



Petersburg Borough

12 South Nordic Drive
Petersburg AK, 99833

Meeting Minutes Borough Assembly

Monday, July 21, 2014

7:00 PM

Assembly Chambers

1. Call To Order/Roll Call

Vice Mayor Lagoudakis called the meeting to order at 7:01 p.m.

Present: 4 - Assembly Member Cindi Lagoudakis, Assembly Member Nancy Strand,
Assembly Member Bob Lynn and Assembly Member Jeigh Stanton Gregor

Absent: 1 - Mayor Mark Jensen

By Phone: 2 - Assembly Member John Havrilek and Assembly Member Kurt Wohlhueter

2. Voluntary Pledge

The Pledge was recited.

3. Approval of Minutes

Minutes of the July 7, 2014 Regular Meeting

Attachments: [July 7, 2014 Minutes.pdf](#)

The minutes were approved, as submitted.

4. Amendment and Approval of Meeting Agenda

The agenda was approved, as submitted.

5. Public Hearings and Bid Awards

- A. Public Hearing on Proposed Sales Tax Exemption Ordinances to be Referred to the Voters
1. Ord. #2014-12: Sunsetting the Senior Citizen Sales Tax Exemption 12-31-2019
 2. Ord. #2014-13: Eliminating the Non Borough Resident Senior Citizen Sales Tax Exemption
 3. Ord. #2014-14: Limiting the Senior Citizen Sales Tax Exemption to Groceries and Heating Fuel
 4. Ord. #2014-15: Increasing the Sales Tax Exemption Cap to Sales Over \$2,000
 5. Ord. #2014-16: Establishing a One Year Residency and Physical Presence Requirement for Purposes of Obtaining a Senior

Citizen Sales Tax Exemption

Vice Mayor Lagoudakis called for public comment to each individual ordinance.

No public comments were voiced to proposed ordinances #s 2014-12; 2014-13; 2014-14 and 2014-16. Sales Tax Committee Chairman Susan Flint asked the Assembly to consider amending proposed ordinance #2014-15 to lower the proposed sales tax cap to \$1,500 as recommended by the committee; not \$2,000 as proposed. Flint also spoke in support of the passage of all the ballot proposals so that residents have opportunity to address the questions.

- B. Public Hearing on Ordinance #2014-17: Authorizing an Ordinance to Levy and Collect an Excise Tax on all Cigarettes and Other Tobacco Products Brought into the Borough for Sale**

This ordinance, if approved by the assembly, will also be submitted to the voters at the October 7 election

No public comments were received.

- C. Public Hearing on Ordinance # 2014-18: An Ordinance Providing for Chapter 3.85 (Historic Preservation) of the Municipal Code**

No public comments received.

6. Visitors' Views Related to Agenda

None.

7. Visitors' Views Unrelated to Agenda

None.

8. Board, Commission and Committee Reports

None.

9. Consent Agenda

Assembly Member Lynn asked that discussion be held on authorizing the FY 2015 assessment services contract for outside of service area one. He voiced concerns of various residents that indicated the unfairness of those who appealed receiving a reduction in their property values, while those that did not appeal received no consideration. Several times, this occurred where properties on either side of a non-appealing property owner received reductions while the middle property owner retained a higher value. Lynn asked that some contract language be considered that would require or allow the assessor to reduce the non-appealed parcel to assure equitable assessments for all. Borough Assessor Mike Renfro was in attendance and acknowledged that he was aware of the discrepancies in values and intended to address those discrepancies in the upcoming assessment process. He pointed out that one of the scopes within the printed contract called for the review of the properties that were appealed for 2014. He explained his company has already begun to review those properties and will be meeting with property owners. A

general discussion was held on allowable assessor discretion between State and local laws and what the Board of Equalization can and cannot do. Once an appeal is settled, State Statute does not usually allow the value to be revisited. Renfro said he would be happy to look into particular matters if necessary.

- A.** Approval of July 7, 2014 Change Order Request with Professional Computer Systems, Co. for Four New Computer Servers at the Cost of \$39,000

The servers are to replace four servers currently running on Windows 2003 with support ending July 2015. The Assembly did approve \$47,000 in expenses for servers in the FY 2015 Budget.

Attachments: [PCS Change Order.pdf](#)

- B.** Authorization to Execute the Professional Services Agreements with Appraisal Company of Alaska to Perform the Tax Year 2015 Property Assessment Function

Appraisal Company of Alaska has submitted two contracts to perform the work. The contract for Service Area One (prior City of Petersburg area) is for \$40,000; and the contract for the balance of the Borough is \$30,000

Attachments: [Service Area I Contract.pdf](#)
[Outside Service Area I Contract.pdf](#)

By a unanimous Roll Call Vote, the Consent Agenda was approved, as submitted.

10. Report of Other Officers

None.

11. Mayor's Report

Mayor's Report for 7-21-2014

Attachments: [7-21-2014 report.pdf](#)

Clerk's Note: At this point in the meeting, it appeared someone was trying to access the meeting via the telephone, but verbal contact with the attendee could not be made.

Vice Mayor Lagoudakis informed ADOT will be conducting a public meeting on the Southeast Transportation Plan on August 13 beginning at 5:30 p.m. She encouraged residents and businesses to review and comment on the Plan.

Lagoudakis also extended appreciation to several residents who had stepped forward to work at the October 7, 2014 Borough election.

12. Manager's Report

07-21-2014 Report

Attachments: [Manager report 07212014](#)

Manager Giesbrecht reviewed his written report. Discussion after the report consisted of: the responsibility of graffiti cleanup on private property is up to the property owners; and recycling availability for transient harbor users needs to be improved.

The report is attached and made a part of these official minutes.

13. Unfinished Business

Ordinances for Second Reading

Assembly Members Stanton Gregor and Strand informed they may not agree with all the proposed ballot measures, but they would be voting in favor of all the ordinances to give our residents opportunity to address the subject matters.

- A.** Ordinance #2014-12: An Ordinance Limiting Senior Citizen Sales Tax Exemption to Those Who Have Obtained and Maintained an Exemption Based Upon a Qualifying Application Submitted by December 31, 2019

The Ordinance, if passed by the assembly will be presented to the voters at the October 7, 2014 election. If approved by the voters, no senior exemption cards would be issued after December 31, 2019.

Attachments: [Ord. 2014-12, with amended ballot proposal.pdf](#)

(Clerk's Note: Later in this meeting a motion to reconsider the ordinance at the next meeting was unanimously approved.)

By a Roll Call Vote of 3-2 (Assembly Members Lynn and Lagoudakis opposed) the ordinance failed. Lagoudakis expressed her concerns of the ordinance using an arbitrary date and establishing two classes of people as her reasons for opposing the ordinance.

- B.** Ordinance #2014-13: An Ordinance Eliminating the Senior Citizen Sales Tax Exemption Applicable to Non-borough State Residents

If passed by the assembly, the ordinance will be referred to the voters at the October 7, 2014 municipal election.

Attachments: [Ord. 2014-13.pdf](#)

By unanimous Roll Call Vote, the Ordinance was approved.

- C.** Ordinance #2014-14: An Ordinance Limiting the Senior Citizen Sales

Tax Exemption to the Purchase of Groceries and Residential Heating Fuel

If passed by the assembly, the ordinance will be referred to the voters at the October 7, 2014 municipal election.

Attachments: [Ord. 2014-14.pdf](#)

The ordinance was approved by unanimous Roll Call Vote.

D. Ordinance #2014-15: An Ordinance Raising the Sales Tax Exemption Cap from \$1200 to \$2000

If passed by the assembly, the ordinance will be referred to the voters at the October 7, 2014 municipal election

Attachments: [Ord. 2014-15.pdf](#)

A motion to amend the ordinance to reduce the sales tax cap to \$1,500 failed by a Roll Call Vote of 3-2 (Assembly Members Strand and Lynn opposed).

By unanimous Roll Call Vote, the ordinance was approved, as submitted.

E. Ordinance #2014-16: An Ordinance Establishing a One Year Residency and Physical Presence Requirement for Purposes of Obtaining a Senior Citizen Sales Tax Exemption

If passed by the assembly, the ordinance will be referred to the voters at the October 7, 2014 municipal election.

Attachments: [Ord. 2014-16.pdf](#)

The ordinance was approved unanimously by Roll Call Vote, as submitted.

F. Ordinance #2014-17: An Ordinance Providing to Impose an Excise Tax on Cigarettes and Other Tobacco Products

If approved by the assembly, the ordinance will be referred to the voters at the October 7, 2014 municipal election. If approved by the voters, a wholesale excise tax of \$2.00 per pack of cigarettes (plus an annual Consumer Price Index adjustment,) and 45% of the wholesale price on other tobacco products, will be placed on those products that are brought into the Borough to be offered for sale.

Attachments: [Ord. 2014-17.pdf](#)

[Memo on Municipal Tobacco Excise Tax Samples.pdf](#)

The ordinance was unanimously approved by Roll Call Vote.

G. Ordinance #2014-18: An Ordinance Providing for Chapter 3.85 (Historic Preservation) of the Municipal Code and Providing for an Appointed Advisory Commission

At the June 2 meeting, the assembly was presented with a petition signed by 50 borough residents requesting that the prior city ordinance #827 be re-adopted as a borough ordinance. The supporters of the petition informed the ordinance would promote and enhance knowledge of the history of Petersburg. The ordinance was amended on July 7 to provide for dissolution of the Historic Preservation Commission if it fails to meet within any two year period.

Attachments: [Petition for Historic Preservation Commission.pdf](#)
[Ord. 2014-18, as amended in First Reading.pdf](#)
[Ord. 2014-18 Amended for Final Read.pdf](#)

Assembly Member Lynn informed that the amendment made to the ordinance at the July 7, 2014 meeting was not captured in the redraft as intended.

By a unanimous Roll Call Vote, the Ordinance was amended in section 3.85.020E, to require the commission to be automatically dissolved if there are not meetings of the commission within any two year period.

The ordinance, as amended, was unanimously approved by Roll Call Vote.

H. Authorization for the Borough Manager to Execute the Assignment and Assumption Agreement Between Southeast Alaska Power Agency, Petersburg Borough, City and Borough of Wrangell and Thomas Bay Power Authority for the Transition of Operations and Maintenance of the Tyee Lake Facility

Manager Giesbrecht informed of the process used to reach the tentative agreement. After the tentative agreement was reached, legal counsels for all entities weighed in and had recommended the assignment and assumption agreement be approved. SEAPA will be picking up the total PERS liability for the two employee positions of TBPA (manager and secretary). SEAPA did not have to pick up that liability. The agreement is expected to provide more efficiencies for entities involved, both economically and operationally.

By a unanimous Roll Call Vote, authorization was given to Manager Giesbrecht to sign the agreement.

I. Juneau Appeal of Petersburg Borough Boundaries

Attachments: [Motion for stay.pdf](#)

No new information.

14. New Business

A. Ordinance #2014-19: An Ordinance Providing for Chapter 14.16, Entitled Electricity, Updating Current Language to Reflect Borough Incorporation and Providing for Rate Restructuring and Increases

Attachments: [Ord. #2014-19.pdf](#)

Electric Superintendent Nelson answered questions relative to: utility extensions; service transfer fees, utility deposit fees and the Borough's rate comparison to surrounding communities. It was noted the new rate structure no longer encourages large use of the utility and the policies used within the prior city limits are also applied to the outlying areas. The proposed rate changes in the ordinance were equal to an approximate 4% increase in the current fiscal year and 2% increase next year. Wrangell has just increased it's rates 7% across the board making Petersburg the apparent lowest electric provider in the State.

By a unanimous Roll Call Vote, the Ordinance was approved.

B. Resolution # 2014-10: A Resolution Authorizing the Lease of Borough Land at the Scowbay Turnaround Subdivision and Authorizing the Execution of the Lease Document

At the June 2 meeting, the assembly unanimously passed Resolution # 2014-07 that informed of the assembly's intent to lease approximately 3,000 s.f. of land at the Scow Bay Turnaround to Stephen Berry to be used for commercial marine vessel services for boat repair and refinishing. The land has been assessed and surveyed and the lease document prepared. Resolution #2014-10 will approve lease of the land for a five year period at an annual rental rate of \$1,290.00, plus property taxes.

Attachments: [Resolution 2014-09.pdf](#)
 [Lease Area Map Exhibit A.pdf](#)
 [Alaska Yacht and Vessel Services Lease.pdf](#)

The lease agreement was unanimously approved by Roll Call Vote.

15. Communications

None.

16. Assembly Discussion Items

A. Recognitions

Katelyn DuRoss and Rick Mazella were congratulated on their excellent organization of a safe and well attended Paddle Battle Through the Narrows kayak event.

17. Executive Session

By unanimous Roll Call Vote, the Assembly recessed to Executive Session at 8:14 p.m. to meet with its Negotiating Team to discuss the possible new Petersburg Municipal Employee's Association collective bargaining agreement terms.

18. Consideration to Ratify the new Collective Bargaining Agreement with the Petersburg Municipal Employee's Association for the Period of July 1, 2014 through June 30, 2017

Regular Session was reconvened at 8:47 p.m.

By a unanimous Roll Call Vote, the Assembly ratified the collective bargaining agreement with the Petersburg Municipal Employees Association for the time period of July 1, 2014 through June 30, 2017, as recommended by the Negotiating Team.

Reconsideration

Prior to adjourning the meeting, it was discovered that Assembly Member Havrilek was on the phone during the meeting, but could not communicate with the assembly. He was hearing the meeting, but his voice was not projecting across the phone lines. The assembly noted that if his voice would have been heard, the 2nd reading of Ordinance # 2014-12 (Sunset of Senior Citizen Sales Tax Exemption) would likely have changed the outcome of the vote.

Assembly Member Lynn moved and Member Stanton Gregor supported to reconsider Ordinance #2014-12 at the next meeting in both second and final readings. The motion to reconsidered was unanimously approved by Roll Call Vote.

19. Adjourn

The meeting adjourned at 8:51 p.m.

Date Approved: _____

Kathy O'Rear, BoroughClerk