



Meeting Minutes Borough Assembly

Monday, December 16, 2013

7:00 PM

Assembly Chambers

1. Call To Order/Roll Call

Mayor Jensen called the meeting to order at 7:00 p.m.

Present: 6 - Mayor Mark Jensen, Assembly Member John Hoag, Assembly Member John Havrilek, Assembly Member Cindi Lagoudakis, Assembly Member Nancy Strand and Assembly Member Kurt Wohlhueter

2. Voluntary Pledge

The Pledge was recited.

3. Approval of Minutes

A. [13-332](#)

There were no minutes available for approval.

4. Amendment and Approval of Meeting Agenda

The agenda was approved, as presented.

5. Public Hearings and Bid Awards

A. [13-367](#)

Conduct of Public Land Sale Auction

Attachments:

[Mayor's Instructions.pdf](#)

[Public Notice and Map.pdf](#)

[Information and Instructions.pdf](#)

[Participation Agreement.pdf](#)

Four lots, as individual parcels, located on the undeveloped portion of Valkyrie Street, described as Lots 2, 3, 4 & 5, Block 263 were offered for sale by cry-out auction. The lots were being sold "As is, Where-is" via Quit Claim Deed with all faults.

At the conclusion of the auction, all lots were sold to John and Miriam Swanson.

B. [13-375](#)

Public Hearing on Ordinance # 2013-22: An Ordinance Providing for a Fine Schedule for the Municipal Code and Including a Section Addressing Injunctive and Civil Relief

There were no public comments received.

C. [13-377](#) Bid Award for Drive Down Facility Project

Attachments: [Bid Information.pdf](#)
[Harbor Master and Engineer Recommendation.pdf](#)

6 bids had been received and opened on December 6, 2013 for the project. Tamico Incorporated was deemed the lowest responsive bidder, bidding the total project, including all added alternates, at \$7,775,625.

By unanimous Roll Call Vote, the bid was awarded to low responsive bidder Tamico Incorporated.

6. **Visitors' Views Related to Agenda**

David (Ole) Whitethorn asked to speak to proposed salvaging changes being made at the landfill. He believed the borough should retain a salvaging program that allowed independent commercial salvaging operations. He believed considerable money remains within the community when local salvagers are allowed access to the landfill area for desired metals. He estimated that \$60,000 - \$80,000 circulates within the community due to local commercial salvaging efforts. He himself donates a considerable amount of funds gained from salvaging back into the community. Mr. Whitethorn was questioned whether it is more beneficial for the utility to retain the proceeds from recycling metals versus allowing individuals to profit. Mr. Whitethorn believed the borough would not receive a sufficient return on salvaged metals as haulers would discount the pay rate because the items are mixed with other materials. Independent salvagers separate the materials, providing for a higher return.

7. **Visitors' Views Unrelated to Agenda**

A. [13-368](#) Scout Troop 24 - Presentation on Aluminum Recycling Program

Scout Troop 24, led by Jeff Erickson and comprised of mostly 7th and 8th graders, provided information on the benefits of recycling aluminum. The troop is working on its merit badge for Citizenship. Mr. Erickson recapped a new aluminum recycling program. The new program would eliminate the current "dumpster" operation with a "bagged" system.

Each Scout member provided a fact on the benefits of recycling aluminum.

B. [13-382](#) John Glenn, Stikine River Forest Products, LLC

Mr. Glenn announced that he was planning to bring a full manufacturing mill to Petersburg. He was currently in the process of negotiating sales/purchases agreements for land and equipment. He informed the operation of the mill would be in two stages: 1) being a large log operation capable of 100,000 board feet per shift, with kiln and planer operation, and any excess power from a co-gen plant after providing power and heat for the mill being sold to SEAPA; and

2) an efficient, small saw line to accommodate young growth production as preferred by the Forest Service. The building time line is estimated to be 18-24 months. The exact building location is not yet fully determined, but he hoped to start construction

this summer. When built, the plant would hire 45-50 workers for 10 months out of the year.

Mr. Glenn will be meeting with borough departments to determine infrastructure needs for sewer, electric transmission and road egress/ingress.

8. Board, Commission and Committee Reports

No report.

9. Consent Agenda

- A. [13-379](#) Approval of Amendment #1 to the Land Lease Agreement Between the Borough and GCI Communication Corporation

Attachments: [GCI Lease Amendment.pdf](#)

In February GCI and the Borough entered into the second five year term of a 55 year land lease for property located on Augusta Street. The building located on the land was built by GCI and stores communication equipment. Since the Assembly approved a new annual rate back in February, it was discovered that the original lease requires GCI to pay annual rental fees on not only the property it has leased, but also on the improvements that GCI has built upon the land. This is not consistent with other land leases held by the Borough. The proposed amendment would correct the discrepancy in the original lease; provide GCI with the same provisions of other borough leases; and would set the annual lease rate renewal at \$3,500, 10% of the land value.

By unanimous Roll Call Vote, the assembly approved the lease amendment.

- B. [13-383](#) Acceptance of FY14 Inter-Library Cooperation Grant for \$16,940.

The grant was from the Alaska State Library and would allow the public library to join the Alaska Digital Archives and hire part-time staff on contract to scan and catalog photographs from a limited number of tribal members

The assembly, by unanimous vote, accepted the grant.

10. Report of Other Officers

- A. [13-347](#) In-Door Skate Facility

Parks & Recreation Director Donn Hayes provided a written report on his findings for providing an in-door skate/skateboard facility in the old fire hall area of the municipal building. The review looked at noise, accessibility, liability, janitorial costs and supervision factors of the facility and proposed use. After discussion, it was determined that because of the probable short-time, temporary use of the area, along with unresolved expense and supervision issues, the matter should not be further pursued.

By a vote of 2-4 (Assembly members Hoag, Havrilek, Jensen and Strand opposed) a motion to further pursue an in-door skateboard facility within the municipal building failed.

11. Mayor's Report

A. [13-384](#) Report for December 16, 2013

Attachments: [SEAPA Appointment Info.pdf](#)

A. *Seeking Letters of Interest:*

Phillip Beardslee has given verbal notice of his resignation from the Hospital Board to Board President Tom Abbott. Letters of Interest to fill the vacancy may be submitted to the Mayor or Clerk at PO Box 329. The individual appointed to the vacancy will serve until the October, 2014 municipal election.

B. *Appointments to Southeast Alaska Power Agency:*

Petersburg has been requested to appoint one voting member and one alternate to the SEAPA Board of Directors. This coming year, both Wrangell and Ketchikan will have two voting members and two alternates. The City of Ketchikan has appointed as voting members: Lew Williams III and Bob Sivertsen, with alternates Charles Freeman and Andy Donato. Wrangell City and Borough has appointed: Brian Ashton and Christie Jamieson as voting members and Clay Hammer and Don McConachie Sr., as alternates. Petersburg's 2013 delegate and alternate were Joe Nelson and John Jensen.

C. *Sea Otter Committee*

D. *Borough Offices will be closed as follows for the holidays:*

- 1. Closing at noon on Tuesday, December 24; reopening Thursday December 26; and*
- 2. Closed Wednesday, January 1, 2014*
- 3. The next Assembly meeting will be held Monday, January 6 at Noon*

Joe Nelson and John Jensen were re-appointed to SEAPA for 2014; and Mayor Jensen asked the Sea Otter Committee to meet soon to look into any changes in the continuing problems caused by over population; and the Work Session with the Hospital Board was scheduled for 3:00 p.m. January 9, 2014.

12. Manager's Report

A. [13-388](#) 12-16-2013 Report

Attachments: [Manager 12162013](#)

Manager Giesbrecht reviewed his written report.

13. Unfinished Business

Ordinances for Third and Final Reading

A. [ORD#13-18](#) Ordinance # 2013-18, An Ordinance Providing for Chapter 9.12 of the

Municipal Code, Entitled Littering, Updating Current Language to Reflect Borough Incorporation.

Attachments: [Ord 2013-18 LITTERING - revision.pdf](#)

Ordinance # 2013-18 was approved by unanimous Roll Call Vote in final reading.

- B.** [ORD#13-19](#) Ordinance # 2013-19, An Ordinance Providing for the Harbors and Ports Department and Advisory Board (short title).

Attachments: [Ord. #2013-19.pdf](#)

By a 5-1 Roll Call Vote (Member Hoag opposed) Ordinance #2013-19 was approved in final reading. Hoag believed the Harbors and Ports Advisory Board should be an elected, not appointed, body.

- C.** [ORD#13-20](#) Ordinance # 2013-20, An Ordinance Providing for a Borough Health Officer, Fire Department, Police Department and Retention of a Five Member Elected Advisory Board (short title).

Attachments: [Ord. #2013-20.pdf](#)

Ordinance #2013-20 was passed in final reading by a 5-1 Roll Call Vote. (Member Hoag opposed). Hoag believed there was not a need for the Public Safety Advisory Board.

Ordinances for Second Reading

- D.** [ORD#13-22](#) Ordinance #2013-22: An Ordinance Providing for a Fine Schedule for the Municipal Code and Including a Section Addressing Injunctive and Civil Relief.

Attachments: [Ord. # 2013-22.pdf](#)

This Ordinance was approved in second reading by unanimous Roll Call Vote.

- E.** [13-000](#) Juneau Appeal of Petersburg Borough Boundaries

No new information.

- F.** [13-376](#) Request from Pilot Publishing for the release of the whole document of which the Assembly, on December 2, 2013, approved to release the great majority of the document, but not the whole document.

Attachments: [Pilot Request.pdf](#)

By a Roll Call Vote of 4-2 (Members Havrilek and Strand opposed) the Assembly approved release of the total document that was partially released on December 2, 2013. Members Havrilek and Strand believed the Assembly should follow legal counsel's advice and not release the total document.

- G.** [13-385](#) Authorization to Solicit Public Comments Regarding By-Mail Elections

Attachments: [Notice.pdf](#)

At the December 2, 2013 meeting, the assembly expressed desire to acquire public opinion about the possibilities of the borough converting to "By Mail" elections for our local municipal elections. The Clerk's Office had proposed the assembly seek public opinion via the newspaper, radio and internet until the second meeting in January. During the time frame, the Clerk's office would gather information on estimated costs and "turn-out" expectations of By-Mail elections. It was hoped with the resident comments and gathered information the assembly could provide direction on the re-write of the election ordinance at the second meeting in January.

The assembly authorized the Clerk's Office to solicit public comment on the conduct of By-Mail elections.

14. New Business

- A. [ORD#13-26](#) Ordinance #2013-23: An Ordinance Providing for Chapter 3.52 (Public Library) of the Municipal Code, Updating Current Language to Reflect Borough Incorporation; and Providing for the Retention of an Elected Library Board for the Borough. First Reading.

Attachments: [Ord. #2013-23 Library.pdf](#)

Ordinance # 2013-23 was passed in first reading by a Roll Call Vote of 5-1 (Member Hoag opposed). Member Hoag believed the Library Board should be an appointed, not elected, advisory body.

- B. [ORD#13-24](#) Ordinance #2013-24: An Ordinance Adjusting the FY 2014 Budget for Known Changes. First Reading.

Attachments: [Ord. #2013-24 Budget Amendment.pdf](#)

[Explanation of Need for Truck Replacement.pdf](#)

Borough Charter requires that any change to the annual municipal budget be done through ordinance. Ordinance #2013-24 acknowledged receipt of the State Inter-Library Cooperation Grant of \$16,940 and appropriated \$33,000 of Motor Pool Funds for the unanticipated purchase of a replacement Power & Light truck. The assembly approved amendment of the ordinance to provide \$36,500 in increased Motor Pool appropriations (not \$33,000) to assure the required vehicle to be replaced had four-wheel drive capability.

By a unanimous Roll Call Vote, the Ordinance was approved in first reading, as amended.

- C. [ORD#13-25](#) Ordinance # 2013-25: An Ordinance Providing for New Chapters 11.04 through 11.20 of Title 11, the Borough Traffic Code. First Reading.

Attachments: [Ord. #2013-25 Traffic Code.pdf](#)

The ordinance would adopt new traffic provisions for the borough to replace certain existing provisions of the municipal code and to leave in place the current parking restrictions and regulations, applicable within Service Area 1 only. It was noted that the ordinance, as it relates to skateboards and bicycles, had not been modified.

This Ordinance was unanimously approved in first reading by Roll Call Vote.

- D. [13-345](#) Authorization to Enter a Professional Services Agreement with PND Engineers not to exceed \$622,424 for Contract Administration and Inspection Services for the Construction of the Drive Down Facility Project

Attachments: [Harbormaster Recommendation and Contract Propoal.pdf](#)

A brief discussion was held on the possibilities of an RFP solicitation process. An RFP process was used at the very beginning of the project. However, it was believed bringing a new engineer on-board at this time would not be beneficial as the design of the project was done by PND and the first portion of the grant for the project must be expended by July 1, 2014.

The assembly unanimously authorized a professional service agreement with PND not to exceed \$622,424.

15. Communications

- A. [13-393](#) Wrangell notification of desire to work with Petersburg and SEAPA (Southeast Alaska Power Agency) to provide a conversion plan for the transfer of operations and maintenance of the Tyee Hydro Facility from TBPA (Thomas Bay Power Authority) to SEAPA.

Attachments: [Wrangall Notification Letter.pdf](#)

[Wrangell Res. #12-13-1290.pdf](#)

The assembly discussed Wrangell's resolution 12-13-1290 that placed some parameters on a possible conversion plan. Although the assembly did not agree in total with all of Wrangell's desires, it was determined the communities must work together for a final mutual result.

By a unanimous Roll Call Vote, the assembly approved working with Wrangell and SEAPA to provide a conversion plan for the transfer of operations and maintenance of the Tyee Hydro Facility.

16. Assembly Discussion Items

- A. [13-002](#) Recognitions

This agenda item is reserved to acknowledge individuals, groups, departments, agencies or anyone for their contributions toward the betterment of the Petersburg community.

1) Parks and Rec Director Hays thanked the supporting businesses for the annual Breakfast with Santa event. He also thanked his staff members Heidi Cabral and Hannah Jackson for their coordination of the event; 2) Assembly Member Lagoudakis thanked several individuals for their art work donations to the new library; and 3) Assembly Member Hoag thanked Manager Giesbrecht and Chief Swihart for their cooperation in the community drug intervention program.

- B. [13-378](#) Discussion on the Borough's Salvage Program

Attachments: [PW Director Information and Recommendation.pdf](#)
[Salvaging Permit.pdf](#)
[Revised Salvaging Program.pdf](#)

When the assembly passed Ordinance #2013-17 in its final reading on December 2, 2013, there was not a clear direction to staff if the assembly wanted to further discuss the community's salvaging program and/or hold a public hearing on the program. To aid the assembly in discussion, Public Works Director Hagerman had provided an information and recommendation report, the current salvaging permit, and a proposed revised written salvage program. The base question for assembly consideration was: Does the assembly want to allow or disallow commercial type salvaging at the transfer facility? Proposed amendments to the salvage program begins to migrate away from commercial salvaging use. Consensus was other community salvaging programs should be reviewed and a hearing held.

A Public Hearing on the salvaging program was scheduled for 6:00 p.m., January 21, 2014.

17. Adjourn

The meeting adjourned at 8:40 p.m.