



Petersburg Borough

12 South Nordic Drive
Petersburg AK, 99833

Meeting Minutes Borough Assembly

Monday, June 1, 2015

12:00 PM

Assembly Chambers

1. Call To Order/Roll Call

Vice-Mayor Lagoudakis called the meeting to order at 12:00 p.m.

Present: 6 - Vice Mayor Cindi Lagoudakis, Assembly Member John Havrilek, Assembly Member Bob Lynn, Assembly Member Nancy Strand, Assembly Member Jeigh Stanton Gregor and Assembly Member Kur Wohlhueter

Excused: 1 - Mayor Mark Jensen

2. Voluntary Pledge

The pledge was recited.

3. Approval of Minutes

A. May 18, 2015 Assembly Meeting Minutes

Attachments: [5-18-2015 Assembly Meeting Minutes](#)

The minutes were approved, as submitted.

4. Amendment and Approval of Meeting Agenda

Member Wohlhueter asked that discussion of the municipal building remodel be added to Assembly Discussion Items. There were no objections. The meeting agenda was approved with that amendment.

5. Public Hearings and Bid Awards

A. Public Hearing on Ordinance #2015-02: An Ordinance Providing for a Farm Property Tax Exemption and Submitting the Ordinance to the Voters (short title).

No comments.

B. Public Hearing on Ordinance #2015-07: An Ordinance Amending Section 4.33 of the Petersburg Borough Code to Establish a Transient Room Tax Fund and Rescind Resolution #2004, Which Had Established Guidelines for Appropriation of Funds Generated by the Transient Room Tax

No comments.

C. Public Hearing on Ordinance #2015-08: An Ordinance Declaring that Property Conveyed to the Borough in a Tax Foreclosure Proceeding is not Required for a Public

Purpose and shall be Disposed of by the Borough

No comments.

- D.** Public Hearing on Ordinance #2015-09: An Ordinance Declaring that Property Conveyed to the Borough in a Tax Foreclosure Proceeding is not Required for a Public Purpose and shall be Disposed of by the Borough

No comments.

- E.** Public Hearing on Ordinance #2015-10: An Ordinance Amending City of Petersburg Ordinance #940 Relating to the Board of Directors of the Southeast Alaska Solid Waste Authority to Add Provisions for an Alternate Director

No comments.

- F.** Public Works Crushed Rock Bid Award

Attachments: [Bid Award Recommendation-Crushed Rock](#)
 [Bid Tabulation-Crushed Rock](#)

The crushed rock bid award to Rock N Road Construction for an amount not to exceed \$37,000 was approved by unanimous roll call vote.

- G.** Wastewater Telehandler Purchase Award

Attachments: [Purchase Award Recommendation-WW Telehandler](#)
 [Bobcat of Juneau Product Quote](#)

Purchase of the Wastewater Telehandler from Bobcat of Juneau in the amount of \$62,656.66 was approved unanimously.

6. Visitors' Views Related to Agenda

None.

7. Visitors' Views Unrelated to Agenda

Dr. James Baker briefly explained his idea of the Petersburg Borough developing a Public Development Authority to grow, process, and sell marijuana and the Borough receiving tax revenue from those sales. Dr. Baker informed the Assembly that he had recently visited Mayor Don Stevens of North Bonneville, Washington, and would like to bring Mayor Stevens to Petersburg to speak to the Assembly regarding his experiences with beginning this type of business in his own community. Dr. Baker said that the fall is the best time of year for Mayor Stevens' visit.

8. Board, Commission and Committee Reports

No reports.

9. Consent Agenda

- A.** Authorization to Accept Grant Funds in the Amount of \$2,500 from the Petersburg

Community Foundation

- B.** Authorization to Accept Grant Funds in the Amount of \$8,800 from the Alaska State Library

Items on the Consent Agenda were approved by roll call vote.

10. Report of Other Officers

No reports.

11. Mayor's Report

No report.

12. Manager's Report

- A.** Manager's Report for 06-01-2015 Assembly Meeting

Attachments: [Manager report 06012015](#)

Manager Giesbrecht reviewed his written report. In addition, he also reported that: summer camp at Parks-n-Rec will begin June 8, 2015; the Library will be closed June 15, 2015 to switch over to the new catalog; registration is now open for the summer reading challenge at the Library; and the boilers at the Aquatic Center burned up, so the technician is coming in to see what can be done.

13. Unfinished Business

Ordinances for Third and Final Reading

- A.** Ordinance #2015-07: An Ordinance Amending Section 4.33 of the Petersburg Borough Code to Establish a Transient Room Tax Fund and Rescind Resolution #2004, Which Had Established Guidelines for Appropriation of Funds Generated by the Transient Room Tax

Attachments: [Director Tow's Memo Regarding Transient Room Tax.pdf](#)
 [Ordinance #2015-07.pdf](#)

Ordinance #2015-07 was approved in its third and final reading by roll call vote with Member Lagoudakis abstaining due to her position at the Chamber of Commerce.

Ordinances for Second Reading

- B.** Ordinance #2015-02: An Ordinance Providing for a Farm Property Tax Exemption and Submitting the Ordinance to the Voters (short title).

Attachments: [Ord. #2015-02.pdf](#)

Member Havrilek expressed his opposition to the ordinance. He stated his belief that this ordinance would only benefit one resident at this time, but it could also set a precedent as a tax loophole in the future for others, such as fishermen.

Member Gregor agreed with Member Havrilek. He said he liked the idea of promoting agriculture in Southeast for the production of food items but not marijuana.

Ordinance #2015-02 failed by unanimous roll call vote.

- C. Ordinance #2015-08: An Ordinance Declaring that Property Conveyed to the Borough in a Tax Foreclosure Proceeding is not Required for a Public Purpose and shall be Disposed of by the Borough

Attachments: [Lot 5W Island Court Observations](#)
[Ord#2015-08](#)

Member Havrilek asked if this procedure was necessary each time the Borough foreclosed on property. Manager Giesbrecht informed the Assembly that according to the Borough attorney, it was necessary. Finance Director Tow reminded everyone that foreclosing on property did not happen very often.

The ordinance was unanimously approved.

- D. Ordinance #2015-09: An Ordinance Declaring that Property Conveyed to the Borough in a Tax Foreclosure Proceeding is not Required for a Public Purpose and shall be Disposed of by the Borough

Attachments: [Lot 7W Island Court Observations](#)
[Ord#2015-09](#)

The ordinance passed unaimously.

- E. Ordinance #2015-10: An Ordinance Amending City of Petersburg Ordinance #940 Relating to the Board of Directors of the Southeast Alaska Solid Waste Authority to Add Provisions for an Alternate Director

Attachments: [Memo from Public Works Director Hagerman](#)
[Ord#2015-10](#)

The ordinance was approved by unanimous roll call vote.

14. New Business

- A. Approval to Award the Middle Harbor Repair Project Under the Borough's Local Bidder Preference Ordinance 4.04.050, and Authorization to Issue the Intent to Award Notification to the Bidders for the Middle Harbor Repair Project.

Attachments: [Bid Results Letter-Harbor](#)
[Bid Tabulation-Harbor](#)
[Notice of Intent to Award-Harbor](#)

Member Havrilek made a motion to award the bid to Tamico under the local bidder preference but at Western Dock & Bridge's lower bid amount of \$165,500. Member Strand questioned the legality of changing the bid amount. Manager Giesbrecht informed everyone that he and Harbormaster Wollen discussed this with the Borough Attorney. He explained that the Assembly was only voting, at this point, on who they intended to award the bid to at the next meeting, and could not ask that the bid amount be changed. He also informed that the insurance company may not honor the local bidder preference at a higher rate. At that time, he said, the issue would come before the Assembly again. The Assembly and Manager Giesbrecht discussed some of the pros and cons with using the local bidder

preference, since this was the first time it has come up, including keeping money local and supporting local business. Member Havrilek then amended his motion to award the bid to Tamico.

The intent to award bid was made to Tamico by unanimous roll call vote.

15. Communications

None.

16. Assembly Discussion Items

Manager Geisbrecht gave a report on the status of the municipal renovation project. He reported that he is waiting for the architects to present a cost analysis to the Borough, at which time he and Finance Director Tow will look at it and come up with a financial plan. Member Wohlhueter expressed his opposition to asking the public for help or taking from the budget reserves to finance the project. He also requested that the Public Safety Board have some input on making the decision for cuts to the cost of the building. Chief Swihart reminded the Assembly that the Public Safety Board did approve the concept for the renovation. Member Lynn asked whether there had been discussion with the architect about reducing or phasing the project. Manager Geisbrecht summarized the discussions he had with the architect about the phasing aspects of the remodel plan. Member Havrilek stated that he wanted to be more proactive in instructing the architect to work within the budget the Borough has for the project. He also expressed his opposition to asking the voters to help fund a portion of the building or borrowing from other Borough fund reserves because there would be no way in the future to pay it back. Member Wohlhueter stated his belief that the Borough should not use money that has been set aside in reserves for a "rainy day", because he believes the financial future is unsure. Member Lynn agreed with Member Wohlhueter's opinion. Manager Geisbrecht stated that if the Assembly is saying that they do not want to use any Borough money for the renovation, the project will die. Member Strand asked for a reminder of where the current \$6 million for the project came from. Finance Director Tow informed the Assembly that the funds are from State legislative grants that will expire, at some point, and some funds from the Borough's property development fund. Member Strand reminded the Assembly that it will never be cheaper to renovate the building than it is now. Member Lagoudakis recommended that the Borough educate the public on the consequences of not renovating the building. She also reminded the Assembly that the Borough departments do put money in reserve for when problems arise and that the police department is in a near emergency situation. Harbormaster Wollen shared her experience in working with big projects and how to use alternates to take advantage of the competitive nature of the business.

A. Recognitions

Member Gregor expressed his appreciation for Marv King's hard work and great attitude over the derby weekend and for keeping the fisherman supplied with ice. Member Wohlhueter recognized Brad Taylor and the track team for their success this year. Member Lagoudakis thanked Jesse O'Connor for his hard work in keeping Buschmann Park looking so nice. She also recognized Jim Rogers for mentoring children at the library.

17. Executive Session

The Assembly went into Executive Session at 1:07 p.m.

18. Adjourn

The meeting was adjourned at 1:31 p.m.