

MINUTES

FOR THE REGULAR MEETING
OF THE CITY COUNCIL FOR THE
CITY OF THORNE BAY, ALASKA
TUESDAY, AUGUST 5, 2025

TIME: 6:30 p.m.

THERE WAS A WORKSHOP BEGINNING AT 6:00PM

1) CALL TO ORDER:

Vice Mayor called the meeting to order at 6:30pm

2) PLEDGE TO FLAG:

The audience and council stood for the pledge to the flag.

3) ROLL CALL:

Those present were:

Pesterfield, Lovell, Killian, Nyquest, Cunningham, Kaer

Those absent were:

Blair

4) APPROVAL OF AGENDA:

Vice Mayor moved to approve the Agenda, seconded,

MOTION: Move to approve the agenda.

F/S: Lovell/ Pesterfield

YEAS: Pesterfield, Lovell, Cunningham, , Nyquest

NAYS: Kaer

ABSENT: Blair

STATUS: Motion Passed

5) MAYOR'S REPORT: Will be back soon, look forward to seeing changes in town and hearing about Thorne Bay Days.

6) ADMINISTRATIVE REPORTS:

a) City Administrator: Attached

i. POI Pesterfield asked where is the Brownfield site?

- Huestis responded with location across from the park

ii. Kaer questioned how long the lease for OVK at the Tolstoi is left?

- Huestis responded with 5 year

iii. Cunningham POI: what is the request from Murkowski's Office.

- Huestis responded that we put in for a firehall at DL, Senator Murkowski responded that it was put into the bill and monies will be available in the future. Federal Government will need to put it into a grant or some sort of project

iv. Kaer POI: is there another site that is not in the flood zone in the plans?

- Huestis responded no.
- Kaer suggested finding another location.

v. Lovell questioned if the funding for the fire hall would be based off the design engineered?

- Huestis responded, yes. When first hired, the grant already approved and funded was for all the things needed before construction.
- Lovell suggested that Administrator keeps the Council informed of meetings for open transparency.
- Huestis responded that Mayor was informed and he was informing the Council. They requested the meeting

and he gave the info.

- vi. Cunningham suggested that the building that the money is used for should be modest in the interest of City financials. Would like multiple meetings with the public before anything is built.

b) City Clerk:

- i. Thorne Bay days success, thank you to Lovell's and Reynolds for taking it on. Thank you to Thorne Bay Market for donating \$200 worth of prizes.
- ii. Will be attending emergency/disaster planning training end of August with DHS&EM (*Division of Homeland Security & Emergency Management*)
- iii. Created Candidate Search fliers for elections in Oct – Candidate applications will be accepted from August 18th-September 5th.

7) DEPARTMENT REPORTS:

- a) Water Report: Written report given

8) PUBLIC COMMENTS:

- a) Aragon would like to know about the progress on the new community center.
 - i. Mayor Nyquest responded that he received feed back for putting the Bay Chalet back where it was originally and heard from people that they might like it somewhere else. Would like to have a Town Hall meeting to discuss before doing anything further.
- b) Sean Mcrae expressed concern over the tower
 - i. Aviation traffic issues
 - ii. Potential property values
 - iii. Safety for aviation could be compromised

9) COUNCIL COMMENTS:

- a) Pesterfield commented that the float plane dock has been improved with cleats and wind socks. Talked with Clerk about adding Advertising space in place of landing fees. Commercial Operators would be happy to pay for space – measurements would allow 4 signs.
- i. Article in the KTN Daily News – read it into the record. See attached
- b) Kaer commented that we should not be embracing this tower. Agreed with the safety issues for aviation.
- c) Cunningham questioned if the City will be collecting sales tax on the accounts opened?
 - i. Also commented that he talked with someone on the ferry and they stated that the tower proposed is the least safe of the 3 typical types of towers. Stated that the guideline tower was a safer option and if the City isn't collecting sales tax, even if the Southside needs internet, if there's no income for the City, has an objection to it.
- d) Pesterfield commented on the on the 4th of July firework accident and the first responders, community members, and EMS deserve a Thank you.

10) PUBLIC HEARING: Variance Application

Vice Mayor moved to open Variance Application for public hearing. Seconded. Discussion as follows:

- Trevor Newton and Luke Johnson and Jerry are on the line.
 - o Reiterate – Self support tower not a monopole. Clarified the practice of engineered fall points. Did include in the report that the tower does not require FAA review. Plans to leave vegetation as a buffer around the tower and plot location is allowed the use of a tower.
 - o Regarding variance criteria specifically, necessary to get the variance for 4 reasons:
 - lot geometry doesn't support setback requirements
 - Height of trees
 - Cover requirements
 - Taller height needed to offer space to other providers

Public Comments:

1. Will West questioned if the tower will be able to accommodate other carriers?
 - a. Johnson – Yes, there is.
 - b. West commented to Council that if AT&T was willing to add to the tower it would benefit EMS on Southside.
2. Shilts questioned if there was a possibility for fire and EMS repeaters to be added to the tower free of cost?
 - a. Trevor – can't speak to cost but would be willing to assist first responders.
 - b. Johnson – Can't speak on cost without speaking to Law Department first.
3. Nyquest hearing concerns from public – don't know the impact or benefits to the community of Thorne Bay. Is there a potential to lower the tower to accommodate concerns of the community members?
 - a. Trevor – set on the height since it is the optimal height for what would be offered. Not sure what difference the eye level person will see if the tower was lowered.
4. Sean McRae would like to know if any commercial pilots in the area queried on their opinion of the possible obstruction or safety issues?
 - a. Trevor responded No not to specific pilots, but the FAA-FCC requirements need to be met and the tower did not require an inquiry.
McRae questioned knowledge of an accident on the Potomac River this year. Should not be leveraging convenience over safety.
5. POI: Pesterfield commented that no tower would have to be approved until 200 ft. where it would be required to be lighted and marked on air nautical charts. It would not get the same consideration as the Atlas Tower because that tower is not around houses or residential homes.

Vice Mayor closed public comment for Variance Application.

11) CONSENT AGENDA:

- a) Minutes of the July 1, 2025, Regular City Council Meeting, action item:

MOTION: Move to approve the Consent Agenda consisting of the Minutes from July 1, 2025.

F/S: Lovell/ Killian

YEAS: Pesterfield, Lovell, Cunningham, Kaer, Nyquest, Killian

ABSENT: Blair

STATUS: Motion Passed

12) NEW BUSINESS:

- a) Resolution 25-08-05-01: nominating Amy Killian to serve as Thorne Bay's Representative to the Inter-Island Ferry Authority Board of Directors, discussion and action item;

Vice Mayor moved to approve Resolution 25-08-05-01; Discussion as follows:

Nyquest: Amy let Nyquest know that Harvey McDonald resigned and asked to be the representative for Thorne Bay.

This process has not taken place before so there was no procedures put in place.

Clerk Clarified

Kaer: Commented it would be nice to hear from Amy

Amy Killian: Introduced herself, her dad was on the board since inception, got the board started. Recently stepped down and she would like to carry on his legacy. Knows a lot about travel on and off the island and feels she will be a good fit for the board member position.

Cunningham POI: questioned if she worked with her father closely on IFA related items.

- Responded yes, also with Ronald Curtis about responsibilities and requirements.

Pesterfield questioned if she wanted to do it and how often the meetings occurred?

- Responded yes she does and meetings are quarterly. Also IFA does not mind her being gone during winter months.
- Nyquest suggested a Council Report on meetings.

MOTION: Move to approve Resolution 25-08-05-01.

F/S: Lovell/Killian

YEAS: Pesterfield, Lovell, Cunningham, Kaer, Nyquest, Killian

NAYS:

ABSENT: Blair

STATUS: Motion Passed

b) Discussion item: Sales Tax rates; possible increase, decrease, and tax holiday, discussion item;

Nyquest: reiterated the importance of the conversation. Noted we do not have a property tax and as prices increase we need to be proactive at discussing extra revenue for the city.

One option is raising the tax to 7% in Summer

Lowering it in the Winter to 5%

Another option is a tax holiday, raise the tax .5% and then had a month of no tax during the year. Would love to hear feedback from the council.

Clerk: Will print more papers for the council to look at tax numbers.

Lovell: How can we show the council exactly how enterprise accounts are not reaching their numbers or goals. Want to be able to say exactly why citizens are being taxed more.

Clerk: Will work on that.

Kaer: Agrees taxes need to be raised for anyone coming to take advantage of our island with bed taxes and more taxes on our lodges.

Nyquest: Appreciates Kaers comments and agrees they should raise taxes for the tourist industry but also urges the community to be careful using "us" and "them" wording because a lot of lodge owners are town residents.

Kaer: We should be able to get that back.

Clerk: referring to discussion items not being added to the meeting, they will be added to the next meeting. Wants to also discuss the paper that was handed out, sales tax records from FY 2024. Remote sales tax comparison and local sales tax.

Cunningham: Asked for clarity on remote sales tax.

Clerk: Continued explaining paper, bed tax is at 5% currently.

Nyquest: Point of Information

Clerk: explained what we would have made if we raised sales tax which would be an extra \$400 a fiscal year.

Pesterfield: Comments that any sales tax measure would need to be put on the ballot. Asks how the remote sellers would know when to change the amounts. Taxes needs to be appointed to help encourage voters to see the benefits. Comments that if we had tax free month or day it should be a time when people would be spending a lot of money.

Clerk: comments answers about AML being in charge of sales tax notices.

Nyquest: Comments about the most sales tax we receive coming from our tourist industry.

Kaer: We have a lot of seasonal workers, and it's the seasons and not just the tourists. We have workers that come in and make most of their money from the summer months.

Nyquest: It only works for us if you are spending it.

Kaer: Comments that we don't spend money when we don't have it.

Cunningham: Wants an independent audit before we vote for any rates being raised anywhere. Commented about city administrator being overpaid.

Lovell: Thanked him for his comments but said it's the wrong time and place.

13) CONTINUATION OF PUBLIC COMMENT:

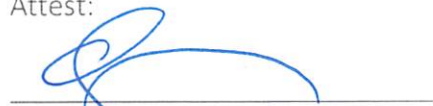
- a) Amy Killian: commented that if the Council brings a ballot measure to the public they will need pointed spending. Agreed that we spend when we make. Wanted to know about the community fund and if we have spent any of the money that came in previously. Commented that the amount of fish boxes leaving Alaska is disgusting and feels that taxes should be raised when tourists are here. Sales tax and bed tax.
- b) Kim Redmond: 50 year resident commented that there was no fishing derby because of no gaming permit.
- c) Trina Pesterfield: commented on the sales tax: we should be looking at pulling people from across the island to bring in revenue (ie farmer's markets, live bands etc.).
- d) Lucette Lovell: suggested property tax with exemption for registered voters.

14) CONTINUATION OF COUNCIL COMMENT:

- a) Cunningham: suggested selling treasury bonds to raise additional revenue.
- b) Pesterfield: Thanked Amy and Kim for public comments. Commented on the Community fund that has been brought up before and that the council agreed it should be for public benefit and would foresee that it be used for the new bay chalet or something like that. Would like the community to be involved in decisions on how and where it is spent. Regarding taxes, works good as it is, and we could change things but it could carry on. If taxes were raised, would need more public hearing involvement. Thanked Clerk for Candidate fliers – encouraged everyone to look into sitting in a seat. In regards to the tower, its going to go up, wondering if we alerted immediate neighbors about what they thought about the tower.
- c) Cunningham: suggested the tower have a light regardless of height requirements.
- d) Lovell: commented that Community Development plan is important, would like to have a community meeting in regards to the Community Center Development. Thorne Bay Days – hopes to have more focus on it.
- e) Kaer: commented that he doesn't understand why there is not gaming permit and not having it hurts the community. Needs to be a standard derby.

15) ADJOURNMENT: Vice Mayor adjourned the meeting at 8:04pm.

Attest:


Caitlyn Sawyer, City Clerk


Shane Nyquest, Mayor