



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Borough Assembly Regular Meeting

Monday, December 02, 2024

12:00 PM

Assembly Chambers

1. Call To Order/Roll Call

The meeting was called to order at 12:00 pm.

PRESENT

Mayor Mark Jensen
Vice Mayor Donna Marsh
Assembly Member Bob Lynn
Assembly Member Scott Newman
Assembly Member Rob Schwartz
Assembly Member Jeigh Stanton Gregor

EXCUSED

Assembly Member James Valentine

2. Voluntary Pledge of Allegiance

The Pledge was recited.

3. Approval of Minutes

A. November 18, 2024 Assembly Meeting Minutes

The minutes were approved as submitted.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Schwartz.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

4. Amendment and Approval of Meeting Agenda

The agenda was unanimously approved.

Motion made by Assembly Member Lynn, Seconded by Vice Mayor Marsh.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

5. Public Hearings

There were no public hearings.

6. Bid Awards

There were no 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.

Max Worhatch, representing himself, spoke in support of Resolution #2024-18 opposing Proposal 156.

Mika Hasbrouck, representing herself, spoke about the Skylark Park subdivision and asked the Borough Manager and Assembly to do their due diligence and answer questions that people have about the new subdivision.

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.

Joshua Adams, representing himself, spoke about the status of the judgeship in Petersburg and about the benefits of forming a historic preservation commission.

9. Boards, Commission and Committee Reports

There were no reports.

10. Consent Agenda

A. Bond Counsel for 2025 GO School Bond

The Assembly unanimously approved hiring Cindy Cartledge of the JDO law firm as bond counsel for the 2025 GO School Bond approved by voters at the October 1, 2024 Municipal Election.

Motion made by Assembly Member Stanton Gregor, Seconded by Assembly Member Lynn.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

B. The 420 Retail Marijuana Store License Renewal

The 420 has applied with the Alcohol & Marijuana Control Office (AMCO) to renew their Retail Marijuana Store license. AMCO has determined the application to be complete. A local governing body may protest the renewal within 60 days of the notice that the application was filed.

The Assembly unanimously supported the application for the 420 license renewal.

Motion made by Assembly Member Stanton Gregor, Seconded by Assembly Member Lynn.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

11. Report of Other Officers

A. Petersburg Medical Center Update

PMC CEO Hofstetter provided a report on PMC activities.

B. US Forest Service Update

A written report on Forest Service activities was provided to the Assembly by Acting District Ranger Case.

C. Blind Slough Owner's Dam Safety Plan (ODSP)

Utility Director Hagerman presented information on the Blind Slough Hydro Owner's Dam Safety Plan in accordance with FERC requirements.

12. Mayor's Report

A. December 2, 2024 Mayor's Report

Mayor Jensen read his report into the record.

13. Manager's Report

A. December 2, 2024 Manager's Report

Manager Giesbrecht read his report into the record, a copy of which is attached and made a permanent part of these minutes.

14. Unfinished Business

A. Ordinance #2024-22: An Ordinance Clarifying that Property Obtained by Foreclosure and Which the Assembly Determines to Sell is Exempt from Sale Procedures and Requirements of Petersburg Municipal Code Chapters 16.12 and 16.16 - Third and Final Reading

If adopted, Ordinance #2024-22 will clarify that the procedures and requirements of Code Chapters 16.12 and 16.16 do not apply to the disposal and sale of property obtained by the Borough in foreclosure proceedings.

By unanimous roll call vote, Ordinance #2024-22 was approved in its third and final reading.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Lynn.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

B. Ordinance #2024-23: An Ordinance Amending Chapter 14.20 of the Petersburg Municipal Code, *Municipal Harbors*, to Adopt Provisions Regarding Inactive Vessels - Third and Final Reading

Adoption of Ordinance #2024-23 will impose storage fees, a marine condition survey, and proof of insurance on vessels in the harbors that are deemed inactive.

Ordinance #2024-23 was unanimously approved in its third and final reading.

Motion made by Assembly Member Stanton Gregor, Seconded by Vice Mayor Marsh.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

15. New Business

A. Resolution #2024-17: A Resolution Adopting an Alternative Allocation Method for the FY 25 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in FMA 18: Central Southeast Area

The Assembly unanimously approved Resolution #2024-17.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Schwartz.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

B. Resolution 2024-18: A Resolution of the Borough Assembly of Petersburg, Alaska, Opposing Proposal 156 to be considered at the January 28 – February 9, 2025, Alaska Board of Fisheries Meeting

The Southern Southeast Regional Aquaculture Association sent a letter requesting that the Petersburg Borough Assembly adopt a resolution supporting SE Hatcheries and Opposing Proposal 156.

Resolution #2024-18 was approved by unanimous roll call vote.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Newman.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

C. Skylark Park LLC Application to Purchase Borough-Owned Lots 1, 2, 3, 5, 6, Block A, and Lot 5A, Block 221, Skylark II Subdivision, 90-14, and Government

Lot 21, Section 33, T58S, R79E (Parcel ID #01.010.245, 247, 430, 752, 760, 764, and 766) for a Public Benefit Purpose Per PMC 16.12.030

Skylark Park LLC has filed an application to purchase seven (7) Borough-owned lots for a public benefit purpose by providing affordable housing options. The application states the lots will be used to hold single family homes or manufactured homes built after 2023 and will be sold.

Code Section 16.12.030(B) states the Assembly may authorize disposal of borough property for less than the assessed or appraised value, or for other forms of consideration in addition to or in lieu of, in whole or in part, direct monetary payment to the Borough, when the proposed disposal is for a project meeting both of the following requirements:

1. the project consists of economic development consisting of installation, construction or operation of new or expanded industrial, manufacturing, or commercial facilities; construction of affordable housing; or construction of large residential housing developments creating five (5) or more residential lots that would address the shortage of reasonably priced housing within the Borough; and
2. the Assembly determines the project will result in a significant short- or long-term public benefit to the Petersburg Borough. "Public benefit", as used hereunder, means a project that provides one or more positive economic or noneconomic impacts on the community that in the Assembly's determination outweigh maximizing the direct monetary payment to the Borough.

Skylark Park LLC's application was forwarded to the Planning Commission for review and recommendation. The Commission held a public hearing on November 12, 2024, and reviewed the Planning Commission staff report, which raised some concerns. Ultimately, the Commission unanimously recommended the Assembly proceed with the disposal of the property.

Per Code, Manager Giesbrecht prepared a report and recommendation to the Assembly, which is attached in this packet, and recommends the Assembly approve the application to move forward by direct negotiated sale at 50% of the appraised value of the lots, or \$55,500. Please see written report for more details.

At this time, the Assembly is asked to determine whether the disposal meets the requirements of Code Section 16.12.030(B) and if so, determine whether the sale shall be by public sale (outcry auction or seal competitive bid) or by direct negotiated sale. If the disposal will be by public sale, the Assembly may choose a date for the sale and a minimum price for each parcel. If the disposal will proceed by direct negotiated sale, the Assembly may authorize the Borough Manager to commence such negotiations, the final terms of which are subject to Assembly approval.

A motion to approve Skylark Park LLC's application to purchase Borough land for a public benefit purpose to move forward in the process by direct negotiated sale and authorize Manager Giesbrecht to commence such negotiations, the final terms of which are subject to Assembly approval. This application meets the requirements of

providing long-term public benefit, as outlined in 16.12.030(B), by developing raw land into additional housing which will be available for purchase. Motion passed 5-1.

Motion made by Assembly Member Stanton Gregor, Seconded by Assembly Member Newman.

Voting Yea: Mayor Jensen, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

Voting Nay: Vice Mayor Marsh

D. Alaska Airlines Essential Air Service Letter of Support

Alaska Airlines has proposed to provide Essential Air Service for Cordova, Gustavus, Petersburg, Wrangell and Yakutat from May 2025 through April 2027. Attached is a draft letter of support for the Assembly's consideration.

By unanimous roll call vote, the Assembly approved a letter in support of Essential Air Service for May 2025 through April 2027.

Motion made by Assembly Member Newman, Seconded by Assembly Member Schwartz.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

E. Appointment to the Southeast Alaska Power Agency Board of Directors for 2025 of One Voting and One Alternate Member

In 2025, the Petersburg Borough is entitled to one voting member seat and one alternate seat on the SEAPA Board of Directors. Letters of interest were received from Bob Lynn and Karl Hagerman.

The Assembly unanimously approved the appointment of Assembly Member Lynn to serve on the SEAPA Board as Petersburg's voting member and Electric Utility Director Hagerman as Petersburg alternate member.

Motion made by Assembly Member Stanton Gregor, Seconded by Assembly Member Schwartz.

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

16. Communications

Correspondence Received Since November 26, 2024.

A. A. Marohl 11.17.2024

B. J. Adams 11.24.2024

17. Assembly Discussion Items

A. Assembly Member Comments

There were no comments.

B. Recognitions

There were no recognitions.

18. Adjourn

The meeting was adjourned at 1:17 pm.

Motion made by Assembly Member Stanton Gregor, Seconded by Vice Mayor Marsh.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

Borough Manager's Report Assembly Meeting 02 December 2024

- ❖ The Borough's winter street maintenance routine is in effect, with plowing and ice control as conditions require.
- ❖ Martin and crew replaced a leaking hydrant at the intersection of 3rd and Kisenov. The hydrant that was removed will be rebuilt and put aside as a spare.
- ❖ The Motor Pool shop's new heavy duty tire machine has arrived, and the crew is working on getting it installed. The new machine will greatly speed up the changing of truck and heavy equipment tires, which up until now were being changed by hand.
- ❖ FY26 motor pool vehicle inspections are complete, and we are presently consulting with departments that have one or more recommended replacements on the horizon.
- ❖ The recent cold weather has resulted in some broken meter bases, so customers are reminded to check and protect water services to prevent freeze up.
- ❖ The Pump Station 4 and Force Main Replacement project is out to bid. A pre-bid conference was held on November 19th and was well attended. Bids are due by December 17th.
- ❖ EPA's latest update on the wastewater discharge permitting process indicates that the new permit is supposed to be issued in January 2025 and will take effect in November 2025. This gives us some extra time to address budgetary needs such as additional staffing. We should be able to handle a lot of the additional permit-related costs through the regular budget process instead of a supplemental.
- ❖ Director Cotta worked with Alaska Municipal League to prepare and submit a federal Community Change Grant application. If approved, this grant would provide approximately \$18M for Borough projects. Public Works-related portions of the grant include over \$12M for street paving and \$1.6M for a Wastewater disinfection study and related permitting and design.
- ❖ Remind the public to report anything that seems out of place or stands out while walking the docks, the Harbor appreciates an extra set of eyes & ears.
- ❖ Harbor maintenance is working on identified breaks in the fire water line in the South Harbor and scheduling fixes as the material orders arrive.
- ❖ PIA and the Petersburg Police Department have partnered to bring Chris Herren with Herren Talks to Petersburg Middle School and Petersburg High School. Chris Herren is a former professional basketball player and speaker on substance use prevention and wellness advocate. After the talks there is a resource in place for young people to reach out for help and support.
- ❖ The line crew was able to decorate Main Street and the community Christmas tree well in advance of the tree lighting ceremony.

- ❖ The line crew is checking temperatures of distribution transformers as an indication of overloaded services and is helping to change out some lights in the harbor.
- ❖ Staff is working to install conduit so that the school sign on 12th Street can be fed power underground.
- ❖ Staff continue to work on swapping out older meters for new AMI meters. As a note to our customers, some existing meters are very old and inaccurate, causing low usage readings. The new meters are certified as to their accuracy, and this could mean that usage readings may appear to increase when they reflect actual power use.
- ❖ We have a carpet replacement project on an open unit at Assisted Living, and a couple of residents who are moving to long term care.
- ❖ Getting ready for the Thanksgiving celebrations with the residents at Assisted Living.
- ❖ Starting plans on a monthly themed potluck to get residents family members more involved.
- ❖ Youth Basketball has come to an end with our annual All-Stars tournament with the Wrangell Wolves! Thank you to all of the volunteer's coaches, referees, and book/time keepers for another great season!
- ❖ The Jingle and Mingle holiday event will be held at Sandy Beach on Saturday, December 7th from 4-6p in shelters 1 & 2. Any firewood donations can be made at the Community Center by Dec. 7th at 10a. Thank you for any donations. If you are interested in volunteering for this event, please contact Stephanie Payne or Julie Anderson at Parks and Rec.
- ❖ Stephanie is working on moving our aquatic sewer repairs moving forward. It appears the costs will exceed the funds we have available for this project. We will be meeting to discuss the next steps soon.
- ❖ I met with our Federal Lobbyist and several representatives from Alaska Airlines in DC and Anchorage to discuss the possibility of remodeling the terminal. They will be reaching out to other airport property and business owners to see if they may have available space or could be willing to work with the airlines to free up space for a larger terminal.
- ❖ Steelhead Construction completed the Elderly Housing Entrance Repair Project, leaving us with a sturdy and attractive entrance.
- ❖ Cassy, Chris and helpers with Mt. View Food Service delivered a wonderful Thanksgiving dinner to our elderly community.