



Petersburg Borough

12 South Nordic Drive
Petersburg AK, 99833

Meeting Minutes Borough Assembly

Monday, May 19, 2014

7:00 PM

Assembly Chambers

1. Call To Order/Roll Call

The meeting was called to order by Mayor Jensen at 7:00 p.m.

Present: 7 - Mayor Mark Jensen, Assembly Member John Havrilek, Assembly Member Cindi Lagoudakis, Assembly Member Nancy Strand, Assembly Member Kurt Wohlhueter, Assembly Member Bob Lynn and Assembly Member Jeigh Stanton Gregor

2. Voluntary Pledge

The Pledge was recited.

3. Approval of Minutes

A. Meeting Minutes from May 5, 2014

Attachments: [5-5-2014 Minutes.pdf](#)

The minutes were unanimously 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 Ordinance #2014-08: Parks & Recreation User Fees

There were no public comments received.

B. Public Hearing on Ordinance #2014-09: Camping/Recreation Areas

There were no public comments received.

C. Public Hearing on Ordinance #2014-10: Borough Budget and Setting Millage Rates for July 1, 2014 through June 20, 2015

Gerry Merrigan, a Service Area 2 resident, commented on a recent article in the newspaper related to first time property assessments in the Borough. He interpreted the article to portray the Borough as using unjustified figures in preparing budgets. He asked the Assembly to use real figures in preparing budgets.

- D. Authorization to purchase a wheelchair accessible van from EK Bus Sales for a total not to exceed \$63,777.36.

Attachments: [Wheelchair Accessible Recommendation and Specs.pdf](#)

Public Works staff reported that EK Bus Sales is an equipment provider listed on the Washington State vehicle procurement contract and was used because the State of Alaska Equipment Contract does not list a vehicle that would meet requirements. Municipal Code, Section 4.04.040G allows for the purchase of the vehicle without a competitive bid process.

By unanimous Roll Call Vote, authorization was given to purchase the van from EK Bus Sales for a total not to exceed \$63,777.36.

6. Visitors' Views Related to Agenda

11 residents voiced concerns regarding agenda item 14 C (joining with City of Kupreanof as a signatory on a letter to the University of Alaska asking to suspend finalization of timber sale contracts for the Wrangell Narrows East and South Mitkof Island plans). Comments received were mostly made in either support or non-support of logging in general and in the designated areas, not necessarily to the Borough being a signatory to the proposed letter. Concerns/opinions voiced included: there is concern for public safety in the logging areas due to potential land slides; the majority of landslides in Southeast are not caused by logging operations; the community should revive the local timber industry; current slide evidence in the planned logging area above Mitkof Highway was not caused by logging, but by road construction; prior timber harvests on Three Lakes Loop Road are examples of successful timber renewal projects; Petersburg is located in the largest national forest and should use the renewable resources wisely for our local benefit; the Wrangell Narrows sale would gain the university and community a much larger return on investment if the all-weather access water front properties were sold as individual private lots; the State has passed its liability for public safety to local communities by allowing local ordinances to address potential slide problems; the Assembly now has its chance to engage in providing a larger regional voice as advertised during the borough formation process in supporting the City of Kupreanof's position.

7. Visitors' Views Unrelated to Agenda

- A. Jason Anderson, District Ranger

Mr. Anderson informed the Forest Service is currently performing an environmental analysis of the University of Alaska's South Mitkof Island timber sale. He informed that criteria for logging projects are site-specific in regard to geology and habitat. He suggested the Assembly look into the results of the analysis, when available, to help determine a position on the project. Anderson also informed that a series of community meetings will be held to address the down-turn in federal funding for recreational facilities and programs. The Ranger District is looking for opportunities to partner with other agencies to improve and/or retain a recreational economy in the community.

8. Board, Commission and Committee Reports

- A. Report on Sales Tax Ordinance Review Committee Work

Attachments: [Report on Sales Tax Committee.pdf](#)
 [Susan Flint's Personal Opinion on Senior Sales Tax Exemptions.pdf](#)

Susan Flint, chairperson of the Committee, reviewed her written report that informed of the Committee's work performed over the winter. Committee recommendations: do not impose a fish box or pull-tab tax at this time; an alcohol tax is not allowed by State statute; consider implementing a \$1.00 per item excise tax on tobacco; change proof of residency to be based on proof of receipt of PFD; increase the tax cap to \$1,500 or \$1,700 to be in line with Sitka and Wrangell. Ms. Flint thanked the various Committee members and several of the Finance Department personnel for their help.

Flint also informed of her personal opinion on how to curtail some of the growing senior citizen sales tax exemptions. She proposed limiting the senior tax exemption to home heating fuel and WIC approved groceries. The proposal looks out for the senior poor. She also said she would support a proposal suggested by Assembly Member Wohlhueter that would phase out the senior citizen exemption entirely.

Addressing sales tax code changes will be held at a future meeting.

9. Consent Agenda

No items.

10. Report of Other Officers

A. Student Representative Hannah Pfundt

Ms.Pfundt reported on scholastic activities.

11. Mayor's Report

Mayor Jensen called a recess at 8:20 p.m.

The meeting was reconvened at 8:25 p.m.

A. Mayor's Written Report for May 19, 2014

Attachments: [Mayor Report for 5-19-2014.pdf](#)
 [Support Letter for SSRAA.pdf](#)
 [Sea Otter Videoconference Information.pdf](#)

Mayor Jensen reported: 1) Fish & Game is attempting to fast track the repairs at Crystal Lake Hatchery so that an incubation room can be in place sometime this fall or early winter. The Borough has sent a letter to ADOT in support for SSRAA to perform the rebuild. 2) The Medical Center has reached agreement with contractor Silver Bow Construction to remedy the deficiencies on the new roof of the Medical Center. 3) The School Board has appointed Megan Litster and Jay Lister to the Board until the October, 2014 municipal election; 4) Alaska Sea Grant and the US Fish & Wildlife Service will provide a sea otter workshop to share results of their research in southern Southeast Alaska. 5) Superior Court Judge Menendez has awarded attorney's fees in the amount of \$1,500 each to Petersburg and to the State regarding Juneau's claims against Petersburg and the Local Boundary Commission regarding

Borough boundaries. Juneau continues its appeal in Supreme Court. 6) If there were no objections, Mayor Jensen planned to assist the Borough Manager in the negotiations with SEAPA regarding the dissolution of Thomas Bay Power Authority. 7) Due to the great importance of a Comprehensive Plan for the community and the absence of several people from the May 5 meeting that could have provided more information, the Mayor will be placing the issuance of an RFP for help on a Comprehensive Plan back on the June 2 agenda.

There were no objections or concerns voiced to the report.

12. Manager's Report

No report.

13. Unfinished Business

Ordinances for Third and Final Reading

- A.** Ordinance # 2014-06: An Ordinance Providing for Chapter 4.50 (E-911 Emergency Communications Fund) of the Municipal Code and Updating Current Language to Reflect Borough Incorporation.

Attachments: [Ord. # 2014-06 - E911 in First Reading.pdf](#)
 [Ord. #2014.06, as amended in 2nd reading.pdf](#)

The ordinance was amended by the Assembly on May 5, 2014 to remove the "under oath" statement originally contained in Section 4.50.040.

By unanimous Roll Call Vote, the ordinance was approved in final reading.

- B.** Ordinance #2014-07: An Ordinance Adjusting the FY 2014 Budget for Known Changes

Attachments: [Ord. #2014-07, as amended 5-5-2014.pdf](#)

The ordinance was amended by the Assembly at the May 5, 2014 meeting to provide for purchase of a new road grader in the current year budget.

The ordinance was approved by a 6-1 Roll Call Vote, Assembly Member Havrilek opposed.

Ordinances for Second Reading

- C.** Ordinance #2014-08: An Ordinance Providing for Chapter 4.60 of the Municipal Code (Parks and Recreation User Fees) and Updating Current Language to Reflect Borough Incorporation.

Attachments: [Ord. #2014-08 - Parks and Rec User Fees.pdf](#)

It was clarified that non-resident, for the purpose of the ordinance, was a non-Borough resident.

The ordinance was unanimously approved by Roll Call Vote in its second

reading.

- D. Ordinance #2014-09: An Ordinance Providing for Chapter 13.12 (Camping/Recreation Areas) of the Municipal Code and Updating Current Language to Reflect Borough Incorporation

Attachments: [Ord. #2014-09 Camping and Recreation Areas.pdf](#)

A motion to amend the ordinance to require the Borough Assembly, not the Parks & Recreation Director, issue camping permits on land owned or controlled by the Borough failed by a 3-4 vote.

By a unanimous Roll Call Vote, Ordinance #2014-09, was approved in second reading, as submitted.

- E. Ordinance #2014-10: An Ordinance Adopting the Budget and Setting the Millage Rates for the Fiscal Year July 1, 2014 through June 30, 2015, as amended

Attachments: [Ord. # 2014-10 Budget and Mill Levy.pdf](#)
[Finance Director's Memo on Budget.pdf](#)
[Ord. # 2014-10, as amended for second reading and hearing.pdf](#)

The Ordinance was amended by the Assembly on May 5, 2014 to address Motor Pool Fund needs. The ordinance had further been amended for the Motor Pool to reflect the purchase of a wheelchair accessible van for Mountain View Manor. Assembly Member Wohlhueter requested the Borough give future consideration to reducing the mill rate levied in the East Frederick Point area.

The budget and mill rate ordinance was approved by a 6-1 Roll Call Vote in second reading, Assembly Member Havrilek opposed. Havrilek expressed his concerns about Borough spending. He urged the Borough make cuts in the next budget that will provide for a substantial reserve to begin to address future capital improvement/replacement needs.

14. New Business

- A. Ordinance #2014-11: An Ordinance Placing the Question of Exemption from Alaska Public Officials Financial Disclosure Law on the October 7, 2014 Municipal Election Ballot

Attachments: [Ord. #2014-11, Ballot Question to Exempt Petersburg from POFD Law.pdf](#)

The ordinance was unanimously approved in first reading by a 7-0 Roll Call Vote.

- B. Authorization to amend the Professional Services Agreement with MRV Architects for Municipal Building Renovations to include Design Development Phase at \$207,826; Construction Documents Phase at \$278,818; and Bidding Phase at \$20,010

Attachments: [MRV Proposal for final design of Municipal Bldg, with construction docs and bidding assistance.pdf](#)

Funding for the project was discussed. There are not sufficient funds for full

construction, but finalization of design will make the project ready to build. Total shortfall to complete the project is estimated at 4.7 million, at current costs. The Assembly noted there were no plans to bond for balance of funds needed for the project, but will continue to lobby the legislature for more funding next year.

By unanimous Roll Call Vote, the assembly approved the contract amendment as presented, not to exceed \$506,654.

- C.** Authorization to join with the City of Kupreanof in sending a letter to University of Alaska President Patrick Gamble requesting the University suspend the finalization of timber sale contracts for the Wrangell Narrows East and South Mitkof Island Development and Disposal Plans.

Attachments: [Proposed joint letter, with information.pdf](#)

Mayor Jensen read the proposed joint letter. Discussion of the letter included: the Borough needs more information regarding the possibilities of better use of the land; it is desired to keep timber jobs in town; it was questioned if the Borough was taking on liability, but not getting any economic benefit for the community; there is residential use in Keene Channel that should be given consideration as any logging activity that may occur in the residential areas of Service Area 1; the letter, as written, was of concern; a more open notice and review process is needed on future projects; it was questioned if the Borough was actually liable for actions taken by a State backed agency; Fish & Game voiced more concerns about blow-down than slide probabilities; the projects are not on a large scale and logging provides an additional source of revenue to the community.

By a 4-3 Roll Call Vote, members Lagoudakis, Lynn and Jensen opposed, the Mayor was authorized to sign the joint letter.

15. Communications

None.

16. Assembly Discussion Items

- A.** Recognitions

None.

17. Adjourn

The meeting adjourned at 9:10 p.m.

Date Approved: _____

Kathy O'Rear, Clerk