



Meeting Minutes Borough Assembly

Monday, October 6, 2014

12:00 PM

Assembly Chambers

1. Call To Order/Roll Call

Mayor Jensen called the meeting to order at Twelve, Noon.

Present: 6 - Mayor Mark Jensen, Assembly Member John Havrilek, Assembly Member Cindi Lagoudakis, Assembly Member Nancy Strand, Assembly Member Kurt Wohlhueter and Assembly Member Bob Lynn

Excused: 1 - Assembly Member Jeigh Stanton Gregor

2. Voluntary Pledge

The Pledge was recited.

3. Approval of Minutes

A. Minutes from 8-18-2014 Regular Meeting

Attachments: [Minutes 8-18-2014.pdf](#)

The minutes were unanimously approved, as submitted.

4. Amendment and Approval of Meeting Agenda

The agenda, as submitted, was unanimously approved.

5. Public Hearings and Bid Awards

A. Bid Award - Janitorial Services

The Borough solicited bids for annual janitorial services at various public buildings and received only one bid at the bid opening conducted September 16. The lone bid was in excess of budgeted expenses prompting a thorough review of contracted services versus hiring a custodial staff. At the conclusion of the review, and working with the lone bidder, the Administrative staff recommended the Borough award a professional services contract to Apex Janitorial in the annual amount of \$70,620.

Attachments: [Apex Revised Proposal.pdf](#)
[Admin Staff Recommendation on Award.pdf](#)

By unanimous Roll Call Vote, a professional services contract with Apex Janitorial in the annual amount of \$70,620 was approved.

6. Visitors' Views Related to Agenda

Kim Kilkenny, representing Alaska Island Services and Petersburg Mental Health, expressed support in the recommendation made by Committee to retain Agnew/Beck to assist in the development of a Borough Comprehensive Plan. She also informed of the need to retain the expansion of the Children Center on the CIP list. Currently, the Children Center is only able to provide services in a nursery setting which prevents some parents from returning to the work force as they have no day-care services.

Gary Slavin, fisherman and member of Petersburg Vessel Owners, spoke in support of placing Phase II of the Commercial Marine Terminal Drive Down Project (construction of 120 ft. of sheetpile bulkhead and loading crane) in the top projects for 2015. He informed of the huge benefit that would be provided to the local economy by moving forward with the terminal project. He did not want to see the Borough return the funds or use any excess funds for a different project. The Petersburg Vessel Owners Executive Director had also submitted a letter in support of the sheetpiling work at the Marine terminal being placed to the top of the list.

7. Visitors' Views Unrelated to Agenda

None.

8. Board, Commission and Committee Reports

No reports.

A. Hospital Board Written Report

Outgoing Hospital Board President Tom Abbott provided a written update on the financial status of the Medical Center. The report indicates improvement has been gained in the Accounts Receivable process.

Attachments: [09-04-2014 Hospital Report.pdf](#)

Hospital CEO Liz Woodyard, in attendance at the meeting, echoed Abbott's written comments on the great financial improvements made in the hospital's accounts receivable and cash on hand. The days in account receivable have been reduced by nearly 50% with cash on hand being equivalent to 90 days, versus 3 days in 2013.

Mayor Jensen read retired Hospital Board President Tom Abbott's September 4 letter.

9. Consent Agenda

A.

appointed to a three year term on the Historic Preservation Committee; the Borough will host the 2016 Southeast Conference; and the 2nd meeting in November was changed to November 24 due to several assembly members attending the AML conference during the week of November 17.

12. Manager's Report

No report.

13. Unfinished Business

A. Juneau Appeal of Petersburg Borough Boundaries

Attachments: [Court Order.pdf](#)

After Judge Menendez denied CBJ's Motion for Stay Pending Appeal back in August, Juneau filed their motion for stay with the Supreme Court. On September 25, the Supreme Court denied Juneau's motion. The appeal continues through the Supreme Court process with both the Borough and the LBC responding to required court filings.

B. Kent Miller, Manager, North End Ferry Authority: Request for Support of Land Use Application for Use of Banana Point Launch Ramp

Attachments: [Rainforest Request Letter.pdf](#)
[Cover Letter for Land Use Permit from State.pdf](#)
[Land Use Permit Application.pdf](#)
[Supplemental Questionnaire for Land Use Permit Ap.pdf](#)
[Site Map.pdf](#)

Mr. Miller provided an over-view of the North End Ferry Authority's (NEFA) attempts to find an alternative interim landing area, other than Banana Point, for the operation of its proposed new passenger/vehicle ferry service from Coffman Cove to Wrangell and Petersburg. The estimated cost to make improvements at the existing South Mitkof Ferry Terminal to accommodate NEFA's vessel is approximately \$600,000. None of the alternative locations (Olsen's Log Dump, Blaquerie Point and Wood Pecker Cove) will work and NEFA does not have the cash on-hand to make the required changes at South Mitkof Ferry Terminal at this time. Miller further informed that NEFA has found wording within the Public Act that established Banana Point Launch Ramp that allows the use of the launch facility to be expanded to accommodate other public need, i.e. regional transportation use. Miller asked for Assembly support of the Land Use Permit Application that NEFA will be submitting to the Department of Natural Resources. The application will request a five year use period, to be re-evaluated after the first year, to use the Banana Point Launch facility as an interim ferry terminal.

The Assembly voiced concerns of the possibility for damages to the launch facility being caused by the Authority's vessel and also to the possible added cost to the Borough to provide its contracted duties to the state for on-going maintenance at the launch. Mr. Miller believed the Authority would be responsible to pay any increased maintenance costs attributed to the ferry operation. He informed that the Authority is planning on depositing a substantial amount of cash into escrow to assure payment to the State for any damages caused by the ferry's operations. Consensus was a

separate agreement between the Borough and NEFA would be required to address issues outside of the State maintenance contract.

By unanimous Roll Call Vote, the Assembly authorized support to the North End Ferry Authority's (DBA Rainforest Island Ferry) September 23/24, 2014 Land Use Permit Application to the Department of Natural Resources for interim use of Banana Point Boat Launch for a proposed new passenger/vehicle ferry service.

C. Amendments to Community Capital Projects Needs List and Establishment of Priorities for 2016

Borough departments, as well as the School and Hospital, have reviewed the 2015 Capital Needs List and have provided updates to the list. The Assembly is asked to review the list and determine if any changes should be made to the top 10 to 12 projects for FY 2016.

Attachments: [Amended 2015 CIP List.pdf](#)

School representatives made a presentation on the need to improve the District's food service.

The Assembly discussed the draft CIP list as submitted and made several amendments by unanimous vote. A final CIP list, consisting in excess of 40 projects, was determined with the Assembly prioritizing the top twelve projects.

By unanimous Roll Call Vote, the amended Community Capital Improvement List for 2015 was approved.

D. Award of Professional Services Contract for Assistance in Developing a Comprehensive Plan & Harbor Master Plan

Five proposals were submitted ranging in cost of \$159,120 to \$312,530. The 10 person Evaluation and Planning Committee has recommended Agnew Beck be awarded a contract in the amount of \$195,000. The Committee has also recommended that Borough Staff work with Agnew Beck to develop a public engagement process that provides adequate opportunity for input, especially for residents outside of Service Area 1.

Attachments: [Committee Recommendation with Proposal Evaluations Info.pdf](#)
 [Manager's Recommendation.pdf](#)

By a Roll Call Vote of 4-2 (Assembly Members Lynn and Havrilek opposed) the Assembly accepted the committee's recommendation and authorized a professional services contract with Agnew Beck to assist in the development of a Comprehensive Plan and Harbor Master Plan.

E. Drive Down Facility Bulkhead Change Order Request

At the March 3, 2014 Assembly meeting, the Harbors and Port Advisory Board's recommendation to approve a change order to the Commercial Drive Down Project to provide for the engineering and

construction of 120 feet of bulkhead to be located at the upland staging area was postponed until this meeting.

Attachments: [Minutes Excerpts.pdf](#)
[Harbormaster Memo re Drive Down Bulkhead.pdf](#)
[DDF Concept No. 5 Site Plan.pdf](#)
[DDF Bulkhead Loading Dock Concept Plan.pdf](#)
[DDF Bulkhead Loading Dock Cost Estimate.pdf](#)

This agenda item was further postponed until the January 5, 2015 Assembly meeting by unanimous vote.

14. New Business

- A.** Ordinance #2014-20: An Ordinance Providing Parking Regulations and Fines for Parking Violations and Repealing the Remaining Chapters of the Old City Code (short title).

The ordinance will finalize the transfer of City of Petersburg traffic ordinances to Borough Code. The Assembly previously adopted Ordinance #2013-25 that listed the State statutes and regulations that were adopted for use in the Borough to address our most common motor vehicle enforcement needs.

Attachments: [Ord. #2014-20.pdf](#)

Several questions were posed regarding the need to retain all of the language in subsections A & C of section 11.12.040 (Parking Restrictions). It was questioned why we would retain the language if we are not always enforcing the sections. Police Captain Hamilton provided examples of when the various sections are used for parking enforcement. Consensus was the code language may be necessary to address habitual abusers.

Ordinance #2014-20 was passed in first reading by a 5-1 Roll Call Vote (Assembly Member Lynn opposed).

- B.** Ordinance #2014-21: An Ordinance Adjusting the FY 2015 Budget for Known Changes.

The Ordinance has been amended by staff to reflect the payment of PILT funds to Kupreanof as approved at the October 6 meeting; and to add a request from the Fire Department to provide for a full sized SUV at the cost of \$32,032 through the State cooperative purchasing program. The Fire Department currently has a \$34,181 balance for the unit within the Motor Pool Fund.

Attachments: [Amended Ordinance #2014-21.pdf](#)
[Public Works Director Recommendation.pdf](#)
[Request from EMS Director.pdf](#)
[Ord. #2014-21 in first reading.pdf](#)

Ordinance #2014-21 was unanimously approved in first reading by Roll Call Vote.

- C.** Resolution #2014-12: A Resolution in Support of a State-Wide Assessment of Alaska's Maritime Industries and Designation of the Maritime Industry as a State of Alaska Priority Industry

Attachments: [Resolution #2014-12.pdf](#)

Resolution 2014-12 was unanimously approved by Roll Call Vote.

- D.** Resolution #2014-13: A Resolution Providing an Annual Payment in Lieu of Taxes (PILT) Payment to the City of Kupreanof for Fiscal Years 15 & 16

Because of Borough formation, the City of Kupreanof no longer receives PILT (Payment in Lieu of Taxes) funding. The City of Kupreanof asked the Borough to distribute the equivalent of what they would have received in PILT funds had the Borough not been formed. The last PILT payment to Kupreanof represented approximately .69% of the total PILT funds to the Borough. Approval of the Resolution would provide the City of Kupreanof with .69% pass through PILT funds for this and next fiscal year.

Attachments: [Res. #2013-13.pdf](#)

Some assembly members expressed concerns with passing through PILT funds without knowing what the money will be expended for and if the expenses would be in line with PILT guidelines. The guidelines specify the funds are for the purposes of maintaining services. Being the amount of money was small, no objections were voiced.

Resolution #2014-13 was passed by unanimous Roll Call Vote.

- E.** Resolution #2014-14: A Resolution in Support of a Grant to Lengthen the Hungry Point Trail

The Parks & Recreation Department partnered with the Petersburg Indian Association to update, maintain and build trails throughout the community. The resolution expresses the Assembly's support for: 1) the lengthening of the Hungry Point Trail, and 2) obtaining grants to help shape the community's trail system.

Attachments: [Resolution # 2014-14 Support of Grant to Lengthen Hungry Point Trail.pdf](#)
[Maps for Hungry Point Trail Expansion.pdf](#)

Resolution #2014-14 was unanimously approved by Roll Call Vote.

- F.** Resolution #2014-15 - Declaring October 18, 2014 as a Sales Tax-Free Day in the Petersburg Borough

The Assembly acknowledged receipt of the letter.

16. Assembly Discussion Items

A. Recognitions

None.

B. Alaska Mental Health Trust Land Office Letter of September 17, 2014

The Trust Land Office has responded to the Borough's August 25, 2014 written request to remove Trust land above the Papke's Landing area from public auction. The Land Trust has indicated in their letter that they have removed all of the Seaduck Subdivision parcels from the 2014 Fall Land Sale to complete an administrative process that was overlooked. The Trust Land Office will be consulting with the Board of Trustees as part of this administrative process and will public notice the final decision whether to offer the property for sale at a future public auction. The Borough and other interested parties who believe that decision should be altered because it is not in the best interest of The Trust or its beneficiaries, as prescribed by State Statute, will have until November 18, 2014 to comment.

Attachments: [Land Trust Letter.pdf](#)
 [Borough Letter to Land Trust.pdf](#)

This agenda item will remain on future agendas for discussion and/or action until resolved.

17. Adjourn

The meeting adjourned at 2:27 p.m.