that the continuity will be beneficial to the council and staff and for the community.

Xunaa Borough: Attached to this report is a full summary of the process since November of last year. This was a discussion item at last Monday's work session.

Staff Meeting: The October staff meeting included a video presentation on WorkShield, a new benefit that city staff, volunteers, and council members can utilize. The Council has been provided with an introductory video.

Alaska Seaplanes Community Advisory Board (CAB): On October 27th I flew to Juneau to attend the bi-annual meeting of the CAB. I was asked by General Manager Carl Ramseth last spring to serve on the board; this was our second meeting. After a community roundtable of what is happening in our community and feedback for Alaska Seaplanes, discussion centered on:

- o the government shutdown effects on ASP (Essential Air Service, Medicaid funding)
- o how tariffs affect ASP (obtaining parts for airplanes)
- o growing the next generation of pilots and airplane mechanics to meet the need
- o After receiving feedback at the June meeting, ASP management began to emphasize more promotional discounts that benefit locals and Higher Flyer members and reported considerable success in that effort. More to come.
- o Plans are being made to hold community events in all communities...stay tuned for an event here.

Volunteers are the backbone of our community! We sometimes overlook how many, many of our city functions and community events are run by or greatly supported by volunteers. Some of our volunteers have been contributing time and energy for a very long time. Annie Mackovjak has recently stepped down from 27 years leading the way at the Community Chest. We highly value and appreciate her efforts and commitment to the community! **"Yippee skippee" to Annie!**

Proposition 1: Proposition 1, which asked if the city should add sales tax to bed tax on room sales, was passed by voters in the October Municipal Election. The City Treasurer has sent out a letter to business owners advising them of the change.

Looking Ahead: Last month I reviewed the accomplishments the Council had made over the previous twelve months. For the upcoming year, I would like to focus on some projects that have been on my list since last winter as well as some new ones. Some of these will require a fair amount of time and we will need to work together to make them happen; others are not strictly council

projects but may need our support. I ask council members to think about any areas in which you may be interested in investing some time serving on a committee, writing scoping documents or sharing expertise.

- Ordinance Review and Updates – establish an operational committee to begin the process
- Comprehensive Plan/Strategic Plan Review and Update – a major undertaking
- City Roads Inventory/Survey – are there roads that the city should upgrade/take ownership of/develop?
- Policy & Procedure for City Business Travel
- Old PO Building Renovations – funding, planning and completion
- Doing Business in Gustavus - how to increase compliance with ordinance and create a level playing field for operating a business
- Standardized Addressing – for emergency services/verifiable addresses
- Emergency Response Planning
- Road Improvements/Bank Stabilization in front of City Hall
- Cyber Security – starting with small steps

Other:

I spent time this past month on:

- Mugs & Matters at the Fireweed, Fridays at 11
- Worked with Liesl on council training & scheduling
- Met with Vice Mayor Beck to review goals and issues-we plan to meet monthly
- Worked with Kathy on hiring an Interim Fire Chief (Welcome, Johan!)
- Worked with Ben to develop a letter to businesses affected by the passing of Proposition 1
- Joined Elm of Fairweather Construction, Nick Jensen, ADF&G habitat biologist, and John Barry at the gravel pits for an assessment of the ponds as anadromous fish habitat, gravel mining plans, and recommendations for future reclamation efforts.
- Met with Tom Begich, candidate for Governor of Alaska, at City Hall and attended his gathering at the Fireweed on Saturday morning.
- Met with Senator Kiehl and Representative Story for an informal conversation
- Attended council meetings – there were a lot in October!

As always, community members, council members and city staff are encouraged to contact me if you have concerns or want to share thoughts or ideas.

Or join me at the Fireweed, Fridays at 11!

Sally McLaughlin. Mayor

Summary and Update on the Xunaaa Borough

* November 12, 2024 - The Local Boundary Commission (LBC) held a decisional meeting and voted in favor of adopting the City of Hoonah's petition to form a non-unified Home Rule Xunaa Borough as presented to the Local Boundary Commission. The commissioners seemed to overlook the LBC staff report that recommended that the LBC not adopt the petition as presented, as well as an abundance of public comment in opposition.

*The final written decision as well as a dissent brief presented by Commissioner Wood and Commissioner Walker were presented at a December meeting.

*We engaged attorney Megan Costello to work with us on filing for reconsideration in a combined effort with Elfin Cove. Megan did an outstanding job in presenting our case. In addition to ours, the City of Tenakee Springs, the City of Pelican and the Gustavus Visitors Association all filed requests for reconsideration.

* February 18, 2025 - A final decisional meeting was held in which the LBC reconsidered two of the standards, Boundaries and Best interests of the state, and ultimately voted to uphold the original decision to grant the petition for the Xunaa Borough. At this point we had no further options for appeal to the LBC.

* The City Council met twice in executive session with attorney Megan Costello to discuss litigation strategies to pursue legal options. A decision was made to direct our attorney to file an administrative appeal to the Alaska Superior Court of the LBC's decision to grant the petition dissolving the City of Hoonah and forming the Xunaa Borough. Tenakee Springs, Pelican and Elfin Cove all made the same determination and the attorneys for all four communities are collaborating on the brief. Gustavus and Elfin Cove continue to share one attorney and to split costs as applicable.

* April 18, 2025 - A Statement of Points on Appeal Brief and a Motion to Stay were filed in Superior Court. The Points on Appeal lists 47 points that are being further fleshed out in the final brief. The Motion to Stay asked the court to prohibit the Local Boundary Commission from submitting the petition to the voters pending the duration of this judicial appeal.

*Alaska Superior Court granted the motion to stay the Local Boundary Commission's decision approving the formation of the Xunaa Borough, which meant that the LBC couldn't take further steps toward the formation of the Xunaa Borough while the appeal is pending, including the election that had been scheduled for July for Hoonah voters.

*Since July, there has been a series of extensions to due dates and attorney action has been on hold while court records were completed and we are still waiting for a due date to be issued. Once we have a new due date, we will have 30 days to file our brief, the LBC and Hoonah will get to each file a responsive brief, and then the communities will file a reply brief. Then there will be oral argument. After that, the Court has up to six months to make a decision. We will have an opportunity to review the briefs prior to filing and to make comments if we wish.

*For further information on the petition itself, public comments and the city's opposition comments, and records from the LBC's meetings, please visit the LBC website:

<https://www.commerce.alaska.gov/web/dcra/LocalBoundaryCommission/CurrentandPastPetitions/2023CityofHoonahPetition.aspx>

If you wish to see any of the documents filed in Superior Court, please contact the City Clerk to make a Public Records Request:

https://www.gustavus-ak.gov/sites/default/files/fileattachments/administration/page/10271/public_records_request.pdf