



# Petersburg Borough

12 South Nordic Drive  
Petersburg, AK 99833

## Meeting Minutes Borough Assembly Regular Meeting

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Monday, November 04, 2024

12:00 PM

Assembly Chambers

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### **You are invited to a Zoom webinar.**

When: Nov 4, 2024 12:00 PM Alaska

Topic: Regular Assembly Meeting

Please click the link below to join the webinar:

<https://petersburgak-gov.zoom.us/j/84602347469?pwd=ny5mOAYerXlwoBCxT81K9...>

Passcode: 461730

Or by Telephone: (253) 215-8782 or (720) 707-2699

Webinar ID: 846 0234 7469

Passcode: 461730

### **1. Call To Order/Roll Call**

Mayor Jensen called the meeting 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

Assembly Member James Valentine

### **2. Voluntary Pledge of Allegiance**

The Pledge was recited.

### **3. Approval of Minutes**

#### **A. October 21, 2024 Assembly Meeting Minutes**

The October 21, 2024 meeting minutes were approved as submitted.

Motion made by Assembly Member Schwartz, 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,  
Assembly Member Valentine

#### 4. Amendment and Approval of Meeting Agenda

The agenda was 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,  
Assembly Member Valentine

#### 5. Public Hearings

##### A. Public Hearing for Ordinance #2024-19: An Ordinance Amending Chapter 4.30 of the Petersburg Municipal Code, *Alaska Remote Seller Sales Tax Code*

Any public testimony regarding Ordinance #2024-19 should be given during this public  
hearing. A copy of Ordinance #2024-19 may be found under agenda item 14C.

No testimony was given.

##### B. Ordinance #2024-20: An Ordinance Amending Chapter 14.30, *Mountain View Manor Elderly Housing and Assisted Living Facility*, to Institute a new Assisted Living Community Facility Fee to be Used for Facility Maintenance and Repair, to Require that Two Bedroom Assisted Living Units be Occupied by Two Residents, and to Increase Certain Fees

Any public testimony regarding Ordinance #2024-20 should be given during this public  
hearing. A copy of Ordinance #2024-20 may be found under agenda item 14D.

No testimony was given.

##### C. Ordinance #2024-21: An Ordinance Amending Chapter 16.16, *Tidelands*, of the Petersburg Municipal Code to Provide for Updated Provisions Regarding the Disposal of Tidelands and Submerged Lands

Any public testimony regarding Ordinance #2024-21 should be given during this public  
hearing. A copy of Ordinance #2024-21 may be found under agenda item 14E.

No testimony was given.

#### 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.*

No views were shared.

## **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. US Forest Service Update**

Petersburg District Ranger Case will update the Assembly on USFS activities.

District Ranger Case provided a report on USFS activities.

### **B. Petersburg Medical Center**

PMC CEO Hofstetter will provide an update on Medical Center activities.

PMC CEO Hofstetter updated the Assembly on PMC activities.

## **12. Mayor's Report**

### **A. November 4, 2024 Mayor's Report**

Mayor Jensen read his report into the record.

## **13. Manager's Report**

### **A. November 4, 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 #2024-17: An Ordinance Amending Various Sections of Chapter 4.28 of the Petersburg Municipal Code, Entitled *Sales Tax*, to add Definitions and Rules Regarding Particular Businesses, and to Specify Sales Tax Exemptions Required by Law - Third Reading**

If adopted in three readings, Ordinance #2024-17 will enhance Chapter 4.28 by adding needed definitions and rules being used but not listed in Code and by specifying sales tax exemptions required by State or Federal law. Ordinance #2024-17 was unanimously approved in its first and second readings.

By unanimous roll call vote, the Assembly approved Ordinance #2024-17 in its third and final reading.

Motion made by Vice Mayor Marsh, 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, Assembly Member Valentine

**B. Ordinance #2024-18: An Ordinance Adjusting the FY 2025 Budget for Known Changes - Third Reading**

This supplemental budget is for both revenues and expenses that were not expected during the time the original budget was put together this spring.

Four of these items are for grants we have recently been awarded, as follows: a State of Alaska Legislative grant for \$30,000 to replace the shooting range boardwalk; a \$900,000 Denali grant to rebuild the Banana Point Breakwater; a \$216,210 grant from the Pacific States Marine Fisheries Commission to be used at the Scow Bay turnaround phase 1 project; and a \$54,882 Title III National Forest Receipts grant to be spent on 10 sets of turnout gear for the fire department.

Unanticipated expenses in this supplemental are: \$6,000 in the Motor Pool Department to upgrade the tire changing machine; \$5,000 in additional cost for the purchase of the Public Works pickup in the Motor Pool Department; \$5,000 for advertising for debt authorization prior to the election and for the lead service line identification advertising; an additional \$ 215,000 for the Harbor's dock shed (estimated at higher than budgeted); \$16,000 for the temporary building official position in Community Development until the current building official has all of his credentials; the Fire Department's replacement values for vehicle insurance coverage was determined to be inadequately low, replacement values have been increased thus increasing the Fire Department's vehicle insurance cost by \$41,954; \$15,000 to replace the Water Department's sludge pond/backwash pump which has failed and cannot be rebuilt; and \$8,500 for the Sanitation Department's hazmat event earlier this year, which cost more than anticipated.

Three amendments were made to the ordinance during its second reading: 1) the 10% matching funds for the \$900,000 Banana Point Breakwater grant that are not in-kind services will come from the Property Development Fund; 2) reduce the funds added to the Water Department's Machinery and Equipment line item from \$20,000 to \$15,000 for a total of budget line item of \$20,000; and 3) remove the request to add \$10,000 to the Wastewater Professional Services line item.

Ordinance #2024-18 was unanimously approved, as amended, in its second reading.

A motion was made to amend Ordinance #2024-18 by reducing the Fire Department additional vehicle insurance cost from \$41,954 to \$26,271.

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, Assembly Member Valentine

Ordinance #2024-18 was passed in its third reading by unanimous roll call vote.

Motion made by Assembly Member Newman, 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, Assembly Member Valentine

**C. Ordinance #2024-19: An Ordinance Amending Chapter 4.30 of the Petersburg Municipal Code, Alaska Remote Seller Sales Tax Code - Second Reading**

If approved in three readings, Ordinance #2024-19 will adopt the Uniform Alaska Remote Seller Sales Tax Code by reference and provide that the Assembly ratify subsequent amendments to the Uniform Code within 120 days of adoption by the Alaska Remote Seller Sales Tax Commission. Ordinance #2024-19 was unanimously approved in its first reading.

Ordinance #2024-19 was approved by unanimous roll call vote in its second reading.

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, Assembly Member Valentine

**D. Ordinance #2024-20: An Ordinance Amending Chapter 14.30, *Mountain View Manor Elderly Housing and Assisted Living Facility*, to Institute a new Assisted Living Community Facility Fee to be Used for Facility Maintenance and Repair, to Require that Two Bedroom Assisted Living Units be Occupied by Two Residents, and to Increase Certain Fees - Second Reading**

Ordinance #2024-20, if approved in three readings, will create a one-time Community Facility Fee of \$2,000 for new residents moving into the facility which will be used for facility maintenance and repair, will require that future rented two bedroom Assisted Living units be occupied by two residents, increase the Assisted Living food cost from \$350 to \$450 per month, will add a security deposit and pet registration fee for Assisted Living units, and will provide for late fees. Ordinance #2024-20 was unanimously approved in its first reading.

A motion to amend Ordinance #2024-20 to refund the \$2000 facility fee on a prorated basis if a resident moves out within six months.

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

Ordinance #2024-20 was approved as amended in its second reading by unanimous roll call vote.

Motion made by Assembly Member Stanton Gregor, 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, Assembly Member Valentine

**E. Ordinance #2024-21: An Ordinance Amending Chapter 16.16, *Tidelands*, of the Petersburg Municipal Code to Provide for Updated Provisions Regarding the Disposal of Tidelands and Submerged Lands - Second Reading**

Because the economic value of Petersburg's tidelands is great, Ordinance #2024-21 is written to provide that the sale of tidelands shall not be made for consideration less than the appraised full and true value rather than the assessed value, and to clarify the sale process to ensure any sale of tidelands is in the Borough's best interests.

An amendment to Section 16.16.075C was made during the first reading to provide that the Harbor Board Chair shall notify the Clerk if the Harbor Board cannot provide a timely report to the Assembly regarding a tideland purchase application. Ordinance #2024-21 was unanimously approved as amended in its first reading.

Ordinance #2024-21 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 Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

Member Lynn requested that the Clerk prepare an amendment for review at the next meeting that would provide that the individual who has the highest bid should pay for the costs associated with the sale.

**15. New 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**

Ordinance #2024-22, if adopted by the Assembly in three readings, 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.

Ordinance #2024-22 was unanimously approved in its first reading.

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, Assembly Member Valentine

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

If adopted in three readings, 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 approved by unanimous roll call vote in its first reading.

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, Assembly Member Valentine

**C. Application to Purchase Borough-Owned Property at 1020 Sandy Beach Road (Parcel ID #01-014-700)**

Ron and Anne Loesch have applied to purchase Borough-owned property located at 1020 Sandy Beach Road. The parcel is assessed at \$129,300, and is currently zoned Rural Residential, which requires a minimum lot size of 1 acre and is intended for one single-family home per acre. Conditional uses in the Rural Residential zoning district include mobile homes and mobile home parks. The immediate surrounding area is zoned Single-Family Residential or Public Use.

The Planning Commission held a public hearing regarding the application and has made recommendation to the Assembly to sell the parcel with comments as follows (see full Planning Commission report attached in this meeting packet):

The subject property is not needed for any public purpose.

The subject property is zoned as required by Code.

The applicant has no plans for development of the property.

The Assembly should consider initiating a rezone of the property to Single-Family Residential prior to disposal. Single-Family Residential zoning would not require subdivision of the parcel, but it would be more in keeping with surrounding uses of the neighborhood, would allow for development that is consistent with the neighborhood, and would allow the option for future subdivision of the property into two to six lots.

Mr. & Mrs. Loesch object to a rezone and request the parcel be left as Rural Residential.

Borough Code Section 16.12.080C states, "In preliminarily determining whether to grant the interest sought, or to place terms or conditions on such interest, the Borough Assembly shall consider the nature, extent and cost of improvements which an applicant may construct, the value of an applicant's proposed use to the economy of the Borough and other relevant factors."

Per Borough Code Section 16.12.080E, the Assembly shall determine whether the application shall move forward in the application process or be denied. If the application is to move forward, the Assembly shall schedule a public sale (by either outcry auction or seal competitive bid) or exempt the application from public sale and direct the Borough Manager to commence direct negotiations with the applicants.]

If the Assembly determines to proceed with a public sale of the parcel, a Resolution stating the date, time, minimum bid and other pertinent information will be brought before the Assembly for approval at the November 18 Assembly meeting.

A motion was made to rezone Parcel ID #01-014-700 from rural residential to single family. Motion passed 5-2.

Motion made by Assembly Member Stanton Gregor, Seconded by Vice Mayor Marsh.

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

A motion was made that the sale of Parcel ID #01-014-700 be held by outcry auction. Motion passed 6-1.

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

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

#### **D. Election of Vice Mayor**

Charter Section 2.05B provides that no later than the first regular meeting of the assembly in November each year, the assembly shall elect from its membership a Vice Mayor.

A motion was made to appoint Member Marsh as Vice Mayor. Motion passed 5-2.

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

Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly



Member Schwartz, Assembly Member Valentine  
Voting Nay: Assembly Member Newman, Assembly Member Stanton Gregor

**E. Assembly Member Appointments to Boards**

Mayor Jensen, with Assembly approval, will appoint Assembly Members as representatives or liaisons to the Southeast Conference, Alaska Municipal League, Harbors and Ports Advisory Board, Hospital Board, Public Safety Advisory Board, Local Emergency Planning Committee, the Early Childhood Education Task Force, and the Housing Task Force. The 2023/2024 Assembly Appointment list is attached for reference.

The Assembly made the following appointments:

Southeast Conference: Mayor Jensen (voting member) and Assembly Member Valentine.

Alaska Municipal League: Mayor Jensen and Assembly Member Lynn

Liaison to the Harbor Board: Assembly Member Newman

Liaison to the Hospital Board: Assembly Member Lynn

Liaison to the Public Safety Advisory Board: Assembly Member Schwartz

Elected Official to the Local Emergency Planning Committee: Vice Mayor Marsh

Elected Official to the Early Childhood Education Task Force: Assembly Member Stanton Gregor

**16. Communications**

There were no communications.

**17. Assembly Discussion Items**

**A. Assembly Member Comments**

There were no comments.

**B. Recognitions**

There were no recognitions.

**18. Adjourn**

Meeting was adjourned at 1:05 pm.

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,  
Assembly Member Valentine