

CALL TO ORDER

The May 26, 2026, rescheduled regular meeting of the Whittier City Council was called to order at 7:05 p.m. by Mayor Shen.

OPENING CEREMONY

Mayor Shen led the pledge of allegiance to the flag.

ROLL CALL

There were present:

Victor Shen, presiding, and
Peter Denmark, Renner Macal tao, Jamie Loan, Tom Wagner, and Lorianne Borg,
comprising a quorum of the Board.

And Absent:

David Pinquoch

Also Present:

Jackie C. Wilde, City Manager
Kristin Erchinger, Finance Director
Jason Cates, Fire/EMS Chief
David Borg, Harbormaster
Andre Achee, Police Chief
Shelby Carlson, Assistant City Manager/Acting City Clerk
Holly Wells, City Attorney (virtual)

Motion (Wagner/Borg)

Excuse **David Pinquoch** from the meeting.

Motion Passed

Unanimous

CITIZEN COMMENTS ON ANY SUBJECT EXCEPT THOSE ITEMS SCHEDULED FOR PUBLIC HEARING

Cherie Curry shared an update on the planning for the USS Ted Stevens commissioning ceremony.

Mike Bender spoke on the Regional Citizen's Advisory Council.

APPROVAL OF THE REGULAR MEETING AGENDA AND CONSENT AGENDA

Motion (Wagner/Macal tao)

Approve Agenda and Consent Agenda

Motion Passed

Unanimous

Items Approved on Consent Agenda:

9. *Approval of the April 21, 2026 Special Meeting Minutes

10. *Approval of the April 21, 2026 Regular Meeting Minutes

11. *Non-Objection to the Swiftwater Seafood Cafe Alcohol License Renewal

12. *Non-Objection to the Oceanfront Cafe License Renewal

CONFLICT OF INTEREST – None

PRESENTATIONS AND REPORTS

Presentations – Wilde and Borg presented the Monthly Wilde Manager’s Award to the young adults (and Harbor and Public Works Staff) who volunteered with the Memorial Park Micro Park project.

Mayor Report – Shen gave thanks to the Administration for their preparations for the advocacy trip to Washington, D.C. He also shared updates on the Prince William Sound Stewardship Foundation’s Natural History Symposium and the Clean Up Week.

Vice Mayor Report – Denmark spoke on the importance of the Ground Passenger Fee’s success.

City Manager Report – Wilde noted her written report was included in the packet and welcomed questions.

City Attorney Report – Wells reported that the City’s commercial recreational ground passenger fee applies to all qualifying passengers of commercial recreational ground transportation vehicles, regardless of whether they arrive by cruise ship, though the cruise industry has been a significant source of opposition to the fee. She explained that the City has been in discussions with the State of Alaska following an April letter from the Attorney General’s office raising concerns that the fee could be viewed as a toll under the 1997 toll agreement between the State and the Federal Highway Administration related to the Whittier tunnel. **Wells** stated that the City believes this concern likely stems from the ordinance’s reference to “roads,” and reiterated the City’s position that the fee is not a toll because it is not charged for the privilege of using any federal or state road or highway, but is instead tied to City services and facilities used by commercial recreational ground transportation passengers. To avoid misunderstanding with the State or FHWA, **Wells** advised that an ordinance amendment will likely come before Council to either clarify the reference as applying only to City roads or remove the reference to roads entirely. She further emphasized that businesses subject to the fee must continue to register and pay as required, and that any business wishing to dispute the fee should use the City’s pay-under-protest and administrative appeal procedures rather than simply refusing to comply.

PUBLIC HEARINGS

Non-Code Ordinance 2026-002, An Ordinance Suspending the Requirement that the City Adopt an Annual Land Allocation Plan Under WMC 3.38.330(B) Through (F) Until December 31, 2027 to Permit the Whittier City Council to Finalize Certain Land Holdings Within the City of Whittier Before Engaging in the Annual Land Allocation Plan Process

Public Hearing Opened at 7:41 p.m.

No comments were provided.

Public Hearing Closed at 7:43 p.m.

Motion (Wagner/Denmark)

Adopt **Non-Code Ordinance 2026-002.**

Wilde provided a staff report.

Motion Passed

Unanimous

ORDINANCES FOR INTRODUCTION – None

RESOLUTIONS

Resolution 2026-027 A Resolution Accepting a \$5,000 Donation from the Former Whittier Watershed Council and Setting Aside Funds for Future Appropriation by the City Council

Motion (Loan/Wagner)

Approve **Resolution 2026-027.**

Erchinger provided a staff report. General discussion given.

Motion Passed

Unanimous

Resolution 2026-028 A Resolution Authorizing the City Manager to Enter into a Contract with Alaska Diversified Contractors LLC to Construct the Whittier Well Field Upgrade Project, and Appropriating Funds

Motion (Wagner/Macal tao)

Approve **Resolution 2026-028.**

Korbe provided a staff report. General discussion given.

Motion Passed

AYES: Loan, Denmark, Borg,
Macal tao, Shen
NOES: Wagner

OTHER NEW BUSINESS

Preparing the City Attorney Evaluation

Motion (Loan/Wagner)

Conduct the City Attorney's semi-annual performance review using the online survey format previously used by the Council, and to compile and provide a summary of the Council's responses to the City Attorney and Council for discussion at the June 16, 2026 regular meeting.

Denmark requested a synopsis of the previous evaluation's results.

Motion Passed

Unanimous

Appointing Members to Beautification Scoring Committee

Motion (Denmark/Wagner)

Confirm the Mayor's appointments of Tom Wagner, Renner Macal tao, and Lorianne Borg to the Beautification Matching Grant Program Scoring Committee.

General discussion given.

Motion Passed

AYES: Loan, Denmark, Borg, Wagner, Shen

NOES: Macal tao

COUNCIL COMMENTS

Denmark asked **Wagner** which resolutions he considered incomplete; **Wagner** responded the city park and Head of the Bay road. **Denmark** asked clarification on the competitive bid process. **Wilde** shared additional details on the process. General discussion given.

Wagner asked follow up questions and requested a copy of the competitive bid process. He also asked follow-up questions regarding the status of expired leases. **Wells** explained that allowing an expired lease to continue with the same lessee without a competitive bid process, uniform review, or formally approved exemption would create significant legal risk for the City, including potential equal protection and other constitutional concerns, because the City cannot grant one entity preferential rights to public property without a fair and consistent process. She noted that the current lease procedures were designed to give Council guided discretion through transparent criteria beyond simply accepting the highest bid, while still allowing flexibility through extensions, exemptions, and future code adjustments if Council identifies issues as it works through the process. General discussion given.

Shen shared his frustration with the stipulations of the municipal land conveyance. **Wilde** committed to bringing forward a report to the Council on the topic. **Wells** noted this is a great conversation to have. **Shen** asked the Council to consider questions such as, "at what point does this become something that is done to us?", "How much is enough?", and "How do we protect the character of this town?". **Denmark** offered that Whittier's geography constrains the amount of growth it can experience. **Shen** asked the Administration what tools are available for protecting Whittier's character and resources. **Wilde** responded the Council needs a strategic plan.

CITIZEN DISCUSSION

Ky Holland, State Representative for House District 9, provided an update on the legislature.

Heather Brazelton and Geoff Edwards, representing Greater Whittier, LLC, offered cardboard for the Wish Wash event.

Kelly Bender, representing herself, spoke in response to Vice Mayor Denmark's comments regarding the Ground Transportation Fee.

Carlson read a letter from Cruise Lines International Association regarding the Ground Transportation Fee. **Wells** stated that the City anticipated potential challenges to the commercial recreational ground passenger fee, which is one reason implementation was delayed for a year, and said it has been frustrating to see objections raised after the effective date despite prior notice and information from the City. She emphasized that the City conducted substantial legal review

before adopting the fee and remains of the opinion that the fee is lawful, with the State's concern appearing to focus on whether the ordinance language could be clarified to avoid any implication that the fee functions as a toll under the State's agreement with the Federal Highway Administration. **Wells** explained that the State's concern is not the same as saying the fee itself is unlawful; rather, the issue is whether the City, as a political subdivision of the State, could be viewed as placing the State at risk under its toll agreement, revenue bond protections, or related contractual obligations. She reiterated the City's position that the fee is not a toll on any federal or state road, but a lawful fee for services, facilities, and benefits provided to commercial recreational ground transportation passengers and the industry, and stated that anyone wishing to dispute the fee must do so through the City's local administrative challenge process.

COUNCIL AND ADMINISTRATION RESPONSE TO CITIZEN COMMENTS

Shen stated that the ground transportation fee was not an easy decision and did not come lightly, but became necessary after the City moved the waterborne fee from the general fund to the harbor fund, creating a "gaping hole" in general fund revenue and reducing the City's rainy day fund from nine months of operating expenses to four months, while the general fund still has to pay for important services like police, fire, EMS, public works, snow removal, road repairs, trash, potholes, and administration.

Wells clarified that the fee is not being imposed simply to bolster the general fund or pay for general emergency services, but to stop the general fund from being "siphoned off" to pay for the supplemental services, facilities, infrastructure, bathrooms, staffing, and other costs needed to serve recreational commercial ground transportation passengers and the industry.

Wilde stated the community should not bear the burden of the cruise ship impacts...

Wagner stated that a town of 273 people should not be expected to bear the burden of supporting the cruise ship terminal and its impacts at the Head of the Bay, where growing commercial tourism operations, heavy traffic, failing culverts, drainage issues, pedestrian safety and ADA concerns, and escalating road maintenance needs have stretched limited municipal resources beyond what the City can realistically afford without a sustainable funding source such as the commercial ground fee.

Wells noted that the road is a good example of why the ordinance included the word "roads," because the fee was intended to create facilities and services that benefit the commercial tourism industry, but said that if removing any reference to roads is necessary to give the State comfort that its toll agreement is not compromised, that is the direction the City may need to go.

EXECUTIVE SESSION

Discuss Harbor Rebuild and discuss Alaska Railroad Corporation Land Purchase, as per WMC 2.08.040(B)(1), matters that, if immediately disclosed, would tend to adversely affect the finances of the city.

Wagner left the meeting at 9:06 p.m.

Motion (Loan/Borg)

Motion to enter into executive session.

The City Manager, Assistant City Manager, Public Works Director, Harbormaster, Finance Director, and City Contractors were asked to stay for the executive session.

Motion Passed

Unanimous

The Council went into executive session at 9:08 p.m.

Motion (Loan/Macal tao)

Motion to exit executive session.

Motion Passed

Unanimous

The Council came out of executive session at 10:31 p.m.

Borg recognized an additional youth volunteer who volunteered with the Memorial Park Micro Park project who was not recognized earlier in the meeting.

ADJOURNMENT

The meeting adjourned at 10:35 p.m.

Shelby Carlson
Acting City Clerk

Victor Shen
Mayor

(City Seal)