

MINUTES OF THE PETERSBURG BOROUGH ASSEMBLY MEETING, 1ST REGULAR MEETING OF THE MONTH, HELD MONDAY, MAY 6, 2013 AT 12:00 P.M. IN THE ASSEMBLY CHAMBERS OF THE MUNICIPAL BUILDING

1. **CALL TO ORDER/ROLL CALL** Mayor Jensen called the meeting to order at twelve, noon. Present: Mayor Jensen, Assembly Members Lagoudakis (late), Strand, Havrilek, Wohlhueter (by phone), Hoag and Flint. Absent: None.
2. **VOLUNTARY PLEDGE** The Pledge was recited.
3. **APPROVAL OF MINUTES**
 - A. Regular Meeting Minutes of March 18, 2013
 - B. Regular Meeting Minutes of April 1, 2013
 - C. Regular Meeting Minutes of April 15, 2013

All meeting minutes were unanimously approved, as submitted.
Minutes
4. **AMENDMENT AND APPROVAL OF MEETING AGENDA** The agenda was amended to include discussion of Hammer Slough cleanup and to acknowledge a letter received from the City of Kupreanof.
5. **PUBLIC HEARINGS AND BID AWARDS**
 - A. Public Hearing on Ordinance #2013-6: -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. Mayor Jensen called for public comments. No comments were received.

Enter Assembly Member Lagoudakis.

Ord. 6

B. Bid Awards - Equipping New Library

1. Library Shelving Procurement By unanimous Roll Call Vote, the assembly accepted MRV Architect's recommendation and awarded the new library shelving procurement bid to Think Office, LLC for an amount not to exceed \$168,803.

Shelves Bid

2. Library FF&E (Furniture, Fixtures & Equipment) Procurement By unanimous Roll Call Vote the assembly accepted MRV Architect's recommendation and awarded the new library FF&E procurement bid to Think Office, LLC for an amount not to exceed \$189,013.

Furnishings Eqpt Bid

C. Bid Award - School District Covered Porch Project By unanimous Roll Call Vote the Assembly accepted the Planning Director's recommendation and awarded the covered porch project for the school administration building to Bird Construction in the amount not to exceed \$12,472.00.

Porch Cover

D. Bid Award - Clausen Memorial Museum Site Improvements By unanimous Roll Call Vote, the assembly accepted the Public Works Department's recommendation and awarded the Museum Site Improvements bid to Reid Brothers construction for an amount not to exceed \$46,449.24.

Museum Wall

6. **VISITORS' VIEWS RELATED TO AGENDA** Brian Lynch, Petersburg Vessel Owners, was in attendance to answer any questions regarding Resolution 2013-13 (Item 14C, Management of Sea Otters); Dave Beebe was in attendance to seek assembly

support of the City of Kupreanof's resolution opposing the construction of any road through the City of Kupreanof; and Savann Guthrie, Chamber of Commerce Representative, encouraged the assembly to approve Agenda Item 14D (Resolution #2013-14) declaring Saturday, May 11, as a sales-tax-free day. Guthrie also asked that in the future the assembly consider setting the first Saturday of May and October as sales-tax-free days so the community is always aware of the time of the event. Assembly member Flint asked Guthrie if the retailers are benefiting substantially from the event as the borough is losing considerable income with each sales-tax-free day declared. Guthrie believed a longer time period is required to better learn the benefits of the tax-free-days for the retailers. She indicated that it appears to boost the sales to the merchants, but there is no exact way to measure the benefits. She reiterated that the Chamber Retail Board believes the sales-tax free days gets money flowing throughout the community enabling merchants to make improvements to their buildings. Means to determine how the day is benefiting or not benefiting the community were briefly discussed.

7. VISITORS' VIEWS UNRELATED TO AGENDA

A. Request for Consideration - Mike Stainbrook Mr. Stainbrook provided the Assembly with a proposed resolution that would express the Borough's opposition to placement or encroachment of electrical apparatus or electrical power lines in the Petersburg Creek estuary. The resolution would be in response to one of the routes under consideration for the Kake-Petersburg Electrical Intertie. Mr. Stainbrook read his proposed resolution and urged its passage. Southeast Conference Energy Coordinator Robert Venibles had advised the Borough that the comment period for the electrical scoping process had closed and the next time to comment would be when the Environmental Impact Statement is opened for public review and comment. Venibles' comments will be verified. The steering committee for the Kake-Petersburg Intertie is on record in support of a northern route for the line, one that would not infringe upon Petersburg Creek. The need for the Planning Commission to review the matter was expressed. (See agenda item 11A).

The City of Kupreanof's resolution #13-4 opposing the construction of any road through the City of Kupreanof was also discussed at this time. Mr. Beebe informed that the comments being made were in regard to the scoping process of the Kake-Petersburg Access Road. The scoping comments aid in the development of the EIS of the project which encourages additional comments. Beebe informed of the State's apparent desire to push a northern route for both the Kake electrical intertie and access road in order to support the State's Roads to Resources policy. Erecting a road and electrical intertie on the northern route would strengthen the needs for shuttle ferry terminals in both Petersburg and Kupreanof ultimately supporting Alternative 5 of the State Transportation Improvement Plan (STIP) enabling the creation of Highway 7. That plan calls for the South Mitkof Terminal to become the main-line terminal with elimination of the current main-line terminal near downtown Petersburg. It was unclear if the Kupreanof resolution opposed the development of any roads, north or south, not within the city limits of Kupreanof. (See agenda item 11A).

Stainbrook Submittals

8. BOARD, COMMISSION AND COMMITTEE REPORTS

A. Harbors & Ports Advisory Board Mayor Jensen acknowledged the Board took no action at their April 24th meeting to recommend the borough accept the Luhr's offer for the borough to purchase their Piston & Rudder property located next to North Harbor. It was consensus of the Board the community would be better served if a marine business obtained the property.

9. CONSENT AGENDA

A. Local Approval of 2013 Gaming Permits - by Swainson Vending
The Consent Agenda was unanimously approved.

Gaming Permit**10. REPORT OF OTHER OFFICERS None.****11. MAYOR'S REPORT**

A. Consideration to Schedule Work Sessions and/or Special Meetings to Commence Public Review and Discussion of the Kake Intertie and Road Projects After discussion, it was decided to hold off on scheduling joint meetings with Kupreanof regarding the Kake-Petersburg Access and Intertie projects until the EIS for the projects are out for public comment. However, the Assembly agreed with Member Lagoudakis that a committee be formed to look at planning and property interests, along with other factors, that relate to both the electrical and access projects in order to be prepared when the draft EISes become available. Hearing no objections from the Assembly, Lagoudakis was authorized to act as the borough's liaison in the matters.

By a unanimous Roll Call Vote, the proposed resolution provided by Mr. Stainbrook (Resolution # 2013-15, A resolution that Petersburg Creek and Estuary be Protected from Encroachment by an Electrical Corridor or Electrical Power Lines) was passed. During discussion of the resolution it was questioned if passing the resolution was actually supporting the northern route for either project. Consensus was passage of the resolution did not support any proposed electrical or road route.

B. Appointment to Vacancy on Harbor Board Hearing no objections from the Assembly, Mayor Jensen appointed Bob Dolan to the vacancy.

Aptmt Info

C. Frankenfisch Sign-on & 50th Year Celebration of Ferry System Mayor Jensen informed that at the request of the Southeast Trollers Association, and on behalf of the borough, he signed endorsement for further opposition of genetically engineered salmon. The matter came forward between assembly meetings not permitting time for assembly approval. Jensen also reported on the large attendance to the 50th anniversary celebration of the ferry system at our local ferry terminal. Over 500 residents toured the ferry vessel Malaspina while docked in Petersburg. The community was presented a commemoration plaque of the event.

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

A. Ordinance #2013-5: An Ordinance Adjusting the FY 2013 Budget to Address Known Changes. 3rd and Final Reading. The ordinance was passed in final reading by a unanimous Roll Call Vote.

Ord. 5

B. 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 this Ordinance on an Area-Wide Basis. 2nd Reading. The proposed ordinance was unanimously approved by Roll Call Vote. It was noted that rates are dependent on HUD allowances.

C. Borough

1. Juneau Appeal The LBC's Attorney has asked for an extension until May 24 to file the State's brief. The Borough will file its brief when the State does. Within twenty days after that filing, the CBJ is to file its Appellant's Reply Brief, though it has a right to an automatic 15 day extension if it chooses. Within ten days of the filing of that Reply Brief, either party may serve and file a written request for oral argument (which is automatically granted). If oral argument is requested, the court sets that date, based upon the judge's schedule.

D. Redistricting The Redistricting Attorney has advised that Superior Court has

determined that Petersburg may participate in the on-going proceedings regarding the case. Currently, the 2012 Alaska redistricting matter is being addressed by both the Superior and Supreme Courts; and the US Supreme Court will soon be making decisions on the national Voting Rights Act. The numerous courts, issues and participants is creating considerable confusion and concern of the likelihood of a revised plan being developed and implemented in time for the 2014 election process.

Redistrict Info

E. SEAPA and D. Hittle & Associate's O & M Report The Borough Manager was asked to work on scheduling a meeting with SEAPA, Wrangell and Ketchikan community leaders to discuss the maintenance and operation report.

F. Ratification of IBEW Collective Bargaining Agreement Assembly Member Hoag, as the Borough's lead negotiator, reviewed his written memo on the topic. Hoag extended his appreciation to the IBEW employees for their concessions on benefits to bring them in line with the balance of borough employees. By a unanimous Roll Call Vote, the Assembly ratified the IBEW Collective Bargaining Agreement for the period of January 1, 2013 through June 30, 2015.

IBEW Contract

G. Schedule Interviews with Legal Counsel By unanimous Roll Call Vote, the assembly waived their opportunity to interview any of the proposing firms and directed staff to issue the Assembly's intent to award a professional services contract to Hedland, Brennan & Heideman.

Legal Counsel Memo

14. NEW BUSINESS

A. 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 Provisions of the Ordinance on an Area-wide Basis. 1st Reading. The ordinance was unanimously approved in first reading by Roll Call Vote.

Ord. 7

B. Ordinance #2013-8: An Ordinance Adopting the Budget and Setting the Millage Rates for the Fiscal Year July 1, 2013 through June 30, 2014. 1st Reading The budget ordinance was unanimously approved, as submitted, in its first reading by Roll Call Vote. The projected base mill rate for the upcoming fiscal year is anticipated to be lower than the 2012 rate due to increased property values, whereas the debt service mill rate will increase over 2012 due to the new library debt. The total mill levy is projected to be 11.00 mills and is subject to change pending Board of Adjustment changes. A public hearing on the budget will occur at the May 20 meeting.

Ord. 8

C. Resolution #2013-13: A Resolution Requesting the State Legislature Petition the Federal Government to Relinquish Sea Otter Management to the State to be Managed in Accordance with Article 8 of the Alaska State Constitution By unanimous Roll Call Vote, the assembly passed Resolution #2013-13 as recommended by the appointed Ad Hoc Sea Otter Management Committee. The adopted ordinance will be sent to our State and Federal delegations. It was noted that the US Wildlife Service is taking public comment on numerous definitions regarding the Marine Mammal Protection Act.

Res. 13

D. Resolution #2013-14: A Resolution Declaring Saturday, May 11 as a Sales Tax-Free Day in the Petersburg Borough The resolution failed to receive a motion for adoption.

Res. 14

E. Authorization to Enter into a Professional Services Agreement - Base Mapping of Borough The assembly gave unanimous Roll Call Vote approval for the Borough to enter into a professional services agreement with R&M Engineering, Inc of Juneau to assist the borough in establishing a base mapping system for an amount not to exceed \$15,000. Mapping Technician Susan Christensen informed of

the need for R & M's assistance.

Mapping Prop

F. Consideration of Thomas Bay Power Authority's FY 2014 Budget Assembly members questioned TBPA President John Jensen regarding the non-net billable portion of the budget and why SEAPA was not providing the total cost and oversight of the Tyee operations. He expressed his personal opinion that the time for SEAPA to take over the total operations of Tyee may have come. The City of Ketchikan recently changed it's earlier position and no longer wants to pursue the breakup of SEAPA. During discussion it was noted the Borough Charter requires the voters to determine if Petersburg should pull-out from Thomas Bay Power Authority. However, the borough assembly can determine whether or not to continue to fund any portion of the TBPA operation. The motion to approve the TBPA budget for FY13/14, as submitted, failed by a 1-6 Roll Call Vote with Assembly Member Strand voting yes. Consensus of the Assembly was funding of TBPA is an item to be addressed between TBPA and SEAPA.

TBPA Budget

G. Police and Jail Options and Authorization to Issue RFP Manager Giesbrecht provided a condensed report on the very lengthy in-house analysis of options for a replacement police and jail facility. The analysis covered the various locations reviewed and why each was retained or dismissed from further consideration. Assuming that combination of a new police station with the new fire hall, or construction of a new police facility at or near the current fire hall site are no longer options the assembly wants to pursue, the conclusion of the analysis indicated the current municipal building and the Reid waterfront warehouse at Scow Bay are the two current options that may be adequate, through phasing, for our needs. The borough currently has 4.1 million dollars toward the project and it is believed that amount of funds is not sufficient for a total completed phased project, but can provide the base needs. It was also noted through discussion that reducing the size of the original site for the department (next to the fire hall) will not bring the project into an acceptable expense range. To move the analysis forward, Giesbrecht requested authorization to seek RFP's for a structural analysis of the chosen options. By unanimous Roll Call Vote the Manger was authorized to solicit RFPs for the structural analysis of the municipal building and the Reid waterfront warehouse. Depending on the structural analysis, it is possible that the original location and plans for a facility next to the fire department may end up being the only option available.

Eval

H. Authorization to Enter into a Professional Services Contract with PND - Pump Station 5 Replacement Inspection and Contract Administration By unanimous Roll Call Vote, the assembly accepted the Public Works Department recommendation and authorized the Borough enter into a professional services contract not to exceed \$29,947 with PND Engineers to provide limited inspection and contract administration services for the project.

Construct Mgmt Contract

I. Consideration of Change Order for North Harbor Reconstruction Project - Electrical Upgrade The recommendation by the Harbors and Port Advisory Board to approve an electrical upgrade to 480 volts in one area of the North Harbor at an estimated cost of \$150,000 - \$175,000, was thoroughly discussed. The discussion included whether to approve funding for the upgrade through various sources, as recommended by the Board, or by contingency funds for the project. Harbors & Ports Chairman Bangs informed the original design of the harbor did call for more 480 volt spaces, but the number of 480 slips were cut back to reduce project costs. Use of 480 volt power is expected to increase in the future and would provide opportunity for the borough to provide service to larger vessels. During discussion it was noted that the Harbor Board did not want to use all project contingency funds because any left-over project funds could be set aside for Harbor Fund reserves. The Board believed the electric department would be the benefactor of the electrical upgrade and should also contribute to the upgrade cost. By a unanimous Roll Call Vote, the assembly approved the 480 electrical upgrade as proposed, with the cost of the upgrade coming from the contingency funds for the project. Prior to vote on the issue, Assembly Member Wohlhueter had asked if he should abstain from a vote on the motion as his vessel may or may not use 480 volt power in the future. The Assembly allowed

Wohlhueter to cast his vote on the motion. Without the upgrade, it was understood the new facility would be under-powered for future needs. The assembly directed that the electrical rates for 480 volt at North Harbor be reviewed and established. Maintaining electric services in the harbors is more costly than residential and commercial land accounts.

Upgrade

15. COMMUNICATIONS

A. Hammer Slough Clean-up The continued unsightly appearance of a dilapidated property on Hammer Slough was discussed. Consensus was to seek volunteer labor and monetary help through the Chamber of Commerce to assure the property is cleaned-up before Mayfest. Enforcement of Code provisions will not result in the desired timely cleanup.

B. Dignitaries at Mayfest Mayor Jensen informed of the several State dignitaries that will attend this year's festival.

16. ASSEMBLY DISCUSSION ITEMS

A. Recognitions

1. Thank you for Help on One People Canoe Event Assembly member Lagoudakis thanked the several organizations and individuals who helped welcome and provide for the over-night stay of the participants of the One People Canoe event.

2. Appreciation for Work Assembly member Hoag thanked Manager Giesbrecht, retired Police Captain Westre and Police Chief Agner for their time and work spent on reviewing police/jail facility options.

3. Thank you for Helping out During Police Chief Interviews Manager Giesbrecht expressed his gratitude to PFI for their help in providing a dinner gathering at their bunkhouse for police chief candidates and spouses.

4. Tax-Free Day Ron Loesch questioned why the assembly failed to schedule the tax free day as requested by the Chamber and approved by the voters. He was advised the lost revenues to the borough is a concern. How the assembly will address future sales tax free days, in lieu of the current lag in income and recent formation of the borough, is unknown. To maintain a balanced budget, while providing for tax free days, borough services would need to cut somewhere. It was noted that other communities that provide for tax free days do not also have a year-round senior citizen sales tax exemption as does Petersburg. In addition, sales tax freedays being a huge benefit to the retail businesses was questioned.

B. Borough Election The Borough Charter calls for the first regular election for the borough to be held in 2014. Any election prior to October 2014 will be considered a special election and will require pre-clearance from the federal government. Other than seeking exemption from the State's Public Official Financial reporting requirements and the desire for the school board to increase their board member numbers, no other immediate need for an election was realized. In addition, the proposed budget for FY 14 does not provide funding for an election. Consensus was there will be no election in 2013 for the borough.

emails

17. ADJOURN The meeting adjourned at 2:44 p.m.

Date Approved
