

**MINUTES
CITY OF SAINT PAUL
COUNCIL MEETING
December 12, 2023**

I. CALL TO ORDER

Mayor Mercurief called the meeting to order at 9:02AM.

II. ROLL CALL

Council members present were Jason Bourdukofsky, Ray Melovidov, Joseph Kozloff, Daniel Porath, and Naomi Edenshaw.

III. APPROVAL OF AGENDA

CM Porath MOVED to approve. Seconded by CM Bourdukofsky. There were no comments or questions or changes. Motion to approve was carried by a Voice vote with 6 Ayes.

IV. APPROVAL OF MINUTES

CM Melovidov MOVED to approve the minutes of November 2, 2023, and November 14, 2023. Seconded by CM Porath. There were no comments, questions, or changes. Motion to approve was carried by Voice vote with 6 Ayes.

V. PERSONS TO ADDRESS THE COUNCIL

There was no one to address the council.

VI. Special Presentation on Work on Cemetery

Esther Babcock, 12 years of experience, and a PhD in geophysics from Boise. Her office is out of Anchorage, and she has been working all over the State. Contracted through the Tribe for erosion control, they are using a radar system outside the cemetery to map what is under the ground. The scope of work does not include inside the graveyard.

VII. REPORTS

A. Mayor

Mayor Mercurief attended the planning session for the thriving communities' grant in Washington. Some of the topics discussed did not pertain to Saint Paul such as highways, and railroads. During the breakout sessions discussed the importance of keeping communities involved and updated through various means such as the internet and newsletters.

B. City Manager

Zavadil provided a written report. It's available online. CM Kozloff asked about the status of the Powerplant upgrades. Zavadil commented that the loan should be in place this month, December. A recent power outage was due to a fuel/personnel issue that will be corrected to make sure it doesn't happen again. Due to the state of the fuel system, it is on permanent bypass mode, the PLC gave out a while ago and the underground line was shut down. The 2000-gallon fuel tank has to be filled daily. Once the loan is approved the first thing to be addressed will be the fuel system.

CM Melovidov had issues with the meeting packet on Onboard with sections jumping around. He asked about streetlight heads, if they are out, are there replacements. The City does not have money budgeted to replace it. CM believes it should be in the budget.

C. City Clerk

Wegeleben provided a written report. It's available online.

D. Finance Director

Mandregan was out of the office and unable to provide a report.

E. Grants/Projects Specialist

Sterbenz provided a written report. It's available online.

F. Department of Public Safety

1. Emergency Medical Services

Nason provided a written report. It's available online.

2. Village Public Safety Officer

Davis provided a written report. It's available online.

VIII. OLD BUSINESS

A. Third Reading and Adoption of Ordinance 23-05 - Revising and Amending Title 4 - Revenue and Finance, Chapter 4.25 - Sales Tax, 4.25.020 - Levy and collection of tax on alcohol, marijuana and tobacco

CM Edenshaw MOVED to approve. Seconded by CM Bourdukofsky.

This is a new 5% tax in addition to the 3.5% sales tax on the sale of alcohol, marijuana, and tobacco products. As a new tax, after the third reading it would require a vote of the public. Setting a Special Election for January 12 and will work on getting promotional material out. CM Bourdukofsky asked if the 5% was on top of the 3.5%. Yes, with the new tax, the total tax would be 8.5%.

Motion to approve was carried by Roll Call vote with 4 Ayes, with No votes from CMs Porath and Bourdukofsky.

B. Third Reading and Adoption of Ordinance 23-06 - Amending the City Code of Ordinances to revise and amend Chapter 4.25 Sales Tax deleting subsection (E) from Sales Tax Exemptions

CM Edenshaw MOVED to approve. Seconded by CM Bourdukofsky.

A roughly estimated 40,000+ dollars can be generated through lifting the exemption of the sale of seafood by vessels 42 feet and under. With the loss of the crab revenue, new revenue would help pay for needs like streetlight replacements. Mayor Mercurief gave some background on why the exemption was put into place. CM Bourdukofsky asked about item A;

there was some explanation. CM Melovidov raised point of order for discussing a prior agenda item; meeting continued. CM Melovidov commented that with the City now making payments on the debt for the small boat harbor it has changed his perspective as the local fleet does benefit from the changes. Zavadil gave some background; the City was a local sponsor for the Corp project in the development of the small boat harbor and had to come up with a 10% match which is \$89,000 a year for the next 30 years; defaulting on it could put the City in jeopardy of receiving Corp funds in the future.

Motion to approve failed by Roll Call vote with 3 Ayes, an Abstain from CMs Melovidov and Porath and a No from CM Bourdukofsky.

C. Third Reading and Adoption of Ordinance 23-07 – Amending City Code of Ordinances by Adding Title 4 – Revenue and Finance, Chapter 4.35 – Rental Tax on Rental of Motor Vehicles

CM Edensaw MOVED to approve. Seconded by CM Melovidov.

This new tax for motor and rental vehicles adds an additional 8% tax to the 3.5% sales tax. All IRS standard exemptions would apply. Exemptions added for residents, and local businesses that have Saint Paul, AK as their place of business on their article of incorporation. This would need to go to the vote of the public, intent is to capture outside revenue of people coming to the island. CM Bourdukofsky asked about the legality of exempting locals. Legal council has reviewed all documents. The City Council can exempt anybody, they cannot unexempt anybody already exempt by IRS rules.

Motion to approve was carried by Roll Call vote with 6 Ayes.

Break taken at 10:01AM

Back on record at 10:13AM

D. Third Reading and Adoption of Ordinance 23-08 - Amending City Code of Ordinances by Adding Title 4 – Revenue and Finance, Chapter 4.40 – Room Tax

CM Edenshaw MOVED to approve. Seconded by CM Porath.

This is an additional tax on short-term rentals 60 days and under for people coming in. there would be an additional 12%. A new tax would need to go to the vote of the public. Mainly focusing on potential outside revenue possibilities. Any standard IRS exemptions would apply. Zavadil gave an example of tax exemption situations and who would be responsible for paying the tax, the renter.

Motion to approve was carried by Roll Call vote of 5 Ayes with an Abstain from CM Bourdukofsky.

E. Second Reading and Adoption of Ordinance 23-02 - An Ordinance of the City of Saint Paul for the First Revision of the Adopted Budget for the City of Saint Paul for the Fiscal Year January 1, 2023, through December 31, 2023

CM Edenshaw MOVED to approve. Seconded by Mayor Mercurief.

A revision to the budget reflects income the City did not receive that was budgeted and expenditures that occurred that weren't budgeted and savings from unfilled positions.

Motion to approve was carried by Roll Call vote of 6 Ayes.

E. Second Reading and Adoption of Resolution 23-22 - A Resolution of the City of Saint Paul Approving the Refuse Rate Schedule for 2024

CM Melovidov MOVED to approve. Seconded by CM Edenshaw.

Without the increase the refuse fund would be \$28,000 in the red. It would have to be taken out of investments to offset it to make sure it is at zero. It would be a 25% increase on refuse rate across the board. For residents, the rate would go from \$36.26 to \$45.33 a month. CM Melovidov asked where the increase would put the utility. The increase would put the utility at breakeven. Without the revenue from the crab season, utilities can't be subsidized anymore. It is the council's responsibility to ensure that utilities and the City are operating responsibly, increasing the rates does that. CM Melovidov commented that if utilities eventually make revenue, there is potential for council to review possible rebate or credit. Currently there is not much left to cut from the budget to breakeven. This summer, the City worked with CBSFA and TDX to pick-up large items for community cleanup. CM Porath called for questions. An explanation was given about waste on personal property in response to CM Bourdukofsky question about enforcement. CM Porath raised point of order, stating question was called.

Motion to approve was carried by Roll Call vote of 4 Ayes with No votes from CMs Bourdukofsky and Porath.

F. Second Reading and Adoption of Resolution 23-23 - A Resolution of the City of Saint Paul Approving the Water Rate Schedule for 2024

CM Edenshaw MOVED to approve. Seconded by Mayor Mercurief.

The last time water rates were increased was in 2018, for residents the monthly cost went from \$30 to \$33. This current proposed increase would take it from \$33 to \$46.20 a month. Increasing the commercial meter to a minimum of \$500 a month, City has 6 commercial meters. The City is not making a lot of money. This utility needs to show in the black because it is tied to the Village Safe Water construction funds, if we do not have a balanced budget, it affects the City's score and ability to get funds. We are still operating a major utility making improvements where we can. Other than the EPA grant applied for, we are looking at redoing some of the buildings and water wells, valve house and treatment plant to get more efficient

buildings to operate on electric heat. This is one utility where if the City had made incremental increases, it would not be such a big jump. If this does not pass the utility would be \$50,000 in the red. This year investment funds were used in place of raising rates; the City has limited investments and if they are used up, there will be difficult repercussions.

Motion to approve was carried by Roll Call vote of 4 Ayes with No votes from CMs Bourdukofsky and Porath.

Break taken at 10:56AM
Back on record at 11:05AM

H. Second Reading and Adoption of Ordinance 23-10 - An Ordinance of the City of Saint Paul for the Establishment and Adoption of the Budget for the City of Saint Paul for the Fiscal (Calendar) Year January 1, 2024, through December 31, 2024

CM Melovidov MOVED to approve. Seconded by CM Edenshaw.

2024 budget includes 3.2% cola included, didn't budget for any merit increases 90/10 copayment for insurance, no travel except for certifications for employees. Unless travel is grant funded, there is no general fund travel happening. There is no budget for community events, administration will put in a request to CBSFA. There is no budget to fill some positions such as Public Works Director and HR. Positions to be laid off include Public Safety dispatchers and the Parks and Rec Coordinator; they were given advance notice to allow them to find work. Without the lift of the exemption on boats 42 feet and under, will have to review the budget. Cashing out investments totaling \$580,350 to break even in the general fund. Need to take out the \$49,000 that is budgeted under the fish tax, and increase the \$58,000 by \$49,000, add a couple grand for streetlights that would give a couple spares. If the harbor maintenance dredge project happens it will change things as there will be associated income. It is closing this week, and it should take 30-60 days to get the award. CM Melovidov asked if the budget included general wear items. The budget does include general maintenance for vehicles and cutting edge for the grader.

Motion to approve was carried by Roll Call vote of 4 Ayes with No votes from CMs Porath and Bourdukofsky.

IX. NEW BUSINESS

A. Resolution 23-24 - A Resolution Certifying that the Municipality did Suffer Significant Effects During the Program Base Year from Fisheries Business Activities that Occurred within FMA1: Pribilof Islands Area

CM Melovidov MOVED to approve. Seconded by CM Edenshaw.

Annual shared fisheries tax program for the Pribilofs with a total of \$326.27.

Motion to approve was carried by Roll Call vote of 6 Ayes.

B. Resolution 23-25 - A Resolution Authorizing an Exception to the Competitive Bidding and/or Pricing Quotes for the City of Saint Paul to Purchase Heavy Equipment

CM Edenshaw MOVED to approve. Seconded by CM Porath.

This resolution and the following are related to the EPA funding for the new equipment for the new landfill. Talked to EPA about the issues, they have \$150,000 and \$250,000 dollar limits that trigger processes. When making equipment purchases there are authorized dealers in Alaska. The state put out contracts for a firm called SourceWell, that contract for equipment is there, the discount is 20% using that contract. If we went somewhere else, we wouldn't get that 20% discount. Checked with Rob on what the Tribe has, they have a CAT and haven't had issues getting parts. CAT has an extensive list of parts to choose from, we can't ignore the \$100,000 dollar savings. Recommending equipment that has a higher barbed rail, the plow we have for the 926 would fit on it. There is no other manufacturer out there that does a track loader. Trying to make smart purchases that are universal. We're looking at a 313 on the CAT, the VOLVO is \$100,000 less is a 140 and will have all the same attachments to clean the burn box and move items.

Motion to approve was carried by Roll Call vote of 5 Ayes with No vote from CM Bourdukofsky.

C. Resolution 23-26 - A Resolution Authorizing an Exception to the Competitive Bidding and/or Pricing Quotes for the City of Saint Paul to Purchase Medium Duty Chassis Trucks with Specialty Bodies

CM Kozloff MOVED to approve. Seconded by CM Edenshaw.

This one replaces the garbage truck that has been down for a few years. The hook-lift truck that is being used now doesn't belong with the refuse department. Looking around, got a few quotes International and Chevy, Ford has not responded. 4-wheel drive will be essential. We are looking at International 515 chassis body with 4wheel drive. The RWC group is a state authorized dealer taking advantage of contract pricing that has been done through Trucking North America, so it has already gone out to competitive bid, this is just a process to waive the competitive bid that was already done by them for the new pieces of equipment for refuse which is EPA grant funded not City funded. CM Porath asked about safety budget for personnel. Personnel do take a rural landfill operator course and there is a budget.

Motion to approve was carried by Roll Call vote of 5 Ayes with a No vote by CM Bourdukofsky.

D. Resolution 23-27 - A Resolution Authorizing an Exception to the Competitive Bidding and/or Pricing Quotes for the City of Saint Paul to Purchase a Burn Cage

CM Edenshaw MOVED to approve. Seconded by CM Kozloff.

There are no other options, there are two manufacturers of burn boxes in Alaska. One out of Tok, called a Tok Burner, can't be dumped into and is for smaller communities. The other is

by Summit Enterprises who have different sizes. The City is already getting one through Village Safe Water for the current landfill that will be transferred to the new landfill. It comes in two pieces, a guy will come out to assemble it, it is called a burn cage because it has cage to prevent stuff from flying around. Incinerators require an air quality permit. Inspection a few years ago would have failed, to maintain the permit would have been \$10,000 a year. To make operations efficient, decided not to use them, they are dismantled. The City can't operate two landfills so once the old one closes the new one will open. As a Class 3 landfill the City can't do open burning.

Motion to approve was carried by Roll Call vote of 6 Ayes.

E. Resolution 23-28 - A Resolution Approving the City of Saint Paul Harbor Rate Schedule for 2024

CM Edenshaw MOVED to approve. Seconded by CM Porath.

There are some alternatives proposed on the wharfage changes. The City is offloading barges more often. This gives an option to have someone else offload and give a different rate. Coastal pays the wharfage and would probably adjust their rates accordingly. The other part, looking at harbor maintenance dredges in the past, dockage is clear, the wharfage on dredge material and rock is not so clear, pulled past invoice information. Options, to pass the wharfage part and aggregate part or give direction to the City Manager to negotiate a range. CM Melovidov asked about the rates. Currently at \$532 per 2000 pounds.

Motion to approve was carried by Roll Call vote of 6 Ayes.

X. EXECUTIVE SESSION

There was no Executive Session held.

XI. NEXT MEETING DATES/TIMES/AGENDA ITEMS

A. January 23, 2024, at 9AM.

XII. ADJOURNMENT

CM Edenshaw MOVED to adjourn. Seconded by CM Porath. Motion was carried by Voice vote with 6 Ayes. The meeting was adjourned at 12:00PM.

SUBMITTED BY:

APPROVED:

Aubrey Wegeleben, City Clerk

Date