



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Borough Assembly Regular Meeting

Monday, May 04, 2026

12:00 PM

Assembly Chambers

1. Call To Order/Roll Call

The meeting was called to order at 12:00 pm.

PRESENT

Mayor Bob Lynn
Assembly Member Rob Schwartz
Vice Mayor Jeigh Stanton Gregor
Assembly Member James Valentine
Assembly Member Jeff Meucci
Assembly Member Bob Martin
Assembly Member Scott Newman

2. Voluntary Pledge of Allegiance

The Pledge was recited.

3. Approval of Minutes

A. Regular Assembly Meeting Minutes April 13, 2026

Note: The April 20, 2026 minutes will be presented for approval at the May 18, 2026 meeting.

The minutes of the April 13, 2026 meeting were approved as submitted.

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

Voting Yea: Mayor Lynn, Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

4. Amendment and Approval of Meeting Agenda

The agenda was approved as submitted.

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

5. Public Hearings

There were no public hearings.

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.

Tom Kowalske, speaking for himself, encouraged the borough to pursue newly announced state grant funding for road safety and infrastructure improvements. He also raised concerns regarding the proposed data center, including power availability during low water or diesel generation periods, impacts on future residential growth, and the need for greater public transparency and engagement.

Joshua Adams, with the Planning Commission, spoke in support of adopting a communications tower overlay to guide tower placement, protect property values, and preserve land for housing and commerce. He also discussed the proposed data center as an economic diversification opportunity and referenced potential benefits of utilizing surplus power and waste heat.

Mika Cline, speaking for herself, requested an update on the timeline for proposed ordinance language related to communications towers and data centers. She urged the Assembly to prioritize adoption of regulations before additional tower approvals occur.

Judy Ohmer, reading a statement on behalf of Rebecca Knight, requested that the borough enact a moratorium on cell towers and data centers until impacts can be fully analyzed through a National Environmental Policy Act (NEPA) review.

Andrew Mazzella, participating via Zoom and representing himself as CEO of Mazzella Alaska, spoke in support of the Maritime Prosperity Zone agenda item. He encouraged the borough to actively pursue opportunities related to a potential Coast Guard icebreaker homeport, citing existing infrastructure, economic development potential, and housing benefits.

Lisa Browning, speaking for herself, asked questions regarding long-term electrical capacity planning, expressing concern about future power availability if the proposed data center utilizes existing electrical capacity while additional housing development occurs.

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.

Joni Johnson, Forest Service Invasive Species Coordinator, informed the Assembly of upcoming maintenance and invasive species work on the Lower Raven Trail. She announced volunteer workdays, opportunities to participate in the Adopt- a- Trail program, and a planned one- day trail closure in late May for limited herbicide treatment of reed canary grass, noting that public notice would be provided.

Stephanie Payne, speaking on behalf of the Community Center and Parks and Recreation, provided an update on ongoing sewer and infrastructure repairs at the Aquatic Center. She thanked borough departments, contractors, partner organizations, and patrons for their support and cooperation, outlined the anticipated work period from mid- May through late August, and noted that the Aquatic Center would reopen only when it is safe, with the gymnasium remaining operational and patrons kept informed of changes.

9. Boards, Commission and Committee Reports

There were no reports.

10. Consent Agenda

A. Moose Lodge Club Alcohol License Renewal

The Assembly unanimously approved the Moose Lodge Club Alcohol License Renewal.

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

B. El Zarape LLC License Renewal

The Assembly unanimously approved El Zarape's LLC License renewal.

Motion made by Assembly Member Valentine, Seconded by Assembly Member Martin.

Voting Yea: Mayor Lynn, Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

C. Engagement of Outside Counsel Providing Bond Counsel Services

The Assembly unanimously approved the engagement of Kutak Rock for bond council services.

Motion made by Assembly Member Valentine, Seconded by Assembly Member Martin.

Voting Yea: Mayor Lynn, Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

11. Report of Other Officers

A. Petersburg Medical Center

PMC CEO Hofstetter provided a written report.

B. US Forest Service

District Ranger Case provided an update on Forest Service activities.

C. Petersburg School District

Petersburg School Superintendent Taylor provided a report on school district activities.

D. Waterworth Presentation on FY 2027 Electric and Wastewater Rates

Aryan Chawla from Waterworth provide a presentation and answered Assembly member questions about the electric and wastewater rate study.

E. Data Centers: Informational Presentation

Utility Director Hagerman provided additional information on data centers based on questions submitted by the public.

F. SEAPA Special Meeting report from April 28, 2026

Utility Director Hagerman provided a report on SEAPA’s recent special meeting of April 28, 2026, including information on a Wrangell solar project and other SEAPA business.

12. Mayor's Report

A. May 4, 2026 Mayor's Report

Mayor Lynn read his report into the record.

13. Manager's Report

A. May 4, 2026 Manager’s Report

Manager Giesbrecht read his report into the record.

14. Unfinished Business

A. Ordinance #2026-05: An Ordinance of the Petersburg Borough Adjusting the FY 2026 Budget for Known Changes - Third Reading

If approved in three readings, this ordinance would make changes to the following funds:

Secure Rural Schools Revenue: The federal government approved the Secure Rural Schools Reauthorization Act of 2025 on December 18, 2025. The Borough received its FY24 payment on March 23, 2026, in the amount of \$722,484 for Title I Schools and Roads. A letter from the State of Alaska is attached.

Elderly Housing – Fund 470: Funds are proposed for replacement of Elderly Housing's 44- year- old dry sprinkler system valve and air compressor, which have exceeded their useful life. Details are included in the attached memorandum.

Fire Department: To complete the funding of new SCBA tanks and masks to replace expiring equipment. This expenditure was authorized by Resolution 2026- 05, approved March 16, 2026. The resolution is attached.

Waste Water Outfall Repair Project – Fund 764: This adds \$275,000 in loan funding from the Alaska Department of Environmental Conservation (ADEC) as well as a \$275,000 expense for the project.

By unanimous roll call vote, Ordinance #2026-05 was approved in its third reading.

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

Voting Yea: Mayor Lynn, Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

15. New Business

A. **Ordinance #2026-06: An Ordinance Amending Petersburg Municipal Code Title 20, Entitled “Watershed Management”, To Update Language and to Account for Borough Incorporation - First Reading**

By unanimous roll call vote, Ordinance #2026-06 was approved in its first reading.

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

Voting Yea: Mayor Lynn, Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

B. **Ordinance #2026-07: An Ordinance Amending Petersburg Municipal Code Chapter 4.80 To Adjust the Marine Passenger Fee to Address Increased Borough Costs Associated with Services to and Infrastructure for Marine Passenger Vessels and Their Passengers - First Reading**

If approved, this ordinance will amend the Marine Passenger Fee by increasing the per- passenger charge to address rising costs for public safety, harbor operations, sanitation, emergency response, and other Borough services and infrastructure impacted by marine passenger vessels, while codifying the change in the municipal code with the increase effective January 1, 2027.

By unanimous roll call vote, Ordinance #2026-07 was approved in its first reading.

Motion made by Assembly Member Valentine, Seconded by Assembly Member Meucci.

Voting Yea: Mayor Lynn, Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

C. **Ordinance #2026-08: An Ordinance Updating Chapter 14.16 of the Municipal Code, Entitled “Electric Utility” - First Reading**

If approved, this ordinance will update electric utility rates and charges for FY 2027 to ensure Petersburg Municipal Power & Light can fully cover operating expenses, inflation, capital needs, reserve requirements, and debt coverage obligations, while

maintaining reliable electric service and codifying the revised rates and fees in the municipal code.

By unanimous roll call vote, Ordinance #2026-08 was approved in its first reading.

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

Voting Yea: Mayor Lynn, Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

D. Ordinance #2026-09: An Ordinance of the Petersburg Borough Adopting the Budget for the Fiscal Year July 1, 2026 Through June 30, 2027 - First Reading

If approved, this ordinance will adopt the Fiscal Year 2027 operating budget for the Petersburg Borough.

By unanimous roll call vote, Ordinance #2026-09 was approved in its first reading.

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

Voting Yea: Mayor Lynn, Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

16. Communications

A. Correspondence Received Since April 16, 2026

17. Assembly Discussion Items

A. Scow Bay Fire Station and Training Facilities

This agenda item requested by Member Meucci

The Assembly discussed relocating training facilities from Scow Bay as part of future development, noting temporary storage at the 14th Street pole yard and continued evaluation of a permanent site due to cost and infrastructure constraints.

B. Petro Marine Property – Harbor Department Use

This agenda item requested by Member Meucci

Assembly members discussed whether the proposed data center project at the Ocean Beauty property would require relocation of harbor equipment. Staff clarified that the project does not require moving existing equipment in Middle Harbor and noted that any reconsideration of alternative storage sites would require Assembly direction through a future action item.

C. Use of Electric Vehicles for Borough Fleet

This agenda item requested by Member Meucci

Assembly members discussed the potential use of electric vehicles in the borough

fleet. Staff indicated that electric vehicles are not currently being considered due to shipping restrictions, limited ferry transport capacity, and challenges related to off- island maintenance and repairs.

D. Maritime Prosperity Zone Discussions

This agenda item requested by Member Meucci

Member Meucci said no further discussion was needed since this topic was discussed during the manager's report.

E. Tidal Network Contract Update

This agenda item requested by Member Meucci

Member Meucci said no further discussion was needed since this topic was discussed during the manager's report.

F. Assembly Member Comments

Member Meucci thanked Karl Hagerman and Steve Harbour of Petersburg Power & Light for their patience and for answering his questions.

G. Recognitions

Member Schwartz recognized Mr. Derek Thorsen for his lifelong residency in Petersburg, his service to the community as a police officer, and for raising his family locally. He also congratulated Mr. Thorsen on being a member of the 1980 State Wrestling Championship team.

Member Stanton Gregor recognized John Havrelik for his long- time service to the community, support of small businesses, and encouragement of civic involvement. He noted Mr. Havrelik's role in helping find a location for his small business, his mentorship in encouraging Assembly service, and wished him well as he prepares to relocate closer to family.

Member Newman recognized the Petersburg High School Vikings baseball program, commenting on the quality of the team, the coaching efforts of Coach Engle, and the positive character of the student athletes.

Member Meucci recognized Parks and Recreation, Public Works, and Street Department staff for collaborating to improve accessibility by creating a handicap parking space behind the community gymnasium, addressing concerns raised by community members.

18. Adjourn

The meeting was adjourned at 3:05 pm.

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