



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Borough Assembly Regular Meeting

Monday, June 03, 2024

12:00 PM

Assembly Chambers

1. Call To Order/Roll Call

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

PRESENT

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

2. Voluntary Pledge of Allegiance

The Pledge was recited.

3. Approval of Minutes

A. May 20, 2024 Assembly Meeting Minutes

The May 20, 2024 Assembly meeting minutes were unanimously approved.

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

4. Amendment and Approval of Meeting Agenda

The agenda was approved as submitted.

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

Member Stanton Gregor

5. Public Hearings

A. Public Hearing for 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

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.

Shannon Baird, speaking as Finance Director for the Petersburg School District, Erica Kludt Painter, speaking as the School District Superintendent, Deborah Tice, speaking for herself, and Heather Conn, speaking for herself, separately thanked the Assembly for their support of the School District and for funding the District to the maximum amount allowed 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

A. Safety Committee Report

Safety Committee Vice Chairman, Aaron Marohl, provided a written update regarding Safety Committee activities.

10. Consent Agenda

There were no Consent Agenda items.

11. Report of Other Officers

A. Petersburg Medical Center Update

PMC CEO Hofstetter updated the Assembly on Medical Center activities.

B. Harbor Department Update

Harbormaster Wollen gave the Assembly an update on plans for a future harbor maintenance facility.

12. Mayor's Report

A. June 3, 2024 Mayor's Report

Mayor Jensen read his report into the record.

13. Manager's Report

A. June 3, 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 #2024-07: 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 - Third and final reading

If approved, Ordinance #2024-07 will bring a proposition before the 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 and second readings.

By unanimous roll call vote, the Assembly approved Ordinance #2024-07 in its third and final reading.

B. 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 - Third and final reading

If adopted, 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 and second readings.

Ordinance #2024-08 was unanimously approved in its third and final reading.

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

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

C. Ordinance #2024-09: An Ordinance Adopting the Budget for the Fiscal Year July 1, 2024 through June 30, 2025 - Third and final reading

Ordinance #2024-09 was amended to budget an expense of \$225,000 from the School Deferred Maintenance Fund for architectural and engineering services to produce construction drawings for the Middle School/High School Roof Project and the High School Office Renovation Project; and, to pay for the services of a bond attorney to produce the general obligation school bonds ordinance and ballot proposition and assist the Borough Finance and Administration Department in the bond issuing process.

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 Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

The Ordinance was also amended to use \$399,148 of General Fund reserves to balance the FY 2025 budget.

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 Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

Ordinance #2024-09 was further amended to increase the MVM Elderly Housing Main Entrance Repair line item from \$50,000 to \$65,800 to cover the cost of the lowest bid received for the project.

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

A motion to increase the Harbor Department salary budget by \$19,613 to fund future merit increases, which was removed from the salary budget in the second reading, failed by a vote of 6-1.

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

Voting Yea: Assembly Member Fine-Walsh

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

Ordinance #2024-09, as amended, was unanimously adopted 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 Newman, Assembly Member Schwartz,
Assembly Member Stanton Gregor

D. 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 - Second reading

If adopted 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 maximum single purchase amount to be charged sales tax was originally established in 1959 and was set at \$1,000. This maximum amount has been raised only once in the last 65 years, when it was increased from \$1,000 to \$1,200 in 2002. Petersburg currently has the lowest maximum taxable single purchase amount in Southeast Alaska, and most other Southeast communities limit the purchase to a single item only, not to a total purchase transaction, or there is no maximum at all. If Petersburg increases its maximum taxable transaction amount to \$5,000, the maximum collectible sales tax would increase to \$300, and would still be one of the lowest maximums in Southeast Alaska. This proposed increase will help offset an increase to future property taxes and the loss of State funding, and to support Borough services, including the Petersburg School District. The Petersburg Chamber of Commerce supports this proposed increase to the maximum collectible sales tax (a letter of support is attached to this packet along with a spreadsheet of other communities' maximum collectible sales tax).

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

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

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

15. New Business

A. Ordinance #2024-11: An Ordinance Proposing an Amendment to the Home Rule Charter of the Petersburg Borough to Remove the Requirement of Voter Ratification of Changes to Sales Tax Exemptions, and Directing that the Proposed Amendment be Submitted to the Qualified Voters of the Borough

If approved by the Assembly in three readings, Ordinance #2024-11 will submit a ballot proposition to Borough voters at the October 2024 municipal election to amend Borough Charter to remove the requirement of voter approval to make changes to sales tax exemptions. This exemption requirement was put into place in 1981. The Borough is aware of no other municipality in Alaska that requires voter approval to

change sales tax exemptions. This amendment will not negate the requirement of voter approval of any change in the rate of the Borough's sales tax.

Ordinance #2024-11 was unanimously approved in its first reading.

Motion made by Assembly Member Fine-Walsh, Seconded by Assembly Member Lynn.

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

B. Resolution #2024-09: A Resolution Setting the Millage Rates for the Fiscal Year July 1, 2024 through June 30, 2025

If approved, Resolution #2024-09 will set the FY 2025 mill rate at 10.00 mills within Service Area 1, and 4.2 mills for outside of Service Area 1.

By unanimous roll call vote, Resolution #2024-09 was approved.

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

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

C. Authorization for Petersburg Medical Center to Issue a Notice to Proceed to Dawson Construction for Full Construction of the WERC Building

PMC CEO Hofstetter requests Assembly approval, per the stipulations of Borough Resolution #2023-04, to issue a Notice to Proceed to Dawson Construction for full construction of the WERC building which would adjust the total Guaranteed Maximum Price to \$14,698,948. Funds for the Notice to Proceed are available from the \$20 million Department of Treasury grant awarded to PMC in December 2023.

The Assembly unanimously approved PMC to issue a Notice to Proceed to Dawson Construction for full construction of the WERC building.

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 Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

D. Approval to Hire Attorney Cynthia Cartledge to Assist in the Bond Issuing Process for a Deferred Maintenance School Bond to be Brought Before the Qualified Voters of the Borough

A motion to approve the hire of Attorney Cynthia Cartledge to assist with the bond issuance process and authorize Manager Giesbrecht to sign the engagement letter to retain her services passed unanimously.

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

16. Communications

A. Communications Received Since May 16, 2024

17. Assembly Discussion Items

A. Coast Guard Foundation Alaska Awards Dinner

The Assembly discussed the invitation to sponsor and/or attend the Coast Guard Foundation Alaska Awards Dinner to be held on August 13, 2024 in Anchorage.

B. Assembly Member Comments

No comments were shared.

C. Recognitions

Assembly Member Stanton Gregor recognized nearly retired School District Superintendent, Erica Kludt Painter, and thanked her for her many years of service to Petersburg's kids and schools.

18. Adjourn

The meeting was adjourned at 1:24 p.m.

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

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

Borough Manager's Report Assembly Meeting 03 June 2024

- ❖ The Harbor crew is busy with the onset of summer activity, including assisting with end of year school activities, the annual uptick in lodge and charter activities and working with PIA in mooring & welcoming the SE Canoe Society to town last week as they made their way from Kaasan to Juneau for Celebration!
- ❖ Reminder to Harbor users annual launch permits were due June 1 and are available at the harbor office.
- ❖ With the summer season upon us, parking enforcement in the Harbor is up and running.
- ❖ Glorianne is working with Attorney Heideman on several derelict vessels in the Harbor and the process we will have to use to dispose of them if the owners don't take responsibility.
- ❖ The Harbor permanent stalls are full and scheduled transient numbers seem higher than normal thus far.
- ❖ Parks & Rec. have been busy with the maintenance and cleaning closure, reopening on June 10th. Big thank you to Public Works team for assisting us with emptying the sand filter tanks with the Vactor Truck. It took a fraction of the time vs shoveling into buckets by hand.
- ❖ The Petersburg Bike Park hosted a successful fundraiser which will help make further improvements to the park. Thank you to all who sponsored riders, work party and event volunteers, donating entities, and other local groups helping to build our new park!
- ❖ Parks and Recreation Advisory Board will be holding their next meeting on Wednesday, June 12th at 4pm at the Aquatic Center Admin Office upstairs.
- ❖ Building Official, Erik Holl, is resigning his position effective August 9th. We thank Erk for his positive outlook and contributions during his time here and wish him all the best in his future endeavors.
- ❖ PVFD is still looking for applicants for the EMS Coordinator position. Information on this position can be found in the Petersburg Pilot and online at the Petersburg Borough Website.
- ❖ PVFD has had a series of new promotions. Congratulations to Troy Thynes, our new Assistant Chief, Devren Bennett, our newest Fire Captain, and Nick Espeseth our new Fire Lieutenant.
- ❖ Josh and Aaron completed a major ground ambulance report to the Center for Medicaid and Medicare Services. This avoided a 10% reduction in Medicare/Medicaid payments to the borough.
- ❖ Volunteers from PVFD completed our "Flare Off" event over Memorial Day weekend. This event helps train the public on the use of flares and helps sanitation with disposal of unexpired flares. Thank you to all who attended.

- ❖ With assistance from the Water Department, we capped off a leaking AC water main near Fram Street. This old AC line may either be replaced or abandoned, depending on the final configuration of water service to the new hospital site.
- ❖ After over a year of being short-handed, we have hired a new Motor Pool Mechanic who is scheduled to start work on June 3rd.
- ❖ The annual Household Hazardous Waste (HHW) collection event took place June 1st and 2nd.
- ❖ 2024 Property Tax Invoices will be mailed on July 1st, the due date for payment is October 15th.
- ❖ Information will be coming out to water utility customers soon asking to verify the type of water service piping that carries water from the main to their structure. This effort is part of a federal mandate called a Lead Service Line Inventory.
- ❖ WW staff has been working with ADEC on a new composting permit.
- ❖ PMPL staff has been deploying another round of AMI meters in the community. The meters communicate their readings back to the municipal building via a low-power radio frequency and will improve billing accuracy and customer service for electric customers. Questions about the new meters can be directed to PMPL at 907-772-4203.
- ❖ PMPL would like to remind the community that the annual SEAPA maintenance shutdown will occur from JUNE 6th through 12th and that the current billing period (May 15 – June 28) is the time to conserve energy to limit the fuel adjustment charge for all customers.
- ❖ PMPL has hired two new employees. Erik Larson will be the department's new Powerhouse Mechanic/Operator and Casey Bell has been hired to fill the open Groundman/Operator position. Both employees will start in July.
- ❖ Assisted Living is setting up the new nurse call system and learning more about the various features. We are also looking into a check-in system which will require the staff to physically go into a room to reset a device to make sure the resident is okay.
- ❖ The Borough has received authorization from DNR to enforce parking statutes at Papke's Landing. I will be meeting the Public Works Director Cotta and Chief Kerr to work out details on some new signage and the process we will use to notify people and impound vehicles and trailers as necessary.
- ❖ Library summer reading programs start June 2. Programs are being offered for all ages, sign up now at psglib.org.
- ❖ Tim Schumway's PHS Alaska History class has an oral history display up in the library foyer. It's a remarkable collection of conversations between the students and a broad spectrum of community members. The library will be featuring these in upcoming episodes of our KFSK radio program Homegrown Conversations.
- ❖ Due to staffing constraints, the library will close early on Mondays (4pm) June-August.