



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Borough Assembly Regular Meeting

Monday, February 05, 2024

12:00 PM

Assembly Chambers

1. Call To Order/Roll Call

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

PRESENT

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

EXCUSED

Mayor Mark Jensen
Assembly Member Bob Lynn

2. Selection of Mayor Pro Tem

Mayor Jensen is traveling to Southeast Conference and Vice Mayor Marsh is attending this meeting remotely via Zoom. Due to the difficulty in chairing a meeting remotely, Vice Mayor Marsh requests the Assembly appoint a member who is physically present in the Assembly Chambers to Chair this meeting.

Assembly Member Stanton Gregor was appointed Mayor Pro Tem for the remainder of the meeting.

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

3. Voluntary Pledge of Allegiance

The Pledge was recited.

4. Approval of Minutes

A. January 16, 2024 Assembly Meeting Minutes

The January 16, 2024 Assembly meeting minutes were unanimously approved.

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

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

5. Amendment and Approval of Meeting Agenda

The agenda was approved as submitted.

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

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

6. Public Hearings

There were no public hearings.

7. Bid Awards

There were no bid awards.

8. 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.

Glorianne Wollen, representing the Borough in her capacity as Harbormaster, reported the South Harbor dredging was completed last week and thanked everyone for their patience during the long project. She asked the Assembly to approve the letter in today's packet to the US Army Corps of Engineers requesting a feasibility study for Scow Bay. She also stated her opposition to approval of the Ocean Beauty lease assignment under agenda item #16E, explaining the Harbor was hoping to use that property in the future.

Sarah Fine-Walsh, representing herself and as a Petersburg Economic Development Council board member, stated her support for Ordinance #2024-01 and Ordinance #2024-02. She thanked Community & Economic Development Director Cabrera for her part in drafting Ordinance #2024-02, which she believes updates Section 16.12.030 of the code to make it more applicable to Petersburg's current circumstances.

Andrew Mazzella, President of Fierce Allegiance Development, LLC, spoke in support of the assignment of the Ocean Beauty lease to his company, stating it will be beneficial to the Harbor, the Borough, and Ocean Beauty.

9. Persons to be Heard Unrelated to Agenda

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

Bob Martin, representing himself and in his capacity as Harbor Advisory Board Chair, requested a joint work session with the Assembly and the Harbor Advisory Board to discuss the future of port leases.

10. Boards, Commission and Committee Reports

There were no reports.

11. Consent Agenda

There were no consent agenda items.

12. Report of Other Officers

A. FY 2023 Audit Report

BDO Auditor Bikky Shrestha thanked Finance Director Tow and the Finance Department staff for a smooth and organized audit. Mr. Shrestha reviewed the audit documents with the Assembly, stating that the Petersburg Borough was issued an unmodified opinion on the FY 2023 financial statements, which is the highest level of assurance the auditors can professionally render.

Here is a link to the Audit Wrap Up

document: https://www.petersburgak.gov/sites/default/files/fileattachments/finance/page/4178/4.16_petersburg_borough_audit_wrap_-_government.pdf

Financial statements may be found on the Borough's website

at: https://www.petersburgak.gov/sites/default/files/fileattachments/finance/page/4178/petersburg_borough_23.pdfgov

B. US Forest Service Report

District Ranger Born updated the Assembly on US Forest Service activities.

C. Petersburg Medical Center Report

CEO Hofstetter was traveling but provided a written report, attached.

13. Mayor's Report

There was no Mayor's Report for this meeting as Mayor Jensen was attending Southeast Conference in Juneau.

14. Manager's Report

A. February 5, 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.

15. Unfinished Business

There was no unfinished business.

16. New Business

A. **Ordinance #2024-01: An Ordinance Amending Section 16.12.160, *Required Authorization for Disposal of Borough Real Property*, of the Petersburg Municipal Code to Increase the Assessed Property Value Requirement for Sale or Exchange of Borough Property to be Ratified by the Voters of the Petersburg Borough**

If adopted in three readings, Ordinance #2024-01 would increase the assessed property value requirement for sale or exchange of Borough land to be ratified by Borough voters from \$500,000 to \$2,000,000. The last time the requirement was increased was in 1990, when it was increased from \$100,000 to \$500,000.

A motion to amend the ordinance to decrease the assessed property value requirement from \$2,000,000 to \$1,000,000 failed by a vote of 4-1.

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

Voting Yea: Vice Mayor Marsh

Voting Nay: Assembly Member Fine-Walsh, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

Ordinance #2024-01 was approved in its first reading by a vote of 4-1.

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

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

Voting Nay: Vice Mayor Marsh

B. **Ordinance #2024-02: An Ordinance Amending Section 16.12.030 of the Petersburg Municipal Code to Allow for Disposal of Borough Land for a Public Benefit Purpose**

If adopted in three readings, Ordinance #2024-02 will provide for disposal of Borough real property for less than the assessed or appraised value, or for other forms of consideration in addition to or in lieu of, in whole or in part, direct monetary payment to the Borough, when the proposed disposal is for a project meeting both of the following requirements: (1) the project consists of economic development consisting of installation, construction, or operation of new or expanded industrial, manufacturing, or commercial facilities; construction of affordable housing; or construction of large residential housing developments creating twenty (20) or more residential lots that would address the shortage of reasonably priced housing within the borough; and (2) the assembly determines the project will result in a significant short- or long-term public benefit to the Petersburg Borough. "Public benefit", as used hereunder, means a project that provides one or more positive economic or noneconomic impacts on the community that in the assembly's determination outweigh maximizing the direct monetary payment to the borough.

By a vote of 4-1, Ordinance #2024 -02 was approved in its first reading.

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

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

Voting Nay: Vice Mayor Marsh

C. Resolution #2024-03: A Resolution to Support the Petersburg Airport Rehabilitation Project

The Alaska Department of Transportation & Public Facilities is submitting a rehabilitation project for the Petersburg Airport to the Airport Project Evaluation Board for prioritization and funding and requested a resolution of support from the Assembly for the project. The project will rehabilitate sinking and settling areas of the runway and blast pad, replace runway and taxiway lights, replace some flood light poles and light heads on the poles, and mill and pave the runway, taxiway, and general aviation expansion area.

Resolution #2024-03 was unanimously approved.

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

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

D. Request to the United States Army Corps of Engineers (USACE) for a General Investigations Study for Scow Bay

The Borough is requesting the USACE perform a general investigations study regarding development of a harbor basin and breakwater along Borough owned property in Scow Bay.

The letter to the USACE was unanimously approved.

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

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

E. Assignment of Ocean Beauty, Inc. Lease to Fierce Allegiance Development, LLC

Fierce Allegiance Development, LLC is purchasing the Ocean Beauty bunkhouse located at 18 Harbor Way and requests to assume the Ocean Beauty lease located across the street from the bunkhouse to be used as parking for the residents of their development.

After much discussion, the Assembly voted unanimously to postpone this agenda item to the March 18, 2024 Assembly meeting.

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

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

F. February 20, 2024 Assembly Meeting

By unanimous roll call vote, the Assembly cancelled the February 20 meeting due to a lack of quorum. The next Assembly meeting will be held on Monday, March 4, 2024 at 12:00 p.m.

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

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

G. Work Session with School Board

The Petersburg School District would requested a joint work session with the Assembly and School Board be scheduled sometime between Tuesday, February 27 and Tuesday, March 5 to discuss the School District's FY 2025 funding request and other budget matters.

The Assembly set the work session for Thursday, February 29, 2024 at 5:00 p.m.

17. Communications

A. Correspondence Received Since January 9, 2024

18. Assembly Discussion Items

A. Assembly Member Comments

There were no discussion items.

B. Recognitions

Mayor Pro Tem Stanton Gregor recognized previous Assembly Member Nancy Strand for her time serving Petersburg, stating he learned a lot from her.

Assembly Member Schwartz recognized John McCabe for his generous contributions to the Petersburg Public Library; Finance Director Tow for receiving a clean audit for FY 2023; and Member Fine-Walsh for his work on Ordinance #2024-02.

19. Adjourn

The meeting was adjourned at 1:44 p.m.

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

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