



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Borough Assembly Regular Meeting

Monday, May 20, 2024

6:00 PM

Assembly Chambers

1. Call To Order/Roll Call

Mayor Jensen called the meeting to order at 6:00 p.m.

PRESENT

Mayor Mark Jensen
Vice Mayor Donna Marsh
Assembly Member Thomas Fine-Walsh
Assembly Member Bob Lynn
Assembly Member Jeigh Stanton Gregor

EXCUSED

Assembly Member Scott Newman
Assembly Member Rob Schwartz

2. Voluntary Pledge of Allegiance

The Pledge was recited.

3. Approval of Minutes

A. May 6, 2024 Assembly Meeting Minutes

The May 6, 2024 Assembly meeting minutes were unanimously approved.

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

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

4. Amendment and Approval of Meeting Agenda

The agenda was approved as submitted.

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

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly

5. Public Hearings

A. Public Hearing for Ordinance #2024-07: An Ordinance Amending Section 4.33.030 of Chapter 4.33, *Transient Room Tax*, of the Petersburg Municipal Code, to Increase the Transient Room Tax Rate from Four Percent (4%) to Seven Percent (7%), and Directing that the Amendment be Submitted to the Qualified Voters of the Borough for Ratification

No testimony was given.

B. Public Hearing for Ordinance #2024-08: An Ordinance Amending Section 4.33.060 of the Petersburg Municipal Code to Clarify the Permitted Uses of Proceeds of the Borough Transient Room Tax

No testimony was given.

C. Public Hearing for Ordinance #2024-09: An Ordinance of the Petersburg Borough Adopting the Budget for the Fiscal Year July 1, 2024 through June 30, 2025

James Valentine, David Berg, Joshua Adams and his son, Erik (aka ERIKR), Julie Spigelmyre, Sue Paulson, Sean Spigelmyre, Bergen Kludt-Painter, Gina Uppencamp, Brian Smith, Beau Ward, Ginger Evens, Bennett McGrath, and Chelsea Corrao testified in favor of funding our schools to the cap allowed for FY 2025 and into the future.

Shannon Baird, Finance Director for the Petersburg School District, outlined reasons for the school system to request full funding from the Borough and encouraged the Assembly to fulfill the request.

Erica Kludt-Painter, Petersburg School District Superintendent, explained the need for full funding from the Borough.

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.

Shannon Baird, Petersburg School District Finance Director, continued her explanation for the request for full funding from the Assembly for FY 2025.

Emil Tucker shared his support for the Borough funding the School District to the cap for FY 2025.

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

A. Alaska Commercial Electronics LLC Lease Renewal

The lease renewal was unanimously approved.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Lynn.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh,
Assembly Member Lynn, Assembly Member Stanton Gregor

11. Report of Other Officers

There were no reports.

12. Mayor's Report

There was no written report for this meeting. Mayor Jensen shared that he would be leaving for the fishing grounds after the first meeting in June and would attend summer meetings via Zoom if possible.

13. Manager's Report

A. May 20, 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 #2024-06: An Ordinance Amending the Official Zoning Map for Service Area 1 of the Petersburg Borough to Rezone Lots 3, 4, 5, and 6, Block 66, US Survey 1252 from Single-Family Residential (SF) to Public Use (P-1) - Third and Final Reading

Ordinance #2024-06 will rezone lots named from Single-Family Residential to Public Use at the request of the Petersburg Children's Center, who currently leases the property, for future development of childcare and learning facilities. The Assembly unanimously approved Ordinance #2024-06 in its first and second readings.

By unanimous roll call vote, the Assembly approved Ordinance #2024-06 in its third and final reading.

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

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

B. Ordinance #2024-07: An Ordinance Amending Section 4.33.030 of Chapter 4.33, *Transient Room Tax*, of the Petersburg Municipal Code, to Increase the Transient Room Tax Rate from Four Percent (4%) to Seven Percent (7%), and Directing that the Amendment be Submitted to the Qualified Voters of the Borough for Ratification - Second Reading

If approved in three readings, Ordinance #2024-07 will bring a proposition before Borough voters at the October 2024 municipal election to increase the Transient Room Tax from 4% to 7%. Transient Room Tax is levied on rental of rooms at hotels, motels, or other lodging, for fewer than 30 days. It is estimated that increasing the Transient Room Tax to 7% will generate approximately \$53,000 in additional funds to support Borough infrastructure and expenses related to tourism in Petersburg. The Assembly unanimously approved Ordinance #2024-07 in its first reading.

Ordinance #2024-07 was unanimously approved in its second reading.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Fine-Walsh.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

C. Ordinance #2024-08: An Ordinance Amending Section 4.33.060 of the Petersburg Municipal Code to Clarify the Permitted Uses of Proceeds of the Borough Transient Room Tax - Second Reading

If adopted in three readings, Ordinance #2024-08 will clarify uses for the proceeds of the Transient Room Tax by adding visitor-related signage, park maintenance and improvements, borough beautification and improvement projects, and repair and maintenance of visitor-related borough infrastructure, including stairs and sidewalks in the downtown area. The Assembly unanimously approved Ordinance #2024-08 in its first reading.

The Assembly unanimously approved Ordinance #2024-08 in its second reading.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Fine-Walsh.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

D. Ordinance 2024-09: An Ordinance Adopting the Budget for the Fiscal Year July 1, 2024 through June 30, 2025 - Second Reading

Ordinance #2024-09 will set the Borough budget for FY 2025.

Ordinance #2024-09 was amended to 1) transfer \$108,064 of the sale proceeds from the Wikan Enterprises land sale to the Harbor Fund, and 2) transfer \$360,000 of the sale proceeds from the Island Refrigeration land sale to the Harbor Fund.

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

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

The ordinance was further amended in the proposed FY 2025 salary budgets as follows: 1) decrease the Motor Pool budget by \$82,321; 2) increase the PMPL budget by \$149,368; 3) decrease the Public Works budget by \$4,935; 4) increase the Sanitation budget by \$9,555; 5) decrease the Wastewater budget by \$18,432; 6) decrease the Water budget by \$18,735; and 7) decrease the Harbor budget by \$19,613.

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

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

Ordinance #2024-09, as amended, was unanimously approved in its second reading.

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

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

15. New Business

A. Ordinance #2024-10: An Ordinance Amending Section 4.28.120 of the Petersburg Municipal Code to Increase the Amount of Sales Tax that can be Collected on a Single Sales Transaction from \$72 to \$300, and Directing that the Proposed Amendment be Submitted to the Qualified Voters of the Borough

If adopted by the Assembly in three readings, Ordinance #2024-10 will place a proposition on the 2024 Municipal Election ballot to increase the maximum taxable transaction amount from \$1,200 to \$5,000, resulting in an increase of the maximum collectible sales tax from \$72 to \$300 per single purchase of goods or services.

The Assembly unanimously approved Ordinance #2024-10 in its first reading.

Motion made by Assembly Member Fine-Walsh, Seconded by Vice Mayor Marsh.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

B. Resolution #2024-07: A Resolution Supporting the Transfer of Certain State-Owned Tidelands Located Within the Petersburg Borough for the Purposes of

Developing a Marine Vessel Haul Out and Harbor and Other Economic Development Activities

Resolution #2024-07 was unanimously approved.

Motion made by Assembly Member Lynn, Seconded by Vice Mayor Marsh.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh,
Assembly Member Lynn, Assembly Member Stanton Gregor

C. Resolution #2024-08: A Resolution of the Petersburg Borough Assembly in support of Amendment 123 to the Fishery Management Plan (FMP) for Groundfish of the Bering Sea and Aleutian Islands (BSAI) Management Area which Amends Regulations Governing Limits on the Pacific Halibut Prohibited Species Catch (PSC) and Links the Halibut PSC Limit for the Amendment 80 Commercial Groundfish Trawl Fleet in the BSAI Groundfish Fisheries to Halibut Abundance

By unanimous roll call vote, the Assembly approved Resolution #2024-08.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh,
Assembly Member Lynn, Assembly Member Stanton Gregor

D. Municipal Land Selections Response - ADL 108982, 108983, and 108984

The Assembly unanimously approved the Borough's response to ADNR's preliminary decision to convey 1,758 acres of municipal entitlement lands to the Borough.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Fine-Walsh.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh,
Assembly Member Lynn, Assembly Member Stanton Gregor

E. Acceptance of Dedication of Easements, Rights-of-Way, Alleys and Roadways proposed on the Alaska Mental Health Trust's Plat of the South Mitkof Subdivision

The State of Alaska, Department of Natural Resources, requires borough mayors to sign for acceptance of any land dedicated for public use and for public purposes within the borough, regardless of whether or not the borough has platting authority in the area. This land dedication is south of the Papke's Landing area, which is currently exempt from platting authority. Acceptance of lands for public use or public purpose does not obligate the public or any governing body to construct, operate or maintain improvements. DNR is requesting Mayor Jensen sign the plat of the South Mitkof Subdivision.

At the September 5, 2023 meeting, the Assembly unanimously rejected the request for Mayor Jensen to sign the plat and accept the proposed subdivision lands dedicated for public use. Vice Mayor Marsh requested the subject be reconsidered.

After some discussion, the Assembly once again declined approval for Mayor Jensen to sign the South Mitkof Subdivision plat accepting dedication to the Borough of easements, rights-of-way, alleys and roadways by a vote of 4-1.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Fine-Walsh.
Voting Yea: Assembly Member Fine-Walsh
Voting Nay: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Stanton Gregor

F. 2024 Fuel Adjustment Charge for Annual SEAPA Maintenance Shutdown

Per Municipal Code Section 14.16.720, *Rates - Fuel and Purchased Power Adjustment Charge*, the Assembly has the discretion to implement a fuel adjustment charge to all kilowatt hours sold in the billing period that includes the annual SEAPA maintenance shutdown and the resulting 10-day diesel plant run by our electric utility. Utility Director Hagerman is requesting the fuel adjustment charge be implemented for the billing period between May 27 and June 27, 2024. The SEAPA maintenance period is scheduled for June 6 - 12, 2024. The fuel adjustment charge will appear on the July, 2024 electric bill.

Implementation of the fuel adjustment charge to offset the cost of diesel fuel to run the generators during this summer's SEAPA shutdown was unanimously approved.

Motion made by Assembly Member Stanton Gregor, Seconded by Assembly Member Lynn.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

16. Communications

A. Correspondence Received Since May 2, 2024

17. Assembly Discussion Items

A. Assembly Member Comments

Assembly Member Lynn shared that recent events regarding the new hospital project (the Borough agreeing to in-kind use of the mud dump for the ground fill being removed from the project site and two other ideas from the local contractor and project inspector) have resulted in savings of \$1.2 million dollars.

Mayor Jensen mentioned that he was confused by the May 15, 2024 New PMC Project Report in the Hospital Board meeting packet for May 23rd that lists a request for \$37 million dollars from the State's FY 2025 Capital Budget is pending with no update received. Mayor Jensen was present at a meeting with hospital officials and Senator Stedman in February in which the Senator told the officials there was no money for the project in the proposed budget. Mayor Jensen said he assumed the report was incorrect.

B. Recognitions

Assembly Member Stanton Gregor thanked everyone who attended the meeting to support local school funding.

18. Adjourn

The meeting was adjourned at 7:31 p.m.

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

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

Borough Manager's Report Assembly Meeting 20 May 2024

- ❖ The Streets crew put up the Mayfest tent on 5/16. We also spruced up the Rasmus Enge Bridge. Approximately 25 planks were replaced, and the bridge deck cleaned to get ready for tourist season.
- ❖ Sand pickup is continuing, with grading and dust control as weather permits.
- ❖ Aaron worked with the Chamber to coordinate garbage service for Mayfest. Extra cans are being placed this year to hopefully keep ahead of the influx.
- ❖ The annual Household Hazardous Waste (HHW) collection event is set for June 1st and 2nd. Advertising for the event will start on May 20th.
- ❖ As precautionary measures Police officers are present at the elementary school and the middle school/high school through the end of the school year. This includes parks and recreation. Officers are also attending all school functions and activities as part of this coverage. This coverage is due to the Petersburg School District safety protocol announcement which was sent to students and parents on Saturday May 11, 2024.
- ❖ Josh Rathmann, our EMS coordinator has resigned and is moving with his family to be closer to their relatives down south. We wish them safe travels and good luck in the next chapter of their life. The Rathmann's will be missed.
- ❖ The CERT program Aaron has been trying to implement has been hindered by scheduling conflicts between him and the State Trainer. With budgets being tight, unless the trainer is available to come to Petersburg, the program is on indefinite hold.
- ❖ With help from the Public Safety Advisory Board, KFSK has reintroduced its "build an emergency kit" radio program. The recordings are also available via KFSK's website. PVFD would like to thank KFSK for their help in promoting community preparedness.
- ❖ Harbor staff are busy moving harbor dept and customers storage out of the recently purchased port lots and into the drive down approach storage area.
- ❖ Staff working to get the South Harbor restrooms upgraded and in better working order.
- ❖ Thanks to Piston and Rudder for aiding the harbor crew on an unexpected large crane breakdown. Mike Luhr located the needed motor and had it air freighted in and ready for pickup within hours of its arrival. Maintenance staff getting the crane back in operation.
- ❖ Launch Ramp stickers are up for renewal on June 1. Reminders have been sent out.
- ❖ Nice to see EC Phillips & Sons Petersburg Fisheries up and running next door!
- ❖ USACE was in town 5/14-15 doing post dredge survey. Thanks to Charlie Christensen and F/ V Erika Ann for assisting them on the survey. This post dredge survey will occur again in one year

- ❖ and final survey in 5 years before the project is officially closed (15 years from start to finish!). Hope everyone can be at the SH dredge project ribbon cutting at the crane dock on Sunday at 11 am!
- ❖ With major changes to the Section 8 Housing program on a federal level, Michelle has been attending webinars and working on updates to the Petersburg Elderly Housing Policies and Procedures as well as the Tenant Selection Plan.
- ❖ Annual maintenance and cleaning closure: POOL CLOSED - 5/24 a.m., GYM CLOSED 5/25 p.m. Both reopen 6/10!! Contact P&R for more information.
- ❖ Lifeguard Course June 14-16th. NOW HIRING AT 15 yrs old!! Contact Scott Burt if you are interested.
- ❖ The water staff is gearing up for the processing season and performing preventative maintenance tasks at the plant.
- ❖ Karl is making some headway on closing out some older projects with ADEC, thanks to the WW staff.
- ❖ PMPL staff received training on the Eaton AMI software. Staff appreciated the training and will be putting their new knowledge to use as the department continues to roll out the new meters as budgeting allows.
- ❖ Thanks to all who attended the Open House at the Blind Slough Hydro plant on May 16th. Here's to another 100 years of local hydropower!
- ❖ SEAPA has informed the member communities that the annual maintenance shutdown will now occur from June 6th through 12th, shortening the time by three days from the original plan. The change helps the member utilities out by not having to burn as much diesel fuel and is appreciated very much.
- ❖ PMPL would like to remind all customers that the fuel adjustment charge, if approved by the Assembly, will apply to all energy used in the current billing period of May 15 – June 26. Conservation during this time period will decrease the amount of generation needed from the diesel plant during the shutdown and serve to lower the adjustment charge for all. Please conserve where you can.
- ❖ The line crew was able to hang the Class of 2024 Senior banners on the downtown light poles last week. Congratulations to the PHS graduating class!
- ❖ Almost have a program in place for the menus at Assisted Living that are dietician approved with recipes and dietary needs.
- ❖ Working on the nurse call system. The system will be here this week and will be able to keep residents from going walk-about without our knowledge.
- ❖ Almost all the back logs of Medicaid are put into the system for Assisted Living.
- ❖ We are currently working with a home health program that will incorporate bingo with exercise. They will pay for everything we need and all the prizes that come with it.