



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Borough Assembly Regular Meeting

Monday, June 17, 2024

6:00 PM

Assembly Chambers

1. Call To Order/Roll Call

Vice Mayor Marsh called the meeting to order at 6:00 p.m.

PRESENT

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

EXCUSED

Mayor Mark Jensen
Assembly Member Rob Schwartz

2. Voluntary Pledge of Allegiance

The Pledge was recited.

3. Approval of Minutes

A. June 3, 2024 Assembly Meeting Minutes

The June 3, 2024 Assembly meeting minutes were unanimously approved.

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

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

4. Amendment and Approval of Meeting Agenda

The agenda was approved as submitted.

Motion made by Assembly Member Fine-Walsh, Seconded by Assembly Member Stanton Gregor.

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

Assembly Member Newman, Assembly Member Stanton Gregor

5. Public Hearings

A. Public Hearing for Ordinance #2024-11: An Ordinance Proposing an Amendment to the Home Rule Charter of the Petersburg Borough to Remove the Requirement of Voter Ratification of Changes to Sales Tax Exemptions, and Directing that the Proposed Amendment be Submitted to the Qualified Voters of the Borough

Any public testimony regarding Ordinance #2024-11 should be given during this public hearing. A copy of Ordinance #2024-11 may be found under agenda item 14B.

No testimony was given at this public hearing.

6. Bid Awards

A. Mountain View Manor Elderly Housing Entrance Repair Project

Elderly Housing Director Lopez and Alan Murph with Harai & Associates, Inc. recommend award of the MVM Elderly Housing Entrance Project to Steelhead Enterprises, LLC for an amount not to exceed \$65,800. Funding for this project has been appropriated within the FY 2025 Borough Budget.

The Assembly unanimously approved to award the MVM Elderly Housing Entrance Project to Steelhead Enterprises, LLC, for an amount not to exceed \$65,800.

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

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

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

A. Piston & Rudder Service, Inc. Tidelands Parcel T-30 B Lease Renewal

Piston & Rudder Service, Inc. wishes to renew their tidelands parcel T-30 B lease with the Borough through June 30, 2029 at an annual rental rate of \$1,632.

Piston & Rudder's tidelands parcel T-30 B lease with the Borough was renewed through June 30, 2029.

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

11. Report of Other Officers

There were no reports.

12. Mayor's Report

A. June 17, 2024 Mayor's Report

Vice Mayor Marsh read the Mayor's Report into the record.

13. Manager's Report

There is no written report for this meeting.

There was no written Manager's Report and Manager Giesbrecht was absent from the meeting due to illness.

14. Unfinished Business

A. Ordinance #2024-10: An Ordinance Amending Section 4.28.120 of the Petersburg Municipal Code, to Increase the Amount of Sales Tax that can be Collected on a Single Sales Transaction from \$72 to \$300, and Directing that the Proposed Amendment be Submitted to the Qualified Voters of the Borough - Third and final reading

If adopted, Ordinance #2024-10 will place a proposition on the 2024 Municipal Election ballot to increase the maximum taxable transaction amount from \$1,200 to \$5,000, resulting in an increase of the maximum collectible sales tax from \$72 to \$300 per single purchase of goods or services. The maximum single purchase amount to be charged sales tax was originally established in 1959 and was set at \$1,000. This maximum amount has been raised only once in the last 65 years, when it was increased from \$1,000 to \$1,200 in 2002. Petersburg currently has the lowest maximum taxable single purchase amount in Southeast Alaska, and most other Southeast communities limit the purchase to a single item only, not to a total purchase transaction, or there is no maximum at all. If Petersburg increases its maximum taxable transaction amount to \$5,000, the maximum collectible sales tax would increase to \$300, and would still be one of the lowest maximums in Southeast Alaska. This proposed increase will help offset an increase to future property taxes and the loss of State funding, and to support Borough services, including the Petersburg School District. The Petersburg Chamber of Commerce supports this

proposed increase to the maximum collectible sales tax (a letter of support is attached to this packet along with a spreadsheet of other communities' maximum collectible sales tax). Ordinance #2024-10 was unanimously approved in its first and second readings.

The Assembly unanimously approved Ordinance #2024-10 in its third and final reading, which will place the question of increasing the amount of sales tax that can be collected on a single sales transaction from \$72 to \$300 on the October 1, 2024, municipal election ballot.

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

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

B. Ordinance #2024-11 - An Ordinance Proposing an Amendment to the Home Rule Charter of the Petersburg Borough to Remove the Requirement of Voter Ratification of Changes to Sales Tax Exemptions, and Directing that the Proposed Amendment be Submitted to the Qualified Voters of the Borough - Second Reading

If approved by the Assembly in three readings, Ordinance #2024-11 will submit a ballot proposition to Borough voters at the October 2024 municipal election to amend Borough Charter to remove the requirement of voter approval to make changes to sales tax exemptions. This exemption requirement was put into place in 1981. The Borough is aware of no other municipality in Alaska that requires voter approval to change sales tax exemptions. This amendment will not negate the requirement of voter approval of any change in the rate of the Borough's sales tax. Ordinance #2024-11 was unanimously approved in its first reading.

By unanimous roll call vote, the Assembly approved Ordinance #2024-11 in its second reading.

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

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

15. New Business

A. Resolution #2024-10: A Resolution Amending Island Refrigeration, LLC's Contract of Sale for Purchase of a Borough Tidelands Parcel, Described as Petersburg Port Authority Storage Area, According to Plats #2000-6 and #2000-5 (Parcel ID #01-010-035), to Allow Ninety (90) Additional Calendar Days for the Purchase Price to be Paid in Full

Island Refrigeration, LLC is requesting an extension of the payment in full deadline for purchase of Borough Parcel #01-010-035, from July 15, 2024 to October 13,

2024. The company makes the request to allow for composition of a detailed site development and business plan to be delivered to and approved by their financial partners during the company's busiest time of year.

The Assembly unanimously approved Resolution #2024-10.

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

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

B. Public Works Dump Truck #64 Replacement Award

Public Works Director Cotta recommends approval to purchase a new International HX620 with dump body to replace the Public Works #64 dump truck. RWC Group has quoted \$243,958.22 for the vehicle with shipping to Petersburg. \$250,000 was budgeted in the FY 2024 Motor Pool Public Works replacement fund approved by the Assembly.

Purchase of the replacement dump truck was unanimously approved.

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

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

16. Communications

17. Assembly Discussion Items

A. Assembly Member Comments

Assembly Member Stanton Gregor encouraged the Petersburg public to volunteer and be a part of helping the community, and to run for public office.

B. Recognitions

There were no recognitions.

18. Adjourn

The meeting was adjourned at 6:20 p.m.

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

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