



Petersburg Borough

12 South Nordic Drive
Petersburg AK, 99833

Meeting Minutes Borough Assembly

Monday, August 4, 2014

12:00 PM

Assembly Chambers

1. Call To Order/Roll Call

Mayor Lagoudakis called the Regular Meeting to order at Twelve, Noon.

Present: 5 - Assembly Member John Havrilek, 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: 1 - Assembly Member Kurt Wohlhueter

2. Voluntary Pledge

The Pledge was recited.

3. Approval of Minutes

A. July 21, 2014 Meeting Minutes

Attachments: [July 21 2014 Meeting Minutes.pdf](#)

The minutes were unanimously approved.

4. Amendment and Approval of Meeting Agenda

The meeting agenda was approved, as submitted.

5. Public Hearings and Bid Awards

A. Public Hearing on 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

Patrick Wilson, General Manager of Petersburg Fisheries, voiced concerns with the proposed large commercial increase. The large commercial users are slated for an approximate 8.6% increase over a two year period. He said it would be preferable, and in the community's interest, to have an across the board percentage increase versus a larger increase for high volume users. An across the board increase would allow the commercial entities to expend more money on improvements to keep the fishing industry vibrant in Petersburg and competitive with the surrounding areas. He related how the community lost approximately 12 commercial fishing boats to a new processor in Sitka last year which will reduced fisheries tax for the community. The

vessels transferred to the new processor in-part because Sitka's local government provided considerable incentives for the new processor to establish in their community.

6. Visitors' Views Related to Agenda

None.

7. Visitors' Views Unrelated to Agenda

A. Kent Miller, Manager, North End Ferry Authority

Attachments: [Petersburg Banana Pt proposal.pdf](#)
 [Exh1 Business Plan Summary Jul2014.pdf](#)
 [Exh2 Coffman Mitkof Silver Eagle Estimates.pdf](#)
 [Exh3 Banana Point 1353-bathymetrics.pdf](#)
 [ADOT Support Letter.pdf](#)

Mr. Miller made a presentation on the North End Ferry Authority's (NEFA) plans to restore ferry service between Coffman Cove, Wrangell and South Mitkof Island. He was seeking the Assembly's support for the use of the Banana Point Launch Ramp as an interim ferry terminal. The NEFA, organized under Title 29 as a Port Authority, plans to restore ferry service beginning in April, 2015 by use of a 28 passenger, 7 vehicle landing craft providing four trips per week, year round. The NEFA's vessel is not compatible for use with the existing terminal improvements located at the non-used South Mitkof terminal. Estimated costs to make the terminal useful for the landing craft exceed \$945,000 and Alaska Department of Transportation does not have funds available at this time for the modification. However, ADOT has indicated they will work with the Authority to make the necessary improvements to South Mitkof Terminal after the Authority has proved itself a successful operation. Miller explained the differences between the vessel to be used by NEFA to those used by the Inter-Island Ferry Authority. The differences provided considerable less expense due to the need for less crew and fuel. Miller further advised that he believed the temporary use of Banana Point as a ferry landing/loading area would be compatible with, and not hinder, the existing small vessel launch activity. He also provided the Assembly with tentative fares for the service. ADOT had provided a letter to the Borough of its support for the North End Ferry Authority's proposal to use Banana Point as an interim ferry terminal as the service would re-establish passenger/vehicle traffic between Prince of Wales Island, Wrangell and Petersburg and would also assist DOT/PF in determining the appropriate vessel for ultimate use of South Mitkof terminal.

During discussion of the proposal it was noted: establishment of the ferry service between Petersburg, Wrangell and Prince of Wales would benefit school athletics; if the present S. Mitkof terminal is not used, the State may need to return the federal funding used for construction of the facility; the added use to the Banana Point facility would add additional maintenance costs to the Borough and State (of which Mr. Miller said the Authority would pay their fair share); the added use could negatively impact local uses of the facility; and over-night, long term parking of vehicles could present problems.

By unanimous voice vote, the Assembly approved that a letter of support for the NEFA proposal be sent to the Department of Natural Resources. The letter

is to include a request that the added use, if approved by DNR, be reviewed within a six month period to determine the effect on the on-going local use of the launch area.

8. Board, Commission and Committee Reports

None.

9. Consent Agenda

No items.

10. Report of Other Officers

None.

11. Mayor's Report

B. Mayor Report for 8-04-2014

Attachments: [8-04-2014 Mayor's Report.pdf](#)

Mayor Lagoudakis acknowledged Tom Abbott's letter of resignation from the Hospital Board; reminded residents of the ADOT public meeting to be held August 13 regarding the Southeast Transportation Plan; and informed of the annual Mental Health Trust Land sale.

12. Manager's Report

Manager Giesbrecht reviewed his written report. After the report, a brief discussion was held on the recent delays of completing the Sandy Beach shelter.

A. 08-04-2014 Report

Attachments: [Manager report 08042014](#)

13. Unfinished Business

Ordinances for Second Reading

A. Reconsideration of Ordinance #2014-12 (Sunset of Senior Citizen Sales Tax Exemption/Referral to the Voters) in 2nd Reading

Prior to adjournment of the July 21, 2014 Assembly Meeting, it was discovered that Assembly Member Havrilek was on the phone during the meeting and could hear the meeting proceedings, but could not communicate with the Assembly by making his voice heard over the phone connection. The Assembly noted that if his voice would have been heard, the outcome of the vote may have been different. By

unanimous Roll Call Vote at the July 21st meeting, the Assembly authorized the second reading of the Ordinance be reconsidered at this meeting.

The ordinance was passed by a 4-2 Roll Call Vote. Lagoudakis expressed her opposition to the ordinance. She believed it contained an arbitrary starting date and that the ordinance had the potential to be in conflict with the provisions of proposed ordinance #2014-14 (senior exemption on groceries and heating fuel only).

- B.** 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](#)

The ordinance was unanimously approved by Roll Call Vote.

Ordinances for Third and Final Reading

- 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](#)

The final reading of the ordinance was approved by a 5-1 Roll Call Vote. Lagoudakis opposed.

- 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](#)

The ordinance was approved in final reading by unanimous Roll Call Vote.

- 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 unanimously approved in final reading by 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](#)

The ordinance was approved in final reading by unanimous Roll Call Vote.

- 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 unanimously approved in final reading by Roll Call Vote.

- 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 in final reading by unanimous 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: [Ord. 2014-18 Amended for Final Read.pdf](#)

The ordinance was approved in final reading by unanimous Roll Call Vote.

14. New Business

None.

15. Communications

None.

16. Assembly Discussion Items

A. Electric Rates

Assembly Member Havrilek suggested that the proposed new electric rates contained in Ordinance #2014-19 be published in the newspaper so people know what to expect.

B. Recognitions

Vice Mayor Lagoudakis congratulated the police dispatchers for having an error free audit.

17. Adjourn

The meeting adjourned at 1:11 p.m.

Date Approved: _____

Kathy O'Rear, Borough Clerk