



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Borough Assembly Regular Meeting

Monday, November 04, 2024

12:00 PM

Assembly Chambers

1. Call To Order/Roll Call

Mayor Jensen called the meeting to order at 12:00 pm.

PRESENT

Mayor Mark Jensen
Vice Mayor Donna Marsh
Assembly Member Bob Lynn
Assembly Member Scott Newman
Assembly Member Rob Schwartz
Assembly Member Jeigh Stanton Gregor
Assembly Member James Valentine

2. Voluntary Pledge of Allegiance

The Pledge was recited.

3. Approval of Minutes

A. October 21, 2024 Assembly Meeting Minutes

The October 21, 2024 meeting minutes were approved as submitted.

Motion made by Assembly Member Schwartz, Seconded by Vice Mayor Marsh.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

4. Amendment and Approval of Meeting Agenda

The agenda was approved as submitted.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Schwartz.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

5. Public Hearings

A. Public Hearing for Ordinance #2024-19: An Ordinance Amending Chapter 4.30 of the Petersburg Municipal Code, *Alaska Remote Seller Sales Tax Code*

No testimony was given.

B. Ordinance #2024-20: An Ordinance Amending Chapter 14.30, *Mountain View Manor Elderly Housing and Assisted Living Facility*, to Institute a new Assisted Living Community Facility Fee to be Used for Facility Maintenance and Repair, to Require that Two Bedroom Assisted Living Units be Occupied by Two Residents, and to Increase Certain Fees

No testimony was given.

C. Ordinance #2024-21: An Ordinance Amending Chapter 16.16, *Tidelands*, of the Petersburg Municipal Code to Provide for Updated Provisions Regarding the Disposal of Tidelands and Submerged Lands

No testimony was given.

6. Bid Awards

There were no bid awards.

7. Persons to be Heard Related to Agenda

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

No views were shared.

8. Persons to be Heard Unrelated to Agenda

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

No views were shared.

9. Boards, Commission and Committee Reports

There were no reports.

10. Consent Agenda

There were no consent agenda items.

11. Report of Other Officers

A. US Forest Service Update

District Ranger Case provided a report on USFS activities.

B. Petersburg Medical Center

PMC CEO Hofstetter updated the Assembly on Medical Center activities.

12. Mayor's Report

A. November 4, 2024 Mayor's Report

Mayor Jensen read his report into the record.

13. Manager's Report

A. November 4, 2024 Manager's Report

Manager Giesbrecht read his report into the record, a copy of which is attached and made a permanent part of these minutes.

14. Unfinished Business

A. Ordinance #2024-17: An Ordinance Amending Various Sections of Chapter 4.28 of the Petersburg Municipal Code, Entitled *Sales Tax*, to add Definitions and Rules Regarding Particular Businesses, and to Specify Sales Tax Exemptions Required by Law - Third Reading

If adopted in three readings, Ordinance #2024-17 will enhance Chapter 4.28 by adding needed definitions and rules being used but not listed in Code and by specifying sales tax exemptions required by State or Federal law. Ordinance #2024-17 was unanimously approved in its first and second readings.

By unanimous roll call vote, the Assembly approved Ordinance #2024-17 in its third and final reading.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Newman.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

B. Ordinance #2024-18: An Ordinance Adjusting the FY 2025 Budget for Known Changes - Third Reading

This supplemental budget is for both revenues and expenses that were not expected during the time the original budget was put together this spring.

Four of these items are for grants we have recently been awarded, as follows: a State of Alaska Legislative grant for \$30,000 to replace the shooting range boardwalk; a \$900,000 Denali grant to rebuild the Banana Point Breakwater; a \$216,210 grant from the Pacific States Marine Fisheries Commission to be used at the Scow Bay turnaround phase 1 project; and a \$54,882 Title III National Forest Receipts grant to be spent on 10 sets of turnout gear for the fire department.

Unanticipated expenses in this supplemental are: \$6,000 in the Motor Pool Department to upgrade the tire changing machine; \$5,000 in additional cost for the purchase of the Public Works pickup in the Motor Pool Department; \$5,000 for advertising for debt authorization prior to the election and for the lead service line

identification advertising; an additional \$ 215,000 for the Harbor's dock shed (estimated at higher than budgeted); \$16,000 for the temporary building official position in Community Development until the current building official has all of his credentials; the Fire Department's replacement values for vehicle insurance coverage was determined to be inadequately low, replacement values have been increased thus increasing the Fire Department's vehicle insurance cost by \$41,954; \$15,000 to replace the Water Department's sludge pond/backwash pump which has failed and cannot be rebuilt; and \$8,500 for the Sanitation Department's hazmat event earlier this year, which cost more than anticipated.

Three amendments were made to the ordinance during its second reading: 1) the 10% matching funds for the \$900,000 Banana Point Breakwater grant that are not in-kind services will come from the Property Development Fund; 2) reduce the funds added to the Water Department's Machinery and Equipment line item from \$20,000 to \$15,000 for a total of budget line item of \$20,000; and 3) remove the request to add \$10,000 to the Wastewater Professional Services line item.

A motion was made to amend Ordinance #2024-18 by reducing the Fire Department additional vehicle insurance cost from \$41,954 to \$26,271.

Motion made by Assembly Member Stanton Gregor, Seconded by Assembly Member Schwartz.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

Ordinance #2024-18 was passed in its third reading as amended by unanimous roll call vote.

Motion made by Assembly Member Newman, Seconded by Vice Mayor Marsh.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

C. Ordinance #2024-19: An Ordinance Amending Chapter 4.30 of the Petersburg Municipal Code, Alaska Remote Seller Sales Tax Code - Second Reading

If approved in three readings, Ordinance #2024-19 will adopt the Uniform Alaska Remote Seller Sales Tax Code by reference and provide that the Assembly ratify subsequent amendments to the Uniform Code within 120 days of adoption by the Alaska Remote Seller Sales Tax Commission.

Ordinance #2024-19 was approved by unanimous roll call vote in its second reading.

Motion made by Assembly Member Newman, Seconded by Assembly Member Schwartz.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor,

Assembly Member Valentine

D. Ordinance #2024-20: An Ordinance Amending Chapter 14.30, *Mountain View Manor Elderly Housing and Assisted Living Facility*, to Institute a new Assisted Living Community Facility Fee to be Used for Facility Maintenance and Repair, to Require that Two Bedroom Assisted Living Units be Occupied by Two Residents, and to Increase Certain Fees - Second Reading

Ordinance #2024-20, if approved in three readings, will create a one-time Community Facility Fee of \$2,000 for new residents moving into the facility which will be used for facility maintenance and repair, will require that future rented two bedroom Assisted Living units be occupied by two residents, increase the Assisted Living food cost from \$350 to \$450 per month, will add a security deposit and pet registration fee for Assisted Living units, and will provide for late fees.

A motion to amend Ordinance #2024-20 to refund the \$2000 facility fee on a prorated basis if a resident moves out within six months was unanimously approved.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Valentine.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

Ordinance #2024-20 was approved as amended in its second reading by unanimous roll call vote.

Motion made by Assembly Member Stanton Gregor, Seconded by Assembly Member Newman.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

E. Ordinance #2024-21: An Ordinance Amending Chapter 16.16, *Tidelands*, of the Petersburg Municipal Code to Provide for Updated Provisions Regarding the Disposal of Tidelands and Submerged Lands - Second Reading

Because the economic value of Petersburg's tidelands is great, Ordinance #2024-21 is written to provide that the sale of tidelands shall not be made for consideration less than the appraised full and true value rather than the assessed value, and to clarify the sale process to ensure any sale of tidelands is in the Borough's best interests.

An amendment to Section 16.16.075C was made during the first reading to provide that the Harbor Board Chair shall notify the Clerk if the Harbor Board cannot provide a timely report to the Assembly regarding a tideland purchase application.

Ordinance #2024-21 was unanimously approved in its second reading.

Motion made by Assembly Member Newman, Seconded by Assembly Member Schwartz.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

Member Lynn requested that the Clerk prepare an amendment for review at the next meeting that would provide that the individual who has the highest bid should pay for the costs associated with the sale.

15. New Business

A. **Ordinance #2024-22: An Ordinance Clarifying that Property Obtained by Foreclosure and Which the Assembly Determines to Sell is Exempt from Sale Procedures and Requirements of Petersburg Municipal Code Chapters 16.12 and 16.16**

Ordinance #2024-22, if adopted by the Assembly in three readings, will clarify that the procedures and requirements of Code Chapters 16.12 and 16.16 do not apply to the disposal and sale of property obtained by the Borough in foreclosure proceedings.

Ordinance #2024-22 was unanimously approved in its first reading.

Motion made by Assembly Member Stanton Gregor, Seconded by Assembly Member Schwartz.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

B. **Ordinance #2024-23: An Ordinance Amending Chapter 14.20 of the Petersburg Municipal Code, *Municipal Harbors*, to Adopt Provisions Regarding Inactive Vessels**

If adopted in three readings, Ordinance #2024-23 will impose storage fees, a marine condition survey, and proof of insurance on vessels in the harbors that are deemed inactive.

Ordinance #2024-23 was approved by unanimous roll call vote in its first reading.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Schwartz.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

C. **Application to Purchase Borough-Owned Property at 1020 Sandy Beach Road (Parcel ID #01-014-700)**

Ron and Anne Loesch have applied to purchase Borough-owned property located at 1020 Sandy Beach Road. The parcel is assessed at \$129,300, and is currently zoned Rural Residential, which requires a minimum lot size of 1 acre and is intended for one single-family home per acre. Conditional uses in the Rural Residential zoning district

include mobile homes and mobile home parks. The immediate surrounding area is zoned Single-Family Residential or Public Use.

The Planning Commission held a public hearing regarding the application and has made recommendation to the Assembly to sell the parcel with comments as follows:

- The subject property is not needed for any public purpose.
- The subject property is zoned as required by Code.
- The applicant has no plans for development of the property.
- The Assembly should consider initiating a rezone of the property to Single-Family Residential prior to disposal. Single-Family Residential zoning would not require subdivision of the parcel, but it would be more in keeping with surrounding uses of the neighborhood, would allow for development that is consistent with the neighborhood, and would allow the option for future subdivision of the property into two to six lots.

Mr. & Mrs. Loesch object to a rezone and request the parcel be left as Rural Residential.

Borough Code Section 16.12.080C states, "In preliminarily determining whether to grant the interest sought, or to place terms or conditions on such interest, the Borough Assembly shall consider the nature, extent and cost of improvements which an applicant may construct, the value of an applicant's proposed use to the economy of the Borough and other relevant factors."

Per Borough Code Section 16.12.080E, the Assembly shall determine whether the application shall move forward in the application process or be denied. If the application is to move forward, the Assembly shall schedule a public sale (by either outcry auction or seal competitive bid) or exempt the application from public sale and direct the Borough Manager to commence direct negotiations with the applicants.]

A motion was made to rezone Parcel ID #01-014-700 from rural residential to single family. Motion passed 5-2.

Motion made by Assembly Member Stanton Gregor, Seconded by Vice Mayor Marsh.

Voting Yea: Mayor Jensen, Assembly Member Lynn, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

Voting Nay: Vice Mayor Marsh, Assembly Member Newman

A motion was made that the sale of Parcel ID #01-014-700 be held by outcry auction. Motion passed 6-1. Motion made by Assembly Member Stanton Gregor, Seconded by Assembly Member Schwartz.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

Voting Nay: Assembly Member Newman

D. Election of Vice Mayor

Charter Section 2.05B provides that no later than the first regular meeting of the assembly in November each year, the assembly shall elect from its membership a Vice Mayor.

A motion was made to appoint Member Marsh as Vice Mayor. Motion passed 5-2. Motion made by Assembly Member Schwartz, Seconded by Assembly Member Valentine.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Valentine

Voting Nay: Assembly Member Stanton Gregor, Assembly Member Lynn

E. Assembly Member Appointments to Boards

Mayor Jensen, with Assembly approval, will appoint Assembly Members as representatives or liaisons to the Southeast Conference, Alaska Municipal League, Harbors and Ports Advisory Board, Hospital Board, Public Safety Advisory Board, Local Emergency Planning Committee, the Early Childhood Education Task Force, and the Housing Task Force.

The Assembly made the following appointments:

Southeast Conference: Mayor Jensen (voting member) and Assembly Member Valentine

Alaska Municipal League: Mayor Jensen and Assembly Member Lynn

Liaison to the Harbor Board: Assembly Member Newman

Liaison to the Hospital Board: Assembly Member Lynn

Liaison to the Public Safety Advisory Board: Assembly Member Schwartz

Elected Official to the Local Emergency Planning Committee: Vice Mayor Marsh

Elected Official to the Early Childhood Education Task Force: Assembly Member Stanton Gregor

16. Communications

There were no communications.

17. Assembly Discussion Items

A. Assembly Member Comments

Mayor Jensen thanked everyone who attended the NRA dinner and helped raise money.

Member Stanton Gregor encouraged everyone to get out and vote.

Member Schwartz thanked Jake and Kelli Slaven for all they do for the NRA.

B. Recognitions

There were no recognitions.

18. Adjourn

The meeting was adjourned at 1:05 pm.

Motion made by Assembly Member Stanton Gregor, Seconded by Assembly Member Schwartz.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

Borough Manager's Report
Assembly Meeting 04 November 2024

- ❖ Parks & Rec. staff are working with Netwell Noise Control for the gym acoustics purchase and tile removal.
- ❖ Halloween Hustle was on Thursday, and the Pumpkin Plunge was great! 46 pumpkins, 46 people! Pumpkins in the pool is just the best!!
- ❖ Stephanie will be conducting a First Aid/CPR/AED course for Elderberry crew end of Nov/Begin of Dec.
- ❖ Dive In Movie Nights are in full swing, check with Parks and Rec for upcoming dates
- ❖ Lifeguard course scheduled for Nov. 22nd - 24th, must attend all 3 days plus 6 hours online prior to class. Leave your name and contact information with Parks and Rec if you are interested!
- ❖ Stephanie has been invited to speak at a Land Manager Forum in Anchorage to discuss the Borough partnership with PIA.
- ❖ PMPL's mechanic has recently traveled to Houston Texas to witness testing of the "new" EMD 3.5MW diesel generator. The testing went very well, and we believe the generator will be a great addition to the power generation fleet.
- ❖ PMPL has installed a temporary transformer at the WERC project and has ordered a permanent unit for the site. Anticipated delivery on the permanent transformer is June 2025.
- ❖ PMPL has been made aware of the potential for a new industrial customer and is researching and evaluating a data center company to see if this business may be a good fit to add power sales and decrease rate pressure on other customers. PEDC is also discussing this possibility.
- ❖ Karl recently met with PIA's Tribal Administrator and Finance Director to discuss a DOE funded Tribal Grid Resilience grant that the entities are partnering on.
- ❖ The library has reopened on Mondays for regular hours
- ❖ John McCabe, former Petersburg resident and retired teacher, has donated \$58,000 to the Petersburg Library Art Education Endowment this year. His total contributions to date are \$199,540. The annual interest earnings provide a stable, ongoing funding source to enhance arts programming at the library. In the upcoming year earnings from the fund will be used to host painting, drawing, writing and music workshops at the library for all ages.
- ❖ Thanks to Petersburg artists MaryAnne Rainey and Pia Reilly for hosting ornament making classes at the library for the Capitol Christmas Tree in Washington DC.
- ❖ Currently, Our EMT-1 initial class has 11 participants in the course. The course at the time of this reading will be 3/4 of the way through. Thanks to all the participants for sticking with this month-

long course of nights and weekends.

- ❖ As Winter sets in, please take care to inspect heat tapes, heat lamps, stove pipes and other heating equipment to ensure that they are in proper working order. Make sure that any heating appliance is clear from any combustible material. Should you need equipment to clean a stove pipe, the fire department loans Chimney brushes and ladders. Contact the fire station at 772-3355 for more info.
- ❖ FEMA has finished awarding its Assistance to Firefighter's grants (AFG) for 2023. Only 2 departments in Alaska; Gustavus and Ketchikan received awards. Though the AFG did not come through, PVFD would like to thank the assembly for their support in using Title III funding to replace our worn-out turnout gear.
- ❖ Hydrant winterization is complete
- ❖ After getting the go ahead from the Police Dept, the crew removed 4 derelict vehicles, a skiff trailer, and an old boat engine from the Papke's boat launch parking area
- ❖ Martin and crew have finished most of the site work to expand the parking lot and improve visibility at the Raven's Roost trailhead. The new pedestrian crosswalk will be painted in the spring when weather permits
- ❖ Motor Pool Staff are starting on the vehicle inspection process for the upcoming FY26 budget. Any vehicles that are scheduled for replacement in FY26 will be brought into the shop and fully evaluated; then either extended or recommended for replacement based on the results of the inspections
- ❖ Operations at the baler were disrupted last week when the waste oil system day tank overflowed and resulted in an oil leak inside the baling facility. Although there was some oil-related damage to the office area, we were able to contain the leak quickly and resumed normal operations at the baler after a two-day closure to do some mitigation work. A big Thank You to other Depts who pitched in to help, including Streets, Wastewater and Building Maintenance!
- ❖ Harbor Maintenance is installing several new ladders to aid in rescue of people who fall into the harbor.
- ❖ Staff are looking into a new fender system to help protect in-water utilities from bulbous bows.
- ❖ OSHA has sent a letter to let everyone know they are doing inspections on assisted living. The Borough will take advantage of their consultation program at Assisted Living which will help with future audits by OSHA.
- ❖ Assisted Living will start working on their state inspection next month. It will be a desktop inspection rather than in person. They are also in the middle of the Medicaid audit which is due by December 31.