

**CITY OF PETERSBURG  
CITY COUNCIL MEETING AGENDA  
REGULAR SESSION  
Tuesday, February 21, 2012, 7:00 P.M.  
At Wright Auditorium**

- 1. Call To Order**
- 2. Voluntary Pledge**
- 3. Working with District Attorney's Office** *The Community has expressed concern with services received through the District Attorney's Office. This meeting is hoped to garner better communication between, and support from, the DA's office and local law enforcement.*
- 4. Approval of Minutes**
  - A. Council Meeting Minutes of January 17, 2012**
  - B. Council Meeting Minutes of February 1, 2012**
- 5. Amendment and Approval of Meeting Agenda**
- 6. Public Hearings and Bid Awards**
- 7. Visitors' Views Related to Agenda**
- 8. Visitors' Views Unrelated to Agenda**
- 9. Board, Commission and Committee Reports**
- 10. Consent Agenda**
- 11. Report of Other Officers**
- 12. Mayor's Report**
- 13. Manager's Report** *Manager Giesbrecht has provided a written report covering informational items.*
- 14. Unfinished Business**
  - A. Borough** *This item will continue to appear on future agendas in order to provide opportunity for the Council to discuss and/or take action as deemed necessary regarding the Borough Incorporation process.*
- 15. New Business**
  - A. Economic Fund Loan Request/Recommendation** *The Petersburg Economic Development Council has recommended that a short term loan from the Economic Fund in the amount of \$210,000 at 5% interest be made to Pete Litsheim to move the Romiad Building. Council has been provided a copy of the Municipal Code requirements for the Economic Fund.*
  - B. Approval of Land Easement to the US Forest Service - Re: Raven's Roost Trail** *For many years, the US Forest Service has been working to re-route Raven's Roost Trail to connect with Sandy Beach Park. The Forest Service has secured needed easements from both the State of Alaska and Alaska Mental Health Lands Trust. All that remains is to obtain*

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two small easement areas from the City for the project to move forward. The Planning Commission recommended the City approve the necessary easement on September 5, 2002. Council has been provided maps of the re-routed area showing necessary easement as well as a draft sample Trail Easement form that will be executed when prepared.

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**C. Authorization for Professional Services Contract for On-Site Library Construction Administration** After review of three proposals received to perform the construction administration of the library project, the review committee is recommending that the City execute a Professional Services Contract with Tee Harbor Construction in the initial amount of \$14,080 for phase one (review and familiarization with the plans and specifications) with phase two (actual construction administration) negotiated after bids for construction are opened and a contractor determined.

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**D. Authorization for Professional Service Contract for Wastewater Office Replacement** Two responses were received to the City's request for proposals to construct/install a new office facility at the Wastewater plant. The review committee is recommending that the City execute a Professional Services Contract with West Construction in the amount not to exceed \$83,280.

**16. Communications**

**17. Council Discussion Items**

**A. Recognitions** This agenda item is reserved to acknowledge individuals, groups, departments, agencies or anyone for their contributions toward the betterment of the Petersburg community.

**18. Adjourn**

**MINUTES OF THE PETERSBURG CITY COUNCIL MEETING, REGULAR SESSION, HELD TUESDAY, JANUARY 17, 2012 AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS OF THE MUNICIPAL BUILDING**

1. **CALL TO ORDER** Mayor Dwyer called the meeting to order at 7:00 p.m. Present: Mayor Dwyer; Councilors Braun, Strand, Koenigs, J. Jensen, and M. Jensen. Absent: Councilor Flint (excused).
2. **VOLUNTARY PLEDGE** The Pledge was recited.
3. **LAND AUCTION: SALE OF LOTS 14 AND LOT 15, BLOCK 234** Prior to starting the official auction, Mayor Dwyer read auction instructions. He informed the lots were being sold separately, as-is, where-is, with all faults. He advised any individual wishing to participate in the auction must have provided the City Clerk with a signed Participation Agreement. Planning Director Leo Luczak informed the properties are not on a public street and if the lots were to be developed, a special use permit would be required. Lot 14 was auctioned first. The only bidder, placing the minimum acceptable bid of \$6,000, was George Bisset as personal representative for James H. Martinsen. Lot 15 was sold to the only bidder, Michael V. Etcher, who placed the minimum acceptable bid of \$7,000. The successful bidders have until 4:00 p.m., January 24 to pay to the City an earnest money deposit of five percent of the bid, with \$320.00 costs for mailing and advertising. The lots must be paid in full by 4:00 p.m., Monday, April 23, 2012 or are subject to forfeiture and then will be made available for sale across the counter.
4. **APPROVAL OF MINUTES** The January 3, 2012 minutes were approved, as submitted.
5. **AMENDMENT AND APPROVAL OF MEETING AGENDA** The Agenda was amended to include acknowledgement of a letter from Petersburg Mental Health. The Agenda, as amended, was unanimously approved.  
  
Due to the anticipated absence of several council members for the rescheduled February 3, 2012 meeting, the meeting was again rescheduled to Wednesday, February 1. (Councilors Koenigs and J. Jensen were excused from the February 3rd meeting).
6. **PUBLIC HEARINGS AND BID AWARDS** None.
7. **VISITORS' VIEWS RELATED TO AGENDA** None.
8. **VISITORS' VIEWS UNRELATED TO AGENDA** None.
9. **BOARD, COMMISSION AND COMMITTEE REPORTS** None.
10. **CONSENT AGENDA**
  - A. Local Approval for 2012 Gaming Permit to Petersburg Little League
  - B. Local Approval for 2012 Gaming Permit to Elks AssociationThe Consent Agenda was approved, as submitted.
11. **REPORT OF OTHER OFFICERS**
  - A. Progress Report on Southeast Alaska Solid Waste Authority (SEASWA) Public

Works Director Karl Hagerman, the City's initial appointee and current Chairman of SEASWA, provided a lengthy report that contained the short history of SEASWA and current activities. Increasing membership in SEASWA is always at the top of the "to do" list. There are 26 potential partner communities in Southeast. The original 4 communities uniting in the regional solid waste effort has expanded to 7 communities. Some of the larger communities do not participate as their solid waste is handled by independent business owners. Hagerman provided an accounting of funds received from SE Conference and the Denali Commission and informed of the recent RFP soliciting companies that could provide service to Southeast. 30 responses were received to the RFP. The top three respondents were asked for more specific information and a tour of their facilities made. Once SEASWA determines what solid waste projects/programs will be pursued, a presentation will be made to the member communities to obtain their support. Hagerman invited council and/or community members to attend Board meetings via teleconference.

**12. MAYOR'S REPORT**

**A. Appointment to SEASWA** Mayor Dwyer, with no objections from City Council, reappointed Karl Hagerman to a three year term to the SEASWA Board of Directors.

**B. Next Meeting Reminder** The next Council meeting is Wednesday, February 1, 2012 at 7:00 p.m. in Council Chambers.

**C. Kake Celebration** Mayor Dwyer and Councilors Braun and Koenigs reported on their attendance to the Kake 100 year celebration.

- 13. MANAGER'S REPORT** Manager Giesbrecht reviewed his written report. Highlights: 1) Public Works is reviewing street maintenance projects to evaluate the handling of potholes and dust on gravel streets. 2) Equipment is being evaluated as it relates to the Motor Pool budget. 3) Petersburg Indian Association was thanked for entering into another agreement to help with snow removal. 4) Alaska Department of Environmental Compliance has approved using the landfill for dredge spoils from North Harbor. The City is looking into an ADEC loan to help pay the cost of the project. It is expected the costs will be shared between the sanitation and harbor funds. 5) New employee performance evaluation and progressive discipline forms have been developed. 6) Remote training for finance software occurred last week. The City's Information Tech continues to be out due to illness so the City may need to hire contract labor to help with software upgrade and new fire hall computers. 7) Representatives from Jensen Yorba Lott, Inc. will be in town to provide review services for the Mountain View Manor Roof; Fire Hall and survey of the Police Department/Jail facility. 8) Bids are out for the replacement lighting at several city facilities in conjunction with the energy efficiency grant. 9) The Police Department has been active in several narcotics seizures and drug related thefts. 10) A list of dismissed cases has been sent to Juneau District Attorney David Brower. It is hoped this will improve the service we are receiving. The DA informed that someone from the DAs office will be in Petersburg the week of January 16 so it is hoped to have an opportunity to further discuss our concerns.

Discussion was held on DEC's reasoning for allowing harbor dredge spoils to be placed upland at the landfill, but not used as fill material for the Commercial Drive Down Project. It was noted that DEC has determined use of the fill at the landfill will not cause discharge permit violations.

**14. UNFINISHED BUSINESS**

**A. Borough** Councilor Koenigs informed that at the recent Kake 100th celebration, Kake Mayor Kadake asked to have open communications with Petersburg on the borough boundaries.

**B. Resolution #1994: A Resolution Approving Supplemental FY 2012 Budget**

**Appropriations** The resolution was postponed from the January 3 meeting in order to provide opportunity for the Power & Light Superintendent and/or Utility Advisory Board to comment. The Board was unable to meet, however, Power & Light Superintendent Nelson gave his support for using \$48,500 of the recent Southeast Alaska Power Agency rebate to purchase an aquatic center pool blanket. Nelson related the rebate has traditionally been used in the past to off-set diesel operation costs. However, this year's rebate was considerably higher than prior years. He did not object to a one time use of utility funds to be used for a general fund expense. He added that it was his belief that SEAPA may reduce the wholesale power rate in the near future, so future rebates will not exist. The amount of money expected to be saved in utilities by using a pool blanket is between 20% - 50% giving a potential to recoup the initial blanket's expense in a fairly short amount of time.

Nelson provided a brief history of the reasons for the utility's sound financial condition. Converting from 60% diesel generation to nearly 100% hydro was the main reason for good finances. He added that since his initial employment with the City, he was tasked with the goal to move the plant from the downtown area to Scow Bay. Past estimated costs for moving the power and light plant and 20% of the diesel capacity to the Scow Bay area exceeded \$20 million. Due to the high costs and lack of grant funding, the move has been happening in phases starting with the moving of the pole yard, then erecting a storage building and now seeking the purchase of the Reid Building (next to Scow Bay sub-station) for use as the department's headquarters. To date, the utility has expended approximately 1.7 million for the move. The way for the electric utility to continue with the move and maintain rates without an increase is to utilize its reserves wisely. The "floor" of reserves for the department is 2.5 million. Current reserves exceed 5 million. The existing reserves will go a long way into attaining the long awaited move, but may not cover all of it.

Discussion was held on needed repairs to the crane dock that had been added to the budget amending resolution since its first review on January 3.

By unanimous Roll Call Vote, Resolution #1994 was approved, as submitted. Council members stressed this was a one time consideration. It will not become standard practice or policy to use Enterprise Fund money for General Fund expenses.

**C. Pollution Insurance on Lease Property** Councilor M. Jensen, liaison to the Harbor & Ports Advisory Board, reported that the Board will have a firm recommendation to the council in the very near future. The Board has set a work session for January 21 to establish a plan.

**D. Establish FY 2012/13 Budget Guidelines** To clear up any confusion on how the manager and staff should approach budget development for FY 2012/13, Council confirmed a "balanced budget" approach is to be used.

## **15. NEW BUSINESS**

**A. Resolution #1995: A Resolution Authorizing the Purchase of New Air Packs and Related Cylinders and Hardware for Station One** The resolution was unanimously approved.

**B. Authorization to Install New Fiber Cable** The Fire Department has received a proposal from AP&T in the amount of \$19,880 to install new high speed fiber cable, with related backup and transceiver equipment, from the Public Works Building to the Haugen and Second Street area. This upgrade would insure communications connectivity of all City emergency service providers and supply reliable connectivity between the Manor, Fire Station One, Public Works, Power & Light and City Offices. In addition, the upgrade would provide capacity and flexibility to connect the new library and harbor office. Council unanimously approved the installation of new fiber cable, as proposed.

**16. COMMUNICATIONS** Councilor Koenigs informed of a recent letter received from Petersburg Mental Health inviting Council Members to attend a January 20 meeting to develop community support for securing better services from the District Attorney's office.

**17. COUNCIL DISCUSSION ITEMS**

**A. Recognitions**

**1. Lending Hands** Public Works Director Hagerman thanked the Petersburg Indian Association for lending their sander to the City while the City's sander was being repaired. DOT was also acknowledged for supplying the needed part for repair.

**2. Thank You Community** Councilor John Jensen thanked the whole community for a warm welcoming to the Board of Fish who are holding meetings in Petersburg throughout the week.

**3. Job Well Done** Chief Agner congratulated Sergeant Agner for her recent seizure of a sizable amount of heroin and methamphetamine. The seizure was the result of her due diligence in a long, involved investigation.

**B. Redistricting** Councilor Mark Jensen informed that he has been paying close attention to the Fairbank's challenge to redistricting. He expressed his regret that the City did not follow through with its redistricting complaint. He believed Council gave up on Petersburg's complaint too soon and should consider becoming re-involved, if possible. Consensus was to keep tabs on the case and take further action if allowed in the future.

**C. Acquisition of Reid Property - Power & Light** Councilor Koenigs asked that a proposal be placed on this October's municipal election ballot to determine if the Reid property should be purchased to relocate the electric utility to Scow Bay. This move has been contemplated for many years. It's time to allow the community to resolve the matter.

**18. ADJOURN** The meeting adjourned at 8:54 p.m.

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Date Approved

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Kathy O'Rear, City Clerk

**MINUTES OF THE PETERSBURG CITY COUNCIL MEETING, REGULAR SESSION, HELD WEDNESDAY, FEBRUARY 1, 2012 AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS OF THE MUNICIPAL BUILDING**

1. **CALL TO ORDER** Mayor Dwyer called the meeting to order at 7:00 p.m. Present: Mayor Dwyer; Councilors Braun, Strand, Flint and M. Jensen. Absent: Councilors Koenigs and J. Jensen (excused).
2. **VOLUNTARY PLEDGE** The Pledge was recited.
3. **APPROVAL OF MINUTES** There are no minutes available for approval.
4. **AMENDMENT AND APPROVAL OF MEETING AGENDA** The meeting agenda was unanimously approved, as submitted
5. **PUBLIC HEARINGS AND BID AWARDS** None.
6. **VISITORS' VIEWS RELATED TO AGENDA** Resident John Hoag spoke in support of agenda item 15A. He believed the lack of service provided to the community by the District Attorney's office may be a state-wide issue. He asked that the community do all it can to support increased funding for law enforcement.
7. **VISITORS' VIEWS UNRELATED TO AGENDA**
  - A. **Petersburg Mental Health Representative Kim Kilkenney - Status of Emergency State Services** Kilkenney reported the State has recognized the local office as a "Best Practice Model" for behavioral emergency services. Petersburg Mental Health helps keep residents in need of mental health services within the community more often than other communities. Other communities avail themselves to sending their clients to out-of-town psychiatric hospitals, which are sometimes a never ending revolving door. An ex parte' from the community is estimated to cost an average of \$11,000. Kilkenney also reported the local office has received a grant for suicide prevention and substance abuse. She concluded her report by saying the department supports the City's attempt to get better service from the District Attorney's office and is available to aid in any way possible.
8. **BOARD, COMMISSION AND COMMITTEE REPORTS**
  - A. **Motor Pool Committee Meeting** Councilor M. Jensen reported committee has met and approved the 2013 budget be presented to the Manager. No new vehicles are planned for purchase and the life use of six vehicles has been extended.
9. **CONSENT AGENDA**
  - A. **Local Approval for 2012 Liquor License Renewals for Kito's Cave (renewal for both dispensary and package store sales)**  
The Consent Agenda was unanimously approved.
10. **REPORT OF OTHER OFFICERS** None.
11. **MAYOR'S REPORT**
  - A. **Next Meeting Reminder** The next Regular Council Meeting will be held on Tuesday, February 21 at 7:00 p.m. due to the February 20 Presidents' Day holiday.

**B. Vacancies On Advisory Boards** Mayor Dwyer asked for Letters of Interest for the following vacancies: Utility Advisory Board - 2 seats until the October election; Planning Commission - 2 seats until the October election; and Motor Pool - 1 seat for the balance of a 3 year term ending in October, 2014. Letters of Interest may be submitted to the City Clerk or Mayor.

**12. MANAGER'S REPORT** City Manager Giesbrecht read his written report. Highlights of the report: 1) The Downtown Road Improvement Project may be out for bid in late spring, dependant on resolving rights-of-way encroachments. Also, the Arts Council approved reuse of existing sidewalk medallion designs, but with different material that is safer for pedestrians. 2) Public Works has been responding to many calls of frozen/broken water meters. 3) One RFP for rate studies of the water, wastewater and sanitation utilities was received. The lone responder has not worked for the City in the past, but has performed rate services for Ketchikan, Sitka and Juneau. 4) The City's RV service area is in need of relocation - to make way for the new library. Several areas for relocation are being reviewed. Any ideas, either for a public or private service, should be given to the City Manager or Public Works Director. 5) Power and Light is finishing up the Sons of Norway Hall upgrade. 6) A bid opening for installation of a new stand-by diesel generator will be held February 9. 7) The Finance Department has gone live with a new upgrade in software. The installation was not planned until later in February, but the City's accounting software vendor, PCS, was able to make the upgrade installation early and assisted the City in recovering from the January 12 server crash. 8) Utility bills will soon be available "online". Customers will be able to access their accounts to view usage history and make payment by credit card. Forms for disconnect or signing up for auto pay will also be available on-line. 9) The Transient Room Tax Committee has recommended that \$9,208 be made available for grants to nonprofit organizations. Applications are due by February 17. TRT funds in the amount of \$27,965 were paid to the Chamber of Commerce on behalf of the Visitor Center. 10) The new employee performance evaluation and discipline forms have been approved by both unions. 11) Police Sergeant Agner seized approximately 6 lbs of marijuana on January 22. The weed was in transit to Kake. The street value exceeds \$64,000. 12) A concept plan for a new police and jail building is gaining momentum. An initial design has been reviewed by staff for submission to our legislators. The current concept is for a new building adjacent to the new fire hall. The architect's estimate to remodel the existing space was 5M and estimate to build a new facility is between 5M and 7M (the jail portion costing 2.5M). Plans and alternative possibilities will continue to be evaluated. 13) E-911 bid is posted. 14) The District Attorney has still not spoken with the Police Chief or City Manager regarding work load and/or dismissal rate of cases. 15) The pool cover has been ordered. 16) The aquatic center experienced severe pump and boiler problems during the recent cold weather. Several City departments are working to diagnose the problems and develop a permanent fix. Fixing the boiler required outside help. 17) Parks & Rec experienced vandalism on January 22. The police are looking into the matter. 18) The Fire/EMS department is now operating out of the new facility. But, the contractor is not yet 100% complete. 19) Recertification for EMT-1s and an EMT-3 class are being planned for. 20) Plans and bid docs for the Mountain View Manor roof are 25% complete. 21) AEGA is now soliciting bids for replacement lighting at several city facilities. 22) The annual survey of City facilities to identify maintenance issues is underway. The survey will also be the first step in determining ongoing costs associated with facilities. 23) Full occupancy at Elderly housing is pending the maintenance of two rooms. 24) Assisted living is very busy with one empty apartment and 6 people on the wait list. General Relief, while waiting for Medicaid, is working for the facility.

There was considerable discussion on where to relocated the RV water/sewer dump station.



**13. UNFINISHED BUSINESS**

**A. Borough** Councilor M. Jensen reported on his recent meeting with Goldbelt’s new CEO Robert Loiselle and Derek Duncan, VP of Operations. Jensen emphasized the strong financial benefits for Goldbelt to support Petersburg’s Borough Petition versus Juneau’s Annexation Petition. Goldbelt is reviewing the matter and expects to take a position sometime in the near future.

**B. Authorization to Amend Property Lease Documents to Require Best Management Practices Versus Standard Pollution Insurance Requirement** After a lengthy discussion, Council unanimously accepted the Harbors and Ports Advisory Board recommendation and authorized that lease documents be amended to remove the pollution insurance requirement and use Best Management Practices as proposed by the Board. The recommendation came with a standard set of Best Management Practices to be used for lease parcels at Scow Bay Turnaround. Other waterfront leases will require that Best Practices applicable to each lease site be applied at time of lease origination. During discussion it was noted that the Board may be developing a Use Agreement that will be used for vendors working on city waterfront property.

**C. Authorization to Amend the Island Ventures, LLC Lease Agreement** By unanimous Roll Call Vote, Council authorized the Island Ventures Lease be amended to include the new lease requirements as set forth under the new terms and conditions approved for Scow Bay Leases as recommended by the Harbors and Ports Advisory Board for the time period of March 1, 2012 through February 28, 2016 .

**14. NEW BUSINESS**

**A. Establish Town Meeting Date** City Manager Giesbrecht read a second letter proposed to be sent to Governor Parnell inviting him and several State Officials and Representatives to attend a Town Hall Meeting to discuss the on-going lack of service received from the District Attorney’s Office. Police Chief Agner informed of another missed opportunity for DA Brower to meet with the City due to the flight out of town on January 25 being cancelled because of weather.

Mayor Dwyer called a Recess at 8:02 p.m.

Regular Session was reconvened at 8:06 p.m. with the same members of Council in attendance.

Council established the Town Hall Meeting date as February 21 in conjunction with the Regular Council meeting. There were no objections to the draft letter being sent to the Governor. Mental Health representatives will seek community signatures for individuals in support of the letter’s content.

**B. Review and Acceptance of Draft Police Station Report** Council was provided a copy of the report as prepared by Jensen Yorba Lott, Inc. JYL had completed an initial study of the existing building and compared the feasibility of remodeling the building versus new construction. The report revealed that 3 of the 4 sections of the municipal building would be affected by a remodel because of failing floors. The further south the building goes, the worse the floor failure. Renovation is estimated at \$5 million, displacing employees during renovation. The \$5M estimate does not include any costs for temporary relocation of City services during remodel. To build a new facility adjacent to the new fire hall the report estimates the costs to be \$6.3 million. The costs can probably be reduced with further study and design and/or joining a new police facility with the new fire hall. However, the City’s request for funding from the State is due to be submitted within the week. There is not sufficient time to make a firm commitment to any option.

After considerable discussion, including what may or may not be done with the remaining fire hall grant funds, Council accepted the January 2011 report from JYL. Consensus of Council was the report should be made part of the City's legislative grant request for a new police department at \$6.3M. Council members scheduled to meet with our state representatives later this month are to emphasize that if full funding for the facility cannot be obtained this year, the City would appreciate funding for further study and formal design. Harbor Master Wollen expressed her concerns that seeking funding for a new police facility could jeopardize additional funds going to the Commercial Drive-Down Project.

**C. Authorization to Continue Chamber of Commerce Membership and Appoint a Council Representative** Mayor Dwyer, with consent of Council, appointed Parks and Recreation Director Don Hayes as the Council's representative to the Chamber of Commerce. By a 4-1 vote (Councilor Strand opposed) Council authorized that the City remain a member of the Chamber of Commerce, paying annual dues of \$1,500. Councilor Strand was opposed as she believed the dues amount of \$1,500 was excessive. Chamber Member Ron Loesch informed that the dues are not as high as other communities; the city and chamber work closely together; the city receives more votes on Chamber issues than regular members; the Chamber has renovated the building leased by the Chamber and the Chamber pays property taxes on the property. Paying dues from the City's Transient Room Tax Fund (as required by Code) will be discussed by the TRT Committee.

**15. COMMUNICATIONS** Mayor Dwyer read a thank you letter to the community from the Board of Fish.

**16. COUNCIL DISCUSSION ITEMS**

**A. Recognitions**

**1. General Thank yous** Appreciation was extended to: mental health workers; snow removal workers; volunteer Fire Fighters, EMS providers and Search and Rescue members; and Police Officers.

**17. ADJOURN** The meeting adjourned at 1:39 p.m.

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Date Approved

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Kathy O'Rear, City Clerk

## Manager's Report

February 21, 2012

Stephen Giesbrecht

### Informational

1. Met with the Department Heads and other key employees to review the new performance appraisal forms, progressive discipline process and to discuss the importance of clear and specific documentation for documenting employee performance issues.
2. Assisted living completely full. 12 rooms with 14 residents and a wait list.
3. Zoning Violation at LeConte RV Park – owner officially notified by City Attorney of intent to abate a public nuisance and that failure to complete all of the repairs will result in the revocation of the permit. Some repairs and maintenance have been completed, but this is pending a final inspection by the City.
4. Refinancing 2004B (Mountain View Manor) and 2004C GO Bonds (School Def. Maintenance) through the Alaska bond bank. This will result in a savings of \$186,914 for the 2004B issues and a \$152,969 savings for the 2004C issues.
5. Crane Dock Repairs – Tamico replaced pilings, changed out crane bolts
6. Governor's 2013 budget includes \$3.5 million for North Harbor Replacement, and the President's 2013 budget includes \$3.4 million for COE dredging North Harbor. We have requested a proposal from PND Engineers for design services for the Landfill Slope Stabilization project to allow for the placement of the North Harbor dredge material at the landfill.
7. Various PW and maintenance staff met with Donnie to discuss the potential placement of the RV Dump Station and Staging Area at the 3<sup>rd</sup> St. parking lot to the Aquatic Center. It appears to be a good location for various reasons and public works is currently determining material costs for the work.
8. The Water Treatment Plant Upgrades project is almost ready for bid. Some final adjustments to chemical feed equipment have pushed back the bid advertisement date, but currently the department hopes to get the bid advertisement out by March 1.
9. The 95% reviews of new library plans were completed last week. The project is tentatively scheduled to advertise for bids March 6.
10. New library local giving/capital campaign update: As of Feb 1, **217 individuals, businesses and organizations have pledged \$338,783** to the new library. A recent gift has named the small meeting room in honor of Petersburg's purple librarian, Ruth Sandvik. Local fundraising will continue until opening day.

**MEMO**

February 15, 2012

TO: City Council

FROM: Liz Cabrera, Petersburg Economic Development Council

RE: Romiad Building

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**BACKGROUND:** Earlier this month, the PEDC Board met with Pete Litsheim to discuss his proposal to move the Romiad Building from its present location to his lot adjacent to the Scandia House. Mr. Litsheim had discussed his intentions with Karl Hagerman, Leo Luczak, Rock-n-Road Construction, and the Asst. State Fire Marshall. Mr. Litsheim explained that given the tight time constraints, he would not have time to secure normal financing to undertake the project and asked the PEDC whether economic funds could be used for this purpose.

The primary purpose of the economic fund is to fund projects with economic development potential and long-term economic viability. If a funding proposal exceeds five percent of the market value of the fund, such expenditure would require ratification by the electorate. The balance of the fund is approximately \$4.4 million.

**RECOMMENDATION:** The Board relied on a number of factors to reach a decision including: long-term benefits to the community; benefit of a new downtown building; benefits to an existing local business; availability of sufficient collateral to secure the loan; time constraints; and soundness of the plan.

The PEDC Board recommends financing the project through the economic development fund under the following terms:

Secured loan of \$210,000 at 5% interest (payments amortized over 15 years) for one year.

Monthly principal & interest: \$1,660.67

These terms provide access to funds for Mr. Litsheim to undertake and complete the project in the time available, and sufficient opportunity for him to secure financing through a commercial bank or other institution.

**LOAN:** In order to ensure the loan documents are completed, processed, and filed correctly, the preparation of loan documents will be contracted out to the SE Alaska Revolving Loan Fund operated by the Juneau Economic Development Council. The JEDC is preparing a cost proposal for the PEDC, and hopefully I will have that in hand by the time the Council meets on Feb. 21<sup>st</sup>.

**Chapter 4.40 - ECONOMIC FUND**

**Sections:**

- [4.40.010 - Creation of an economic fund.](#)
- [4.40.020 - Objective.](#)
- [4.40.030 - Use of funds.](#)
- [4.40.040 - Permissible investments.](#)

**4.40.010 - Creation of an economic fund.**

There is created the city of Petersburg economic fund.

(Ord. 875 § 3 (2) (part), 2004: Ord. 803 § 3 (part), 1998: Ord. 784 § 3 (part), 1997)

**4.40.020 - Objective.**

The intent of the economic fund is to provide a long-term source of funds to engender economic development and job creation within and surrounding the city. The economic fund shall segregate funds received from the Southeast Alaska Economic Fund established by Congress in the FY 1996 Appropriations Act from the city's general fund and to account separately for the receipt and expenditure of the funds. Growth and income is the investment objective of this fund. Investment transactions shall be made to insure long-term growth and future income recognizing that short-term market losses may result. All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the city, within the investment objective of this fund.

(Ord. 875 § 3 (2) (part), 2004: Ord. 859 § 3 (part), 2002: Ord. 803 § 3 (part), 1998: Ord. 784 § 3 (part), 1997)

**4.40.030 - Use of funds.**

The primary purpose of the economic fund is to fund projects which have economic development potential and long-term economic viability. Annually the city council may determine the amount of funding to be made available from the proceeds earned from investment of the principal of the economic fund. The city council may set priority funding areas to be considered each year. In the event that a funding proposal would exceed five percent of the market value of the economic fund, such expenditure shall require ratification by the electorate.

(Ord. 875 § 3 (2) (part), 2004: Ord. 803 § 3 (part), 1998: Ord. 784 § 3 (part), 1997)

**4.40.040 - Permissible investments.**

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Proceeds of the economic fund may be invested in:

- A. Investments listed in Section [4.36.040](#) of this code;
- B. Up to sixty percent in domestic equity mutual stock funds with a minimum of a five-year track record and at least five hundred million dollars in asset value;
- C. Bond mutual funds investing in high grade corporate government bonds with a minimum of a five-year track record and at least five hundred million dollars in asset value.
- D. Investment Portfolio.

Asset Class Benchmark(s)	Allocation	Acceptable Range	Benchmark
Cash	<u>1</u>	0%–10%	Citygroup 3-Month Treasury
Fixed Income	50%	30%–60%	Barclays Capital Gov Bond
Large Growth	<u>17</u>	12%–22%	Russell 1000 Growth
Large Value	<u>16</u>	12%–22%	Russell 1000 Value
Mid-Cap	<u>11</u>	5% - 17	Russell Mid-Cap
Small-Cap	0%	0%–0%	Russell 2000
International	<u>5</u>	0%–13%	MSCI EAFE
<b>TOTAL</b>	<b>100%</b>		

(Ord. 875 § 3 (2) (part), 2004: Ord. 803 § 3 (part), 1998)  
 (Ord. No. 950, § 3, 11-22-2010)



# Petersburg Parks and Recreation

Feb. 10, 2012

**Memo: Raven's Roost Trail**

**Donn Hayes**

**Parks and Recreation Director**

**[donnh@ci.petersburg.ak.us](mailto:donnh@ci.petersburg.ak.us)**

**907-772-4224**

**To: The City Council**

**Charles Lovely with the Forest Service has been working over the last couple of years to obtain approval and acquire easements from AK DOT and the AK Mental Health Trust Lands to connect the Raven's Roost Trail to Sandy Beach Park. With those Easements procured they are now asking that they might receive easements through a couple of parcels that are owned by the City of Petersburg.**

**I have attached the needed maps, plats, and information for you take a look at and discuss this option.**

**From a Parks and Recreation stand point our department is in full support of creating one more Trailhead starting at Sandy Beach Park. We believe that this will help to solidify Sandy Beach Park as our hub for outdoor adventure and activity in the community.**

**The Forest Service is in the process of setting up their crews and supplies for this coming summer and is looking to our City for support of this great trail work.**

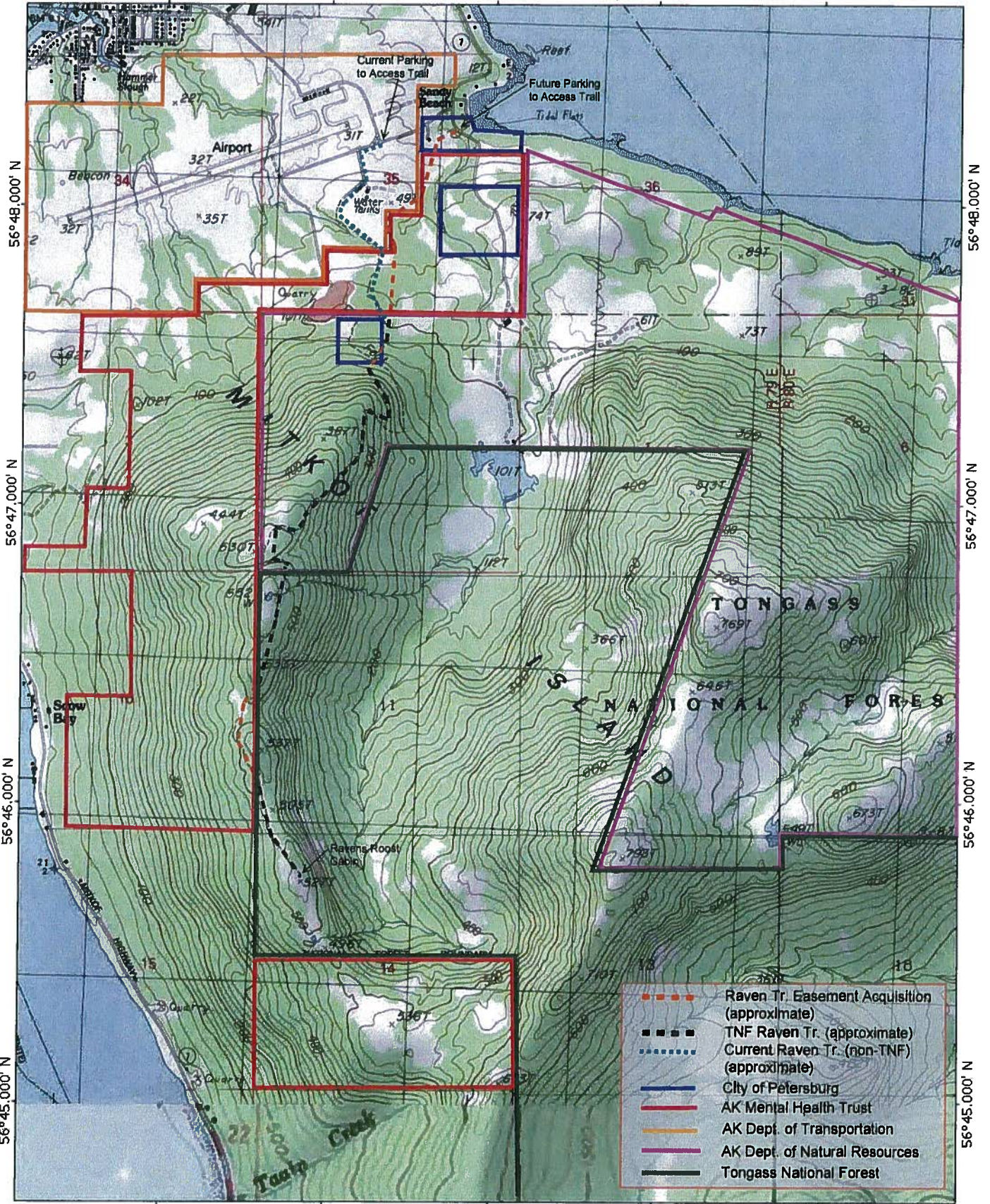
**We ask that the council support these easements, so that the Forest Service can begin work on the Raven's Roost Trail project this summer.**

**Donnie Hayes**





132°57.000' W 132°56.000' W 132°55.000' W 132°54.000' W WGS84 132°53.000' W



56°48.000' N 56°47.000' N 56°46.000' N 56°45.000' N

132°57.000' W 132°56.000' W 132°55.000' W 132°54.000' W WGS84 132°53.000' W

0.0 0.5 1.0 miles  
0.0 0.5 1.0 1.5 km

TN  $\uparrow$  / MN  $\searrow$   
21 1/4°

Map created with TOPOI® ©2003 National Geographic (www.nationalgeographic.com/topo)



TRAIL EASEMENT

THIS EASEMENT, dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, from \_\_\_\_\_ a corporation of the State of \_\_\_\_\_, whose address is \_\_\_\_\_, hereinafter called "Grantor," to the United States of America, hereinafter called "Grantee," whose address is Washington, D.C. 20013.

WITNESSETH:

Grantor, for and in consideration of \_\_\_\_\_ (spell out dollars) (\$) received by Grantor, does hereby grant and convey unto the Grantee and its assigns, a perpetual easement for a trail \_\_\_\_\_ feet in width, \_\_\_\_\_ feet on each side of the centerline, with such additional width as is necessary to accommodate and protect cuts and fills, over and across the following described lands in the County of \_\_\_\_\_, State of \_\_\_\_\_:

(list meridian, township, range, section, & 40's crossed by trail(s))

The said easement is in conformity with and located upon the ground according to the survey line, figures, measurements, widths, and other references shown on the plat hereto attached and made a part hereof. If the trail is located substantially as described herein, the centerline of said trail as constructed is hereby deemed accepted by the Grantor as the true centerline of the easement granted.

Together with such reasonable rights of temporary use of the Grantor's lands immediately adjacent to said right-of-way as may be necessary for the construction, reconstruction, improvement, and maintenance of said trail.

The acquiring agency is the Forest Service, Department of Agriculture.

Grantee alone may extend rights and privileges for use of the trail to other users including members of the public.

This conveyance is made subject to the following reservations by the Grantor, for itself, its permittees, contractors, assigns, and successors in interest:

Approved as to Consideration, Description, and Conditions By: \_\_\_\_\_ Date: \_\_\_\_\_

1. The right to cross and recross the easement at any point and for any purpose in such manner as will not materially interfere with the use of the trail.
2. The right to all timber now or hereafter growing on the easement subject to Grantee's right to cut timber on the easement to the extent necessary for constructing, reconstructing, and maintaining the trail. Timber so cut shall, unless otherwise agreed to, be cut into logs of standard lengths and decked along the trail for disposal by the Grantor.

The Grantee will permit the Grantor, its successors or assigns to use the trail to serve its property in accordance with the rules and regulations of the Secretary of Agriculture, 36 CFR 261.12 and 261.55, as the same may be amended, in such manner as not unreasonably to interfere with its use by the United States, its authorized users or assigns, or cause substantial injury thereto.

If the Regional Forester determines that the trail, or any segment thereof, is no longer needed, the easement traversed thereby shall terminate. The termination shall be evidenced by a statement in recordable form furnished by the Regional Forester to the Grantor or its successors or assigns in interest.

**IN WITNESS WHEREOF**, the said Grantor has caused this instrument to be executed by its duly authorized officer(s) and its corporate seal to be hereunto affixed on the day and year first above written.

**(insert name of corporation)**

By \_\_\_\_\_  
 (Name)  
 (Title)

**Attest:**

By \_\_\_\_\_  
 (Name)  
 (Title)

**ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ )  
 )ss.  
 County of \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, the undersigned, a Notary Public in and for said State, personally appeared \_\_\_\_\_ and \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the individuals who executed the within and foregoing instrument as the \_\_\_\_\_ and \_\_\_\_\_, respectively, of corporation name, the corporation therein named, and acknowledged to me that such corporation executed the same.

**IN WITNESS WHEREOF**, I have hereunto set my hand and official seal the day and year first above written.

\_\_\_\_\_  
Name (Printed)  
Residing at \_\_\_\_\_  
My Commission Expires \_\_\_\_\_

## Exhibit B

### Raven Trail Easement Description on City of Petersburg Lands within Section 35, T. 58 S., R. 79 E., CRM

#### Segment I

An easement twenty-five feet wide for the Raven trail, across City of Petersburg Lands, being in the northeast quarter of Section 35, T. 58 S., R. 79 E., Copper River Meridian, Alaska, the centerline of the easement being described as follows:

Commencing at Corner 5 of the Petersburg Airport property, being marked by a 3/4 inch aluminum rod with a brass cap, thence S 7°14'W, 975 ft., (bearing and distance based on grid meridian, NAD 83) to the true Point of Beginning, being the intersection of Sandy Beach Road and the Raven trail, thence along said trail the following courses, S31°46'W 15.0 ft., thence N57°48'W 100.5 ft., thence S70°54'W 50.0 ft., thence N61°44'W 16.5 ft., thence S 8°37'W 131.5 ft., thence S11°20'E 99.0 ft., thence S 0°05'W 128.0 ft., to the Point of Ending being the intersection of the Raven trail and the south line of the northeast quarter of the southwest quarter of the northeast quarter, said line being the boundary between City of Petersburg land and Alaska Mental Health Trust land. From the Point of Ending, the southwest corner of Lot 23 Section 35, T. 58 S., R. 79 E., bears N89°09'E, 918 ft., being marked by a two inch iron post with cap.

As shown on plat titled Raven Trail Easement within Section 35, T.58S., R.79E., dated November 2004.

This easement contains 0.41 acres.

#### Surveyor's Statement

All bearings and distances shown hereon refer to the grid meridian. The courses shown hereon for the Raven trail were established by the U.S. Forest Service in July 2004, using a Trimble Pathfinder Pro XR GPS receiver, with a Pro Beacon real time unit receiving correction signals from the Level Island DGPS station, Lev1. The positional error of the Pathfinder Pro XR survey is estimated to be within 3 feet.

This description was prepared for National Forest management purposes, by George Bisset, RLS 10391, on November 30, 2004.

File Code: 5400 Landownership  
5500 Landownership Title Management

**LAND DESCRIPTION VERIFICATION  
NON FEDERAL LAND**

Purchase/Exchange Name: <u>Raven Trail Easement Acquisition - City of Petersburg</u>				
Forest Name: <u>Tongass</u>				
Assessor's Parcel Number: _____				
County, Town, or Borough: <u>Petersburg</u> State: <u>Alaska</u>				
<p><b>1. Legal Description:</b> (Include subdivision part, Section, Township, Range, Meridian; or lot, block, warrant, parcel, grant, etc., as appropriate.) See Raven Trail Easement Plat, Exhibit A - Raven trail located in Lot 22 and the NE1/4SW1/4NE1/4, Section 35, T. 58 S., R. 79 E., CRM.</p>				
<b>2. Area:</b>	<u>Official</u> (Public Land Survey)	<u>Record</u> (title/deed/county)	<u>Actual</u> (land survey, infor.) 0.41 acres	<u>Tax Assessor's</u> (taxing authority)
<p><b>3. Record Documents:</b> East Sandy Beach Subdivision plat, No. 83-24 Petersburg Land Records State of Alaska Patent No. 1821 A.S.L.S. 88-16, Plat No. 89-20 Petersburg Recording District</p>				
<p><b>4. Comments:</b> ACREAGE CALCULATIONS: approximately 0.41 acres (approximately 723 linear feet in length, 25 feet in width). located within Sec. 35, T. 58 S., R. 79 E. CRM</p>				
<p>The legal description for the above described lands, proposed for acquisition by the UNITED STATES OF AMERICA, has been reviewed for technical sufficiency and acceptability for acquisition purposes and practicability for locating boundary lines.</p> <p>Acquisition of the above described lands is recommended based on the legal description referenced thereto, or in Preliminary Title Report / Policy of Title Insurance No. _____, dated _____, and issued by _____</p>				
For purposes of acquisition, the acreage is <u>0.41</u> acres.				
/s/ George Bisset AK RLS 10391 Land Surveyor, USDA Forest Service			July 11, 2011 Date	

FOREST SURVEYOR'S CERTIFICATE

I, the undersigned, Forest Surveyor for the State of Alaska, do hereby certify that the foregoing is a true and correct copy of the original as shown to me by the person claiming to be the owner of the land described herein.

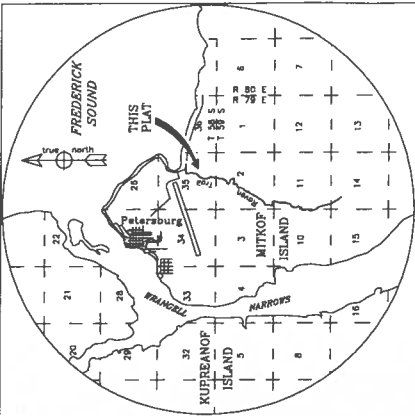
Notary Public for Alaska  
My commission expires \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

APPROVAL BY THE TAKING AUTHORITY  
No fees are due concerning any of the properties shown on this plat.

Francis Director, City of Petersburg

APPROVAL BY THE PLATING AUTHORITY  
This plat is approved for recording by the District Recorder.

Chief, Petersburg Planning Board



VICINITY MAP

Source: Petersburg (D-3, D-4, C-4, C-3) quadrangles

OWNER

Alaska Mental Health Trust Authority, a Public Corporation within the Alaska Department of Revenue (AS 47.30.011), at et al., by its Agent pursuant to AS 37.1000(f)(12), the Trust Land Office, Alaska Department of Natural Resources, Anchorage, Alaska 99501

NOTARY'S ACKNOWLEDGEMENT

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ by \_\_\_\_\_, Notary Public for the State of Alaska. My commission expires \_\_\_\_\_.

LAND SURVEYOR'S CERTIFICATE

I, the undersigned, Forest Surveyor for the State of Alaska, do hereby certify that the foregoing is a true and correct copy of the original as shown to me by the person claiming to be the owner of the land described herein.

REGISTRATION NUMBER RLS 10391

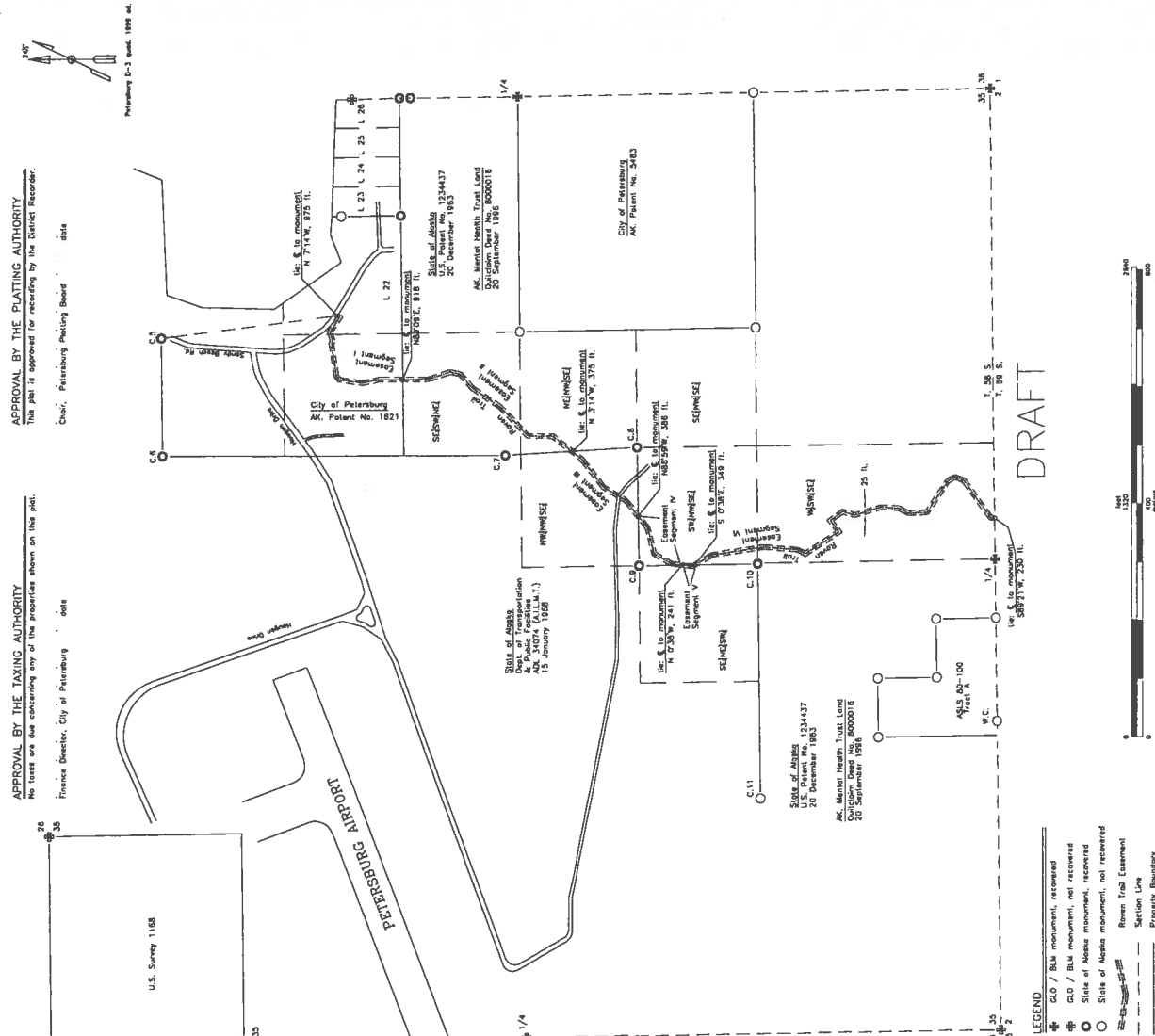


PETERSBURG RECORDING DISTRICT  
RECORD OF SURVEY

FOREST SERVICE - U.S. DEPT. OF AGRICULTURE  
ALASKA REGION - TONGASS NATIONAL FOREST  
RAVEN TRAIL EASEMENT

SEC. 35, T. 58 S., R. 79 E.  
Copper River Meridian  
Petersburg, Alaska

RLS 10391 June 2009



DRAFT



NOTES

- 1. The survey was conducted in accordance with the provisions of AS 47.30.011, AS 47.30.012, AS 47.30.013, AS 47.30.014, AS 47.30.015, AS 47.30.016, AS 47.30.017, AS 47.30.018, AS 47.30.019, AS 47.30.020, AS 47.30.021, AS 47.30.022, AS 47.30.023, AS 47.30.024, AS 47.30.025, AS 47.30.026, AS 47.30.027, AS 47.30.028, AS 47.30.029, AS 47.30.030, AS 47.30.031, AS 47.30.032, AS 47.30.033, AS 47.30.034, AS 47.30.035, AS 47.30.036, AS 47.30.037, AS 47.30.038, AS 47.30.039, AS 47.30.040, AS 47.30.041, AS 47.30.042, AS 47.30.043, AS 47.30.044, AS 47.30.045, AS 47.30.046, AS 47.30.047, AS 47.30.048, AS 47.30.049, AS 47.30.050, AS 47.30.051, AS 47.30.052, AS 47.30.053, AS 47.30.054, AS 47.30.055, AS 47.30.056, AS 47.30.057, AS 47.30.058, AS 47.30.059, AS 47.30.060, AS 47.30.061, AS 47.30.062, AS 47.30.063, AS 47.30.064, AS 47.30.065, AS 47.30.066, AS 47.30.067, AS 47.30.068, AS 47.30.069, AS 47.30.070, AS 47.30.071, AS 47.30.072, AS 47.30.073, AS 47.30.074, AS 47.30.075, AS 47.30.076, AS 47.30.077, AS 47.30.078, AS 47.30.079, AS 47.30.080, AS 47.30.081, AS 47.30.082, AS 47.30.083, AS 47.30.084, AS 47.30.085, AS 47.30.086, AS 47.30.087, AS 47.30.088, AS 47.30.089, AS 47.30.090, AS 47.30.091, AS 47.30.092, AS 47.30.093, AS 47.30.094, AS 47.30.095, AS 47.30.096, AS 47.30.097, AS 47.30.098, AS 47.30.099, AS 47.30.100.

RAVEN TRAIL CENTERLINE

- with Section 35  
S. 71°14' E., 975 ft.  
Segment I - Crossing City of Petersburg Land  
S. 31°48' W., 15.0 ft.  
S. 70°24' W., 50.0 ft.  
N. 61°44' W., 18.5 ft.  
S. 82°37' W., 31.5 ft.  
S. 11°20' E., 99.0 ft.  
S. 0°05' W., 158.0 ft.  
Segment II - Crossing AK Mental Health Trust Land  
S. 17°59' E., 131.0 ft.  
S. 17°42' W., 58.5 ft.  
S. 34°38' W., 87.5 ft.  
S. 48°22' W., 119.0 ft.  
S. 26°05' W., 140.0 ft.  
Segment III - Crossing AK Department of Transportation & Public Facilities Land  
S. 26°05' W., 140.0 ft.  
S. 52°17' W., 105.5 ft.  
S. 31°11' W., 150.0 ft.  
S. 52°17' W., 105.5 ft.  
Segment IV - Crossing AK Mental Health Trust Land  
S. 7°01' W., 48.0 ft.  
S. 30°47' W., 103.5 ft.  
S. 7°50' W., 63.5 ft.  
Segment V - Crossing AK Department of Transportation & Public Facilities Land  
S. 7°54' W., 58.5 ft.  
S. 30°04' E., 17.0 ft.  
Segment VI - Crossing AK Mental Health Trust Land  
S. 8°18' E., 33.5 ft.  
S. 8°29' W., 184.0 ft.  
S. 33°42' E., 274.0 ft.  
S. 30°31' E., 84.0 ft.  
S. 18°15' W., 72.5 ft.  
S. 33°24' W., 102.5 ft.  
S. 29°27' W., 58.5 ft.  
S. 56°42' E., 113.0 ft.  
S. 29°01' E., 43.0 ft.  
S. 54°53' W., 87.5 ft.  
S. 7°00' W., 22.0 ft.  
It ends to 1/4 Cor.  
S. 89°21' W., 230 ft.

LEGEND

Symbol	Description
Star	GLD / BLU monument, recovered
Circle	GLD / BLU monument, not recovered
Square	State of Alaska monument, recovered
Triangle	State of Alaska monument, not recovered
Diamond	Private Trail Easement
Circle with dot	Section Line
Dashed line	Property Boundary

structures to be rebuilt with the original footprint and the structures did not come any closer to the property line.

Mrs. Stolpe said that the porch has been enclosed to protect the entryway from the weather. She asked if the porch would be allowed if it was just a deck and a roof with two posts.

Staff responded that an unenclosed porch is allowed. A deck with a roof supported by 2 posts with no walls would be allowed in the front setback.

Mr. Williams noted that he could build an unenclosed porch to within 3 feet of the property line without a variance. He asked if he neighbors were satisfied and he didn't block their view shouldn't the variance be granted. He stated that all we were talking about here was an additional 5 feet of front porch. He also noted that he is dealing with a building that is in place, and he is trying to rebuild the porch and protect the stairs and entryway.

C. Duvall quoted from the *PLANNERS HANDBOOK*; "Those who build or remodel in violation of a zoning requirement do so at their own risk. Variances should not be granted to relieve a hardship created by contempt for or ignorance of zoning laws".

Mr. Williams said that he did everything in good faith and he felt that it was a communication problem between himself and the Building Official.

Motion fails 2 – 2.

Chair Anderson informed the applicant that the decision can be appealed to the City Council.

c. Proposed Sign Ordinance and Municipal Code amendments.

The commission discussed the proposed Sign Ordinance and Municipal Code amendments, and considered whether the existing signs advertising salmon and shrimp for sale in the harbor should be allowed under the new ordinance.

The members will continue the discussion of the PMC amendments at the next meeting.

8. New Business:

a. Acceptance of and scheduling of a public hearing for a request from Ole and Kandi Nordgren for a variance of the 20 foot front setback to allow the construction of a carport 11'8" from the front property line on lot 2, block 98, located at 1110 Wrangell Avenue.

Motion to accept the application and to schedule a public hearing.

Motion carried 4 – 0.

The members decided to consider the request at a special meeting to be held on September 19 at 4:00 PM.

b. Review of USFS easement request – Ravens Roost Trail.



The commission discussed the proposed improvements to Ravens Roost Trail.

Motion to recommend to the City Council that the City sign the easement agreement.

Motion carried 4 – 0.

9. Discussion Items: None.

10. Members Comments. None.

11. Staff Comments:

a. August Zoning Bulletin.

Staff presented the August Zoning Bulletin.

12. Adjournment.

The meeting was adjourned at 1:30 PM.



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MEMORANDUM

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**TO:** STEVE GIESBRECHT, CITY MANAGER  
**FROM:** LEO LUCZAK, COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** LIBRARY FACILITY ON-SITE CONSTRUCTION ADMINISTRATOR  
**DATE:** 2/16/2012  
**CC:** KATHY O'REAR, CITY CLERK

The City recently advertised a Request for Proposals for an On-site Construction Administrator to oversee the building of the new library. The RFP was advertised in the local paper as well as on the City website. The deadline for proposal submission was at 4:30pm on January 23, 2012.

The solicitation resulted in three proposals being received. Proposals were received from Tee Harbor Construction, Weed Engineering Inc, and Susort Construction Administration Services. All proposers were found to be responsive to the basic intent of the RFP requirements.

The proposals were received and evaluated by a committee of City staff members that have had involvement with the library project, including Tara Alcock, Karl Hagerman, Susan Christensen, the City Manager and myself. The committee scored each proposal individually and then met to compile scores and make a selection of the top proposal.

The proposals were ranked as follows after selection committee scoring:

1. Tee Harbor Construction
2. Weed Engineering Inc.
3. Susort Construction Administration Services

Tee Harbor Construction was selected as the top proposal in the process and I contacted Dan LaForce of Tee Harbor to discuss negotiating a contract. Mr. LaForce's bid was over budget so we discussed paying him to become familiar with the plans and specifications now, and later negotiating for the remainder of his work after the construction contract has been awarded. Mr. LaForce understood that some contractors require more oversight than others and he was agreeable to this approach.

The budget for the construction administration and inspection services is included in the library project and is \$100,000. Tee Harbor Construction had the highest rating and also was the low bidder at \$172,000. Phase one of the proposal was for \$14,080 for part-time work prior to awarding a construction contract. The remainder of the proposal for the actual inspection and administration services will be negotiated after the bids for the construction of the Library are opened and the preferred contractor is determined.

**The evaluation committee recommends that Tee Harbor Construction be authorized to complete this work for an amount not to exceed \$14,080.**

Please contact me with any questions. Thank you.



**CITY OF PETERSBURG**  
PUBLIC WORKS DEPARTMENT  
P.O. BOX 329 · PETERSBURG, ALASKA 99833  
PHONE (907) 772-4430  
FAX (907) 772-4102

**Memorandum**

02-14-2012

**To: Steve Giesbrecht, City Manager**

**From: Chris Cotta, Assistant Public Works Director**

**Re: Wastewater Office Replacement**

The City recently advertised for construction proposals to install a new office facility at the Wastewater plant. Two proposals were received timely, from M/Space LLC of Silverton, Oregon; and West Construction of Petersburg. Both proposals were reviewed and scored by a committee consisting of Leo Luczak, Karl Hagerman and myself. The proposals are similar in total cost (proposal cover sheets and cost breakdowns attached for reference); however West Construction proposes an earlier completion date and also has the advantage of a Project Manager local to Petersburg.

After careful review, the committee's unanimous recommendation is to award the project to West Construction, to include both the base building at \$77,680, plus the alternate roof option (shed roof) at \$5600, for a total of \$83,280.

The approved FY12 budget for this item is \$70,000. Awarding only the base building will exceed the budget by \$7,680. Adding the shed roof option will increase the overage to \$13,280. However, constructing the modified roof option will cause all office roof snow to shed away from the WW plant parking area and office building entry points, and greatly reduce snow removal needed in the future vs. going with the standard gable roof. We feel that going with the optional roof will result in less man hours and equipment time for snow removal, and more than justifies the extra cost over the lifetime of the structure.

At present the WW Dept. has over \$1.1M in reserves, so any overage on this project can be taken from these reserves without appreciably affecting the reserve balance. If you agree with the award as recommended above, please present it to City Council for consideration at their next meeting on February 21<sup>st</sup>. Thanks.

Attachments: 4 pages total

Cc: Karl Hagerman  
File

#### **4.9 Project methodology and approach**

Our method would be stick built construction. We would buy all new materials as specified in Attachment A - Construction Specs, and frame a new building, complying with all building codes, from the ground up. We would build pads (concrete or treated wood) and set treated beams the length of building for a foundation. We would meet every point specified in Attachment A - Construction Specs. We would take the necessary steps to assure that the building is built in such a way to meet the demands of a cold, wet environment.

For example we would glue all sheet flooring joints on the floor to create a sealed floor with no air leaks,

all of our framing would be in such a way to create maximum insulation value of the walls,

we would use a raised heel truss to assure that a R-38 insulation value in the ceiling extends all of the way to the outside of the exterior walls and still allows proper roof ventilation,

we would flash all windows and doors and install the house wrap in such a way to shed water away from the building to the outside,

our methods for installing metal trims and siding would also be to shed water to the outside and protect the building from water damage.

We take special care in all aspects of the building process to assure a quality job, that can stand up to the elements, be energy efficient, and show quality workmanship in the details.

#### **4.11 Cost/fee schedule**

Cost not to exceed \$77,680.00

Section R. Alternative roof option cost

Cost not to exceed \$5,600.00

**Proposal for  
Petersburg Wastewater Department  
Office Replacement Project**

**West Construction Petersburg LLC.  
P.O. Box 1786  
Petersburg, Ak 99833**

**Contact person - Jesse West  
Office (907) 772-2006 cell (907) 518-1289**

**Proposal date: January 31, 2012**

**CITY OF PETERSBURG, ALASKA**

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**Request For Proposals  
Construction Services  
Petersburg Wastewater Department  
Office Replacement Project**

January 27, 2012



M Space Holdings, LLC  
214B South Water Street  
Silverton, Oregon  
R. Alan Duer  
503-873-4900



## COSTS AND COMMITMENTS

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### Sales Price

• <b>Building Cost:</b>	\$80,440.00
• <b>One-Time Costs</b> (Delivery and Setup):	Included
• <b>ADA Ramp, Deck, Covered Porch &amp; Steps:</b>	Included
<b>Total Purchase Price</b> (not including applicable state and local taxes)	<b>\$80,440.00</b>

### Optional Sales Price

• <b>Alternate Roof Option Cost:</b>	<b>\$2,500.00</b>
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### Sale Terms and Conditions

Standard Payment Schedule (contingent upon credit approval)

- 25% Down Payment - upon signing contract
- 50% Progress Payment - upon factory completion
- 25% Final Payment - upon substantial completion

### Clarifications

M Space made the following clarifications regarding the design, construction, and installation of modular buildings.

#### Proposal (Quote) Clarifications

1. This proposal (quote) is valid for (30) days if not otherwise stated in the contract.
2. Pricing excludes all state, federal and local tax. M Space assumes all items are tax exempt. Any taxable items that may arise will be at the cost of the client.
3. **This proposal (quote) is based on prevailing wages.**
4. All permits local or state are the responsibility of the customer.
5. Pricing does not include unknown or unforeseen events such as lack of natural resources, driver wait time, escorts, customer readiness, or site preparation, which may affect the pricing included herein.
6. Quote is based on mutually agreeable terms, conditions, documentation, and credit approval.
7. Customer is responsible for changes required by local code or building inspectors.
8. All items not specifically addressed in this Quote are excluded from this proposal.