



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Borough Assembly Regular Meeting

Monday, March 18, 2024

6:00 PM

Assembly Chambers

1. Call To Order/Roll Call

Mayor Jensen called the meeting to order at 6:10 pm.

PRESENT

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

2. Voluntary Pledge of Allegiance

The Pledge was recited.

3. Approval of Minutes

A. March 4, 2024 Assembly Meeting Minutes

The March 4, 2024 meeting minutes were approved as submitted.

Motion made by Assembly Member Fine-Walsh, Seconded by Assembly Member Newman.

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

4. Amendment and Approval of Meeting Agenda

The agenda was approved as submitted.

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

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly

Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor

5. Public Hearings

A. Public Hearing for Ordinance #2024-01: An Ordinance Amending Section 16.12.160, *Required Authorization for Disposal of Borough Real Property*, of the Petersburg Municipal Code to Increase the Assessed Property Value Requirement for Sale or Exchange of Borough Property to be Ratified by the Voters of the Petersburg Borough

Debra O'Gara, speaking in her capacity as the President of the Petersburg Indian Association, spoke in support of Ordinance #2024-01.

Cindy Lynn, representing herself, expressed concerns about the definitions of public benefit and affordable housing and the application process in Ordinance #2024-01.

B. Public Hearing for Ordinance #2024-02: An Ordinance Amending Section 16.12.030 of the Petersburg Municipal Code to Allow for Disposal of Borough Land for a Public Benefit Purpose

No testimony was given.

C. Public Hearing for Ordinance #2024-03: An Ordinance Adjusting the FY 2024 Budget for Known Changes

Cindy Lynn, representing herself, expressed concerns about the \$60,000 budget line item for legal fees.

D. Public Hearing for Ordinance #2024-04: An Ordinance Amending Section 10.20.010, *Discharge of Firearms Prohibited*, of the Petersburg Municipal Code, to Remove Prohibition of Discharge of Firearms in the Area of Frederick Point East Subdivision

Almont Lindsey, representing himself, spoke in opposition to Ordinance #2023-04.

Ralph Strickland, representing himself, spoke in support of Ordinance #2023-04.

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.

Andrew Mazzella, representing his company, Fierce Allegiance, spoke about the negotiations to purchase the OBI bunkhouse and the lease assignment.

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.

No views were shared.

9. **Boards, Commission and Committee Reports**

There were no reports.

10. **Consent Agenda**

There were no consent agenda items.

11. **Report of Other Officers**

A. **Borough Safety Committee Report**

A written report was provided by the Borough Safety Committee.

12. **Mayor's Report**

Mayor Jensen read the Mayor's report into the record.

13. **Manager's Report**

A. **March 18, 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 #2024-01: An Ordinance Amending Section 16.12.160, *Required Authorization for Disposal of Borough Real Property*, of the Petersburg Municipal Code to Increase the Assessed Property Value Requirement for Sale of Exchange of Borough Property to be Ratified by the Voters of the Petersburg Borough - Third and Final Reading**

If adopted in three readings, Ordinance #2024-01 will increase the assessed property value requirement for sale or exchange of Borough land to be ratified by Borough voters from \$500,000 to \$1,500,000 (as amended and unanimously approved by the Assembly in the second reading). The last time the requirement was amended was in 1990, when it was increased from \$100,000 to \$500,000.

A motion to amend Ordinance #2024-01 to add Section E was unanimously approved.

Section E: An ordinance or resolution adopted under this section shall set forth the known terms of the proposed sale or exchange in sufficient detail so that the public is adequately informed and can appropriately comment on the proposed transaction, including (i) the legal description and street address of the property(ies), (ii) the method of sale (competitive bid versus direct negotiated sale), (iii) the identity of the purchaser (if known), (iv) the purchase or exchange price (if known), (v) any terms of payment, (vi) the assessed value of the borough property and any property appraisal values known to the borough, (vii) the public benefits of the proposed sale or

exchange or explanation of how the sale or exchange is in the best interest of the community, (viii) any anticipated development of the property, and (ix) any safeguards established to ensure receipt of the anticipated public benefit or interest.

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

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

Ordinance #2024-01 was unanimously approved in its third reading, as amended.

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

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

B. Ordinance #2024-02: An Ordinance Amending Section 16.12.030 of the Petersburg Municipal Code to Allow for Disposal of Borough Land for a Public Benefit Purpose - Third and Final Reading

If adopted in three readings, Ordinance #2024-02 will provide for disposal of Borough real 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 twenty (20) 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. Ordinance #2024-02 was approved in its first and second readings.

A motion to amend the ordinance to decrease lots from 20 to 5 was approved by a vote of 6 -1.

A motion to amend the ordinance to add the phrase, "is subject to assembly approval" and " shall include a financial plan" was approved by a vote of 6-1.

A motion to amend the ordinance to add "The applicant is required to pay for appraisal of the property" was approved by a vote of 6-1.

A motion to amend the ordinance to remove the PEDC review in Section C.2 was approved by a vote of 6-1.

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

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

Voting Nay: Vice Mayor Marsh

A motion to change 'may' to 'shall' in section F was unanimously approved.

Ordinance #2024-02 was approved in its third reading by a vote of 6-1.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Fine-Walsh.

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

Voting Nay: Vice Mayor Marsh

C. Ordinance #2024-03: An Ordinance Adjusting the FY 2024 Budget for Known Changes - Second Reading

If adopted in three readings, Ordinance #2024-03 will 1) transfer funds approved by the Assembly in the FY 2023 budget to begin the GIS Capital Project; 2) utilize \$9,000 of the Property Development Fund for conceptual plan design for parking and traffic flow improvements to better serve the Stedman Elementary School and the Petersburg Children's Center; 3) increase the Fire Department's Machine and Equipment budget by \$11,500 to purchase mounting cradles for Getec Tablets used for computer aided dispatch and for two Starlink Mobile units; 4) transfer \$367,599 from the General Fund FY 2023 Surplus to the Assisted Living Facility to cover the facility's operating deficit; 5) transfer \$41,616 from the Electric Department reserves to their Travel & Training budget to cover new employee moving/hiring expenses and EMD training for our Power Generation/Mechanic/Operator position; 6) transfer \$10,000 from the Sanitation Department reserves to their Machinery & Equipment budget to purchase two 20' shipping containers to store household hazardous waste items at the Landfill; 7) transfer \$12,700 to the Community Development Department to provide Petersburg with an ICC-certified official while the new Building Official is working through his credentials and \$5,000 to the Community Development Travel & Training budget to send two employees to the International Code Council conference for continuing education credits and additional training; 8) transfer \$23,399 to the Finance Department's Auditing Expenses budget to cover the Borough auditor's fees for FY 2024; 9) transfer \$60,000 to the Borough's Attorney Fees budget to cover extra expenses incurred by the Kerr and Koenigs lawsuits; and 10) transfer \$30,017 to the Borough's Property Insurance budget due to increased property insurance premiums. Ordinance #2024-03 was approved in its first reading by a vote of 6-1.

Elderly Housing Director Lopez is requesting to add the Elderly Housing Entrance Repair Project to the supplemental budget in the amount of \$50,000 (from the Mountain View Manor Elderly Housing reserves) to put the project out to bid. A design proposal prepared by Harai & Associates to correct structural issues on the main entrance ramp and cover caused by rot and deterioration of the wood is attached.

A motion to amend the ordinance to add \$50,000 to the Elderly Housing budget to repair the entrance was unanimously approved.

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

Assembly Member Marsh made a motion to remove the \$60,000 budget line item for legal fees to be voted on separately, Assembly Member Schwartz seconded the motion. After much discussion, Assembly Member Marsh withdrew the motion, Assembly Member Schwartz seconded the motion for withdrawal.

Ordinance #2024-03 was approved in its second reading by a vote of 6-1.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Fine-Walsh.

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

Voting Nay: Vice Mayor Marsh

D. Ordinance #2024-04: An Ordinance Amending Section 10.20.010, *Discharge of Firearms Prohibited*, of the Petersburg Municipal Code, to Remove Prohibition of Discharge of Firearms in the Area of Frederick Point East Subdivision - Second Reading

Ordinance #2024-04, if approved in three readings, will remove the prohibition of the discharge of firearms in the Frederick Point East area to include immediately adjacent lands. The Assembly unanimously approved Ordinance #2024-04 in its first reading.

Ordinance #2024-04 was unanimously approved in its second reading.

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

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

E. Assignment of Ocean Beauty, Inc. Lease to Fierce Allegiance Development, LLC (Postponed from the February 5, 2024 Assembly Meeting)

Fierce Allegiance Development, LLC is in the process of purchasing the Ocean Beauty bunkhouse located at 18 Harbor Way and requests to assume the Ocean Beauty lease located across the street from the bunkhouse to be used for loading fish product and for providing parking spaces for tenants of the development. At a February 21, 2024 meeting, the Harbors and Ports Advisory Board unanimously supported the assignment of lease to Fierce Allegiance Development, LLC. The lease assignment should be contingent upon the closing of the sale of 18 Harbor Way to Fierce Allegiance Development, LLC.

The Lease Assignment was unanimously approved.

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

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

15. New Business

A. **Ordinance #2024-05: An Ordinance Determining that Property Conveyed to the Borough in a Tax Foreclosure Proceeding Shall not be Retained for a Public Purpose and Shall Hereafter be Sold**

If approved in three readings, land conveyed to the Borough in a tax foreclosure proceeding will be offered for public sale.

Ordinance #2024-05 was unanimously approved in its first reading.

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

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

B. **Resolution #2024-04: A Resolution Supporting Senate Concurrent Resolution No. 10 (SCR 10), Introduced During the Second Session of the Thirty-Third Alaska Legislature, Establishing a Joint Legislative Seafood Industry Task Force with the Inclusion of an Elected Local Official from a Coastal, Fisheries-Interdependent Community**

If adopted by the Assembly, Resolution #2024-04 will convey to the Alaska Legislature Petersburg's support for establishing a Joint Legislative Seafood Industry Task Force, to include an elected local official from a coastal fisheries-interdependent community, to address elements of the current economic peril of the state's seafood industry and to develop a long-term vision for the industry as a critical element of the state's economic future.

Resolution #2024-04 was unanimously approved.

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

C. Scow Bay Generator #2 Design/Build Bid Package Professional Services Award

Utility Director Hagerman requests approval to award a professional services contract to Marine Services, Inc. to develop the Scow Bay Generator #2 Design/Build Bid Package for an amount not to exceed \$164,330.

Director Hagerman corrected that the contract is to be granted to Electric Power Systems. Marine Services is the supplier of the generator.

A motion to approve the professional services contract to Electric Power Systems was unanimously approved.

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

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

16. Communications

A. Correspondence Received Since February 20, 2024

17. Assembly Discussion Items

A. Assembly Member Comments

There were no comments.

B. Recognitions

There were no recognitions.

18. Adjourn

Meeting was adjourned at 7:32 pm.

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

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