

MINUTES OF THE PETERSBURG BOROUGH ASSEMBLY MEETING, REGULAR SESSION, HELD MONDAY, FEBRUARY 4, 2013 AT 12:00 P.M. IN THE ASSEMBLY CHAMBERS OF THE MUNICIPAL BUILDING

1. **CALL TO ORDER** Mayor Jensen called the meeting to order at 12 p.m. (Noon). Present: Mayor Jensen; Assembly Members Flint, Strand, Havrilek and Hoag. Absent: None.
2. **VOLUNTARY PLEDGE** The Pledge was recited.
3. **APPROVAL OF MINUTES**
 - A. **Regular Meeting Minutes of January 7, 2013**
 - B. **Regular Meeting Minutes of January 22, 2013** The minutes to both meetings were approved, as submitted.
4. **AMENDMENT AND APPROVAL OF MEETING AGENDA** The meeting agenda was amended to include agenda item 16B (SEAPA). The Agenda, as amended, was approved.
5. **PUBLIC HEARINGS AND BID AWARDS**
 - A. **Public Hearing on Ordinance #2013-1, Implementing an Areawide Sales Tax (Short Title).** Mayor Jensen called for comments. No comments were received.
 - B. **Public Hearing on Ordinance #2013-3, Providing for the Installation of Elected Officers and Appointments to Vacancies (Short Title).** Mayor Jensen called for comments. No comments were received.
6. **VISITORS' VIEWS RELATED TO AGENDA** None.
7. **VISITORS' VIEWS UNRELATED TO AGENDA** None.
8. **BOARD, COMMISSION AND COMMITTEE REPORTS**
 - A. **Transportation Advisory Committee** Committee Chairman Dave Kensinger provided an update on recent meetings he has attended regarding the Alaska Marine Highway System. He reported on the continuing decline to ferry service to the community. It appears that in the future the community may see two vessels coming from Prince Rupert for the months of May through September added to the core service, slightly more sailings than scheduled for this summer. The Marine Transportation Advisory Board appears to support the sailings, but has yet taken any formal action. Fast ferry service is up in the air due to litigation regarding the engines on the Fairweather and Chenega. The Fairweather is out of commission and the Chenega may be on its last season of operation until repaired. Once litigation is resolved, it will take up to two years before the ships can be put back into service and that is "if" they can be put back in service. This coming summer will see the ferry system's service to Petersburg at its lowest since 1963, when the marine system was started. He told the assembly that he does not view the ferry system as a transportation system, but as a political system. If the community wants service, it needs to be at the discussion table at all times. Kensinger also informed of the newly appointed Alaska Marine Highway System leadership and new direction recently taken by the governor. He believed the Petersburg community should urge our legislators to insist that DOT (Alaska Marine Highway System) go back to using a more public forum process and better use the Marine Transportation Advisory Board on determination of new vessels and schedules. There are more ships (although aging) in the system now than ever before, but providing less service to our community than in the past.

There are also less direct sails to and from Petersburg than in the past. Mayor Jensen asked Kensinger to provide a specific recommendation/request from the Committee that can be considered by the Assembly at the February 19 meeting. Kensinger was thanked for his continued advocacy for improved ferry service to Petersburg.

9. CONSENT AGENDA

A. Local Approval of Renewal of Joan Mei Restaurant Alcoholic Beverage Permit The Consent Agenda was unanimously approved.

10. REPORT OF OTHER OFFICERS

A. Student Representative - Stephanie Pfundt Stephanie provided a report on: current on-going science programs (Tsunami Bowl and upcoming science fair on genetics); poetry out-loud and jazz band competitions; the weekend basketball games with Sitka; and preparation for this month's home coming.

B. Update on Collective Bargaining with IBEW John Hoag, the Borough's lead negotiator, informed that contract language issues have been resolved. Monetary issues are still being addressed. Hoag asked for Assembly consideration in approving the Tentative Agreements reached so far in the process. By a unanimous Roll Call Vote, the Assembly ratified the Tentative Agreements reached to date in IBEW contract negotiations.

11. MAYOR'S REPORT

A. Seeking Letters of Interest to Fill Vacancies in Elected Office The Borough continues to seek letters of interest from qualified borough residents to fill vacancies in elected office until the first regular borough election in October, 2014. All letters of interest should be submitted to the Mayor or Clerk no later than 10:00 a.m., Thursday, February 14, 2013 for Assembly consideration at the February 19 meeting. Anyone appointed to an elected seat will be required to file a Public Officials Financial Disclosure Statement (POFDS) within 30 days of taking office. Seats to be filled:

1. Vacancies on the Assembly There are two assembly member vacancies. Letters submitted so far for consideration are from: Cynthia Lagoudakis; Jeigh Stanton Gregor and Gerald S. Laubhan. To enable the Assembly and community to become familiar with the candidates willing to be appointed to the vacancies on the Assembly, a Q & A session will be held at the February 19 meeting prior to making the appointments. Existing Assembly members are to submit questions that they would like to ask of the candidates to the Clerk no later than 10:00 a.m. Thursday, February 14 in order for the candidates to have advanced knowledge of the questions to be asked.

2. Hospital Board There are three vacancies on the Board. One Letter of Interest, received from Kristine Kissinger, has been submitted.

3. Planning Commissioners There are seven vacancies on the Commission. Four Letters of Interest have been submitted. They are from David Kensinger, Susan Thomason, Dona Malhoit Laubhan and Ronn Buschmann.

B. Seeking Letters of Interest to Serve on the Land Selection Committee The Borough is also accepting letters from individuals interested in serving on the Land Selection Committee. The Borough will receive an estimated 1,700 acres from the State that can be used as the Borough determines. Letters of Interest have been submitted so far from Sam Bunge, Rick Braun, Jim Stromdahl, Ronn Buschmann, Liz Cabrera and Dave Kensinger.

C. Declaration of Vacancy on PEDC Board Mayor Jensen informed that the Resident Member at Large position for the Economic Development Council is vacant. This is an Assembly appointment with a three year term.

D. Regional Electrical Energy Roundtable Mayor Jensen informed that a meeting of regional community leaders and energy coordinators will be held Wednesday, February 6, at 3:30 p.m. at the Fire Hall. The meeting is an opportunity to proactively look at past and future resource developments and discuss electrical generation and consumption.

E. Wrangell Mayor has Retired Mayor Jensen informed that Don McConachie has

recently retired from local government. On behalf of the Petersburg community, Mayor Jensen sent a farewell letter thanking Mayor McConachie for his 14 plus years of local government service to the Wrangell community.

F. Kake Community Leader Mayor Jensen expressed the Petersburg community's sympathy to the Kake community on the passing of Clarence Jackson, an original Board Member to Sealaska and an avid subsistence advocate.

12. **MANAGER'S REPORT** Manager Giesbrecht highlighted his written report. (The report is attached and made part of these original minutes)

Mrg. Report

13. **UNFINISHED BUSINESS**

A. Borough

1. Juneau Appeal The court has issued its briefing schedule. CBJs brief is due February 28 and the LBC's and Borough's briefs are due March 29. It is anticipated a hearing on the matter may not occur until June, at the earliest.

2. Future Transition Items The Manager has proposed a means to obtain public participation in determining if Advisory Boards should be retained by the Borough. Consideration for approval of the process is addressed in Agenda Item 14F. Staff continues to review means to provide residents with access to participate in future meetings either via telephone or internet. And, the questionnaires made available at the January 15 Borough Open House/Welcome Reception asking for opinions and ideas on several borough matters are available at the Finance Office and Borough Website for anyone who wishes to submit their comments and ideas.

3. State Funding Governor Parnell has placed Borough transition funding in his proposed 2013 supplemental budget. The budget amendment is not official until approved by the legislature.

B. Redistricting No new information.

C. SEAPA and D. Hittle & Associate's O & M Report No new information.

D. Ordinance #2013-1: An Ordinance Implementing an Areawide Sales Tax in the Amount of 6% throughout the Petersburg Borough and Providing for the Administration, Collection and Reporting of the Sales Tax. Final Reading. By a unanimous Roll Call Vote, the Ordinance was approved in final reading. Provisions of Ordinance #2013-1 take effect borough wide on April 1, 2013.

Ord. #2013-1

E. Ordinance #2013-3: An Ordinance Providing for the Installation of Elected Officers and Appointments to Vacancies in Elected Offices of the Petersburg Borough. Final Reading. By unanimous Roll Call Vote, the ordinance was approved in final reading. The ordinance takes immediate effect.

Ord. 2013-3

14. **NEW BUSINESS**

A. Ordinance #2013-4: An Ordinance Implementing an Areawide Transient Room Tax in the amount of 4% throughout the Petersburg Borough and Providing for the Administration, Collection and Reporting of the Transient Room Tax. First Reading. Misinformation being given to prospective customers at sportsmen's shows by some lodge owners was noted. Prospective customers were told that Petersburg is charging a 30% tax on their businesses, without providing any services. Services provided to all leisure travel businesses, including lobbying expense to retain a commercial airline service to the community, were noted. The proposed new ordinance better reflects an equal payment of taxes by lodges compared to local hotels and bed and breakfasts compared to failed ordinance #2013-2. The proposed new ordinance also reflects a lower transient room tax rate on package services than surrounding communities. By unanimous Roll Call Vote, the Ordinance was passed in its first reading. The ordinance is exactly the same as provided in failed Ordinance #2013-2, except that Sub-Section 4.33.030B had been amended to reduce the percentage of a combined-price package for determination of a daily bed tax rate from 30% of the total cost of the package to 15%. Borough

Charter requires the tax to become borough wide within 90 days of incorporation.

Ord. #2013-4

B. Resolution #2013-2: A Resolution Opposing USDA's Preliminary Finding of No Significant Effect on the Quality of the Human Environment in the United States with Approval of AquaBounty Technologies, Inc's Application to Market Genetically Modified Atlantic Salmon in the United States The Assembly passed Resolution #2013-2 by unanimous Roll Call Vote. The resolution opposed the preliminary finding that there is "No Significant Impact" on the human environment in the consumption of genetically modified Atlantic salmon because there has been no thorough scientific research and testing to ensure consumption by humans is safe. Also, there is no guarantee that the modified fish will not escape into the wild. The resolution further encourages the FDA to analyze and evaluate the social, economical and cultural effects of approving the sale of genetically modified Atlantic salmon and that if allowed, the product should clearly and boldly be labeled as "genetically modified". Alaska's federal delegation is opposing FDA's decision as it relates to the environment and economic impacts to Alaska communities. Discussion was held on the precedence that will be set in establishing and measuring the quality of a product; and the unforeseen number of lawsuits that will occur between the wild and genetically modified salmon providers. The negative economic effects of the farmed fish market on, and the substantial difference in quality from, the Alaskan wild market was noted as a problem that Alaskan's have been fighting for many years.

Res #2013-2

C. Resolution #2013-3: A Resolution Supporting a Coordinated Public Transit-Human Services Transportation Plan (short title) The resolution demonstrates the Assembly's support of the local committee's Coordinated Plan which is ground work necessary to apply for federal grant funds to replace the Mt. View Manor Assisted Living and Senior Housing van. The resolution was unanimously approved by Roll Call Vote.

Res. #2013-3

D. Resolution # 2013-4: Designating the Alaska Department of Natural Resources as the Acting Platting Authority for the Borough (short title) By unanimous Roll Call Vote, the resolution was approved. The resolution leaves the platting authority for all areas of the borough, except Service Area 1 (prior city limits) and City of Kupreanof with the DNR until the Borough is able to assume the function. A borough mapping system needs to be developed and a Planning Commission seated. The DNR will continue to use all State regulations regarding platting.

Res. #2013-4

E. Authorization for Participation in the Kake Access Environmental Impact Statement (EIS) Authorization was given to accept the invitation from the US Department of Transportation to participate with the Western Federal Lands Highway Division of the Federal Highway Administration (FHWA), in cooperation with Alaska DOT, in an Environmental Impact Statement process for a Kake Access. The Kake Access EIS is to be coordinated with the Kake to Petersburg Transmission Intertie EIS. It was noted that the City of Kupreanof is aware of the EIS and will be participating.

F. Approval of Process By unanimous Roll Call Vote, the Borough Manager was authorized to proceed with his proposed process to obtain input from affected board members and the general public on whether to retain or disband the various advisory boards of the prior City of Petersburg. The first time-line for the process is March 8, when written response from the Boards are due back to the Manager for compilation and discussion at the March 18 Assembly meeting.

15. COMMUNICATIONS

A. Petersburg Mental Health Request for Funding Endorsement The Assembly authorized that a letter in support of PMHS funding request to the State be sent. PMHS is seeking to purchase and renovate a facility to expand services in order to address our at risk community members. The request does not interfere or compete with the Capital Project requests made by the Assembly.

B. Petersburg Vessel Owner’s Association Request for Funding Endorsement

The Assembly authorized that a letter of support for an additional \$165,000 to provide adequate aerial salmon stream escapement surveys for the Alaska Department of Fish and Game's budget be sent to legislators. The additional funding will serve a valuable resource to community and does not conflict with borough requests.

16. COUNCIL DISCUSSION ITEMS

A. Recognitions

1. Great Professionalism The Police Department was acknowledged for their professional conduct in a recent incident.

B. SEAPA Concerns were expressed regarding the lack of SEAPA to abide by open meetings and records laws. The agency was created by public agencies to look at critical energy issues. The issues that SEAPA addresses are of great economic importance to the area public. Authorization was given that a letter expressing the borough's concerns about the need for transparency and observance of opening meetings and records laws be sent to SEAPA.

17. EXECUTIVE SESSION The Assembly unanimously voted to adjourn to Executive Session to meet with the Borough's IBEW Negotiating Team for the purpose of discussing the balance of the non-settled contract articles and to give direction to the team.

Assembly to Executive Session at 1:13 p.m.

Regular Session reconvened at 1:45 p.m.

18. ADJOURN The meeting adjourned at 1:45 p.m.

Date Approved
