

MINUTES OF THE PETERSBURG BOROUGH ASSEMBLY MEETING, 2ND REGULAR MEETING OF THE MONTH, HELD MONDAY, MAY 20, 2013 AT 07:00 P.M. IN THE ASSEMBLY CHAMBERS OF THE MUNICIPAL BUILDING

1. **CALL TO ORDER/ROLL CALL** Mayor Jensen called the meeting to order at 7:00 p.m. Present: Mayor Jensen; Assembly Members Flint, Wohlhueter, Hoag, Strand, Havrilek and Lagoudakis. Absent: None.
2. **VOLUNTARY PLEDGE** The Pledge was recited.
3. **BOARD OF EQUALIZATION** There were no appeals to be acted upon. At this time, Mayor Jensen invited Lynn Escola and Paul Johnsen to address the Assembly regarding their assessment of property on Mitkof Highway. (Escola and Johnsen had appealed the assessment for 2013 and resolved their appeal prior to this meeting). Escola informed of what she believed to be inadequacies in the borough's assessment records; inaccuracies in property records that are maintained; and the lack of transparency and accountability in the assessment process. She provided a history of the assessment of her property over the last five year period and informed of what she believed to be an on-going error that had caused her to pay in excess of \$3,000 of unwarranted property tax. Escola would have liked to be refunded for the over payment throughout the years, but understood that State statute prohibits a refund on taxes paid in error for only 1 year. She urged the borough to clean-up its assessment records and take ownership and accountability for the content of those records. She also encouraged other borough residents to question their annual assessments and require transparent records that support the accuracy of the assessments. Borough Assessor Mike Renfro attended this portion of the meeting via telephone and advised he would have a written response to Escola's statements to the borough manager by July 8. Renfro had met with Escola and Johnson and believed he had provided the information they required in review of the assessments. Consensus was the Assembly be provided with an overview of how the borough's assessment records are developed and maintained.
4. **APPROVAL OF MINUTES**
 - A. **Special Meeting Minutes of April 29, 2013**
 - B. **Regular Meeting Minutes of May 6, 2013**The minutes were unanimously approved, as submitted.
5. **AMENDMENT AND APPROVAL OF MEETING AGENDA** The agenda, as submitted, was approved.
6. **PUBLIC HEARINGS AND BID AWARDS**
 - A. **Public Hearing on Ordinance #2013-7: An Ordinance Providing for Chapter 3.12 of the Municipal Code, Entitled "Administration", Updating Current Language, Adding a Section that Informs how Employees will be Compensated and Applying the Provision of the Ordinance on an Area-wide Basis.** No public comments received.
Ord. 2013-7
 - B. **Public Hearing on Ordinance #2013-8: An Ordinance Adopting the Budget and Setting the Millage Rates for the Fiscal year July 1, 2013 through June 30, 2014.** Susan Ohmer and Kim Kilkenny of Petersburg Mental Health (PMH) provided information on their financial holdings and their not-for-profit services provided to the community. The services provided through local dollars are for services/programs not always sponsored by the State or paid for through health insurance coverage. They informed that the funds received from the borough

help provide needed services on a regular basis to many individuals who otherwise would have to travel from the community to obtain help. PMH also provides community-wide education and awareness services that are not provided through the State. Examples of the type of services that PMH is able to provide where other providers may fall short were provided. Ohmer and Kilkenny encouraged that the local funding of mental health services be retained within the proposed budget.

Ord. 2013-8

C. Bid Award - Landfill Slope Stabilization By unanimous Roll Call Vote, the Assembly accepted PND Engineers' and the Sanitation Department's recommendation and awarded the project to low bidder, Rock N Road Construction in an amount not to exceed \$479,592.

Award Recommendation

7. VISITORS' VIEWS RELATED TO AGENDA None.

8. VISITORS' VIEWS UNRELATED TO AGENDA

A. Chamber of Commerce - Request for Reconsideration Chamber of Commerce representatives were present to support the Chamber of Commerce's written request for the Assembly to reconsider their position on not providing for a sales tax free day. Retailers believe the tax free days help their personal businesses and the community. Also, allowing for tax free days must continue for a longer period of time to determine just how helpful they are. Assembly members indicated they have not seen evidence that tax free days increase community spending. The days just change the time when the expense would normally have been made. Consensus was if future tax free days are to be held, more advance planning and notification needs to occur. The next anticipated tax free day is October 5 in hopes to benefit from the annual PFD payment. It was noted during discussion that if the borough's sales tax revenue is down from those anticipated, that means the merchants' over-all sales are down. Internet sales are thought to be a major contributor to the decline. Consideration was given to forming a committee to review the numerous sales tax issues facing the community. The Clerk was authorized to advertise for interested residents to serve on an Ad Hoc Sales Tax Review Committee. The committee would be tasked with reviewing all sales tax issues, including the numerous tax exemptions provided. Assembly Members Flint and Strand expressed their desire to serve on the committee.

Letter

9. BOARD, COMMISSION AND COMMITTEE REPORTS

A. Trey Acteson, CEO for SEAPA Mr. Acteson provided a slide presentation entitled Bundled Services. The presentation provided information on the past, current and future services provided by SEAPA at the wholesale cost of 6.8 cents per kilowatt hour. A Q&A session was held after the presentation at which time Acteson informed the SEAPA Board will be addressing the continued role of Thomas Bay Power Authority and Ketchikan Public Utilities at the June meeting. When asked about SEAPA's roll in future development of the Cascade Creek hydro project here in Petersburg at Thomas Bay, Acteson believed the project may be too large to be undertaken locally and it may better serve the region to have it developed by private resources. Cost of developing the Thomas Bay area hydro would be a challenge. He related the Board would be the ultimate body to determine to what extent SEAPA should be involved with the current preliminary permit process being sought, but until SEAPA's Hydro Resource Analysis study is performed this summer, the Board would not have enough information to make a determination. During Q & A, SEAPA was asked to be more transparent in its operations and communications. Acteson informed that he believed the Agency is becoming more open in its communications and informed of the numerous documents now available from the SEAPA website. Electric Department Superintendent Joe Nelson expressed his support in pursuing development of Thomas Bay to connect with the Juneau grid, making our region connected by a backbone service from Metlakatla to Greens Creek, providing hydro power to our area well into

the future. He encouraged SEAPA to look not only into our current and short term future needs, but also long term needs that would garner support of the total region. Nelson concluded by acknowledging the excellent work over the years provided by both Thomas Bay Power Authority and Ketchikan Public Utilities in developing and maintaining our electrical assets. He believed consolidation of the projects under one authority is now needed and would be of the most benefit.

FERC Notice

10. **CONSENT AGENDA** No items.

11. **REPORT OF OTHER OFFICERS** None.

12. **MAYOR'S REPORT**

A. Organizational Work Session - Kake Intertie and Access Projects Mayor Jensen informed of the organizational meeting to be held Thursday, May 23 at noon.

B. Appointment of Borough Attorney By a unanimous Roll Call Vote, the Assembly appointed Hedland, Brennan & Heideman as the Borough's Attorney, to be compensated per their April 17, 2013 fee agreement.

Fee Agreement

C. Mayfest Attendance Mayor Jensen informed of the numerous State elected officials that attended this year's festival.

D. Appointment to Economic Development Council By unanimous consent, Brian Lynch was appointed to a vacancy on the Petersburg Economic Development Council.

13. **MANAGER'S REPORT** Manager Giesbrecht reviewed his written report. (Report attached and made part of these original meeting minutes)

05-20-2013

14. **UNFINISHED BUSINESS**

A. Ordinance #2013-6: An Ordinance Providing for Chapter 14.30, of the Municipal Code, Entitled "Mountain View Manor Elderly Housing and Assisted Living Facility", Updating Rents to Current Levels and Applying the Provisions of the Ordinance on an Area-Wide Basis. 3rd and Final Reading. By unanimous Roll Call Vote, the Ordinance was approved in final reading.

Ord. #2013-6, Mt. View Manor

B. Ordinance #2013-7: An Ordinance Providing for Chapter 3.12 of the Municipal Code, Entitled "Administration", Updating Current Language, Adding a Section that Informs how Employees will be Compensated and Applying the Provision of the Ordinance on an Area-wide Basis. 2nd Reading.

The proposed ordinance, intended to express the means of how the borough determines the compensation of employees, was amended by a 6-1 vote (Member Lagoudakis opposed) to add the communities of Seward, Palmer and Homer to section 3.12.030; and to clarify the "City", not "Borough" of Ketchikan is one of the comparative communities within the ordinance. Discussion was held on the need and/or reason to place the goal of the borough on how it will consider employee compensation in ordinance form. Some Assembly members believed the expressed goal is better served by placing it in operating policy or employee handbook. Placement of the goal in ordinance may restrict future Assemblies. Other Assembly members believed the goal should be placed in ordinance because an ordinance is more readily accessible to the public and the public needs to know how municipal wages are determined. A motion to remove section 3.12.030 from the ordinance failed by a 3-4 Vote (Members Lagoudakis, Flint and Strand in support of the removal). Ordinance #2013-7, as amended, was passed in second reading by a Roll Call Vote of 6-1, Lagoudakis opposed. Lagoudakis believed the matter would be better served as an operational policy. A goal is not quantifiable or measurable.

Mayor Jensen called a recess at 9:10 p.m.

The meeting was reconvened at 9:16 p.m.

Ord. #2013-7, Administration

C. Ordinance #2013-8: An Ordinance Adopting the Budget and Setting the Millage Rates for the Fiscal year July 1, 2013 through June 30, 2014. 2nd Reading Finance Director Tow provided an updated total assessment figure and proposed mill rate in lieu of changes made during the annual appeals process. The changes reduced the total taxable assessed value of real property in Service Area 1 from the estimated \$298,411,100 to \$294,744,900 and increased the over-all mill rate from the estimated 11.00 mills to 11.14 mills. Mayor Jensen informed of the lengthy public budget process conducted so far. By a Roll Call Vote of 6-1 (member Havrilek opposed) the budget ordinance was approved, as amended. Havrilek informed that he could not support any increase in tax levy and the borough should not pay for services not provided by borough employees. He used mental health services as an example. Member Hoag agreed with the concerns of providing public funds to non-borough entities, however, the mental health and drug & alcohol treatment assistance provided by the outside agencies are needed by the community. He proposed that future funding for these types of services be based on an RFP process. Also during discussion it was noted the proposed base mill rate is less than last year. The total mill rate is higher due to debt retirement for the new library being added.

D. Juneau Appeal The Borough's reply brief will be submitted by the May 24 deadline.

E. Redistricting No new information.

15. NEW BUSINESS

A. Review and Acceptance of Draft Land Patent By unanimous Roll Call Vote, the Assembly accepted the terms and conditions contained in the draft patent for the property. This brings the long awaited transfer (since 1993) of 9.55 acres of uplands and tidelands at Scow Bay from the Department of Natural Resources to the Borough near to close.

Draft Patent

B. Shooting Range Improvements - Project Award By unanimous Roll Call Vote, the Assembly accepted the proposal review committee's recommendation and awarded the proposal received from Reid Brothers Construction in an amount not to exceed \$62,612. The Reid proposal, although higher in cost than the proposal by Rock N Road, included the requested drawings and detail for key construction elements, whereas Rock N Road's proposal did not. Improvements to the facility include: an RV pad with electrical service, new concrete outhouse; pistol range improvements, resurfacing the access road and drainage improvements. There were too many unknown variables in the needed improvements to conduct a competitive bid process.

Proposals

16. COMMUNICATIONS None.

17. ASSEMBLY DISCUSSION ITEMS

A. Recognitions

1. Welcome Interim Police Chief Manager Giesbrecht welcomed and thanked retired Police Captain Bruce Westre for filling in as interim-chief until Kelly Swihart's arrival.

2. Thank you Assembly member Flint thanked Jeff Erikson, Scott Newman and their crews for finding and returning the lost One People Canoe paddles and canoe.

18. ADJOURN The meeting adjourned at 9:38 p.m.

Date Approved
