



Petersburg Borough

12 South Nordic Drive
Petersburg AK, 99833

Meeting Agenda Borough Assembly

Monday, May 1, 2017

12:00 PM

Assembly Chambers

1. **Call To Order/Roll Call**

2. **Voluntary Pledge**

3. **Approval of Minutes**

A. **April 17, 2017 Regular Meeting Minutes**

Attachments: [April 17, 2017 Regular Meeting Minutes.PDF](#)

4. **Amendment and Approval of Meeting Agenda**

5. **Public Hearings**

A. **Public Hearing on Ordinance #2017-06: An Ordinance Proposing Amendments to Chapter 4.28, Sales Tax, of the Petersburg Borough Code to Increase the Sales Tax Exemption Cap for a Single Sale from \$1,200 to \$5,000, and to Eliminate the Exemption for the Sale of Goods Purchased within the Borough for use Outside the Borough; and Directing that the Proposed Code Amendments be Submitted to the Qualified Voters of the Petersburg Borough**

Any public testimony regarding Ordinance #2017-06 should be given during this public hearing. A copy of Ordinance #2017-06 may be found under agenda item 14C.

6. **Bid Awards**

7. **Visitors' Views Related to Agenda**

Visitors wishing to share their views on any agenda item on today's agenda may do so at this time.

8. **Visitors' Views Unrelated to Agenda**

Visitors with views on subjects not on today's agenda may share those views at this time.

9. **Board, Commission and Committee Reports**

10. **Consent Agenda**

11. Report of Other Officers**A. 2017 Real Property Tax Roll Certification**

Attachments: [Property Tax Roll.PDF](#)

Finance Director Tow is providing the 2017 Real Property Tax Roll per Municipal Code Section 4.24.290 which requires the Assessor to deliver to the Assembly on or before the first Assembly meeting in May of each year a statement of the total assessed valuation of all real and personal property within the Borough.

12. Mayor's Report**A. May 1, 2017 Mayor's Report**

Attachments: [May 1, 2017 Mayor's Report.PDF](#)

[T. Koeneman Letter of Interest.PDF](#)

13. Manager's Report**A. Manager's Report 05-01-2017**

Attachments: [Manager report 05012017](#)

14. Unfinished Business**A. Ordinance#2017-04: An Ordinance Amending Petersburg Municipal Code Section 14.16, Electricity, to Add a Municipal Power Rate for Certain Municipal Buildings of the Petersburg Borough as Designated and Approved by Borough Assembly - Third and Final Reading**

Attachments: [Ordinance #2017-04 for 3rd Reading.PDF](#)

[Impact of Proposed Municipal Power Rate for Schools.PDF](#)

Ordinance #2017-04 was amended in its first reading to create a municipal power rate to apply only to the Aquatic Center Boiler Room, the Aquatic Center, the High School/Middle School/High School Gym, and the Elementary School, and to remove any special provisions.

B. Ordinance #2017-05: An Ordinance Proposing an Amendment to the Home Rule Charter of the Petersburg Borough to Allow the City of Kupreanof to Own and Operate a Harbor Within the Petersburg Borough, and Directing that the Proposed Charter Amendment be Submitted to the Qualified Voters of the Borough - Third and Final Reading

Attachments: [Ordinance #2017-05.PDF](#)

Ordinance #2017-05, if adopted, will submit to the Borough voters a change to the Petersburg Borough Charter that will allow the City of Kupreanof to own and operate a harbor facility within the Petersburg Borough. This vote would take place at the next regular or special election occurring more than 90 days after adoption. The Assembly voted unanimously to approve the ordinance in its first and second readings.

C. Ordinance #2017-06: An Ordinance Proposing Amendments to Chapter 4.28, Sales Tax, of the Petersburg Borough Code to Increase the Sales Tax Exemption Cap for a Single Sale from \$1,200 to \$5,000, and to Eliminate the Exemption for the Sale of Goods Purchased Within the Borough for Use Outside the Borough; and Directing that the Proposed Code Amendments be Submitted to the Qualified Voters of the Petersburg Borough - Second Reading

Attachments: [Ordinance #2017-06.PDF](#)

[Over \\$1200 Sales Tax Cap and Out of Town Exemptions.PDF](#)

In these times of tight operating budgets and with the knowledge of the State of Alaska's dire fiscal situation, it is imperative that Petersburg be able to stand on its own revenue sources. Ordinance #2017-06 will put two propositions related to sales tax exemptions on the October 3, 2017 Municipal Election Ballot for voter approval:

1. *To increase the sales tax exemption cap for a single sale from \$1,200 to \$5,000.*

Currently, any single sale of goods or services totaling \$1,200 or more will pay a maximum of \$72 to the Borough in sales tax. If the exemption cap was increased to \$5,000, the maximum a buyer would pay in sales tax for any single sale of goods or services totaling \$5,000 or more would be \$300. This would be an increase to the General Fund of \$228 per sale totaling \$5,000 or more. Juneau and Wrangell's sales tax exemption cap is currently \$12,000, and Sitka's will be increasing to \$12,000 on October 1, 2017. Petersburg's sales tax exemption cap has not been increased since January 1, 2003.

2. *To eliminate the exemption for the sale of goods purchased within the Borough for use outside the Borough by buyers who reside or have a principal place of business outside the Borough.*

Currently, any sales made to buyers who reside or have a principal place of business outside the Borough, and who have the purchased goods delivered to them at a location outside the Borough via common carrier or the U.S. Postal Service, are not subject to any Borough sales tax. Eliminating this exemption will simplify the sale process, raise needed revenue to maintain a balanced General Fund budget in future years, and ensure that every point of sale within the Borough which is not otherwise exempt will be subject to the local sales tax.

Finance Director Tow has provided a visual aid showing FY 2016 total sales over the \$1,200 sales tax exemption cap and total sales for out of town sales tax exemptions.

15. New Business

A. Ordinance #2017-07: An Ordinance of the Petersburg Borough Adopting the Budget for the Fiscal Year July 1, 2017 through June 30, 2018

Attachments: [Ordinance #2017-07.PDF](#)

Ordinance #2017-07 adopts the proposed FY 2018 Municipal Budget.

B. Ordinance #2017-08: An Ordinance of the Petersburg Borough Adjusting the FY 2017 Budget for Known Changes

Attachments: [Ordinance #2017-08.PDF](#)

[MVM Portico Foundation Repair Award Documentation.PDF](#)

[Resolution #2017-08 - MVM Fire Alarm Repair Authorization.PDF](#)

Ordinance #2017-08 adjusts the FY 2017 budget to account for the funds to correct fire alarm deficiencies at Mountain View Manor's Assisted Living and Elderly Housing Facility and provides for additional funds approved for the Mountain View Manor Portico Foundation Repair project.

C. Ordinance #2017-09: An Ordinance Amending the Official Zoning Map for Service Area 1 of the Petersburg Borough to Rezone Parcels #01-010-052, -053, -054, -055, -056, -057, -058, -059, -060, and -061 at 708, 710, 712, 804 and 806 S. Nordic Drive from Industrial (I) to Commercial-1 (C-1)

Attachments: [Ordinance #2017-09.PDF](#)

[Planning Commission Report - Rezone.PDF](#)

Ordinance #2017-09, if adopted, will change the zoning of parcels located at 708, 710, 712, 804 and 806 S. Nordic Drive from Industrial to Commercial-1.

D. Application to Assume Lease

Attachments: [Application to Assume Alaska Commercial Electronic's Lease.PDF](#)

Eric Rosvold is purchasing Alaska Commercial Electronics and the building the business operates out of located at 908 S. Nordic Drive and has applied to assume Jerry Whitethorn's lease of the property, which has 32 years left of the 55 year lease. The use of the land will not change. Municipal Code 16.12.140L states the Assembly shall have full and unlimited discretion in deciding whether to consent to an assignment of lease.

E. Letter of Support for PIA's plans to construct and maintain a pedestrian trail from Haugen Drive to Severson's Subdivision

Attachments: [Draft Letter of Support for PIA Trail.PDF](#)

[Planning Commission Report - PIA Trail.PDF](#)

The Petersburg Indian Association is requesting a letter of support for a pedestrian trail they plan to construct and maintain between Haugen Drive and Severson's Subdivision.

F. Petersburg Navigation Improvements Project

Attachments: [Draft Letters of Support of PIA's Sponsorship.PDF](#)

The Petersburg Indian Association (PIA) is acting as a sponsor of the Petersburg Navigation Improvements project (South Harbor Dredge project) on behalf of the Borough. This sponsorship will help with federal funding opportunities for the project. The US Army Corps of Engineers has requested letters stating the relationship between PIA and the Borough for this project.

16. Communications

17. Assembly Discussion Items

A. Recognitions

18. Adjourn