



Petersburg Borough

12 South Nordic Drive
Petersburg AK, 99833

Meeting Agenda Borough Assembly

Monday, April 17, 2017

6:00 PM

Assembly Chambers

1. Call To Order/Roll Call

2. Voluntary Pledge

3. Approval of Minutes

There are no minutes available for approval.

4. Amendment and Approval of Meeting Agenda

5. Public Hearings

A. Public Hearing on Ordinance #2017-04: An Ordinance Amending Petersburg Municipal Code Section 14.16, Electricity, to add a Municipal Power Rate for Municipal Buildings of the Petersburg Borough as Designated and Approved by the Borough Assembly

Any public testimony regarding Ordinance #2017-04 should be given during this public hearing. A copy of Ordinance #2017-04 may be found under agenda item 14B.

B. Public Hearing for 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

Any public testimony regarding Ordinance #2017-05 should be given during this public hearing. A copy of Ordinance #2017-05 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****12. Mayor's Report****A. April 17, 2017 Mayor's Report**

Attachments: [April 17, 2017 Mayor's Report.PDF](#)

13. Manager's Report**A. Manager's Report 04-17-2017**

Attachments: [Manager report 04172017](#)

14. Unfinished Business

A. Ordinance #2017-03: An Ordinance Amending Petersburg Municipal Code Sections 14.20.070 and 14.20.390A(1), Municipal Harbors, to Eliminate a Prepayment Discount on Annual Moorage Rates, and to Increase the Minimum Rental Term to Qualify for the Annual Moorage Rates - Third and Final Reading

Attachments: [Ordinance #2017-03.PDF](#)

Ordinance #2017-03 eliminates a prepayment discount on annual moorage rates at the Municipal Harbors and increases the minimum rental terms to qualify for the annual moorage rates.

B. 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 - Second Reading

Attachments: [Ordinance #2017-04 for Second 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.

- C. 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 - Second 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 reading.

15. New Business

A. 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

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.

B. Resolution #2017-08: A Resolution Authorizing the Expenditure of Funds Not Currently Budgeted for Mountain View Manor to Contract with SimplexGrinnell and Nordic Electric to Correct Fire Alarm System Deficiencies at the Mountain View Manor Assisted Living and Elderly Housing Facility

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

Mountain View Manor is requesting authorization to contract with SimplexGrinnell and Nordic Electric to correct fire alarm deficiencies at the Assisted Living and Elderly Housing facility that were discovered during the annual inspection in March. The failure of the system to report during a power outage constitutes a level 1 deficiency, according to State fire code, and must be corrected immediately. Failure to correct the fire alarm system deficiency could result in the loss of MVM's HUD subsidy and their assisted living certification with the State of Alaska and Medicaid. SimplexGrinnell provided a quote of \$20,900 for the equipment needed to remedy the deficiency and Nordic Electric quoted \$8,776.71 to install the equipment. These funds are not currently in MVM's budget. By way of this resolution, MVM is requesting permission to dedicate funds for this emergent project prior to passage of a budget amendment ordinance.

C. Resolution #2017-09: A Resolution Approving an Application to Purchase Borough Land (Lot 7, Block 35, Southeast Addition Subdivision, Plat #73-965, US Survey 1252, Section 27, T58S, R79E) Located at 205 S. Third Street (Parcel #01-007-647) and Exempting the Purchase and Sale from Public Auction per the Provisions of Municipal Code Section 16.12.080E

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

[Kivisto Subdivision Plat and Photos.PDF](#)

Borough parcel #01-007-647, located at 205 S. Third Street, has been leased from the City/Borough by the owners of the adjacent property located at 203 S. Third Street since 1982. The current owner of 203 S. Third Street, Kimberly Kivisto, has been paying the lease payments for approximately 15 years, and has had the lease in her name since 2011. Ms. Kivisto made application to purchase the leased property on October 23, 2015. In preparation for sale of this parcel, the Borough has rezoned the property from Public Use to Single Family Mobile Home, and has had the lot replatted (but not yet recorded) because a portion of the lot actually sits on the inside of the Public Works Yard fence. The lot, which if sold to Ms. Kivisto will be consolidated into one lot along with parcel #01-007-646 located at 203 S. Third Street, is assessed at \$17,000.

Due to the historical use of the leased parcel over the last 35 years, the Clerk's office requests exempting the purchase and sale from public auction, as allowed by Petersburg Municipal Code Section 16.12.080E, and recommends the Assembly approve the sale for the amount of \$17,000 plus any costs of handling the application and sale as determined by the Clerk's office per Code Section 16.12.100.

Clerk Thompson has attached a copy of the replat and two photos of parcel #01-007-647.

D. Letter to USCG and Federal Delegation Regarding the Future Role of Petersburg as a Coast Guard Homeport

Attachments: [Draft USCG Future Homeport Letter.PDF](#)

The Borough's federal lobbyist drafted the attached letter regarding the US Coast Guard presence in Petersburg and their plans for a substantial reorganization of its operations in the State of Alaska. If the Assembly approves the letter, Clerk Thompson will finalize it and send it to the US Coast Guard and our federal and state delegation.

E. Authorization to Continue Contract of Legal Representation from Sara Heideman dba Heideman Law Offices

Attachments: [Brennan & Heideman Letter.PDF](#)

Borough Attorney James T. Brennan is retiring on May 12, 2016. The Borough has been contracted with the law offices of Brennan and Heideman to provide legal services since 2007. Sara E. Heideman, dba Heideman Law Offices, would like to continue providing legal representation to the Petersburg Borough. The Borough Administration Department would like to thank Mr. Brennan for his many years of service and congratulate him on his retirement. Borough staff recommend contracting future legal service needs with Heideman Law Offices.

16. Communications

A. Letter from the Medical Staff at Petersburg Medical Center re Fluoride

Attachments: [PMC Medical Staff Letter re Fluoride.PDF](#)

17. Assembly Discussion Items

A. Recognitions

B. Borough Property Assessments

Assembly Member Lynn requested the Assembly discuss the methodology of property assessments for the future.

C. HR 232 and the Map Provided by the Greater Southeast Alaska Conservation Community

Mayor Jensen would like for the Assembly to discuss a protocol to follow for future agenda items, including resolutions and letters of support or opposition. There was confusion regarding the origination of the distributed map in reference to Congressman Young's HR 232 bill. If a protocol is followed in the future it could eliminate any confusion.

18. Adjourn