



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Agenda Borough Assembly Regular Meeting

Monday, August 05, 2024

12:00 PM

Assembly Chambers

You are invited to a Zoom webinar.
When: August 5, 2024 12:00 PM Alaska
Topic: August 5, 2024 Borough Assembly Meeting

Please click the link below to join the webinar:

[https://petersburgak-
gov.zoom.us/j/82248508369?pwd=GWhNIEahzazXzf1RZUeRBj38tQEyYv.1](https://petersburgak.gov.zoom.us/j/82248508369?pwd=GWhNIEahzazXzf1RZUeRBj38tQEyYv.1)

Passcode: 318000

Or Telephone:

(720) 707-2699 or (253) 215-8782

Webinar ID: 822 4850 8369

Passcode: 318000

1. **Call To Order/Roll Call**
2. **Voluntary Pledge of Allegiance**
3. **Approval of Minutes**
 - A. July 15, 2024 Assembly Meeting Minutes
4. **Amendment and Approval of Meeting Agenda**
5. **Public Hearings**
 - A. **Public Hearing for Ordinance #2024-14: An Ordinance Amending Provisions of Chapters 3.38, 3.40, and 3.76 of the Petersburg Municipal Code to Establish the Public Works Director as the Head of the Borough Water and Sewer Utilities and Create an Assistant Public Works Director as an Administrative Officer of the Borough**

Any public testimony regarding Ordinance #2024-14 should be given during this public hearing. A copy of Ordinance #2024-14 may be found under agenda item 14C.

B. Public Hearing for Ordinance #2024-15: An Ordinance Amending Section 14.20.280 of the Petersburg Municipal Code to Clarify Recoverable Expenses from Vessels Impounded and Disposed of from Borough Harbors

Any public testimony regarding Ordinance #2024-15 should be given during this public hearing. A copy of Ordinance #2024-15 may be found under agenda item 14D.

C. Public Hearing for Ordinance #2024-16: An Ordinance Adjusting the FY 2025 Budget for Known Changes

Any public testimony regarding Ordinance #2024-16 should be given during this public hearing. A copy of Ordinance #2024-16 may be found under agenda item 14E.

D. Public Hearing on Applications to Purchase Borough Owned Tidelands Located at 107A Dock Street, PID #01-008-242

Island Refrigeration, LLC and Pacific Rose, LLC have both filed applications to purchase a tideland parcel located at 107A Dock Street, Parcel ID #01-008-242 (legal description: McFadden Lease Parcel B, Plat #95-7).

Any public testimony regarding these tideland purchase applications should be given during this public hearing. A copy of the Planning Commission reports, which include the land purchase applications, may be found under agenda item 15D.

Borough Code Section 16.16.070, *Sale of Tidelands*, requires that at the public hearing, an applicant clearly demonstrate the benefits of sale of the subject tideland that could not be realized through leasing and that outright sale of a tideland, as contrasted with lease of the tideland, is in the Borough's best interest.

1. Island Refrigeration, LLC

Brock Snider, owner of Island Refrigeration, LLC, shall present reasons for the LLC applying to purchase the tideland parcel and must demonstrate the benefits of sale of the subject tideland that could not be realized through leasing, and that outright sale, versus lease, is in the Borough's best interest.

2. Pacific Rose, LLC

Bill Menish, owner of Pacific Rose, LLC, shall present reasons for the LLC applying to purchase the tideland parcel and must demonstrate the benefits of sale of the subject tideland that could not be realized through leasing, and that outright sale, versus lease, is in the Borough's best interest.

3. Public Testimony

Members of the public may provide their testimony regarding the Island Refrigeration, LLC and Pacific Rose, LLC applications to purchase tideland parcel #01-008-242.

6. Bid Awards

7. 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.

8. Persons to be Heard Unrelated to Agenda

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

9. Boards, Commission and Committee Reports

10. Consent Agenda

11. Report of Other Officers

A. Petersburg Medical Center

PMC CEO Hofstetter will update the Assembly regarding Medical Center activities.

B. 2024 Municipal Election Report

Clerk Thompson has provided a written report outlining the open board seats and propositions that will be on this year's municipal election ballot.

12. Mayor's Report

A. August 5, 2024 Mayor's Report

13. Manager's Report

A. August 5, 2024 Manager's Report

14. Unfinished Business

A. Ordinance #2024-12: An Ordinance Providing for the Submission to the Qualified Voters of Petersburg Borough the Question of the Issuance of Not-to-Exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) of General Obligation Bonds, to Pay Costs of Public School Capital Improvements in the Borough at the Regular Election held on October 1, 2024 - Third and Final Reading

If approved in three readings, Ordinance #2024-12 will bring Ballot Proposition #1, issuance of up to three million five hundred thousand dollars (\$3,500,000) of General Obligation Bonds for Petersburg School District capital improvements, before the voters at the October 1, 2024 Municipal Election. In its first reading, the Assembly amended the not-to-exceed dollar amount of the general obligation bonds from \$4,500,000 to \$3,500,000 by unanimous roll call vote. The ordinance was then unanimously approved, as amended, in its first and second readings.

B. Ordinance #2024-13: An Ordinance Authorizing Long Term Indebtedness in an Amount Not to Exceed \$19.3 Million for the Design and Construction of Water and Wastewater Infrastructure in the Borough and Directing that this Matter be Submitted to the Voters for Consideration at the Next Regular Election to be Held on October 1, 2024 - Third and Final Reading

Ordinance #2024-13, if approved in three readings, will bring the question of indebtedness to the Alaska Department of Environmental Conservation's municipal loan program, in an amount not to exceed \$19.3 million, for design and construction of water and wastewater new and upgraded infrastructure in the Borough, to Borough voters at the October 1, 2024 Municipal Election. The ADEC loan program offers interest rates of approximately 1.5% over a 20 year period. If approved by the voters, projects design and construction will be authorized to commence until December 31, 2030. The Assembly unanimously approved Ordinance #2024-13 in its first and second readings.

C. Ordinance #2024-14: An Ordinance Amending Provisions of Chapters 3.38, 3.40, and 3.76 of the Petersburg Municipal Code to Establish the Public Works Director as the Head of the Borough Water and Sewer Utilities and Create an Assistant Public Works Director as an Administrative Officer of the Borough - Second Reading

Approval of Ordinance #2024-14 in three readings will move operation responsibility of the water and sewer utilities to the Public Works Director and will create an Assistant Public Works Director position as an administrative officer of the Borough. The Assembly unanimously approved Ordinance #2024-14 in its first reading.

D. Ordinance #2024-15: An Ordinance Amending Section 14.20.280 of the Petersburg Municipal Code to Clarify Recoverable Expenses from Vessels Impounded and Disposed of from Borough Harbors - Second Reading

Ordinance #2024-15, if approved in three readings, will clarify in Municipal Code that the owner of any vessel disposed of shall be liable for all costs incurred by the Borough during the process of disposal. Ordinance #2024-15 was unanimously approved in its first reading.

E. Ordinance #2024-16: An Ordinance Adjusting the FY 2025 Budget for Known Changes - Second Reading

If adopted in three readings, Ordinance #2024-16 will: 1) authorize \$240,000 to be transferred from the Harbor Department reserves to a Derelict Boat Disposal budget item, increasing the total amount budgeted to \$250,000; 2) transfer \$4,000 from the General Fund Contingency to a Ballot Proposition Information budget item to disseminate information on the ballot propositions regarding the maximum sales tax exemption and transient room tax rate; and 3) adding the revenue (\$232,965) and expenses (\$153,418) for two electrical line extension jobs into the budget. The Assembly unanimously approved Ordinance #2024-16 in its first reading.

15. New Business

A. Assistant Public Works Director Hire

Manager Giesbrecht and Public Works Director Cotta request approval to hire Aaron Marohl (the Borough's current Sanitation Supervisor) for the position of Assistant Public Works Director beginning Monday, August 19, 2024 at an annual base salary of \$91,520.

B. Pump Station 4 Pump Station and Force Main Replacement Project - Bid and Construction Phase Support

Utility Director Hagerman requests approval to amend the PND design contract for the Pump Station 4 project to include Task 11: Bid Phase support, and Task 12: Construction Phase support for a total increase of \$103,352.90. This amendment is accounted for in the project and will cover costs for the design team to respond to questions received from bidders, issue addenda to the bid package if needed, and offer a recommendation on the award of the contract. The amendment also provides for construction administration and inspection during the construction phase of the project.

C. Petersburg Municipal Power & Light Vehicle Replacement: Unit #99 (Material Handler) and Unit #102 (Digger Derrick)

Public Works Director Cotta and Electric Utility Director Hagerman recommend approval to purchase a new Altec AM55 Material Handler for \$270,079 (under the approved budget of \$350,000) and a new Altec D3060H-TR Digger for \$355,234 (under the approved budget of \$375,000) from Global Rental Co., Inc. for a total amount not to exceed \$625,313. The vehicles will be paid from PMPL's Motor Pool reserves.

D. Island Refrigeration, LLC and Pacific Rose, LLC Applications to Purchase Borough Owned Tidelands Parcel #01-008-242 Located at 107A Dock Street

Island Refrigeration, LLC and Pacific Rose, LLC have filed separate applications to purchase Borough owned tidelands located at 107A Dock Street (legal description: McFadden Lease Parcel B, Plat #95-7; parcel ID #01-008-242). The Planning Commission recommends the Assembly approve the sale of the tidelands. Copies of Island Refrigeration's and Pacific Rose's land purchase applications and the Planning Commission's corresponding reports and recommendations are attached to this agenda item in the meeting packet.

Borough Code Section 16.12.005, *Leasing Preference*, states, "The orderly development of the borough with due consideration toward ocean resource harvesting, economic development, public recreation and public service centers, combined with dwindling municipal revenues and limited land available for public purposes, supports a strong preference toward leasing land versus outright sale of land."

Borough Code Section 16.16.070, *Sale of Tidelands*, states:

- 1) In isolated and necessary instances, the Assembly may sell tracts of tide and submerged lands which are not needed for public purposes; and
- 2) Sales of tide and submerged land shall not be made for consideration less than the assessed full and true value as established by the borough assessor; and
- 3) The Assembly shall hold a public hearing to consider the disposal of the tidelands; and

4) At the hearing, the benefits of sale of the subject tideland that could not be realized through leasing must be clearly demonstrated; and

5) An applicant for purchase of tidelands must conclusively demonstrate that outright sale of a tideland, as contrasted with lease of the tideland, is in the Borough's best interests.

The Petersburg Comprehensive Plan Waterfront Master Plan, adopted by the Assembly in 2016, suggests Petersburg change zoning policies to be more strategic about the use of waterfront land for water-dependent uses, and the adopted Land Use Maps suggest the tidelands being considered for sale be designated as "Waterfront A - Water Dependent Commercial or Industrial" with the intended use prioritized for water dependent commercial or industrial uses.

Per Borough Code Section 16.12.080E, the Assembly shall:

1) Determine whether either or both applications should move forward in the application process or be denied.

2) If either or both applications are to move forward, the Assembly shall then decide whether to schedule a public sale, either by outcry auction or sealed bid, or to exempt the disposal from public sale and proceed by direct negotiations.

If the application and disposal are exempted from public sale, the Assembly may authorize the Borough Manager to commence negotiations for disposal, the final terms of which are subject to approval by the Assembly.

For the purpose of this agenda item, the Assembly shall satisfy the requirements of 1) and 2) directly above. If the Assembly chooses to move forward with a sale, a resolution to approve the application moving forward in the manner determined by the Assembly will be drafted for the August 19, 2024 Assembly meeting.

16. Communications

A. Correspondence Received Since July 11, 2024

17. Assembly Discussion Items

A. Assembly Member Comments

B. Recognitions

18. Adjourn