



# Petersburg Borough

12 South Nordic Drive  
Petersburg, AK 99833

## Meeting Agenda Borough Assembly Regular Meeting

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Monday, June 17, 2024

6:00 PM

Assembly Chambers

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You are invited to a Zoom webinar.  
When: June 17, 2024 06:00 PM Alaska  
Topic: June 17, 2024 Borough Assembly Meeting

Please click the link below to join the webinar:

[https://petersburgak.gov.zoom.us/j/81834291666?pwd=cjMKCa986axL66lAsvmnlm9lk4FCXA.xzFgDVnv\\_3rOpBT3](https://petersburgak.gov.zoom.us/j/81834291666?pwd=cjMKCa986axL66lAsvmnlm9lk4FCXA.xzFgDVnv_3rOpBT3)  
Passcode: 124868

Or Telephone:  
(253) 215-8782 or (720) 707-2699  
Webinar ID: 818 3429 1666  
Passcode: 124868

1. **Call To Order/Roll Call**
2. **Voluntary Pledge of Allegiance**
3. **Approval of Minutes**
  - A. **A. June 3, 2024 Assembly Meeting Minutes**
4. **Amendment and Approval of Meeting Agenda**
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.
6. **Bid Awards**
  - A. **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.

**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**

**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.

**11. Report of Other Officers**

**12. Mayor's Report**

**A. June 17, 2024 Mayor's Report**

**13. Manager's Report**

There is no written report for this meeting.

**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.

**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.

**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.

**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.

**16. Communications**

**17. Assembly Discussion Items**

**A. Assembly Member Comments**

**B. Recognitions**

**18. Adjourn**



# Petersburg Borough

12 South Nordic Drive  
Petersburg, AK 99833

## Meeting Minutes Borough Assembly Regular Meeting

Monday, June 03, 2024

12:00 PM

Assembly Chambers

### 1. Call To Order/Roll Call

Mayor Jensen called the meeting to order at 12:00 p.m.

#### 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. May 20, 2024 Assembly Meeting Minutes

The May 20, 2024 Assembly meeting minutes were unanimously approved.

Motion made by Assembly Member Lynn, 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

### 4. Amendment and Approval of Meeting Agenda

The agenda was approved as submitted.

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

## 5. Public Hearings

### A. Public Hearing for 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

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.*

Shannon Baird, speaking as Finance Director for the Petersburg School District, Erica Kludt Painter, speaking as the School District Superintendent, Deborah Tice, speaking for herself, and Heather Conn, speaking for herself, separately thanked the Assembly for their support of the School District and for funding the District to the maximum amount allowed for FY 2025.

## 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

### A. Safety Committee Report

Safety Committee Vice Chairman, Aaron Marohl, provided a written update regarding Safety Committee activities.

## 10. Consent Agenda

There were no Consent Agenda items.

## 11. Report of Other Officers

### A. Petersburg Medical Center Update

PMC CEO Hofstetter updated the Assembly on Medical Center activities.

### B. Harbor Department Update

Harbormaster Wollen gave the Assembly an update on plans for a future harbor maintenance facility.

## 12. Mayor's Report

### A. June 3, 2024 Mayor's Report

Mayor Jensen read his report into the record.

## 13. Manager's Report

### A. June 3, 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 #2024-07: An Ordinance Amending Section 4.33.030 of Chapter 4.33, *Transient Room Tax*, of the Petersburg Municipal Code, to Increase the Transient Room Tax Rate from Four Percent (4%) to Seven Percent (7%), and Directing that the Amendment be Submitted to the Qualified Voters of the Borough for Ratification - Third and final reading

If approved, Ordinance #2024-07 will bring a proposition before the Borough voters at the October 2024 municipal election to increase the Transient Room Tax from 4% to 7%. Transient Room Tax is levied on rental of rooms at hotels, motels, or other lodging, for fewer than 30 days. It is estimated that increasing the Transient Room Tax to 7% will generate approximately \$53,000 in additional funds to support Borough infrastructure and expenses related to tourism in Petersburg. The Assembly unanimously approved Ordinance #2024-07 in its first and second readings.

By unanimous roll call vote, the Assembly approved Ordinance #2024-07 in its third and final reading.

### B. Ordinance #2024-08: An Ordinance Amending Section 4.33.060 of the Petersburg Municipal Code to Clarify the Permitted Uses of Proceeds of the Borough Transient Room Tax - Third and final reading

If adopted, Ordinance #2024-08 will clarify uses for the proceeds of the Transient Room Tax by adding visitor-related signage, park maintenance and improvements, borough beautification and improvement projects, and repair and maintenance of visitor-related borough infrastructure, including stairs and sidewalks in the downtown area. The Assembly unanimously approved Ordinance #2024-08 in its first and second readings.

Ordinance #2024-08 was unanimously approved in its third and final reading.

Motion made by Assembly Member Newman, 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

**C. Ordinance #2024-09: An Ordinance Adopting the Budget for the Fiscal Year July 1, 2024 through June 30, 2025 - Third and final reading**

Ordinance #2024-09 was amended to budget an expense of \$225,000 from the School Deferred Maintenance Fund for architectural and engineering services to produce construction drawings for the Middle School/High School Roof Project and the High School Office Renovation Project; and, to pay for the services of a bond attorney to produce the general obligation school bonds ordinance and ballot proposition and assist the Borough Finance and Administration Department in the bond issuing process.

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

The Ordinance was also amended to use \$399,148 of General Fund reserves to balance the FY 2025 budget.

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 #2024-09 was further amended to increase the MVM Elderly Housing Main Entrance Repair line item from \$50,000 to \$65,800 to cover the cost of the lowest bid received for the project.

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

A motion to increase the Harbor Department salary budget by \$19,613 to fund future merit increases, which was removed from the salary budget in the second reading, failed by a vote of 6-1.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Schwartz.

Voting Yea: Assembly Member Fine-Walsh

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

Ordinance #2024-09, as amended, was unanimously adopted in its third and final reading.

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

**D. 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 - Second reading**

If adopted in three readings, 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).

The Assembly unanimously approved Ordinance #2024-10 in its second reading.

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

**15. New Business**

**A. 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**

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.

Motion made by Assembly Member Fine-Walsh, 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

**B. Resolution #2024-09: A Resolution Setting the Millage Rates for the Fiscal Year July 1, 2024 through June 30, 2025**

If approved, Resolution #2024-09 will set the FY 2025 mill rate at 10.00 mills within Service Area 1, and 4.2 mills for outside of Service Area 1.

By unanimous roll call vote, Resolution #2024-09 was 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

**C. Authorization for Petersburg Medical Center to Issue a Notice to Proceed to Dawson Construction for Full Construction of the WERC Building**

PMC CEO Hofstetter requests Assembly approval, per the stipulations of Borough Resolution #2023-04, to issue a Notice to Proceed to Dawson Construction for full construction of the WERC building which would adjust the total Guaranteed Maximum Price to \$14,698,948. Funds for the Notice to Proceed are available from the \$20 million Department of Treasury grant awarded to PMC in December 2023.

The Assembly unanimously approved PMC to issue a Notice to Proceed to Dawson Construction for full construction of the WERC building.

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

**D. Approval to Hire Attorney Cynthia Cartledge to Assist in the Bond Issuing Process for a Deferred Maintenance School Bond to be Brought Before the Qualified Voters of the Borough**

A motion to approve the hire of Attorney Cynthia Cartledge to assist with the bond issuance process and authorize Manager Giesbrecht to sign the engagement letter to retain her services passed unanimously.

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

**16. Communications**

**A. Communications Received Since May 16, 2024**

**17. Assembly Discussion Items**

**A. Coast Guard Foundation Alaska Awards Dinner**

The Assembly discussed the invitation to sponsor and/or attend the Coast Guard Foundation Alaska Awards Dinner to be held on August 13, 2024 in Anchorage.

**B. Assembly Member Comments**

No comments were shared.

**C. Recognitions**

Assembly Member Stanton Gregor recognized nearly retired School District Superintendent, Erica Kludt Painter, and thanked her for her many years of service to Petersburg's kids and schools.

**18. Adjourn**

The meeting was adjourned at 1:24 p.m.

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

**Borough Manager's Report  
Assembly Meeting 03 June 2024**

- ❖ The Harbor crew is busy with the onset of summer activity, including assisting with end of year school activities, the annual uptick in lodge and charter activities and working with PIA in mooring & welcoming the SE Canoe Society to town last week as they made their way from Kaasan to Juneau for Celebration!
- ❖ Reminder to Harbor users annual launch permits were due June 1 and are available at the harbor office.
- ❖ With the summer season upon us, parking enforcement in the Harbor is up and running.
- ❖ Glorianne is working with Attorney Heideman on several derelict vessels in the Harbor and the process we will have to use to dispose of them if the owners don't take responsibility.
- ❖ The Harbor permanent stalls are full and scheduled transient numbers seem higher than normal thus far.
- ❖ Parks & Rec. have been busy with the maintenance and cleaning closure, reopening on June 10th. Big thank you to Public Works team for assisting us with emptying the sand filter tanks with the Vactor Truck. It took a fraction of the time vs shoveling into buckets by hand.
- ❖ The Petersburg Bike Park hosted a successful fundraiser which will help make further improvements to the park. Thank you to all who sponsored riders, work party and event volunteers, donating entities, and other local groups helping to build our new park!
- ❖ Parks and Recreation Advisory Board will be holding their next meeting on Wednesday, June 12th at 4pm at the Aquatic Center Admin Office upstairs.
- ❖ Building Official, Erik Holl, is resigning his position effective August 9th. We thank Erk for his positive outlook and contributions during his time here and wish him all the best in his future endeavors.
- ❖ PVFD is still looking for applicants for the EMS Coordinator position. Information on this position can be found in the Petersburg Pilot and online at the Petersburg Borough Website.
- ❖ PVFD has had a series of new promotions. Congratulations to Troy Thynes, our new Assistant Chief, Devren Bennett, our newest Fire Captain, and Nick Espeseth our new Fire Lieutenant.
- ❖ Josh and Aaron completed a major ground ambulance report to the Center for Medicaid and Medicare Services. This avoided a 10% reduction in Medicare/Medicaid payments to the borough.
- ❖ Volunteers from PVFD completed our "Flare Off" event over Memorial Day weekend. This event helps train the public on the use of flares and helps sanitation with disposal of unexpired flares. Thank you to all who attended.

- ❖ With assistance from the Water Department, we capped off a leaking AC water main near Fram Street. This old AC line may either be replaced or abandoned, depending on the final configuration of water service to the new hospital site.
- ❖ After over a year of being short-handed, we have hired a new Motor Pool Mechanic who is scheduled to start work on June 3rd.
- ❖ The annual Household Hazardous Waste (HHW) collection event took place June 1st and 2nd.
- ❖ 2024 Property Tax Invoices will be mailed on July 1st, the due date for payment is October 15th.
- ❖ Information will be coming out to water utility customers soon asking to verify the type of water service piping that carries water from the main to their structure. This effort is part of a federal mandate called a Lead Service Line Inventory.
- ❖ WW staff has been working with ADEC on a new composting permit.
- ❖ PMPL staff has been deploying another round of AMI meters in the community. The meters communicate their readings back to the municipal building via a low-power radio frequency and will improve billing accuracy and customer service for electric customers. Questions about the new meters can be directed to PMPL at 907-772-4203.
- ❖ PMPL would like to remind the community that the annual SEAPA maintenance shutdown will occur from JUNE 6th through 12th and that the current billing period (May 15 – June 28) is the time to conserve energy to limit the fuel adjustment charge for all customers.
- ❖ PMPL has hired two new employees. Erik Larson will be the department's new Powerhouse Mechanic/Operator and Casey Bell has been hired to fill the open Groundman/Operator position. Both employees will start in July.
- ❖ Assisted Living is setting up the new nurse call system and learning more about the various features. We are also looking into a check-in system which will require the staff to physically go into a room to reset a device to make sure the resident is okay.
- ❖ The Borough has received authorization from DNR to enforce parking statutes at Papke's Landing. I will be meeting the Public Works Director Cotta and Chief Kerr to work out details on some new signage and the process we will use to notify people and impound vehicles and trailers as necessary.
- ❖ Library summer reading programs start June 2. Programs are being offered for all ages, sign up now at [psglib.org](http://psglib.org).
- ❖ Tim Schumway's PHS Alaska History class has an oral history display up in the library foyer. It's a remarkable collection of conversations between the students and a broad spectrum of community members. The library will be featuring these in upcoming episodes of our KFSK radio program Homegrown Conversations.
- ❖ Due to staffing constraints, the library will close early on Mondays (4pm) June-August.

# Harai & Associates, Inc.

Consulting Civil Engineers & Land Surveyors

P.O. Box 625 Petersburg, Alaska 99833  
Telephone & Fax (907) 772-9216

June 3, 2024

Michelle Lopez  
Director MVM Elderly Housing  
Petersburg Borough  
P.O. Box 1530  
Petersburg, Alaska 99833

Re: MVM – Entrance Repair Project - 2024  
Recommended Bid Award

Michelle;

I am writing as the engineer of record for the project; MVM – Entrance Repair Project - 2024. The bids for this project were publicly opened on May 31<sup>th</sup> @ 2:00 pm. There were two bidders and both were responsive with all the required documentation. The apparent low bidder is Steelhead Enterprises, LLC. of Petersburg, Alaska. The low bid was \$65,800.00. The engineer's estimate for this project was \$50,000.00. The bid amount is within a reasonable range of the estimate.

I have reviewed all of the bids and find both bids in order with no irregularities. I recommend award of this project to Steelhead Enterprises, LLC. of Petersburg, Alaska, for the total amount of \$65,800.00.



Alan Murph, PE  
Harai & Associates, Inc.

*Record in the Petersburg Recording District.*

**Amendment No. 8 to the  
Tidelands/Submerged Lands Lease Agreement  
Between the Petersburg Borough, Alaska - Lessor  
and  
Piston & Rudder Service, Inc. – Lessee**

**Tidelands Parcel T-30 B**

Date of Original Lease – March 1, 1993, recorded in Book 40, pages 894-910 on  
March 25, 1993

Amendment #1 effective March 1, 1998, recorded in Book 59, pages 534-586 on June 8, 1998

Amendment #2 effective August 17, 1998, recorded in Book 60, pages 602-604 of the  
Petersburg Recording District, September 14, 1998

Amendment #3 effective July 1, 1999, recorded in Book 65, pages 95-98,  
Petersburg Recording District

Amendment #4 effective July 1, 2004, recorded document  
#2004-000987-0, Petersburg Recording District

Amendment #5 effective July 1, 2009, recorded document  
#2009-000435-0, Petersburg Recording District

Assignment of Lease and Consent from Petersburg Shipwrights, Inc. – July 6, 2011, recorded  
document # 2011-000491-0

Amendment #6 effective July 1, 2014, recorded document #2014-000442-0, Petersburg  
Recording District

Amendment #7 effective May 30, 2019, recorded document #2019-000314-0, Petersburg  
Recording District

**Effective Date of This Amendment – July 1, 2024**

WHEREAS, the Original Lease dated March 1, 1993 for T-30B, as amended, provides for renewal of the term of the lease; and

WHEREAS, the renewal terms, as amended, of the lease provide that the annual rental rates for the lease shall be subject to adjustment on every fifth anniversary of the commencement date of the initial terms of the lease. The annual rent shall be determined by the new current assessed value of the leased premises and

any improvements owned by the Borough, adjusted by the rental rate percentage of six percent (6%).

THEREFORE, BE IT RESOLVED, the original lease dated March 1, 1993, as amended, is further amended as follows:

Pursuant to Section 3 of the Original Lease, as amended, the annual rental rate for the five-year period from July 1, 2024 through June 30, 2029 is:

Based on the borough assessor's statement of valuations for the leased premises of \$27,200 as reflected in the 2024 assessment records,

One Thousand Six Hundred Thirty Two Dollars and 00/100  
(2024 assessed value of \$27,200.00 x 6% = \$1,632.00)

The lease amendment was passed and approved by the Petersburg Borough Assembly on June 17, 2024.

Lessor and Lessee hereby agree to the terms of this lease amendment. All other terms and conditions of the Original Lease, as amended, remain in full force and effect.



Dated the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

LESSOR: Petersburg Borough  
PO Box 329  
Petersburg, AK 99833

By: \_\_\_\_\_  
Debra K. Thompson, CMC  
Borough Clerk

STATE OF ALASKA )  
 ) ss  
FIRST JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2024, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Debra Thompson to me known to be the Borough Clerk described in and which executed the above and foregoing instrument, and acknowledged to me said instrument to be the free and voluntary act and deed of said Borough for the uses and purposes therein mentioned, and on oath stated that she is authorized to execute this instrument.

WITNESS My Hand and Official Seal the day and year in this certificate first above written.

\_\_\_\_\_

Notary Public in and for the State of Alaska residing at Petersburg, Alaska.  
My commission expires \_\_\_\_\_.

*Return to: Borough Clerk  
Petersburg Borough  
PO Box 329  
Petersburg, AK 99833*

**Mayor's Report  
For  
June 17, 2024 Assembly Meeting**

- 1. Seeking Letters of Interest:** The Petersburg Borough is accepting letters of interest from citizens who wish to serve the community by filling a vacant seat on the Public Safety Advisory Board until the October 2024 Municipal Election. Letters of interest should be submitted to Clerk Thompson at the Borough offices located at 12 S. Nordic Drive; by sending to PO Box 329, Petersburg, AK 99833; or by emailing to [dthompson@petersburgak.gov](mailto:dthompson@petersburgak.gov).

PETERSBURG BOROUGH, ALASKA  
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

**WHEREAS**, the Petersburg Municipal Code (PMC), in the exemptions found at sections 4.28.120D and E, currently sets the maximum sales tax which can be collected on a specific job or task, or on a single purchase (defined as purchases made at the same time or within a 24 hour transaction period) at \$72.00; and

**WHEREAS**, currently, the total amount of any single purchase of goods or services subject to the Borough sales tax is limited to a total amount of \$1,200 and any sums exceeding \$1,200 are tax-free; and

**WHEREAS**, this maximum single purchase amount was initially established in Petersburg in 1959, and set at \$1,000; and

**WHEREAS**, if that maximum had kept pace with inflation since its inception, it would now be close to \$10,500; and

**WHEREAS**, 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; and

**WHEREAS**, Petersburg has the lowest maximum taxable single purchase amount in Southeast Alaska, and most other Southeast communities limit the purchase to a single item only and not to a total purchase transaction, or have no maximum limit at all.

<u>Community:</u>	<u>Maximum Tax Collected:</u>	<u>Maximum Taxable Amount:</u>
Petersburg	\$ 72	\$1,200 Transaction
Craig:	No Cap	Full Sales Price (except a vehicle)
Haines:	\$550	\$10,000 (single item only <sup>1</sup> )
	\$275	\$ 5,000 (single service)
	No Cap	Transaction

<sup>1</sup> 'Single item only' means that the community does not permit an exemption for all transactions within a specified period of time - only a single unit purchase exemption.

<u>Community:</u>	<u>Maximum Tax Collected:</u>	<u>Maximum Taxable Amount:</u>
Juneau:	\$715 No Cap	\$14,300 (single item or service only) Transaction
Ketchikan: (both city/borough):	\$160 (Apr-Sep)/ \$110 (Oct-Mar) No Cap	\$2,000 (single item or service only) Transaction
Sitka:	\$600	\$12,000 (single item/service/transaction)
Thorne Bay	\$450 No Cap	\$7,500 (single item) Transaction
Wrangell	\$210	\$3,000 (single item /service/ transaction)

; and

**WHEREAS**, if Petersburg increases its maximum taxable transaction amount to \$5,000 from the current amount of \$1,200, the maximum sales tax collectible would increase from \$72 to \$300, and it would still be one of the lowest maximums in Southeast Alaska; and

**WHEREAS**, by increasing the maximum taxable amount to \$5,000, the Borough will be able to raise funds to support important governmental services, including the Petersburg School District; and

**WHEREAS**, in the current climate of increased expenses and shrinking state revenues, and considering that the maximum taxable amount has been adjusted only once in the past 65 years (with no changes for over two decades), a modest increase is reasonable; and

**WHEREAS**, the Assembly proposes this increase to help offset the loss of State funding and to support Borough services, including the Petersburg Schools; and

**WHEREAS**, under the Borough charter, sec. 12.02B, any change in the exemptions to the sales tax are to be made by ordinance, and ratified by a majority of the qualified borough voters; and

**WHEREAS**, it is the intent of the Borough Assembly to adopt this increase, and put the matter before the qualified voters of the Borough at the next regular election.

**THEREFORE, THE PETERSBURG BOROUGH ORDAINS**, Paragraphs D and E, Section 4.28.120, *Exemptions*, of Chapter 4.28, Sales Tax, of the Petersburg Municipal Code, are hereby amended as follows:

**Section 1. Classification:** This ordinance is of a general and permanent nature and shall be codified in the Petersburg Municipal Code.

**Section 2. Purpose:** The purpose of this ordinance is to increase the maximum sales tax that can be collected on a single purchase of goods or services from \$72 to \$300.

**Section 3 Substantive Provisions:** Paragraphs D and E of Section 4.28.120 of the Petersburg Municipal Code, entitled *Exemptions*, are hereby amended as follows. The language proposed for addition is **underlined and bolded**, and the language proposed for deletion is ~~struck through~~.

4.28.120 Exemptions.

The following sales and services are exempt from said sales tax:

*[There are no changes to paragraphs A-C]*

D. That part of a sale of goods over **\$5,000.00** ~~\$1,200.00~~ when all items purchased or delivered at the same time or within a 24-hour period are added together;

E. That part of a sale of services over **\$5,000.00** ~~\$1,200.00~~ for a specific job or task. Invoices for sales of services shall be computed for tax purposes monthly;

**Section 4. Submittal to Voters:**

A. In accordance with subsection 12.02B of the Borough Charter, the Borough Clerk shall submit this ordinance as a single proposition to the voters of the Borough at the next regular election, to be held on October 1, 2024.

B. The proposition to be submitted to the voters shall read substantially as follows:

Proposition #\_\_\_\_

Increasing the maximum sales tax that can be collected on a single purchase of goods or services from \$72 to \$300.

Shall Paragraphs D and E of Section 4.28.120, *Exemptions*, of the Borough Code be amended to increase the maximum sales tax that can be collected on a single purchase of goods or services from \$72 to \$300?

- YES
- NO

This change would affect only transactions over \$1,200. If this proposition is approved, the maximum amount of a transaction that is subject to the Borough's 6% sales tax would increase from \$1,200 to \$5,000, thus increasing the maximum sales tax due from \$72 to \$300.

The Assembly proposes this sales tax modification to help offset an increase to future property taxes.

**Section 5. Severability:** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected.

**Section 6. Effective Date:** This ordinance shall be effective upon adoption. The proposed amendment to PMC 4.28.120, if approved by the voters, shall become effective January 1, 2025.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
**Mark Jensen, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Debra K. Thompson, Borough Clerk**

Adopted:  
Noticed:  
Effective:



Dear Petersburg Borough Assembly,

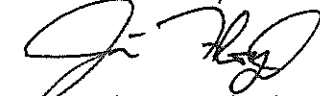
I am writing on behalf of the Petersburg Chamber of Commerce Board to express our support for the proposed adjustment of the tax cap in Petersburg. The increase in the sales tax transaction will be from \$1200 to \$5000. It has come to our attention that the tax cap has remained unchanged since 2002, a period of over 20 years. And although it has benefited many residents it is time to reassess the cap and how an adjustment could benefit the community's growth and expansion prospects.

Petersburg currently holds the distinction of having the lowest tax cap among neighboring areas. We can clearly see that a higher cap has not negatively affected Wrangell, Sitka, Ketchikan, or Juneau.

In partnership with the Borough, revenue is needed to continue to provide services to our members, residents, and visitors. In order to help facilitate growth and continue to maintain our beautiful community oftentimes it means revenue options need to be reassessed for adjustments. We believe increasing the tax cap is a small portion that could have an overall benefit to the community without any detrimental impact to the community. As our community strives to attract new businesses, residents, and investments, it is essential that we create an environment conducive to growth and prosperity. We need to be able to maintain our infrastructure and at this time the Borough's 2025 proposed budget is nearly \$400,000 short.

We believe that adjusting the tax cap is long overdue. The overall benefit to continuing to provide services to the community and aid in balancing the Borough's budget will outweigh the small amount of impact it will have on individual community members.

Thank you for your consideration,



President, Jim Floyd

Jurisdiction	Tax cap (Y/N)	Title	Portion of sales price subject to sales tax	Tax Rate	Maximum Tax
Petersburg Borough	Y	Is there a sales tax cap on a single item?	\$ 1,200.00	6%	\$ 72.00
Petersburg Borough	Y	Is there a sales tax cap on a transaction?	\$ 1,200.00	6%	\$ 72.00
Petersburg Borough	Y	Is there a sales tax cap on a single service?	\$ 1,200.00	6%	\$ 72.00
Petersburg Borough	Y	Vehicle Sale	\$ 1,200.00	6%	\$ 72.00
Ketchikan, City of	Y	Is there a sales tax cap on a single item?	\$ 2,000.00	5.5% April-Sept.; 3% Oct-Mar	\$110 Summer; \$60 Winter
Ketchikan, City of	N	Is there a sales tax cap on a transaction?	Full Sales Price - No Cap	5.5% April-Sept.; 3% Oct-Mar	No Maximum
Ketchikan, City of	Y	Is there a sales tax cap on a single service?	\$ 2,000.00	5.5% April-Sept.; 3% Oct-Mar	\$110 Summer; \$60 Winter
Ketchikan, City of	Y	Vehicle Sale	\$ 2,000.00	5.5% April-Sept.; 3% Oct-Mar	\$110 Summer; \$60 Winter
Ketchikan Gateway Borough	Y	Is there a sales tax cap on a single item?	\$ 2,000.00	2.5%	\$ 50.00
Ketchikan Gateway Borough	N	Is there a sales tax cap on a transaction?	Full Sales Price - No Cap	2.5%	No Maximum
Ketchikan Gateway Borough	Y	Is there a sales tax cap on a single service?	\$ 2,000.00	2.5%	\$ 50.00
Ketchikan Gateway Borough	Y	Vehicle Sale	\$ 2,000.00	2.5%	\$ 50.00
Cordova, City of	Y	Is there a sales tax cap on a single item?	\$ 3,000.00	6%	\$ 180.00
Cordova, City of	Y	Is there a sales tax cap on a transaction?	\$ 3,000.00	6%	\$ 180.00
Cordova, City of	Y	Is there a sales tax cap on a single service?	\$ 3,000.00	6%	\$ 180.00
Cordova, City of	Y	Vehicle Sale	\$ 3,000.00	6%	\$ 180.00
Wrangell, City and Borough of	Y	Is there a sales tax cap on a single item?	\$ 3,000.00	7%	\$ 210.00
Wrangell, City and Borough of	Y	Is there a sales tax cap on a transaction?	\$ 3,000.00	7%	\$ 210.00
Wrangell, City and Borough of	Y	Is there a sales tax cap on a single service?	\$ 3,000.00	7%	\$ 210.00
Wrangell, City and Borough of	Y	Vehicle Sale	\$ 3,000.00	7%	\$ 210.00
Craig, City of	Y	Vehicle Sale	\$ 5,000.00	5%	\$ 250.00
Craig, City of	N	Is there a sales tax cap on a single item?	Full Sales Price - No Cap	5%	No Maximum
Craig, City of	N	Is there a sales tax cap on a transaction?	Full Sales Price - No Cap	5%	No Maximum
Craig, City of	N	Is there a sales tax cap on a single service?	Full Sales Price - No Cap	5%	No Maximum
Haines Borough	Y	Is there a sales tax cap on a single item?	\$10,000.00	5.5%	\$550.00
Haines Borough	N	Is there a sales tax cap on a transaction?	Full Sales Price - No Cap	5.5%	No Maximum
Haines Borough	Y	Is there a sales tax cap on a single service?	\$5,000.00	5.5%	\$275.00
Haines Borough	Y	Vehicle Sale	\$10,000.00	5.5%	\$550.00
Tenakee Springs, City of	Y	Is there a sales tax cap on a single item?	\$ 7,500.00	2%	\$ 150.00
Tenakee Springs, City of	Y	Is there a sales tax cap on a transaction?	\$ 7,500.00	2%	\$ 150.00
Tenakee Springs, City of	Y	Is there a sales tax cap on a single service?	\$ 7,500.00	2%	\$ 150.00
Tenakee Springs, City of	Y	Vehicle Sale	\$ 7,500.00	2%	\$ 150.00
Thorne Bay, City of	Y	Is there a sales tax cap on a single item?	\$ 7,500.00	6%	\$ 450.00
Thorne Bay, City of	N	Is there a sales tax cap on a transaction?	Full Sales Price - No Cap	6%	No Maximum
Thorne Bay, City of	N	Is there a sales tax cap on a single service?	Full Sales Price - No Cap	6%	No Maximum
Thorne Bay, City of	Y	Vehicle Sale	\$ 7,500.00	6%	\$ 450.00
Sitka, City and Borough of	Y	Is there a sales tax cap on a single item?	\$ 12,000.00	5%	\$ 720.00
Sitka, City and Borough of	Y	Is there a sales tax cap on a transaction?	\$ 12,000.00	5%	\$ 720.00
Sitka, City and Borough of	Y	Is there a sales tax cap on a single service?	\$ 12,000.00	5%	\$ 720.00
Sitka, City and Borough of	Y	Vehicle Sale	\$ 12,000.00	5%	\$ 600.00
Juneau, City and Borough of	Y	Is there a sales tax cap on a single item?	\$ 14,300.00	5%	\$ 715.00
Juneau, City and Borough of	Y	Is there a sales tax cap on a single service?	\$ 14,300.00	5%	\$ 715.00
Juneau, City and Borough of	Y	Vehicle Sale	\$ 14,300.00	5%	\$ 715.00
Juneau, City and Borough of	N	Is there a sales tax cap on a transaction?	Full Sales Price - No Cap	5%	No Maximum



**PETERSBURG BOROUGH  
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**

**WHEREAS**, section 12.02B of the Borough Charter mandates that any change in a sales tax exemption be ratified by borough voters; and

**WHEREAS**, this requirement was adopted into the Charter of the then-City of Petersburg in 1981 and carried over into the Borough Charter upon borough formation; and

**WHEREAS**, the Borough is aware of no other municipality in Alaska that requires voter approval to change sales tax exemptions; and

**WHEREAS**, this voter approval requirement limits the flexibility and timeliness of the Borough Assembly in budgetary matters, especially during times of unknown state revenues; and

**WHEREAS**, this amendment will not negate the requirement of voter ratification of any change in the rate of the sales tax; and

**WHEREAS**, Petersburg Borough Charter Chapter 18, entitled Charter Amendment, section 18.02 *Election*, specifies that any proposed charter amendment shall be submitted to the qualified voters of the Borough.

**THEREFORE, THE PETERSBURG BOROUGH ORDAINS**, that the following proposed amendment to the Home Rule Charter of the Petersburg Borough be submitted to the qualified voters of the Borough at the October 1, 2024 regular election.

**Section 1. Classification:** This is a non-code ordinance, however the proposed borough charter amendment is of a permanent nature and, if approved by the voters, shall be reflected in the Petersburg Borough Charter.

**Section 2. Purpose:** The purpose of this ordinance is to propose a charter amendment to the Borough voters that would remove the requirement of voter ratification of changes to sales tax exemptions.

**Section 3. Substantive Provisions:**

Proposed Charter Amendment – Section 12.02B of the Charter: The language proposed for deletion is struck through.

**Article 12. Taxation**

**Section 12.02 - Sales and Use Taxes; Ratification of Sales or Use Tax Rate Increases.**

A. The borough may by ordinance levy sales or use taxes on an areawide basis, a non areawide basis and a service area basis.

B. Any sales or use tax, or change in the rate ~~or exemptions~~ to the sales tax or use tax, shall be by ordinance, ratified by a majority of the qualified voters of the borough voting on the question.

**Section 4. Submittal to Voters:**

A. In accordance with subsection 12.02B of the Borough Charter, the Borough Clerk shall submit this proposed charter amendment to the voters of the Borough at the regular election to be held on October 1, 2024.

B. The proposition to be submitted to the voters shall read substantially as follows:

Proposition #\_\_\_

Removing the Requirement of Voter Ratification of Changes to Sales Tax Exemptions

Shall Section 12.02B of the Petersburg Borough Charter be amended to remove the requirement that changes to sales tax exemptions be submitted to borough voters for ratification?

- YES
- NO

Sales tax exemptions are set out in Borough Code Chapter 4.28, *Sales Tax*. If this proposition is approved by Borough voters, the Borough Assembly can, by Ordinance, with three readings and a noticed public hearing, make changes to sales tax exemptions with a majority vote of the Assembly.

**Section 5. Severability:** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person and circumstance shall not be affected.

**Section 6. Effective Date:** This ordinance shall be effective upon adoption. The proposed borough charter amendment set forth herein, if approved by the voters, shall become effective immediately upon certification of the election results.

**PASSED AND APPROVED** by the Petersburg Borough Assembly, Petersburg, Alaska this \_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Mark Jensen, Mayor

ATTEST:

\_\_\_\_\_  
Debra K. Thompson, Borough Clerk

Adopted:  
Published:  
Effective: Ordinance effective upon adoption. Charter Amendment effective upon Voter Approval and Certification of Election Results.

**PETERSBURG BOROUGH  
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**

**WHEREAS**, the Petersburg Borough owns a tidelands parcel located south of Dock Street, described as follows:

Petersburg Port Authority Storage Area, according to Plat #2000-6, minus the area of the Stikine Services Tidelands Lease Parcel described in Plat #2000-5, Petersburg Recording District, consisting of ± 28,983 sq.ft. (PID #01-010-035) ("the parcel")

; and

**WHEREAS**, with Borough Resolution #2024-06, the Assembly authorized sale of the parcel to Island Refrigeration, LLC for a total purchase price of \$365,171.76, subject to all terms and conditions set forth in the Resolution and in the Contract of Sale; and

**WHEREAS**, Section 1(a) of the Contract of Sale states a minimum of five percent (5%) of the purchase price shall be paid within five (5) business days of the effective date, and the balance of the purchase price shall be paid in full within ninety (90) calendar days of the effective date; and

**WHEREAS**, on April 23, 2024, Island Refrigeration, LLC paid five percent (5%) of the purchase price (\$18,258.59), leaving a balance of \$346,913.17 due by July 15, 2024; and

**WHEREAS**, Island Refrigeration, LLC is acquiring financial assistance from outside sources and a local financial lending institution, both of which require a detailed site development and business plan prior to awarding funds; and

**WHEREAS**, Island Refrigeration, LLC is actively designing a site plan, choosing warehouse construction materials and size, and working on other tasks to provide the required site development and business plan to their financial partners, and at the same time performing current jobs for customers in Petersburg during the company's busiest time of year; and

**WHEREAS**, once the required site development and business plan is provided to Island Refrigeration, LLC's financial partners, the request for assistance must go through the approval process, which can take a few weeks each; and

**WHEREAS**, Island Refrigeration requests an extension of the payment deadline, specifically an additional ninety (90) days, to pay the balance of the purchase price. An additional 90 days will move the payment in full deadline to October 13, 2024.

**THEREFORE, BE IT RESOLVED** by the Assembly of the Petersburg Borough, as follows:

**Section 1.** The Petersburg Borough Assembly hereby authorizes amendment of the Contract of Sale between the Petersburg Borough and Island Refrigeration, LLC for the below listed parcel:

Petersburg Port Authority Storage Area, according to Plat #2000-6, minus the area of the Stikine Services Tidelands Lease Parcel described in Plat #2000-5, Petersburg Recording District, First Judicial District, State of Alaska (Borough parcel #01-010-035).

**Section 2.** The Contract of Sale (attached hereto in amended form) shall be amended in Section 1(a) to read that the balance of the purchase price shall be paid in full within one hundred eighty (180) days.

**PASSED and APPROVED** by the Assembly of the Petersburg Borough, Alaska this 17<sup>th</sup> day of June, 2024.

\_\_\_\_\_  
**Donna Marsh, Vice Mayor**

**ATTEST:**

\_\_\_\_\_  
**Debra K. Thompson, Borough Clerk**

CONTRACT OF SALE (Amended June 17, 2024)

This contract of sale, effective as of the date of the last signature below ("the effective date"), is made by and between the Petersburg Borough, whose address is P.O. Box 329, Petersburg, Alaska, 99833, hereinafter the Seller, and Island Refrigeration, LLC, whose address is PO Box 2185. Petersburg, Alaska, 99833, hereinafter the Buyer.

Upon the following terms and conditions, and those set out in Assembly Resolution #2024-06 of the Petersburg Borough, incorporated herein by reference, Seller hereby agrees to sell and convey, and Buyer agrees to purchase, the following described parcel:

Petersburg Port Authority Storage Area, according to Plat #2000-6, minus the area of the Stikine Services Tidelands Lease Parcel described in Plat #2000-5, Petersburg Recording District, consisting of ± 28,983 sq.ft. (PID #01-010-035) ("the parcel")

1. The total purchase price for the parcel is \$365,171.76 as set out in Assembly Resolution #2024-06 ("the purchase price"), due and payable as follows:

a. A deposit equal to a minimum of five percent (5%) of the purchase price shall be paid to the Seller within five (5) business days of the effective date, and the balance of the purchase price shall be paid in full to the Seller within one hundred eighty (180) calendar days of the effective date. All payments shall be made at the Borough Finance Office, PO Box 329, 12 S. Nordic Drive, Petersburg, Alaska in readily available funds. Conveyance of the parcel to the Buyer shall be by quitclaim deed upon payment of the full purchase price.

b. If the Buyer defaults, by either failing to timely make the required deposit or by failing to timely pay the balance of the purchase price, any deposit made by Buyer shall be forfeited to the Seller and the Buyer shall have no further interest in or to the parcel, or right to purchase the parcel. This section is not intended to limit any other legal remedy available to the Seller.

2. The parcel is sold "as is, where is", in its current condition and with all faults. The Seller expressly makes no representations regarding, and disclaims any liability for, the parcel, and any improvements located thereon, including without limitation (1) the condition of the parcel and the existence or condition of any improvements located thereon; (2) the exact location or size of the parcel, the existence of markers on the parcel, or the ability or cost of surveying the parcel; (3) the status or insurability of title to the parcel, including the existence of any liens, encumbrances or conditions on the parcel; (4) the ability of the Buyer to utilize the parcel or any improvements in any fashion and for any particular purpose or use; (5) the existence, or the potential for installation, of any utility on or to the parcel, and (6) the applicable zoning of the parcel. The Seller makes no representations, warranty or guarantees, express or implied, as to quality, merchantability or suitability of the parcel for a particular purpose or use.

3. The parcel is sold subject to all platted easements, rights-of-way and reservations, and may only be used for the purpose for which it is zoned. The parcel is sold subject to all other liens, encumbrances, and conditions, of record or not of record, including

but not limited to matters which would have been disclosed by a survey or physical inspection of the parcel.

4. The Buyer agrees to maintain, at its sole cost and expense, access and entry to the parcel from Dock Street, including any necessary access repairs or improvements, including road grading and snow plowing and disposal; the Borough is in no way responsible for maintaining access to the parcel.

5. In the event that the Borough Assembly subsequently approves a zoning ordinance adopting a Marine Industrial Overlay Zone and the parcel is located either wholly or partially within this Zone, the Buyer agrees that the uses, prohibitions, development standards, and other restrictions and conditions of that Zone will apply to the parcel; Buyer hereby waives in full, permanently and without reservation, any nonconforming status of the land, and any structure(s) or use(s), which may otherwise be applicable under Chapter 19.68 of the Petersburg Municipal Code. This waiver will be placed in the deed to notify any subsequent purchaser.

6. This Agreement may be executed by the parties hereto by electronic signature and in counterparts, each of which shall be an original and both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this contract of sale has been duly executed by the parties.

*[Signatures on following pages]*

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SELLER, Petersburg Borough

\_\_\_\_\_  
By: Stephen Giesbrecht  
Its: Borough Manager

Date: \_\_\_\_\_

STATE OF ALASKA                    )  
  )ss.  
FIRST JUDICIAL DISTRICT        )

THIS IS TO CERTIFY that before me, the undersigned Notary Public for Alaska, duly commissioned and sworn as such, personally appeared Stephen Giesbrecht, to me known, and who executed the foregoing instrument on behalf of the Petersburg Borough as its Borough Manager, and acknowledged to me that he signed and sealed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
NOTARY PUBLIC in and for Alaska  
My Commission Expires: \_\_\_\_\_

BUYER, Island Refrigeration, LLC

\_\_\_\_\_  
By: Brock Snider  
Its: Sole Member

Date: \_\_\_\_\_

STATE OF ALASKA                    )  
  ) ss.  
FIRST JUDICIAL DISTRICT        )

THIS IS TO CERTIFY that before me, the undersigned Notary Public for Alaska, duly commissioned and sworn as such, personally appeared Brock Snider, to me known, and who executed the foregoing instrument on behalf of Island Refrigeration, LLC as its sole member, and acknowledged to me that he signed and sealed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
NOTARY PUBLIC in and for Alaska  
My Commission Expires: \_\_\_\_\_





06/12/2024

Memorandum

To: Steve Giesbrecht, Borough Manager  
 Cc: Mayor Jensen and Members of the Borough Assembly  
 From: Chris Cotta, Public Works Director  
 Re: Public Works #64 Replacement

The FY24 approved Borough budget includes \$250,000 for replacement of Public Works #64 dump truck (copy of FY24 Motor Pool Replacement Memo attached for reference).

RWC Group has supplied a quote of \$243,958.22 for a new International HX620 with dump body (quote attached). This pricing was supplied through Sourcewell, which is a purchasing cooperative that serves many government entities and utilizes pre-bid equipment contracts. Borough code allows this type of purchasing process, as follows:

*Code Section 4.04.040 (Exceptions to Bidding), Section G States: When it is advantageous to the borough to enter into a contract with a bidder for the same supplies or services such bidder is providing another Alaskan local government, the state of Alaska, a cooperative purchasing association composed of government agencies, or the United States, where such supplies, equipment or services are being provided to the other governmental unit or association on the basis of competitive bids submitted; and where the borough contract is on substantially the same terms as those bid; or to contract with or through such other governmental unit or association so that the benefit of the responsible bid accrues to the borough;*

This proposed vehicle replacement adheres to Borough purchasing code and the cost is under the amount budgeted. Payment for the vehicle will be taken from the Streets Dept's Motor Pool reserves, which are currently in excess of \$1.5M dollars. The truck being retired will be surplus after the new truck is placed in service and any amount received from the sale will be used to offset the cost of the new unit.

For the preceding reasons, Public Works recommends award of this vehicle purchase to RWC Group in the amount of \$243,958.22. If you agree with this recommendation, please forward it to the Borough Assembly for consideration at their next regular meeting on June 17<sup>th</sup>, 2024. Thank you.

Attachments: RWC Group Quote (1 page)  
 FY24 Motor Pool Replacement Memo (2 pages)

**Public Works Department**

PO Box 329, Petersburg, AK 99833 – Phone (907) 772-4430 Fax (907) 772-4102

[www.petersburgak.gov](http://www.petersburgak.gov)



International Trucks is pleased to provide you with this proposal compliant with all terms of the Sourcewell Vehicles and Chassis Contract #060920-NVS awarded to Navistar, Inc for new International Trucks. If you have any questions regarding enrollment in Sourcewell or detailed contract terms and conditions, please see your International Truck sales representative.

PROPOSAL PREPARED FOR:		PROPOSAL PREPARED BY:
<b>Sourcewell Member:</b>	Petersburg Borough	RWC Group
<b>Contact:</b>	Chris Cotta	Greg Martin
<b>Address:</b>	PO Box 3296	7880 Sandlewood Place
<b>City/State/Zip:</b>	Petersburg, Alaska 99833	Anchorage, Alaska 99507
<b>Phone:</b>	(907)772-4430	(907)727-4775
<b>Email:</b>	ccotta@petersburgak.gov	gmartin@RWCgroup.com

Proposal Number	5787-05
Date	6/12/2024
Quantity of this Specification	1
Single Sourcewell Transaction Total Volume	1

Chassis		
New 2025 International HX620 / A26 Chassis		\$ 305,925.00
Base Chassis List	\$ 249,143.00	
Options List	\$ 56,782.00	
Sourcewell Contract Discount	49.1%	\$ (150,190.98)
Volume Incentive		\$ -
Material Price Increases		\$ -
Net Sourcewell Chassis Price		\$ 155,734.02
Sourcewell Partner Body		
		\$ -
Handling Fee	4.00%	\$ -
Non-Sourcewell Dealer Supplied Body		
Dump Body, J-Fraft 16' APEX PRAD, incl. Plumbing for slid-In Sander		\$ 71,762.00
Handling Fee	5.00%	\$ 3,588.10
Additional Post Build Work		
TSC, Fire Extinguisher, 5-lb, Floor Mounted		\$ 142.00
Handling Fee	5.00%	\$ 7.10
Service Contracts		
		\$ -
		\$ -
		\$ -
Additional Freight		
Freight, Dump Body Manufacturer to Tacoma, WA.		\$ 6,875.00
Freight, Tacoma, WA. To Petersburg, AK.		\$ 5,850.00
Additional Floorplan		
		\$ -
		\$ -
Additional Fees & Taxes		
		\$ -
		\$ -
		\$ -
<b>Final Sourcewell Per Vehicle Price FOB Petersburg, Alaska</b>		<b>\$ 243,958.22</b>
<b>Final Sourcewell Total Vehicle(s) Price</b>		<b>\$ 243,958.22</b>

Additional Sourcewell Qualified Content	
Customer Parts Credit - Fleet Charge only	\$200
A26 Incremental Parts Credit - Fleet Charge only	\$200
Silver Package Award	\$1,200

Terms:

Stock unit in dealer's inventory, dealer will accept a final purchase order using the current Sourcewell pricing quoted above.

Dealer placing a new orders for the Sourcewell Member, the purchase order cannot be firmied up until the unit is slotted to build with a firm build date or lineset.

Once a firm build date has been established, dealer will provide the Sourcewell Member approved pricing and a final purchase order can be accepted with firm pricing.

Dealer cannot guarantee bodies and/or equipment pricing added to the chassis for a turnkey sale until chassis is lineset.

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**MOTOR POOL RECOMMENDATION**

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**TO:** STEVE GIESBRECHT, BOROUGH MANAGER  
**FROM:** CHRIS COTTA, PUBLIC WORKS DIRECTOR  
**SUBJECT:** FY 24 VEHICLE/EQUIPMENT FLEET RECOMMENDATIONS  
**DATE:** 4/12/2023  
**CC:** MOTOR POOL FILE

**FY24 Replacement Recommendation Summary**

The following is a summary of the Motor Pool's recommendations for vehicle replacements, additions and service extensions for the next budget year.

Units replaced:	<b>4</b>	<b>\$555,000</b>
Fleet addition:	<b>1</b>	<b>\$ 60,000</b>
Units extended:	<b>7</b>	
Total recommended replacement budget:		<b><u>\$615,000</u></b>

<u>Unit</u>	<u>Recommendation</u>	<u>Budget</u>
Motor Pool Fuel System	Replace	\$ 25,000
PMPL #20 Bucket Truck	Replace	\$230,000
PW #25 Hearse	Replace	\$ 50,000
PW #64 Dump Truck	Replace	\$250,000
PW #94 Personnel Lift	Addition to fleet*	\$ 60,000
Parks & Rec #1 (2010 Toyota pickup)	Extend for 2 years	-
Water Dept Gen 5 (1998 Onan generator)	Extend for 3 years	-
FD #6 (1994 Pierce Pumper fire truck)	Extend for 1 year	-
FD #8 (2001 Pierce Pumper fire truck)	Extend for 1 year	-
MVM #23 (2004 Chevy Trailblazer)	Extend for 2 years	-
PW #95 (2004 International crane truck)	Extend for 2 years	-
Parks & Rec #111 (2004 Ford box truck)	Extend for 2 years	-
<b>Total Replacement Budget requested FY2023</b>		<b>\$615,000</b>

\* Added as a reserve vehicle, not in the replacement program

**Fleet Replacement Recommendations**

**Motor Pool Fuel System (2003)** This system is used by all Borough Departments to dispense fuel and to track and record fuel transactions for all fleet users. Although still functional, it has frequent operational problems and parts are increasingly difficult to source as this system is technically obsolete (it is still running on MS DOS). Due to the vital nature of this fueling system it is recommended to replace it now, before it has a major failure which could negatively affect fleet readiness across all departments.

**Power & Light #20 (2016 Dodge 550 Aerial Truck)** This unit is used for general service line work. It is a smaller truck with a 42' reach with the manbucket. Most of the light maintenance and troubleshooting of connections is performed with this truck. This truck has been plagued with electrical problems and has spent a lot of time out of service in the last year. Although functioning at present, there is low confidence in this unit, which is a critical part of the Power & Light fleet. Preliminary research indicates a very long lead time for replacement (2-5 years) so we are recommending beginning the replacement process now.

**Public Works #25 (1995 Chevy Suburban Hearse)** This unit is used for transport of human remains. Although mechanically sound, the frame, suspension and body are beginning to rust out. We recommend replacement of this older unit before a major failure occurs and causes an extended service outage. Due to relatively low usage of this vehicle, we would plan on replacing it with a used vehicle in excellent shape rather than buying a new unit.

**Public Works #64 (2004 International Dump Truck)** This unit serves as a maintenance and construction support vehicle in the warmer months, and as the Borough's dedicated street sanding unit in the winter. It was programmed to be replaced after 15 years but was extended due to being in good condition. However, in recent years it has experienced many maintenance issues which have prevented it from serving its intended role. Recurring transmission problems have resulted in a lot of downtime and being sent off island for repairs, and the rear suspension needs a major overhaul due to corrosion issues. The dump body is at the end of its service life, with cracks in the frame and numerous patches and repairs throughout the body and tailgate. Low reliability combined with high maintenance costs indicate that it is time to replace this vehicle.

### Fleet Addition

**Public Works #94 (Personnel Lift)** The Building Maintenance and Streets Depts have frequent need for an articulating personnel lift for maintenance and cleaning of building infrastructure. With more building maintenance staff time available now and less contractor availability on island, we would like to bring some tasks inhouse such as pressure washing, roof cleaning/maintenance, siding repair, and other building maintenance tasks we have contracted out in the past. The plan is to purchase a lightly-used personnel lift rather than new. Funds for purchase of this unit would come from the Streets portion of the Motor Pool fund, and the unit would be a reserve unit which would not be part of the Motor Pool replacement program.

### Fleet Extensions

A total of 7 units are recommended for extension. The various vehicles and equipment were evaluated by the motor pool mechanics. All units recommended for extension have been found to be reliable and in good mechanical condition. The units listed in the first page summary are being recommended for 1-3 year extensions with details provided upon request.

End of Recommendation