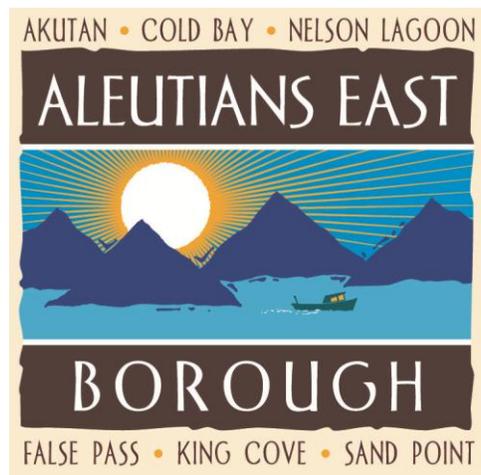


Aleutians East Borough Assembly Meeting



Meeting: Thursday, January 10, 2013 – 4:00 p.m.

Roll Call & Establishment of a Quorum

Adoption of Agenda



ASSEMBLY MEETING

(material available on website: www.aleutianseast.org)

Date: January 10, 2013

Time: Meeting: 4:00 p.m.

Location: By teleconference in the locations below:

King Cove -AEB office	Sand Point – AEB office
Nelson Lagoon Corp.office	False Pass city office
Akutan city office	Anchorage office – 3380 C St., Ste 205
Cold Bay-city library	

All communities will be provided with conference calling information for the designated location in your community. Public comments on agenda items will take place immediately after the adoption of the agenda. Additional public comments can be made at the end of the meeting.

1. Roll Call & Establishment of Quorum
2. Adoption of the Agenda.
3. Community Roll Call and Public Comment on Agenda Items.
4. Minutes
 - December 18, 2012
5. Financial Reports
 - Financial Reports
 - December, 2012
 - Investment Report
6. Resolutions
 - Resolution 13-16, Supporting Comments to the North Pacific Fishery Management Council Regarding Western Gulf of Alaska Groundfish Management Proposals.
7. Public Hearing
 - Public Hearing Ordinance 13-04, amending Title 6, Chapter 6.04, Section 6.04.041, Subsection (F), Investments Purpose and Limitations of the Borough Code of Ordinances.
8. Old Business
9. New Business
 - AEB Code, Title 3, Section 3.02.100, Assembly Approval of Contracts – Discussion only
 - Board of Fisheries attendance.
10. Reports and Updates
11. Assembly Comments

12. Public Comments
13. Next Meeting Date & Time
14. Adjournment

Community Roll Call & Public Comment on Agenda Items

Minutes

Aleutians East Borough Assembly Meeting
December 18, 2012

CALL TO ORDER

Mayor Mack called the December 18, 2012 Assembly meeting to order at 3:00 p.m. by teleconference in each community.

ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Present
Bill Cumberlidge	Present
Ken McHugh	Present
Joe Bereskin, Sr.	Absent-Unexcused
Brenda Wilson	Present

Advisory Members:

Nikki Hoblet, False Pass	Present
Harold Kremer III	Present
Justine Gundersen	Absent - Excused

A quorum was present.

Staff Present:

Rick Gifford, Administrator
Roxann Newman, Finance Director
Tina Anderson, Clerk
Ernie Weiss, Resource Director
Laura Tanis, Communications Manager
Anne Bailey, Community Development Director
Jacki Brandell, Finance Assistant

Adoption of Agenda:

MOTION

Paul moved to adopt the agenda placing the AEBSD funding request under New Business and adding under New Business, budget discussion. Second by Bill. Hearing no objection

MOTION PASSED

Community Roll Call and Public Comments on Agenda Items:

Cold Bay, False Pass, King Cove, Sand Point, Anchorage office.

Minutes, November 13, 2012:

MOTION

Carol moved to approve the November 13, 2012 Minutes and second by Bill. Hearing no objection motion passed.

Financial, November 2012:

MOTION

Bill moved to approve and second by Brenda.

DISCUSSION

In reviewing the November Financial Report, the Administrator said budget is tracking along well. We are 42% through fiscal year. Revenues are around 60% collected so ahead on revenue and under budget for expenses.

Paul noted that revenues are going to continue to decline on some species like crab, halibut, and possibly cod.

ROLL CALL

Marvin-yes, Paul-yes, Brenda-yes, Carol-yes, Bill-yes. Advisory: Nikki-yes, Harold-yes.

MOTION PASSED.

Investment Report, November 2012:

In packet.

Presentation, Alaska Permanent Capital Management Co. Annual Review of Permanent Fund Investments:

An annual review of the permanent fund investments was given by Bert Wagnon and Evan Rose from Alaska Permanent Capital Management Co. at workshop. Presentation in packet.

RESOLUTIONS

Resolution 13-15, selecting and promoting capital projects for the health, safety and welfare of its residents:

MOTION

Bill moved to adopt Resolution 13-15 and second by Brenda.

DISCUSSION

Carol asked City of Sand Point Mayor, Martin Gundersen, if new harbor was on Sand Point's priority list. Mayor Gundersen said Sand Point is submitting the Robert E. Galovin small boat harbor project and the road project as priority projects. Paul said when we put a resolution together, we try to help all communities, but have left out three communities on priority list. He added that AEB supports any projects all the communities submit.

Mayor Mack said the Community Development Coordinator has been working with the communities to increase their projects and that the resolution lists the major projects.

Mayor Gundersen said since same funding source, if AEB applied for the new harbor, AEB would be competing with the same source of funding for the Robert E. Galovin harbor

project since no other funding sources. Paul asked Mayor Gundersen when harbor project is going out to bid. Mayor Gundersen answered that it goes out to bid in February.

ROLL CALL

Carol-yes, Paul-yes, Brenda-yes, Marvin-yes, Bill-yes. Advisory: Harold-yes, Nikki-yes.

MOTION PASSED.

ORDINANCES

Introduction Ordinance 13-04, amending Title 6, Chapter 6.04, Section 6.04.041, Subsection (F), Investments Purpose and Limitations of the Borough Code of Ordinances:

MOTION

Paul moved to approve Ordinances 13-04 for public hearing at the next Assembly meeting. Second by Bill.

DISCUSSION

Paul said APCM said at presentation it is a very straight forward change, helps with our investment.

ROLL CALL

Brenda-yes, Paul-yes, Marvin-yes, Bill-yes, Carol-yes. Advisory: Harold-yes, Nikki-yes.

MOTION PASSED.

OLD BUSINESS None

NEW BUSINESS

AEBSD Funding Request:

AEBSD is seeking from the Borough funding for the purpose of hiring a Special Education Director.

Carol feels special education services are very important for all the communities. Being the teacher and a director is difficult to fill requirements and getting all our students up to success is important.

Mayor Mack said it is coming to mid-year. He suggested the AEBSD just seek \$65,000 for this fiscal year and not funding for next fiscal year budget.

MOTION

Paul moved to authorize an additional \$60,000 to go toward the Special Education Director new hire position and that the Assembly intends to amend AEB budget reflecting that at next budget amendment. Second by Carol.

DISCUSSION

Paul said he changed amount to \$60,000 because there was some cost savings associated with how they pay for the program. So, \$60,000 reflects closer to the amount they will actually need.

Rick noted the importance of doing the mid-year budget amendment reflecting the increase.

AEBSD Superintendent, Tim Stathis, said as soon as the Business Manager returns on the 31st they will look at expenditures for the first of the school year and the second half of the year.

ROLL CALL

Bill-yes, Marvin-yes, Paul-yes, Carol-yes, Brenda-abstain (on school board). Advisory: Nikki-yes, Harold-yes. MOTION PASSED.

Financial Policy- discussion only:

Paul requested a draft ordinance be introduced to change Assembly approval amount for contracts, decreasing the \$100,000 allowable without Assembly approval.

REPORTS AND UPDATES In packet

ASSEMBLY COMMENTS

Paul said the Assembly needs to decide how many people the AEB will assist with travel and per diem to attend the Board of Fisheries meeting.

PUBLIC COMMENTS

City of Sand Point Mayor, Martin Gundersen, said at the last City of Sand Point meeting the Council approved a lease agreement with Silver Bay Seafoods, they potentially are committed to the bay and are a year and a half away from an onshore operation. He feels this will be good for AEB and hopes AEB can provide any encouragement or support for infrastructure.

City of King Cove Mayor, Henry Mack, said the City of King Cove Council approved a contract for three more years to Gary Hennigh as Manager. He said the city's #1 priority is the hydro-project, HDR received contract and will hopefully get that constructed this summer. The landfill is also a priority project and the city has been improving the landfill by creating another cell and creating some land for an incinerator. The third priority project is the harbor bulk head dock and a warehouse. He hopes to see progress on the projects and thanked Assembly for support throughout the years.

Nikki Hoblet said she has concerns about air service to False Pass and other communities asking if the Borough had any updates on Pen Air or Grant Aviation. Mayor Mack said he has no new information. He knows they have a contract with Essential Air Service and still obligated

to provide those services. Marvin said since Pen Air is subsidized by the mail contract, they are responsible until they get everything in order; however, it is not good.

It was suggested that the Administrator make a couple calls and keep everyone updated since it is important to the region.

Harold said initially Pen Air planned to send Cherokee to Anchorage for 100 hour servicing, but heard a mechanic is planned to travel to Cold Bay to service airplane instead for less down time.

Brenda said there is serious concern about medications not being able to get into communities when you're only allowed a limited monthly amount.

Tom feels it should be an AEB wide issue instead of coming from one individual. Mayor Mack suggested the city submit concerns in writing and AEB will do whatever we can to assist.

NEXT MEETING DATE & TIME

January 10. Meeting to be scheduled after 3:30 p.m.

ADJOURNMENT

Paul moved to adjourn. Hearing no objections meeting adjourned at 3:47 p.m.

Mayor

Date

Clerk

Date

Financial Report

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*Revenue Guideline©

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Current Period: DECEMBER 12-13

		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 01 GENERAL FUND						
Active	R 01-201 INTEREST REVENUE	\$35,000.00	\$4,712.91	(\$2,493.39)	\$30,287.09	13.47%
Active	R 01-203 OTHER REVENUE	\$7,000.00	\$88,095.40	\$79.72	-\$81,095.40	1258.51%
Active	R 01-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-206 AEBSD Fund Balance Refun	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-218 AEB RAW FISH TAX	\$3,200,779.00	\$1,696,065.83	\$51,937.41	\$1,504,713.17	52.99%
Active	R 01-229 Southwest Cities LLC	\$0.00	\$30,000.00	\$0.00	-\$30,000.00	0.00%
Active	R 01-233 STATE PERS ON-BEHALF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-265 STATE RAW FISH TAX	\$1,664,919.00	\$2,033,096.94	\$0.00	-\$368,177.94	122.11%
Active	R 01-266 STATE EXTRATERRITORIA	\$243,084.00	\$0.00	\$0.00	\$243,084.00	0.00%
Active	R 01-267 STATE FISH LANDING TAX	\$53,571.00	\$49,776.49	\$0.00	\$3,794.51	92.92%
Active	R 01-268 State"Loss" Of Raw Fish Tax	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-270 STATE REVENUE OTHER	\$542,712.00	\$0.00	\$0.00	\$542,712.00	0.00%
Active	R 01-276 AEB SCHOOL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-277 STATE BOND REBATE	\$1,045,464.00	\$276,835.00	\$0.00	\$768,629.00	26.48%
Active	R 01-291 PLO-95 PAYMNT IN LIEU O	\$559,000.00	\$0.00	\$0.00	\$559,000.00	0.00%
Active	R 01-292 USFWS LANDS	\$36,256.00	\$15,123.00	\$0.00	\$21,133.00	41.71%
Total Fund 01 GENERAL FUND		\$7,387,785.00	\$4,193,705.57	\$49,523.74	\$3,194,079.43	56.77%

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***Expenditure Guideline©**

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Current Period: DECEMBER 12-13

		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 01 GENERAL FUND						
DEPT 100 MAYORS OFFICE						
Active	E 01-100-000-300 SALARIES	\$68,985.00	\$35,734.08	\$5,955.68	\$33,250.92	51.80%
Active	E 01-100-000-350 FRINGE BENEFITS	\$27,810.00	\$13,671.18	\$2,279.06	\$14,138.82	49.16%
Active	E 01-100-000-400 TRAVEL AND PER	\$36,000.00	\$13,708.54	\$1,584.00	\$22,291.46	38.08%
Active	E 01-100-000-425 TELEPHONE	\$2,400.00	\$683.76	\$113.21	\$1,716.24	28.49%
Active	E 01-100-000-475 SUPPLIES	\$1,000.00	\$504.99	\$100.00	\$495.01	50.50%
Active	E 01-100-000-554 AK LOBBIST	\$36,000.00	\$22,766.68	\$5,266.68	\$13,233.32	63.24%
Active	E 01-100-000-555 FEDERAL LOBBIS	\$75,600.00	\$37,800.00	\$12,600.00	\$37,800.00	50.00%
SUBDEPT 000		\$247,795.00	\$124,869.23	\$27,898.63	\$122,925.77	50.39%
Total DEPT 100 MAYORS OFFICE		\$247,795.00	\$124,869.23	\$27,898.63	\$122,925.77	50.39%
DEPT 105 ASSEMBLY						
Active	E 01-105-000-300 SALARIES	\$25,000.00	\$7,000.00	\$1,200.00	\$18,000.00	28.00%
Active	E 01-105-000-350 FRINGE BENEFITS	\$56,000.00	\$32,535.90	\$4,677.00	\$23,464.10	58.10%
Active	E 01-105-000-400 TRAVEL AND PER	\$40,000.00	\$8,393.00	\$100.00	\$31,607.00	20.98%
Active	E 01-105-000-425 TELEPHONE	\$4,500.00	\$2,054.27	\$438.98	\$2,445.73	45.65%
Active	E 01-105-000-475 SUPPLIES	\$500.00	\$2,500.00	\$0.00	-\$2,000.00	500.00%
SUBDEPT 000		\$126,000.00	\$52,483.17	\$6,415.98	\$73,516.83	41.65%
Total DEPT 105 ASSEMBLY		\$126,000.00	\$52,483.17	\$6,415.98	\$73,516.83	41.65%
DEPT 150 PLANNING/CLERKS DEPARMENT						
Active	E 01-150-000-300 SALARIES	\$81,160.00	\$41,528.91	\$7,072.52	\$39,631.09	51.17%
Active	E 01-150-000-350 FRINGE BENEFITS	\$33,524.00	\$14,770.39	\$2,465.78	\$18,753.61	44.06%
Active	E 01-150-000-400 TRAVEL AND PER	\$12,500.00	\$2,306.00	\$0.00	\$10,194.00	18.45%
Active	E 01-150-000-425 TELEPHONE	\$7,500.00	\$3,065.16	\$693.75	\$4,434.84	40.87%
Active	E 01-150-000-450 POSTAGE/SPEED	\$1,500.00	\$79.95	\$15.99	\$1,420.05	5.33%
Active	E 01-150-000-475 SUPPLIES	\$9,000.00	\$3,201.31	\$37.95	\$5,798.69	35.57%
Active	E 01-150-000-526 UTILITIES	\$15,000.00	\$9,630.98	\$1,860.89	\$5,369.02	64.21%
Active	E 01-150-000-530 DUES AND FEES	\$5,000.00	\$3,753.80	\$0.00	\$1,246.20	75.08%
Active	E 01-150-000-650 ELECTION	\$25,000.00	\$5,479.77	\$0.00	\$19,520.23	21.92%
Active	E 01-150-000-670 Planning Commisio	\$4,300.00	\$0.00	\$0.00	\$4,300.00	0.00%
SUBDEPT 000		\$194,484.00	\$83,816.27	\$12,146.88	\$110,667.73	43.10%
Total DEPT 150 PLANNING/CLERKS DEPARMENT		\$194,484.00	\$83,816.27	\$12,146.88	\$110,667.73	43.10%
DEPT 200 ADMINISTRATION						
Active	E 01-200-000-300 SALARIES	\$166,116.00	\$86,885.24	\$14,356.54	\$79,230.76	52.30%
Active	E 01-200-000-350 FRINGE BENEFITS	\$64,234.00	\$39,107.52	\$7,664.07	\$25,126.48	60.88%
Active	E 01-200-000-380 CONTRACT LABO	\$25,000.00	\$10,500.00	\$1,500.00	\$14,500.00	42.00%
Active	E 01-200-000-382 ANCHORAGE OFFI	\$0.00	-\$1,130.99	(\$12,353.04)	\$1,130.99	0.00%
Active	E 01-200-000-400 TRAVEL AND PER	\$15,000.00	\$21,968.51	\$2,207.70	-\$6,968.51	146.46%
Active	E 01-200-000-425 TELEPHONE	\$6,000.00	\$3,221.45	(\$120.78)	\$2,778.55	53.69%
Active	E 01-200-000-450 POSTAGE/SPEED	\$2,500.00	\$1,004.92	\$497.48	\$1,495.08	40.20%
Active	E 01-200-000-475 SUPPLIES	\$18,120.00	\$6,121.59	\$1,330.56	\$11,998.41	33.78%
Active	E 01-200-000-500 EQUIPMENT	\$4,500.00	\$0.00	\$0.00	\$4,500.00	0.00%
Active	E 01-200-000-525 RENTAL/LEASE	\$36,980.00	\$16,332.06	\$5,466.80	\$20,647.94	44.16%
Active	E 01-200-000-530 DUES AND FEES	\$1,500.00	\$2,390.00	\$950.00	-\$890.00	159.33%
SUBDEPT 000		\$339,950.00	\$186,400.30	\$21,499.33	\$153,549.70	54.83%
Total DEPT 200 ADMINISTRATION		\$339,950.00	\$186,400.30	\$21,499.33	\$153,549.70	54.83%
DEPT 250 FINANCE DEPARTMENT						
Active	E 01-250-000-300 SALARIES	\$116,802.00	\$61,047.92	\$10,106.00	\$55,754.08	52.27%
Active	E 01-250-000-350 FRINGE BENEFITS	\$51,161.00	\$24,308.65	\$4,803.18	\$26,852.35	47.51%
Active	E 01-250-000-400 TRAVEL AND PER	\$4,000.00	\$1,700.00	\$300.00	\$2,300.00	42.50%
Active	E 01-250-000-425 TELEPHONE	\$5,000.00	\$2,174.63	\$367.73	\$2,825.37	43.49%

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*Expenditure Guideline©

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Current Period: DECEMBER 12-13

		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Active	E 01-250-000-450 POSTAGE/SPEED	\$2,500.00	\$1,539.53	\$0.00	\$960.47	61.58%
Active	E 01-250-000-475 SUPPLIES	\$10,500.00	\$6,754.34	\$258.12	\$3,745.66	64.33%
Active	E 01-250-000-526 UTILITIES	\$4,000.00	\$1,624.79	\$195.75	\$2,375.21	40.62%
Active	E 01-250-000-550 AUDIT	\$45,000.00	\$33,313.61	\$0.00	\$11,686.39	74.03%
SUBDEPT 000		<u>\$238,963.00</u>	<u>\$132,463.47</u>	<u>\$16,030.78</u>	<u>\$106,499.53</u>	<u>55.43%</u>
Total DEPT 250 FINANCE DEPARTMENT		\$238,963.00	\$132,463.47	\$16,030.78	\$106,499.53	55.43%
DEPT 650 RESOURCE DEPARTMENT						
Active	E 01-650-000-300 SALARIES	\$70,000.00	\$36,260.04	\$6,043.34	\$33,739.96	51.80%
Active	E 01-650-000-350 FRINGE BENEFITS	\$30,040.00	\$13,886.84	\$2,299.62	\$16,153.16	46.23%
Active	E 01-650-000-380 CONTRACT LABO	\$75,000.00	\$37,500.00	\$6,250.00	\$37,500.00	50.00%
Active	E 01-650-000-400 TRAVEL AND PER	\$35,000.00	\$18,901.64	\$4,192.16	\$16,098.36	54.00%
Active	E 01-650-000-401 SEMD SAMPLING	\$62,000.00	\$89,000.00	\$0.00	-\$27,000.00	143.55%
Active	E 01-650-000-402 NPFMC Meetings	\$15,000.00	\$3,200.00	\$1,400.00	\$11,800.00	21.33%
Active	E 01-650-000-403 BOF Meetings	\$25,000.00	\$3,968.57	\$3,968.57	\$21,031.43	15.87%
Active	E 01-650-000-425 TELEPHONE	\$3,000.00	\$667.57	\$105.78	\$2,332.43	22.25%
Active	E 01-650-000-475 SUPPLIES	\$3,000.00	\$4,405.62	\$74.60	-\$1,405.62	146.85%
Active	E 01-650-000-508 FY10Pollock Survey	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-650-000-525 RENTAL/LEASE	\$6,000.00	\$4,089.77	\$1,368.96	\$1,910.23	68.16%
Active	E 01-650-000-679 Fisheries Developm	\$0.00	\$7,500.00	\$5,000.00	-\$7,500.00	0.00%
SUBDEPT 000		<u>\$324,040.00</u>	<u>\$219,380.05</u>	<u>\$30,703.03</u>	<u>\$104,659.95</u>	<u>67.70%</u>
Total DEPT 650 RESOURCE DEPARTMENT		\$324,040.00	\$219,380.05	\$30,703.03	\$104,659.95	67.70%
DEPT 651 PUBLIC INFORMATION						
Active	E 01-651-011-300 SALARIES	\$84,959.00	\$44,716.68	\$7,334.78	\$40,242.32	52.63%
Active	E 01-651-011-350 FRINGE BENEFITS	\$32,736.00	\$15,454.92	\$5,661.20	\$17,281.08	47.21%
Active	E 01-651-011-400 TRAVEL AND PER	\$15,000.00	\$11,005.69	\$679.90	\$3,994.31	73.37%
Active	E 01-651-011-425 TELEPHONE	\$2,400.00	\$734.98	\$221.48	\$1,665.02	30.62%
Active	E 01-651-011-450 POSTAGE/SPEED	\$250.00	\$0.00	\$0.00	\$250.00	0.00%
Active	E 01-651-011-475 SUPPLIES	\$4,500.00	\$313.21	\$228.21	\$4,186.79	6.96%
Active	E 01-651-011-525 RENTAL/LEASE	\$6,800.00	\$4,089.77	\$1,368.96	\$2,710.23	60.14%
Active	E 01-651-011-532 ADVERTISING	\$25,000.00	\$2,138.78	\$1,316.78	\$22,861.22	8.56%
SUBDEPT 011 PUBLIC INFORMATION		<u>\$171,645.00</u>	<u>\$78,454.03</u>	<u>\$16,811.31</u>	<u>\$93,190.97</u>	<u>45.71%</u>
Total DEPT 651 PUBLIC INFORMATION		\$171,645.00	\$78,454.03	\$16,811.31	\$93,190.97	45.71%
DEPT 700 PUBLIC WORKS DEPARTMENT						
Active	E 01-700-000-300 SALARIES	\$72,997.00	\$43,441.92	\$6,302.04	\$29,555.08	59.51%
Active	E 01-700-000-350 FRINGE BENEFITS	\$29,602.00	\$15,050.33	\$2,360.28	\$14,551.67	50.84%
Active	E 01-700-000-400 TRAVEL AND PER	\$12,000.00	\$5,958.00	\$0.00	\$6,042.00	49.65%
Active	E 01-700-000-425 TELEPHONE	\$1,500.00	\$521.04	\$101.49	\$978.96	34.74%
Active	E 01-700-000-475 SUPPLIES	\$6,000.00	\$7,458.29	\$182.31	-\$1,458.29	124.30%
Active	E 01-700-000-500 EQUIPMENT	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	E 01-700-000-526 UTILITIES	\$2,500.00	\$579.46	\$78.21	\$1,920.54	23.18%
SUBDEPT 000		<u>\$126,099.00</u>	<u>\$73,009.04</u>	<u>\$9,024.33</u>	<u>\$53,089.96</u>	<u>57.90%</u>
Total DEPT 700 PUBLIC WORKS DEPARTMENT		\$126,099.00	\$73,009.04	\$9,024.33	\$53,089.96	57.90%
DEPT 844 KCAP						
Active	E 01-844-000-300 SALARIES	\$4,500.00	\$0.00	\$0.00	\$4,500.00	0.00%
Active	E 01-844-000-350 FRINGE BENEFITS	\$6,000.00	\$0.00	\$0.00	\$6,000.00	0.00%
Active	E 01-844-000-400 TRAVEL AND PER	\$0.00	\$755.37	\$0.00	-\$755.37	0.00%
Active	E 01-844-000-425 TELEPHONE	\$2,120.00	\$250.15	\$87.49	\$1,869.85	11.80%
Active	E 01-844-000-475 SUPPLIES	\$3,600.00	\$64.32	\$51.30	\$3,535.68	1.79%
Active	E 01-844-000-525 RENTAL/LEASE	\$7,580.00	\$4,089.77	\$1,368.96	\$3,490.23	53.95%
SUBDEPT 000		<u>\$23,800.00</u>	<u>\$5,159.61</u>	<u>\$1,507.75</u>	<u>\$18,640.39</u>	<u>21.68%</u>
Total DEPT 844 KCAP		\$23,800.00	\$5,159.61	\$1,507.75	\$18,640.39	21.68%

ALEUTIANS EAST BOROUGH

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		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
DEPT 850 EDUCATION						
Active	E 01-850-000-700 LOCAL SCHOOL C	\$1,500,000.00	\$375,000.00	\$0.00	\$1,125,000.00	25.00%
Active	E 01-850-000-701 SCHOOL SCHOLA	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
Active	E 01-850-000-703 School Contribution	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-850-000-756 STUDENT TRAVEL	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
SUBDEPT 000		\$1,525,000.00	\$375,000.00	\$0.00	\$1,150,000.00	24.59%
Total DEPT 850 EDUCATION		\$1,525,000.00	\$375,000.00	\$0.00	\$1,150,000.00	24.59%
DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB						
Active	E 01-860-000-300 SALARIES	\$60,000.00	\$37,926.72	\$6,043.34	\$22,073.28	63.21%
Active	E 01-860-000-350 FRINGE BENEFITS	\$27,256.00	\$13,955.54	\$2,299.62	\$13,300.46	51.20%
Active	E 01-860-000-400 TRAVEL AND PER	\$10,000.00	\$1,982.90	\$0.00	\$8,017.10	19.83%
Active	E 01-860-000-425 TELEPHONE	\$4,000.00	\$341.64	\$117.97	\$3,658.36	8.54%
Active	E 01-860-000-450 POSTAGE/SPEED	\$250.00	\$0.00	\$0.00	\$250.00	0.00%
Active	E 01-860-000-475 SUPPLIES	\$4,500.00	\$530.42	\$273.65	\$3,969.58	11.79%
Active	E 01-860-000-525 RENTAL/LEASE	\$7,000.00	\$3,575.20	\$1,196.72	\$3,424.80	51.07%
SUBDEPT 000		\$113,006.00	\$58,312.42	\$9,931.30	\$54,693.58	51.60%
Total DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB		\$113,006.00	\$58,312.42	\$9,931.30	\$54,693.58	51.60%
DEPT 900 OTHER						
Active	E 01-900-000-500 EQUIPMENT	\$8,200.00	\$9,665.85	\$4,494.85	-\$1,465.85	117.88%
Active	E 01-900-000-515 AEB VEHICLES	\$10,000.00	\$1,965.00	\$0.00	\$8,035.00	19.65%
Active	E 01-900-000-525 RENTAL/LEASE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-526 UTILITIES	\$13,000.00	\$7,318.32	\$635.37	\$5,681.68	56.29%
Active	E 01-900-000-527 Aleutia Crab	\$58,522.00	\$0.00	\$0.00	\$58,522.00	0.00%
Active	E 01-900-000-551 LEGAL	\$150,000.00	\$90,274.70	\$18,833.47	\$59,725.30	60.18%
Active	E 01-900-000-552 INSURANCE	\$180,000.00	\$135,794.83	(\$1,548.34)	\$44,205.17	75.44%
Active	E 01-900-000-600 REPAIRS	\$5,000.00	\$7,206.23	\$0.00	-\$2,206.23	144.12%
Active	E 01-900-000-727 BANK FEES	\$2,000.00	\$250.00	\$0.00	\$1,750.00	12.50%
Active	E 01-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-752 CONTRIBUTION T	\$150,000.00	\$37,500.00	\$0.00	\$112,500.00	25.00%
Active	E 01-900-000-753 MISC EXPENSE	\$1,000.00	\$95,362.31	\$85,326.66	-\$94,362.31	9536.23%
Active	E 01-900-000-757 DONATIONS	\$23,500.00	\$7,000.00	\$0.00	\$16,500.00	29.79%
Active	E 01-900-000-760 REVENUE SHARIN	\$32,000.00	\$32,000.00	\$0.00	\$0.00	100.00%
Active	E 01-900-000-770 Depreciation Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-943 WEB SERVICE	\$22,666.65	\$14,139.18	\$6,929.14	\$8,527.47	46.11%
SUBDEPT 000		\$655,888.65	\$438,476.42	\$114,671.15	\$225,412.21	66.85%
Total DEPT 900 OTHER		\$655,888.65	\$438,476.42	\$114,671.15	\$225,412.21	66.85%
Total Fund 01 GENERAL FUND		\$4,086,670.65	\$1,827,824.01	\$266,640.47	\$2,266,846.62	44.73%

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		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 20 GRANT PROGRAMS						
Active	R 20-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-203 OTHER REVENUE	\$0.00	\$57,316.11	\$0.00	-\$57,316.11	0.00%
Active	R 20-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-254 KCAP Road Completion	\$707,444.26	\$0.00	\$0.00	\$707,444.26	0.00%
Active	R 20-287 KCAP/09-DC-359	\$1,958,992.03	\$0.00	\$0.00	\$1,958,992.03	0.00%
Active	R 20-422 DENALI COMMISSION/FAL	\$313,421.00	\$182,717.00	\$0.00	\$130,704.00	58.30%
Active	R 20-424 EDA/Akutan Harbor Floats	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
Active	R 20-512 Nelson Lagoon #810758 AC	\$3,743.14	\$3,555.28	\$3,555.28	\$187.86	94.98%
Active	R 20-516 Library Grant Program	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	R 20-517 CIAP-COLD BAY BOAT RA	\$34,384.99	\$39,138.79	\$39,138.79	-\$4,753.80	113.83%
Active	R 20-518 CIAP-Create A Resource La	\$255,050.00	\$0.00	\$0.00	\$255,050.00	0.00%
Active	R 20-811 US FISH&WILDLIFE MARITI	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 20 GRANT PROGRAMS		\$4,274,535.42	\$282,727.18	\$42,694.07	\$3,991,808.24	6.61%

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	12-13 YTD Budget	12-13 YTD Amt	DECEMBER MTD Amt	12-13 YTD Balance	% of Budget
Fund 20 GRANT PROGRAMS					
DEPT 422 DENALI COMMISSION/FALSE PASS					
Active E 20-422-000-850 CAPITAL CONSTR	\$313,421.00	\$182,717.00	\$0.00	\$130,704.00	58.30%
SUBDEPT 000	\$313,421.00	\$182,717.00	\$0.00	\$130,704.00	58.30%
Total DEPT 422 DENALI COMMISSION/FALSE PASS	\$313,421.00	\$182,717.00	\$0.00	\$130,704.00	58.30%
DEPT 424 EDA/Akutan Harbor Floats					
Active E 20-424-000-850 CAPITAL CONSTR	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
SUBDEPT 000 NO DESCR	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
Total DEPT 424 EDA/Akutan Harbor Floats	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
DEPT 512 Nelson Lagoon-Hazard Impact					
Active E 20-512-000-380 CONTRACT LABO	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
SUBDEPT 000	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
Total DEPT 512 Nelson Lagoon-Hazard Impact	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
DEPT 516 Library Grant Program					
Active E 20-516-000-475 SUPPLIES	\$2,000.00	\$565.33	\$143.73	\$1,434.67	28.27%
SUBDEPT 000	\$2,000.00	\$565.33	\$143.73	\$1,434.67	28.27%
Total DEPT 516 Library Grant Program	\$2,000.00	\$565.33	\$143.73	\$1,434.67	28.27%
DEPT 517 CIAP-COLD BAY BOAT RAMP					
Active E 20-517-000-300 SALARIES	\$0.00	\$8,400.00	\$0.00	-\$8,400.00	0.00%
Active E 20-517-000-350 FRINGE BENEFITS	\$0.00	\$887.90	\$0.00	-\$887.90	0.00%
Active E 20-517-000-380 CONTRACT LABO	\$2,414.68	\$6,761.14	\$1,248.13	-\$4,346.46	280.00%
Active E 20-517-000-400 TRAVEL AND PER	-\$1,164.00	\$2,438.00	\$0.00	-\$3,602.00	-209.45%
Active E 20-517-000-475 SUPPLIES	\$9,646.48	\$9,138.61	\$0.00	\$507.87	94.74%
SUBDEPT 000	\$10,897.16	\$27,625.65	\$1,248.13	-\$16,728.49	253.51%
Total DEPT 517 CIAP-COLD BAY BOAT RAMP	\$10,897.16	\$27,625.65	\$1,248.13	-\$16,728.49	253.51%
DEPT 518 CIAP-Create A Resource LandUse					
Active E 20-518-000-850 CAPITAL CONSTR	\$255,050.00	\$114.54	\$0.00	\$254,935.46	0.04%
SUBDEPT 000 NO DESCR	\$255,050.00	\$114.54	\$0.00	\$254,935.46	0.04%
Total DEPT 518 CIAP-Create A Resource LandUse	\$255,050.00	\$114.54	\$0.00	\$254,935.46	0.04%
DEPT 802 CAPITAL - COLD BAY					
Active E 20-802-000-850 CAPITAL CONSTR	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
SUBDEPT 000	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
Total DEPT 802 CAPITAL - COLD BAY	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
DEPT 803 CAPITAL - FALSE PASS					
Active E 20-803-000-850 CAPITAL CONSTR	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
SUBDEPT 000	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
Active E 20-803-059-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 059 FY12 CIP	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 803 CAPITAL - FALSE PASS	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
DEPT 806 CAPITAL - SAND POINT					
Active E 20-806-000-850 CAPITAL CONSTR	\$120,000.00	\$0.00	\$0.00	\$120,000.00	0.00%
SUBDEPT 000	\$120,000.00	\$0.00	\$0.00	\$120,000.00	0.00%
Total DEPT 806 CAPITAL - SAND POINT	\$120,000.00	\$0.00	\$0.00	\$120,000.00	0.00%
DEPT 811 US FISH AND WILDLIFE-TOURS					
Active E 20-811-000-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 811 US FISH AND WILDLIFE-TOURS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 812 AKUTAN AIRPORT/FEASIBILITY					

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		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Active	E 20-812-000-684 STOCK ID FEASIBI	\$24,000.00	\$0.00	\$0.00	\$24,000.00	0.00%
SUBDEPT 000		\$24,000.00	\$0.00	\$0.00	\$24,000.00	0.00%
Total DEPT 812 AKUTAN		\$24,000.00	\$0.00	\$0.00	\$24,000.00	0.00%
AIRPORT/FEASIBILITY						
DEPT 867 KCC Alternative Road						
Active	E 20-867-000-300 SALARIES	\$0.00	\$8,325.00	(\$4,950.00)	-\$8,325.00	0.00%
Active	E 20-867-000-350 FRINGE BENEFITS	\$0.00	\$7,539.56	(\$2,646.67)	-\$7,539.56	0.00%
Active	E 20-867-000-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-000-381 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-000-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-000-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000		\$0.00	\$15,864.56	-\$7,596.67	-\$15,864.56	0.00%
Active	E 20-867-168-300 SALARIES	\$17,800.00	\$0.00	\$0.00	\$17,800.00	0.00%
Active	E 20-867-168-350 FRINGE BENEFITS	\$8,985.46	\$0.00	\$0.00	\$8,985.46	0.00%
Active	E 20-867-168-381 ENGINEERING	\$943,500.00	\$0.00	\$0.00	\$943,500.00	0.00%
Active	E 20-867-168-400 TRAVEL AND PER	\$5,926.49	\$0.00	\$0.00	\$5,926.49	0.00%
Active	E 20-867-168-850 CAPITAL CONSTR	\$982,780.08	\$0.00	\$0.00	\$982,780.08	0.00%
SUBDEPT 168 KCAP/09-DC-359		\$1,958,992.03	\$0.00	\$0.00	\$1,958,992.03	0.00%
Active	E 20-867-169-300 SALARIES	\$0.00	\$300.00	\$0.00	-\$300.00	0.00%
Active	E 20-867-169-350 FRINGE BENEFITS	\$0.00	\$288.61	\$0.00	-\$288.61	0.00%
Active	E 20-867-169-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-169-753 MISC EXPENSE	\$7,100.00	\$0.00	\$0.00	\$7,100.00	0.00%
Active	E 20-867-169-850 CAPITAL CONSTR	\$741,058.88	\$0.00	\$0.00	\$741,058.88	0.00%
SUBDEPT 169 KCAP Road Completion		\$748,158.88	\$588.61	\$0.00	\$747,570.27	0.08%
Total DEPT 867 KCC Alternative Road		\$2,707,150.91	\$16,453.17	-\$7,596.67	\$2,690,697.74	0.61%
DEPT 900 OTHER						
Active	E 20-900-000-507 FY13 POLLOCK S	\$128,000.00	\$69,727.61	\$5,600.00	\$58,272.39	54.47%
Active	E 20-900-000-511 FY12 ACOUSTIC T	\$5,218.70	\$0.00	\$0.00	\$5,218.70	0.00%
Active	E 20-900-000-753 MISC EXPENSE	\$0.00	\$125,864.71	\$0.00	-\$125,864.71	0.00%
Active	E 20-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000 NO DESCR		\$133,218.70	\$195,592.32	\$5,600.00	-\$62,373.62	146.82%
Total DEPT 900 OTHER		\$133,218.70	\$195,592.32	\$5,600.00	-\$62,373.62	146.82%
Total Fund 20 GRANT PROGRAMS		\$4,643,551.04	\$423,068.01	-\$604.81	\$4,220,483.03	9.11%

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		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 22 OPERATIONS						
Active	R 22-203 OTHER REVENUE	\$150,000.00	\$618,940.00	\$2,440.00	-\$468,940.00	412.63%
Active	R 22-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-221 COLD BAY TERMINAL LEA	\$139,620.00	\$74,810.66	\$11,635.11	\$64,809.34	53.58%
Active	R 22-222 COLD BAY TERMINAL OTH	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-245 HOVERCRAFT/MEDEVACS	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
Active	R 22-246 HOVERCRAFT /TICKETS	\$330,000.00	\$0.00	\$0.00	\$330,000.00	0.00%
Active	R 22-247 HOVERCRAFT/ VEHICLES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-248 HOVERCRAFT/ FREIGHT	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
Total Fund 22 OPERATIONS		\$724,620.00	\$693,750.66	\$14,075.11	\$30,869.34	95.74%

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		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 22 OPERATIONS						
DEPT 802 CAPITAL - COLD BAY						
Active	E 22-802-200-300 SALARIES	\$24,000.00	\$12,552.00	\$2,072.00	\$11,448.00	52.30%
Active	E 22-802-200-350 FRINGE BENEFITS	\$3,617.00	\$1,326.74	\$219.00	\$2,290.26	36.68%
Active	E 22-802-200-380 CONTRACT LABO	\$0.00	\$32,310.48	\$0.00	-\$32,310.48	0.00%
Active	E 22-802-200-400 TRAVEL AND PER	\$3,000.00	\$322.00	\$0.00	\$2,678.00	10.73%
Active	E 22-802-200-425 TELEPHONE	\$4,500.00	\$2,172.22	\$343.74	\$2,327.78	48.27%
Active	E 22-802-200-475 SUPPLIES	\$15,000.00	\$2,460.57	\$239.04	\$12,539.43	16.40%
Active	E 22-802-200-525 RENTAL/LEASE	\$5,335.00	\$3,141.26	\$0.00	\$2,193.74	58.88%
Active	E 22-802-200-526 UTILITIES	\$24,000.00	\$17,250.90	\$4,963.26	\$6,749.10	71.88%
Active	E 22-802-200-551 LEGAL	\$100,000.00	\$98,785.06	\$38,442.11	\$1,214.94	98.79%
Active	E 22-802-200-576 GAS	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	E 22-802-200-577 FUEL	\$15,000.00	\$7,971.84	\$2,423.73	\$7,028.16	53.15%
SUBDEPT 200 COLD BAY TERMINAL		\$195,952.00	\$178,293.07	\$48,702.88	\$17,658.93	90.99%
Total DEPT 802 CAPITAL - COLD BAY		\$195,952.00	\$178,293.07	\$48,702.88	\$17,658.93	90.99%
DEPT 843 Hovercraft Operation						
Active	E 22-843-100-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-380 CONTRACT LABO	\$1,950,000.00	\$919,237.20	\$0.00	\$1,030,762.80	47.14%
Active	E 22-843-100-425 TELEPHONE	\$0.00	\$1,153.81	\$120.00	-\$1,153.81	0.00%
Active	E 22-843-100-475 SUPPLIES	\$0.00	\$206,101.11	\$57,158.11	-\$206,101.11	0.00%
Active	E 22-843-100-500 EQUIPMENT	\$0.00	\$81,582.50	\$0.00	-\$81,582.50	0.00%
Active	E 22-843-100-526 UTILITIES	\$5,000.00	\$3,544.94	\$169.01	\$1,455.06	70.90%
Active	E 22-843-100-552 INSURANCE	\$215,000.00	\$48,960.19	\$8,761.53	\$166,039.81	22.77%
Active	E 22-843-100-576 GAS	\$5,000.00	\$4,340.83	\$1,492.92	\$659.17	86.82%
Active	E 22-843-100-577 FUEL	\$5,000.00	\$163,839.53	\$86,155.65	-\$158,839.53	3276.79%
SUBDEPT 100 HOVERCRAFT OPERATION		\$2,180,000.00	\$1,428,760.11	\$153,857.22	\$751,239.89	65.54%
Total DEPT 843 Hovercraft Operation		\$2,180,000.00	\$1,428,760.11	\$153,857.22	\$751,239.89	65.54%
Total Fund 22 OPERATIONS		\$2,375,952.00	\$1,607,053.18	\$202,560.10	\$768,898.82	67.64%

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		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 24 BOND CONSTRUCTION						
Active	R 24-201 INTEREST REVENUE	\$0.00	\$13,511.63	(\$4,915.59)	-\$13,511.63	0.00%
Active	R 24-203 OTHER REVENUE	\$0.00	\$60,741.97	\$0.00	-\$60,741.97	0.00%
Active	R 24-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-227 COE-HARBOR PROJECTS	\$2,052,245.00	\$0.00	\$0.00	\$2,052,245.00	0.00%
Active	R 24-259 BOND PROCEEDS	\$1,171,609.64	\$0.00	\$0.00	\$1,171,609.64	0.00%
Active	R 24-270 STATE REVENUE OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-277 STATE BOND REBATE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 24 BOND CONSTRUCTION		\$3,223,854.64	\$74,253.60	-\$4,915.59	\$3,149,601.04	2.30%

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	12-13 YTD Budget	12-13 YTD Amt	DECEMBER MTD Amt	12-13 YTD Balance	% of Budget
Fund 24 BOND CONSTRUCTION					
DEPT 809 Akutan Airport/Grant					
Active E 24-809-000-850 CAPITAL CONSTR	\$2,708,552.94	\$1,383,455.63	\$0.00	\$1,325,097.31	51.08%
SUBDEPT 000	\$2,708,552.94	\$1,383,455.63	\$0.00	\$1,325,097.31	51.08%
Total DEPT 809 Akutan Airport/Grant	\$2,708,552.94	\$1,383,455.63	\$0.00	\$1,325,097.31	51.08%
DEPT 830 KING COVE HARBOR					
Active E 24-830-000-850 CAPITAL CONSTR	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
SUBDEPT 000	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
Total DEPT 830 KING COVE HARBOR	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
DEPT 833 FALSE PASS HARBOR					
Active E 24-833-000-850 CAPITAL CONSTR	\$416,215.75	\$18,249.32	\$13,059.10	\$397,966.43	4.38%
SUBDEPT 000	\$416,215.75	\$18,249.32	\$13,059.10	\$397,966.43	4.38%
Total DEPT 833 FALSE PASS HARBOR	\$416,215.75	\$18,249.32	\$13,059.10	\$397,966.43	4.38%
DEPT 839 AKUTAN HARBOR					
Active E 24-839-000-850 CAPITAL CONSTR	\$1,171,609.64	\$68,904.14	\$0.00	\$1,102,705.50	5.88%
SUBDEPT 000	\$1,171,609.64	\$68,904.14	\$0.00	\$1,102,705.50	5.88%
Total DEPT 839 AKUTAN HARBOR	\$1,171,609.64	\$68,904.14	\$0.00	\$1,102,705.50	5.88%
DEPT 862 NELSON LAGOON DOCK					
Active E 24-862-000-850 CAPITAL CONSTR	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
SUBDEPT 000	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
Total DEPT 862 NELSON LAGOON DOCK	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
DEPT 867 KCC Alternative Road					
Active E 24-867-169-850 CAPITAL CONSTR	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
SUBDEPT 169 KCAP Road Completion	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
Total DEPT 867 KCC Alternative Road	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
DEPT 900 OTHER					
Active E 24-900-000-380 CONTRACT LABO	\$0.00	\$14,681.39	\$5,900.35	-\$14,681.39	0.00%
Active E 24-900-000-725 BOND INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$0.00	\$14,681.39	\$5,900.35	-\$14,681.39	0.00%
Total DEPT 900 OTHER	\$0.00	\$14,681.39	\$5,900.35	-\$14,681.39	0.00%
Total Fund 24 BOND CONSTRUCTION	\$6,403,863.69	\$1,485,290.48	\$18,959.45	\$4,918,573.21	23.19%

ALEUTIANS EAST BOROUGH
***Revenue Guideline©**

Current Period: DECEMBER 12-13

		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 30 BOND FUND						
Active	R 30-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-203 OTHER REVENUE	\$2,815,936.78	\$0.00	\$0.00	\$2,815,936.78	0.00%
Active	R 30-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-259 BOND PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 30 BOND FUND		<u>\$2,815,936.78</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$2,815,936.78</u>	<u>0.00%</u>

ALEUTIANS EAST BOROUGH
***Expenditure Guideline©**

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Current Period: DECEMBER 12-13

		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 30 BOND FUND						
DEPT 900 OTHER						
Active	E 30-900-000-725 BOND INTEREST	\$1,395,936.78	\$717,850.35	\$0.00	\$678,086.43	51.42%
Active	E 30-900-000-726 BOND PRINCIPAL	\$1,420,000.00	\$845,000.00	\$0.00	\$575,000.00	59.51%
Active	E 30-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000		<u>\$2,815,936.78</u>	<u>\$1,562,850.35</u>	<u>\$0.00</u>	<u>\$1,253,086.43</u>	<u>55.50%</u>
Total DEPT 900 OTHER		<u>\$2,815,936.78</u>	<u>\$1,562,850.35</u>	<u>\$0.00</u>	<u>\$1,253,086.43</u>	<u>55.50%</u>
Total Fund 30 BOND FUND		<u>\$2,815,936.78</u>	<u>\$1,562,850.35</u>	<u>\$0.00</u>	<u>\$1,253,086.43</u>	<u>55.50%</u>

ALEUTIANS EAST BOROUGH
***Revenue Guideline©**

Current Period: DECEMBER 12-13

		12-13	12-13	DECEMBER	12-13	%
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	of Budget
Fund 40 PERMANENT FUND						
Active	R 40-201 INTEREST REVENUE	\$0.00	\$1,209,011.39	\$486,447.49	-\$1,209,011.39	0.00%
Active	R 40-203 OTHER REVENUE	\$350,000.00	\$0.00	\$0.00	\$350,000.00	0.00%
Active	R 40-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 40-230 LAND SALES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 40 PERMANENT FUND		\$350,000.00	\$1,209,011.39	\$486,447.49	-\$859,011.39	345.43%

ALEUTIANS EAST BOROUGH
***Expenditure Guideline©**

Current Period: DECEMBER 12-13

	12-13 YTD Budget	12-13 YTD Amt	DECEMBER MTD Amt	12-13 YTD Balance	% of Budget
Fund 40 PERMANENT FUND					
DEPT 900 OTHER					
Active E 40-900-000-380 CONTRACT LABO	\$350,000.00	\$14,681.39	\$5,900.36	\$335,318.61	4.19%
Active E 40-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	<u>\$350,000.00</u>	<u>\$14,681.39</u>	<u>\$5,900.36</u>	<u>\$335,318.61</u>	<u>4.19%</u>
Total DEPT 900 OTHER	<u>\$350,000.00</u>	<u>\$14,681.39</u>	<u>\$5,900.36</u>	<u>\$335,318.61</u>	<u>4.19%</u>
Total Fund 40 PERMANENT FUND	<u>\$350,000.00</u>	<u>\$14,681.39</u>	<u>\$5,900.36</u>	<u>\$335,318.61</u>	<u>4.19%</u>

ALEUTIANS EAST BOROUGH
***Revenue Guideline©**

Current Period: DECEMBER 12-13

		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 41 MAINTENANCE RESERVE FUND						
Active	R 41-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-203 OTHER REVENUE	\$100,000.00	\$149,248.25	\$0.00	-\$49,248.25	149.25%
Active	R 41-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-276 AEB SCHOOL	\$0.00	\$66,376.82	\$0.00	-\$66,376.82	0.00%
Total Fund 41 MAINTENANCE RESERVE FUND		\$100,000.00	\$215,625.07	\$0.00	-\$115,625.07	215.63%

ALEUTIANS EAST BOROUGH
***Expenditure Guideline©**

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Current Period: DECEMBER 12-13

		12-13	12-13	DECEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 41 MAINTENANCE RESERVE FUND						
DEPT 800 CAPITAL - SCHOOL						
Active	E 41-800-857-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 857 FALSE PASS SCHOOL		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-860-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-860-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-860-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 860 SAND POINT Gym Floor		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 865 Akutan School		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-300 SALARIES	\$0.00	\$420.00	\$0.00	-\$420.00	0.00%
Active	E 41-800-866-350 FRINGE BENEFITS	\$0.00	\$44.39	\$0.00	-\$44.39	0.00%
Active	E 41-800-866-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-400 TRAVEL AND PER	\$0.00	\$492.00	\$0.00	-\$492.00	0.00%
Active	E 41-800-866-425 TELEPHONE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-850 CAPITAL CONSTR	\$0.00	\$3,220.00	\$0.00	-\$3,220.00	0.00%
SUBDEPT 866 NELSON LAGOON SCHOOL		\$0.00	\$4,176.39	\$0.00	-\$4,176.39	0.00%
Active	E 41-800-867-300 SALARIES	\$0.00	\$12,870.00	\$0.00	-\$12,870.00	0.00%
Active	E 41-800-867-350 FRINGE BENEFITS	\$0.00	\$1,360.36	\$0.00	-\$1,360.36	0.00%
Active	E 41-800-867-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-867-475 SUPPLIES	\$0.00	\$958.51	\$0.00	-\$958.51	0.00%
Active	E 41-800-867-850 CAPITAL CONSTR	\$0.00	\$360.00	\$0.00	-\$360.00	0.00%
SUBDEPT 867 Sand Point School		\$0.00	\$15,548.87	\$0.00	-\$15,548.87	0.00%
Active	E 41-800-868-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-380 CONTRACT LABO	\$0.00	\$17,231.91	\$6,802.50	-\$17,231.91	0.00%
Active	E 41-800-868-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-475 SUPPLIES	\$0.00	\$1,758.10	\$194.90	-\$1,758.10	0.00%
Active	E 41-800-868-577 FUEL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-852 ASPHALT PAVING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 868 King Cove School		\$0.00	\$18,990.01	\$6,997.40	-\$18,990.01	0.00%
Active	E 41-800-869-300 SALARIES	\$0.00	\$2,640.00	\$0.00	-\$2,640.00	0.00%
Active	E 41-800-869-350 FRINGE BENEFITS	\$0.00	\$279.04	\$0.00	-\$279.04	0.00%
Active	E 41-800-869-380 CONTRACT LABO	\$0.00	\$600.00	\$0.00	-\$600.00	0.00%
Active	E 41-800-869-400 TRAVEL AND PER	\$0.00	\$590.00	\$0.00	-\$590.00	0.00%
Active	E 41-800-869-475 SUPPLIES	\$0.00	\$1,017.46	\$622.18	-\$1,017.46	0.00%
Active	E 41-800-869-942 PROPERTY LEASE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 869 COLD BAY SCHOOL		\$0.00	\$5,126.50	\$622.18	-\$5,126.50	0.00%
Total DEPT 800 CAPITAL - SCHOOL		\$0.00	\$43,841.77	\$7,619.58	-\$43,841.77	0.00%
DEPT 900 OTHER						
Active	E 41-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-900-000-753 MISC EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-900-000-880 LAND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

ALEUTIANS EAST BOROUGH

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***Expenditure Guideline©**

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Current Period: DECEMBER 12-13

	12-13 YTD Budget	12-13 YTD Amt	DECEMBER MTD Amt	12-13 YTD Balance	% of Budget
SUBDEPT 000	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 900 OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 41 MAINTENANCE RESERVE FUND	\$0.00	\$43,841.77	\$7,619.58	-\$43,841.77	0.00%

INVESTMENT REPORT

(no investment report at this time)

Resolutions



RESOLUTION 13- 16

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY SUPPORTING COMMENTS TO THE NORTH PACIFIC FISHERY MANAGEMENT COUNCIL REGARDING WESTERN GULF OF ALASKA GROUND FISH MANAGEMENT PROPOSALS.

WHEREAS, The North Pacific Fishery Management Council is moving forward with a Central Gulf of Alaska Trawl Catch Share Initiative as a way to reduce prohibited species catch; and,

WHEREAS, the Council will consider proposals during the CGOA discussion at their February 2013 meeting, including proposals relevant to the Western Gulf of Alaska fisheries; and,

WHEREAS, National Standards of the Magnuson-Stevens Fishery Conservation and Management Act require that federal fishery management decisions take into account the importance of fishery resources to fishing communities, in order to provide for the sustained participation of such communities and minimize adverse economic impacts on such communities; and

WHEREAS, the Aleutians East Borough strives to support healthy sustainable resources in the Western Gulf of Alaska, while promoting a sustainable, vigorous economy within the Borough including competitive harvesting and processing sectors and support industries.

NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly supports the following goals for fisheries management programs in the Western Gulf of Alaska:

1. Provide effective controls of prohibited species catch and provide for balanced and sustainable fisheries and quality seafood products.
2. Maintain or increase target fishery landings and revenues to the Borough and AEB communities.
3. Maintain or increase employment opportunities for vessel crews, processing workers, and support industries.
4. Provide increased opportunities for value-added processing.
5. Maintain entry level opportunities for fishermen.
6. Maintain opportunities for processors to enter the fishery.
7. Minimize adverse economic impacts of consolidation of the harvesting or processing sectors.
8. Encourage local participation on harvesting vessels and use of fishing privileges.
9. Maintain the economic strength and vitality of AEB communities.

PASSED AND APPROVED by the Aleutians East Borough on this 10th day of January, 2013.

Stanley Mack, Mayor

ATTEST: _____
Tina Anderson, Clerk

Public Hearings

December 7, 2012

Mr. Rick Gifford
Administrator
Aleutians East Borough
3380 C. Street, Suite 205
Anchorage, Alaska 99503

Dear Rick;

The Vanguard Group recently announced that beginning in 2013 they will no longer be using the Morgan Stanley indices and instead will convert to the FTSE indices.

As you are aware, APCM purchases index funds to provide exposure to the various equity asset classes. Recently, Vanguard announced that they would no longer be using the Morgan Stanley Europe, Australasia, Far East (EAFE) Index or the Morgan Stanley Emerging Market Index (MSCI). Instead, they are changing to the FTSE Developed ex North America Index and the FTSE Emerging Index in order to “keep long-term expenses low”. This change will begin in January of 2013.

This index change does not materially alter exposure to the respective asset classes themselves. The primary difference between the two is placement of Korea which Morgan Stanley has as emerging and FTSE as developed. The change does create a problem with the Fund’s investment policy which explicitly enumerates the particular indices that Vanguard will no longer be using (06.04.041.(F)(1)(b) and (e)).

As both Vanguard funds are low cost vehicles that provide exposure to the respective asset classes and meet our investment criteria, we recommend you consider amending the code to allow use of the FTSE Developed ex North America Index for the International Equities allocation and the FTSE Emerging Index for the Emerging Market allocation. Conforming changes would need to occur for performance measuring purposes. Suggested language is attached.

Traditionally the assembly has us present a review of the Fund towards year-end. If it would help we would be glad to incorporate an explanation of the above with the review. I

understand scheduling is always a challenge and we will accommodate whatever works best for you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bert Wagnon", with a stylized flourish at the end.

Bert Wagnon
Senior Vice-President

Draft Changes to accommodate Vanguard index change

November 2012

F.(1)(b)

International Equities, which taken as a whole, attempt to replicate the [FTSE Developed ex North America](#)~~Morgan Stanley Europe, Australiasia, Far East (EAFE)~~ Index, including both mutual fund and exchange traded funds (ETF's).

F.(1)(e)

Emerging markets equity index funds, which taken as a whole, attempt to replicate the [FTSEMSCI Emerging Market Index](#), including both mutual funds and exchange traded funds (ETF's).

F.(3)(c)

Performance measurement for the International Equity Allocation will be measured against the Target weighting using the [FTSE Developed ex North America](#)~~Morgan Stanley Europe, Australiasia, Far East (EAFE)~~ Index for the Benchmark.

F.(3)(f)

Performance measurement for the Emerging Market Allocation will be measured against the Target weighting using the [FTSEMSCI Emerging Market Index](#) for the Benchmark.

**ALEUTIANS EAST BOROUGH
ORDINANCE SERIAL NO. 13-04**

AN ORDINANCE AMENDING TITLE 6, CHAPTER 6.04, SECTION 6.04.041,
SUBSECTION (F) OF THE ALEUTIANS EAST BOROUGH
CODE OF ORDINANCES

WHEREAS, the legislative power of the Aleutians East Borough (“Borough”) is vested in its Borough Assembly under Alaska State Statute Sec. 29.20.050; and

WHEREAS, the Borough’s Permanent Fund was created by the Borough Assembly in 1990 and

WHEREAS, Sec. 6.08.010 of the Code of the Aleutians East Borough of Alaska sets forth the investment policy and objectives for Borough monies; and

WHEREAS, under Sec. 6.08.010(C) of the Code, all Borough “investments shall be diversified to minimize the risk of loss”; and

WHEREAS, Sec. 6.04.041(F)(1) currently says fund assets may be invested in the instruments and securities set out in Code Section 6.08.030 and in the following securities:

(a) Domestic Equities, which taken as a whole, attempt to replicate the Standard & Poor’s 500 Index, including both mutual funds and exchange traded funds (ETF’s).

(b) International Equities, which taken as a whole, attempt to replicate the Morgan Stanley Europe, Australiasia, Far East (EAFE) Index, including both mutual funds and exchange traded funds (ETF’s).

(c) Equities, which taken as a whole, attempt to replicate the universe of domestic real estate investment trusts as represented by the S&P REIT Index or the Cohen & Steers Realty Majors Portfolio Index, including both mutual funds and exchange traded funds (ETF’s).

(d) Domestic Equities, which taken as a whole, attempt to replicate the Standard & Poor’s 400 MidCap Index, including both mutual funds and exchange traded funds (ETF’s).

(e) Emerging markets equity index funds, which taken as a whole, attempt to replicate the MSCI Emerging Market Index, including both mutual funds and exchange traded funds (ETF’s).

WHEREAS, Sec. 6.04.041(F)(3) Currently the Performance of the investment advisors will be measured as follows:

- (a) Performance measurement for the Domestic Equity Allocation will be measured against the Target Weighting, using the Standard & Poor's 500 as the Benchmark.
- (b) Performance measurement for the Mid/Small Cap Equity Allocation will be measured against the Target Weighting, using the Standard & Poor's 400 MidCap Index as the Benchmark.
- (c) Performance measurement for the International Equity Allocation will be measured against the Target weighting using the Morgan Stanley Europe, Australasia, Far East (EAFE) Index for the Benchmark.
- (d) Performance measurement for the Real Estate Allocation will be measured against the Target weighting using the Standard & Poor's REIT Index for the Benchmark.
- (e) Performance measurement for the Fixed Income Allocation will be measured against the Target weighing using the Lehman Intermediate Gov/Credit Index for the Benchmark. The duration of the Fixed Income Allocation should be maintained between 80% and 120% of the duration of the Benchmark.
- (f) Performance measurement for the Emerging Market Allocation will be measured against the Target weighting using the MSCI Emerging Market Index for the Benchmark.

WHEREAS, pursuant to Sec. 6.04.041(F) “[n]otwithstanding the objectives of the Borough policy for the investment of its operating and other funds set out in Code Section 6.08.010(C), the investment of permanent fund assets shall be made to maintain safety of principle while maximizing total return”; and

WHEREAS, this amendment to Sec. 6.04.041(F) is consistent with Sec. 6.08.010(C) and Sec. 06.04.041(F) and is intended to ensure Borough permanent fund account investments be made to maintain safety of principle while maximizing total return.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. That Section 6.04.041 (F) of the Borough Municipal Code is hereby amended to read as follows:

F. Investments – Purpose and Limitations.

A purpose of the permanent fund is growth through prudent investment of fund assets. Notwithstanding the objectives of the Borough policy for the investment of its operating and other funds set out in Code Section 6.08.010(C), the investment of permanent fund assets shall be made to maintain safety of principal while maximizing total return. Investments shall be diversified to minimize the risk of loss resulting from a concentration of investments in a specific maturity, issuer, class of security, financial institution or, with respect to equity investments, in a specific company, industry or investment sector. Fund assets may be

invested in the instruments and securities set out in Code Section 6.08.030 and in the following securities:

- (1)
 - (a) Domestic Equities, which taken as a whole, attempt to replicate the Standard & Poor's 500 Index, including both mutual funds and exchange traded funds (ETF's).
 - (b) International Equities, which taken as a whole, attempt to replicate the FTSE Developed ex North America Index, including both mutual fund and exchange traded funds (ETF's).
 - (c) Equities, which taken as a whole, attempt to replicate the universe of domestic real estate investment trusts as represented by the S&P REIT Index or the Cohen & Steers Realty Majors Portfolio Index, including both mutual funds and exchange traded funds (ETF's).
 - (d) Domestic Equities, which taken as a whole, attempt to replicate the Standard & Poor's 400 MidCap Index, including both mutual funds and exchange traded funds (ETF's).
 - (e) Emerging markets equity index funds, which taken as a whole, attempt to replicate the FTSE Emerging Market Index, including both mutual funds and exchange traded funds (ETF's).
- (2) Permanent Fund asset allocation plan and performance measurement targets.

The asset allocation targets and ranges are as follows:

Asset Class	Target % Weighting	Range %
Domestic Equity	36	30-50
Mid / Cap. Equity	5	0-10
International Equity	10	5-15
Real Estate Equity	10	5-15
Fixed Income	34	25-60
Emerging Markets	5	0-10

- (3) The Performance of the investment advisors will be measured as follows:
 - (a) Performance measurement for the Domestic Equity Allocation will be measured against the Target Weighting, using the Standard & Poor's 500 as the Benchmark.

(b) Performance measurement for the Mid/Small Cap Equity Allocation will be measured against the Target Weighting, using the Standard & Poor's 400 MidCap Index as the Benchmark.

(c) Performance measurement for the International Equity Allocation will be measured against the Target weighting using the FTSE Developed ex North America Index for the Benchmark.

(d) Performance measurement for the Real Estate Allocation will be measured against the Target weighting using the Standard & Poor's REIT Index for the Benchmark.

(e) Performance measurement for the Fixed Income Allocation will be measured against the Target weighing using the Lehman Intermediate Gov/Credit Index for the Benchmark. The duration of the Fixed Income Allocation should be maintained between 80% and 120% of the duration of the Benchmark.

(f) Performance measurement for the Emerging Market Allocation will be measured against the Target weighting using the FTSE Emerging Market Index for the Benchmark.

Section 2. Classification. This ordinance is of a general and permanent nature and shall become part of the Borough Code.

Section 3. Severability. If any provision of this ordinance or any application thereof 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 thereby.

Section 4: Effectiveness. This ordinance shall become effective upon adoption.

Section 5: Adoption of Sections. Code Section 6.04.041(F) is hereby repealed and Code Section 6.04.041(F) as annexed hereto as part of this ordinance is hereby adopted as Code Section 6.04.041(F) of the Code of Ordinances of the Aleutians East Borough.

INTRODUCED: _____

ADOPTED: _____

Stanley Mack, Mayor

Date: _____

ATTEST:

CLERK

Date: _____

F. **Investments – Purpose and Limitations.** A purpose of the permanent fund is growth through prudent investment of fund assets. Notwithstanding the objectives of the Borough policy for the investment of its operating and other funds set out in Code Section 6.08.010(C), the investment of permanent fund assets shall be made to maintain safety of principal while maximizing total return. Investments shall be diversified to minimize the risk of loss resulting from a concentration of investments in a specific maturity, issuer, class of security, financial institution or, with respect to equity investments, in a specific company, industry or investment sector. Fund assets may be invested in the instruments and securities set out in Code Section 6.08.030 and in the following securities:

- (1)
 - (a) Domestic Equities, which taken as a whole, attempt to replicate the Standard & Poor’s 500 Index, including both mutual funds and exchange traded funds (ETF’s).
 - (b) International Equities, which taken as a whole, attempt to replicate the FTSE Developed ex North America Index, including both mutual funds and exchange traded funds (ETF’s).
 - (c) Equities, which taken as a whole, attempt to replicate the universe of domestic real estate investment trusts as represented by the S&P REIT Index or the Cohen & Steers Realty Majors Portfolio Index, including both mutual funds and exchange traded funds (ETF’s).
 - (d) Domestic Equities, which taken as a whole, attempt to replicate the Standard & Poor’s 400 MidCap Index, including both mutual funds and exchange traded funds (ETF’s).
 - (e) Emerging markets equity index funds, which taken as a whole, attempt to replicate the FTSE Emerging Market Index, including both mutual funds and exchange traded funds (ETF’s).
- (2) Permanent Fund asset allocation plan and performance measurement targets.

The asset allocation targets and ranges are as follows:

Asset Class	Target % Weighting	Range %
Domestic Equity	36	30-50
Mid / Cap. Equity	5	0-10
International Equity	10	5-15
Real Estate Equity	10	5-15
Fixed Income	34	25-60
Emerging Markets	5	0-10

- (3) The Performance of the investment advisors will be measured as follows:
 - (a) Performance measurement for the Domestic Equity Allocation will be measured against the Target Weighting, using the Standard & Poor’s 500 as the Benchmark.

- (b) Performance measurement for the Mid/Small Cap Equity Allocation will be measured against the Target Weighting, using the Standard & Poor's 400 MidCap Index as the Benchmark.
- (c) Performance measurement for the International Equity Allocation will be measured against the Target weighting using the FTSE Developed ex North America Index for the Benchmark.
- (d) Performance measurement for the Real Estate Allocation will be measured against the Target weighting using the Standard & Poor's REIT Index for the Benchmark.
- (e) Performance measurement for the Fixed Income Allocation will be measured against the Target weighing using the Lehman Intermediate Gov/Credit Index for the Benchmark. The duration of the Fixed Income Allocation should be maintained between 80% and 120% of the duration of the Benchmark.
- (f) Performance measurement for the Emerging Market Allocation will be measured against the Target weighting using the FTSE Emerging Market Index for the Benchmark.

OLD BUSINESS

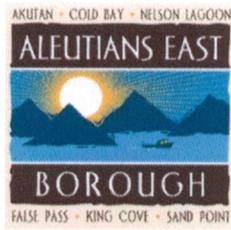
New Business

AEB Code, Title 3, Section 3.02.100, Assembly Approval of Contracts
Discussion only

Board of Fisheries Attendance

Discussion

REPORTS AND UPDATES



Memorandum

Date: January 4, 2013

To: The Honorable Mayor Mack and Borough Assembly

From: Rick Gifford, Administrator

Re: **Akutan Hovercraft Operations Update-December, 2012**

The hovercraft operated 18 days in December of 2012. There were 13 days of bad weather, one of which was used to service the hovercraft. The hovercraft hauled a total of 195 passengers, 19,414 pounds of cargo and mail, 3 vehicles and 9,268 gallons of fuel was delivered to the City and DOT. Total gross revenue for December was \$72,862 less the cost of fuel on fuel sales for net revenues of \$35,326. Attached is a summary of operations for December, 2012 and since inception on September 1, 2012. Total net revenues through December, 2012 is \$93,637.

The hovercraft delivered the AWOS to Akun after Christmas for DOT. The AWOS will increase the flying capabilities once it has operated for several months.



The hovercraft operations are expecting approximately 600 Trident passengers during the first two weeks of January, provided the weather is good. HoverLink plans to perform some structural repairs on the hovercraft in late January removing it from service for 4 days. HoverLink will coordinate the repair schedule with all the parties concerned.

Attachment.

December-12	<u>This Month</u>		<u>Since Inception</u>	
Total Days	31		92	
Days Vessel Operational	30	97%	87	95%
Days Out of Service	1	3%	5	5%
Mission Days Completed	18		47	
Mission Days Missed	0	0%	2	2%
Good Weather Days	18	58%	52	57%
Bad Weather Days	13	42%	40	43%
Service Reliability		100%		96%
Passengers (#)	195		518	
Cargo/Mail (pounds)	19,414		41,718	
Vehicles (#)	3		7	
Fuel Delivered (gallons)	9,268		20,003	

To: Honorable Mayor Mack and AEB Assembly
From: Anne Bailey, Community Development Coordinator
Subject: Assembly Report
Date: December 28, 2012

Akutan Harbor

I am still working on the Conservation Easement for the harbor, which is a mitigation measure requirement. We have received the survey of the easement from McClintock Land Associates and are waiting for the appraisal results. This information will be presented to the Aleut Corporation in February for them to review and then discussions regarding the subsurface will begin.

Akutan Airport

The Airport Operations Group will meet on January 10, 2013. An update will be presented at the February Assembly Meeting.



A Cloudy Day at the Akutan Airport
Photo Courtesy of DOT

Community Impact Assistance Program Land Use Permitting Grant

Borough staff met with Harvey Consulting to discuss potential code changes to accommodate the Land Use Permitting project. Information will be presented to the Planning Commission for their review and comments in 2013. A quick reminder that Community Meetings will be held in the following communities to discuss the Land Use Permitting Project. The schedule is below:

Cold Bay	January 14, 2013	6:30p.m.-8:00p.m.	Community Center
King Cove	January 15, 2013	6:30p.m.-8:00p.m.	City Office
False Pass	January 16, 2013	10:30a.m-12:00p.m.	Larsen Center
Nelson Lagoon	January 16, 2013	1:30p.m.-3:00p.m.	Community Center
Sand Point	January 22, 2013	6:30p.m.-8:00p.m.	City Chambers

An article was in the December 21, 2012 edition of *In the Loop*. Mailers were sent to the community of Akutan soliciting comments regarding this project.

Contract Information

At the November Meeting, Assembly Member Gronholdt requested information regarding contracts that the Borough has entered into. Below is a list of active contracts that I am involved in:

- Alaska Chadux
False Pass and Akutan Harbor Oil Response Plan \$12,650
- URS
False Pass Harbor Utility Project (closing out soon)
False Pass Breakwater Extension Project
Akutan Harbor Floats
- Horan & Company
Appraisal Services for the Conservation Easement in Akutan \$16,400
- Harvey Consulting
Land Use Permitting Project \$102,180

I have been extremely busy attending meetings, working on numerous Akutan Projects, the Cold Bay Dock Agreement, the Nelson Lagoon Dock Management Agreement update as well as every day functions.

I apologize for not being present at the meeting; however, if you have any questions, comments or concerns please contact me at (907) 274-7580 or abailey@aeboro.org and I will get back to you as soon as possible.

To: The Honorable Mayor Mack, Aleutians East Borough Assembly
From: Ernie Weiss, Natural Resources Director
Subj: Report to the Assembly
Date: January 4, 2013

North Pacific Fishery Management Council

At their December meeting, the Council informed the public that they will accept proposals, including elements and options for a new WGOA groundfish program, during the discussion of the CGOA trawl catch share discussion at the upcoming February meeting in Portland OR. In this packet I have submitted a resolution for Assembly consideration Supporting Comments to the NPFMC re: WGOA Groundfish Management Proposals. This resolution outlines nine goals that any fisheries management program in the WGOA should follow to protect our communities. If approved, the assembly may also wish to consider including a letter to the NPFMC that further explains our position, possibly advocating for setting a control date for the WGOA. I am in the process of drafting a possible letter for your consideration.

Also on the February agenda is a scheduled Final Action on the BSAI Crab ROFR item, which now includes a provision to gift an amount of PQS back to Aleutia, due to an amount of crab that should have been subject to the ROFR, but was sold to APICDA by Sno-Pac. APICDA opposes this provision. Final Action is timely because longtime Council staff Dr. Mark Fina, the main NPFMC point of contact on Crab Community Provisions, will be leaving the staff and the state after the February meeting.

Board of Fisheries

The Board will meet in Anchorage this month to discuss AYK salmon fishery proposals, and the next Board meeting will be February 26 to March 4th for Area M proposals. Participation by resident fishermen at Board of Fisheries meetings is critical for getting accurate information to the Board. Submitting written comments to the Board is also an important part of the process. The Assembly may wish to discuss options at this meeting to increase local resident participation at the Board of Fish Area M meeting. Several of us will also be attending the Board AYK meeting beginning next week.

WASSIP and SEDM Genetic Study Reports

In December, I spent more than I expected to for the printing of WASSIP reports. There are now copies of the Sampling, Stock Composition and Harvest Rates reports for both Sockeye and Chum in every AEB community city or village office. In addition, there are several full sets of 9 reports in the AEB, including Baseline and Escapement Estimation for both species. Full sets can be found in Sand Point at the Aleutia office next to the coffee shop, at the King Cove Harbor House, and in the Anchorage office. As of this writing, we have not received the Southeastern District Mainland (SEDM) report from ADF&G that was due by the end of 2012, although we have reviewed the draft report. All reports when published are available at www.aebfish.org.

AEB Fishermen's meetings

On December 19th we held the first Every Other Wednesday teleconference for AEB fishermen, with plans to continue meeting through February. At that meeting, Denby Lloyd gave an overview of the recently released WASSIP reports, and also discussed the upcoming Board of Fish meetings. Sam Cotten led a discussion on recent NPFMC actions, including the CGOA trawl catch shares proposals and the opportunity for WGOA proposals in February.

At the January 2nd teleconference ADF&G managers discussed the new year State tanner crab and pacific cod fisheries, including a discussion of a new pot buoy tag charge of \$1.50 per tag. USCG officials talked to fishermen about the new vessel inspection regulations and the 2012 USCG Authorization Act which delays implementation of the new rules until 2015. It was noted, however, that any vessel required to carry an observer must have and display the new USCG inspection sticker.

Most of the Jan. 2nd meeting was devoted to discussion of the new Restructured Observer program. Director Martin Loefflad and program specialist Glen Campbell discussed the new program and answered fishermen questions about the Trip Selection pool of all trawl vessels and 57.5 ft + fixed gear vessels, and the Vessel Selection pool of vessels between 40 & 57.5 feet in length. Vessels that are less than 40 feet, fish jig gear or only in State waters are in the No Coverage pool (unless they fish for halibut or black cod) These meetings have been well attended and informational. The next teleconference will be Jan. 30th.

2013 Year at a Glance Meetings and Travel

The New Year seems an appropriate time to report where I plan to be this coming year when not in the Anchorage office. Please note that as a member of the AP, my travel and lodging to all NPFMC meetings is paid for by the NPFMC.

NPFMC meetings (Council and AP members travel and lodging reimbursed/paid by NPFMC)

February 4-12	Portland OR
April 1-9	Anchorage AK
May 7-9 Managing Our Nation's Fisheries 3	Washington DC
June 3-11	Juneau AK
September 30-Oct 8	Anchorage, AK
December 9-17	Anchorage, AK

Board of Fisheries meetings

January 15-20	AYK finfish	Anchorage
February 26-March 4	Area M salmon	Anchorage
March 19-24	Statewide finfish & Supplemental issues	Anchorage
October TBD	Statewide Pacific Cod	TBD

Other meetings I am currently planning to attend:

Alaska Marine Science Symposium	January 21-25	Anchorage
GOAC3 Annual meeting	January 29	Anchorage
SWAMC Annual meeting	February 20-22	Anchorage
Steller Sea Lion Mitigation Committee meeting	March 19-21	Anchorage
AEB Assembly meetings		
AEB Fishermen meetings		

Notes on the above schedule:

The Managing Our Fisheries 3 Conference in Washington DC may be significant to the upcoming process for the reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act.

There is a conflict between the scheduled SSLMC meeting in March and the Board of Fish Statewide issues meeting. I will be relying on others to help cover all bases. Also, I may miss some of the June NPFMC meeting in Juneau for vacation time to attend a family celebration in Shoreline, Washington.

If the Mayor and Assembly approve, I would like to spend several weeks in July and/or August out in the region, attempting to travel mostly by ferry to all the AEB communities, and to work by laptop for a time from the Sand Point and/or King Cove AEB offices.

Please call or email me anytime with your comments, questions or concerns.

To: The Honorable Stanley Mack
The Aleutians East Borough Assembly
Rick Gifford, Borough Administrator

From: Brad Gilman & Sebastian O’Kelly

Re: Washington Update

Date: December 21, 2012

1. Izembek Land Exchange: Completion of the final EIS and the subsequent final decision of the Secretary of the Interior has been postponed until next year. The draft EIS is scheduled to be completed for internal Department review by December 31. The final EIS is scheduled to be publicly released on February 1. The Department must then issue a Record of Decision (ROD) and a Secretarial “national interest” determination.

2. OCS Oil & Gas Legislation – North Aleutian Basin: We continue to monitor whether OCS legislation will be included as part of larger legislation that addresses the so-called Fiscal Cliff. Given that such legislation generates significant funds for the Federal government from oil and gas lease sale proceeds, this provision should be an attractive candidate for inclusion as a revenue raiser, but Senator Murkowski is skeptical about its chances this year. In the current bills, the House has included the North Aleutian Basin in its proposed lease sale areas, while the Senate is silent on the issue.

3. Coast Guard Reauthorization Legislation: The House and Senate have come to a final agreement on legislation reauthorizing Coast Guard programs and sent the bill to the President for his expected signature. The bill includes a number of provisions important to Alaska coastal communities, as follows--

- **Incidental Vessel Discharges:** The bill extends for one year the current moratorium on Clean Water Act permits for smaller commercial vessels for all discharges (ballast and bilge water, deck runoff, fish hold effluent, etc). The exemption would cover all commercial fishing vessels regardless of size, and any other commercial vessel less than 79 feet in length. EPA will continue to move forward with this regulation (expected to be released in January), but under the legislation its implementation is delayed until December 31, 2014. Efforts will continue in the 113th Congress to make the moratorium permanent.
- **TWIC:** The bill requires the Department of Homeland Security and the Coast Guard within nine months to reform the Transportation Worker Information Credential enrollment and renewal process so that there is no more than one in-person visit to an enrollment center unless there are “extenuating circumstances.”
- **Survival Craft:** The bill delays, pending completion of a six month study, the requirement for carrying new survival craft on board vessels. The new

requirements would not go into effect for two and a half years after the study is finished.

- **Vessel Dockside Inspections:** The bill delays time and frequency requirements for dockside inspections for commercial fishing vessels. The initial inspection is not mandatory until October of 2015 and re-inspections are to occur only once (rather than twice) every five years following the initial inspection.
- **Arctic Deepwater Port Study:** The bill requires the Coast Guard to conduct a one year study on the feasibility and potential of establishing a deep water sea port in the Arctic to promote strategic U.S. interests in the region. Such port must be in the Arctic and have a deep water capacity greater than 34 feet. Nome, Kotzebue, and Barrow are competing for this arctic port. None of these communities has a current harbor depth of 34 feet. The depth requirement was identified by the Coast Guard for its patrol cutters.
- **Polar Icebreakers:** The bill requires a study on reactivating service of the *Polar Sea* through 2022. It also prohibits dismantling or transfer of either the *Polar Sea* or *Polar Star* until the study is completed or changing the vessels' homeport. The *Polar Star* was recently reactivated for a 7 to 10 year deployment.
- **Bering Sea Potential Place of Refuge:** The Coast Guard must conduct an evaluation of the potential for an ice-free Place of Refuge in the Central Bering Sea and report back to Congress on its findings. This provision is intended to try and obtain funding to repair the St. George Harbor.
- **Coast Guard Operations/Infrastructure in High Latitude Regions:** The bill requires an analysis of the need for additional Coast Guard prevention and response capability in the high-latitude regions.
- **Bering Sea Fisheries Provision:** The bill has a provision that would prohibit American Fisheries Act factory trawl vessels from being eligible to be used in the non-pollock Bering Sea groundfish fisheries (the so-called "Amendment 80 fisheries").

4. **SRS/PILT:** Alaska communities will receive their last Secure Rural Schools ("SRS") and PILT payments in 2013 unless the programs are reauthorized in the next Congress. Given the emergency one year extension contained in the Highway Bill for the SRS, Congress will not address the PILT reauthorization in the Lame Duck session. There will need to be a strong push by rural communities next year to get these programs reauthorized given their cost and the complexities of larger budgetary and deficit reduction politics and policy. One positive development is the ascension of Senator Wyden (D-OR) to chair the Senate Energy and Natural Resources Committee. Oregon is a major recipient of SRS and PILT funds. Senator Murkowski is the Ranking Member of the Committee and has formed a close partnership with Senator Wyden on this issue.

5. Small Fishing Vessel Observer Program: The Delegation has filed a written objection to the Secretary of Commerce over new observer program requirements for small vessels (under 57.5 feet) fishing for halibut, sablefish, and other groundfish in the Bering Sea and Gulf of Alaska. The Delegation argues that Electronic Monitoring would be a more cost-effective alternative.

6. Water Resources and Harbor Projects: Discussion over passing a Water Resources Development Act reauthorization has abated during the Lame Duck. This legislation will have to wait until the 113th Congress. Once these discussions resume next year, we will re-initiate advocacy for bill language to fund the rural navigation projects separately from the larger navigation and flood control projects for the Lower 48, including a waiver of the Net Economic Determination.

7. The Fiscal Cliff: As of the writing of this report, negotiations continue between the Obama Administration and Congressional Republicans regarding automatic tax increases and spending cuts (the so-called “fiscal cliff”) that are scheduled to go into effect in January. Both political Parties have put proposals on the table embodying a mix of spending cuts and revenue increases over a 10 year period. There remain differences between the two Parties on the size and source of revenue increases and spending cuts. The Obama Administration is seeking \$1.3 trillion in additional revenue, most of which would come from higher individual tax rates on upper income earners (above \$400,000 per year). Republicans are proposing \$1 billion in increases to be drawn from capping or eliminating itemized deductions, but have refused so far to include higher tax rates for upper income earners. The focus on spending is on major entitlement programs, with some progress made in negotiations on a recent agreement over using an alternative method for inflationary adjustments that will slow overall spending growth. Further caught up in this debate is the expiration of the Federal debt limit. The Speaker of the House threw in the towel on the negotiations Thursday night, shifting the burden of the negotiations to the Senate. Negotiations will likely continue through the holidays and could spill over into January.

8. State and Local Tax Deductions: State and local tax deductions (including tax-exempt status for municipal bonds) are on the table as a source of funding in the Federal budget deficit debate, given their large impact on the Federal Treasury (\$109 billion annually). Associations representing state and local governments have been lobbying hard on this issue, with localities focusing particularly on municipal bonds and pointing out their importance in infrastructure development and local job creation. Debate on this deduction is tied up with other deductions – charity, mortgage interest, employer-provided health insurance – that have large impacts on the Treasury.

9. Bypass Mail/Postal Service Reform: The House and Senate are in negotiations over a final Postal Reform Bill. We have heard that there will be no changes in the bill for the Bypass Mail Program. This is a major victory for the Alaska Delegation given the push by a number of other Lower 48 Members earlier in the session to cut or eliminate the program. The bill is not expected to include any provisions requiring closures of rural Post Offices, but it will allow the Postal Service to go ahead with current plans to cut

back hours of operation. The bill is also expected to permit the Postal Service to end Saturday mail delivery nationwide. Package delivery would remain unchanged.

10. FY 2014 Project Requests: The Alaska Delegation would like to be kept informed of the City and Borough project priorities to see where it might be of assistance in helping secure Federal funding. While we do not see Congress rescinding the current moratorium on earmarks for FY 2014, there has recently been a vocal behind-the-scenes debate about doing so (with Congressman Young offering a proposal to amend House Republican Caucus rules to restore earmarks, then withdrawing it to be considered at a later date). The moratorium is an internal House rule. The Senate does not have such a rule but has informally accepted the moratorium for the time being while rejecting an effort to put the moratorium into law earlier this session. The Alaska Delegation strongly favors overturning the moratorium.

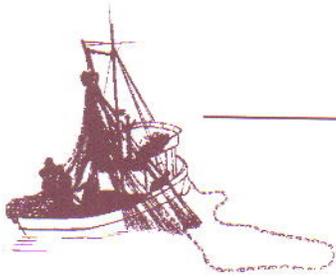
11. Passing of Senator Inouye (D-HI): Hawaii's senior Senator, Dan Inouye, passed away this week. In addition, to being Senator Steven's best friend, he was a friend to Alaska and supportive of many of our issues given they were also shared by his State. That support included resource development, public infrastructure and rural economic development, tourism, and Native American needs. All three Alaska Members issued statements of condolence.

12. Miscellaneous.

- **Department of Energy LNG Study:** The Department of Energy has released a study with positive findings over the potential of LNG development in the U.S. and prospects for exports. Senator Murkowski praised the report's release and encouraged the Department to facilitate export permits of LNG to new overseas markets (15 permits are currently pending). Separately, Senator Begich is drafting legislation that would establish one-stop permitting for in-state transportation of natural gas (including LNG) as well as make such projects eligible for the same regulatory and tax incentives currently applied to transnational projects.
- **Kenai Peninsula Flooding Disaster Relief:** The President has approved the Governor's request for disaster relief as a result of the severe flooding earlier this fall in the Kenai Peninsula. Funding for individual, business and community assistance through FEMA will likely be included as part as larger disaster assistance legislation being driven by the impact of Hurricane Sandy on the East Coast.
- **Cook Inlet, Yukon, Kuskokwim Chinook Fishery Disaster:** The Secretary of Commerce has declared a fishery disaster as a result of the collapse of Chinook salmon runs in the Cook Inlet, Yukon, and Kuskokwim watersheds. \$150 million is included in the Senate's comprehensive disaster relief bill for all fishery disasters nationally. The Secretarial decision followed a disaster declaration

issued by Governor Parnell. An amendment was filed by Senator Tom Coburn (R-OK) to strike the fishery disaster funds from the Supplemental funding bill.

- **Japanese Tsunami Debris Clean Up Funds:** The Senate's comprehensive disaster relief bill includes \$56 million for coastline clean up from debris generated by the Japanese tsunami. Alaska would be eligible for a portion of this funding.
- **New Fisheries Staffer With Senator Murkowski:** Senator Murkowski will be bringing Jay Sterne on board as her new staff member to handle fishery issues. He previously was a lobbyist and has represented some North Pacific fishery interests. We have known Jay for years and work well with him.
- **EPA Emission Control Area Rule:** The cruise ship lobby is continuing to pursue a lower cost, legislative alternative to the EPA rule that would require vessels to switch to lower sulfur content fuel. The alternative would permit cruise vessels and containerships to use a blend of fuels under a pilot program. As of the writing of this report, the fate of the pilot program is unclear but it is receiving resistance from Senate Environment Committee Chairwoman Barbara Boxer (D-CA). It will likely have to be included as a rider to a larger bill in order to pass. This has become a major issue for Alaska cruise ship visitation, with concern growing that higher fuel costs will be passed on to passengers or result in reduced ports-of-call. The Alaska Delegation has been very engaged on finding a lower cost approach to compliance with the rule.



City of False Pass

P.O. Box 50 • False Pass, Alaska 99583-0050
Telephone (907) 548-2319 • Fax (907) 548-2214

RECEIVED

Friday, December 21, 2012

DEC 31 2012

Aleutian East Borough

3380 C. ST suite 305

Anchorage, AK 99503

Aleutians East Borough

AEB Mayor & Assembly members,

The City of False Pass, as a municipal entity comprises the community "False Pass", would like to join APICDA, Isanotski Corp, AEA, Aleut Corp, Aleut Enterprises, AEB and other interested entities in the region to form a partnership joining our collective resources and to work together to reestablish a reliable and complete fuel resource for our community.

We can form a partnership by pooling our resources, that will be beneficial to all involved and help support the community and residents of False Pass, and the fishing fleet that relies heavily on fuel availability here. Other businesses in False Pass also depend on the fishing fleet frequenting our small village for fuel sales and safe harbor. Bering Pacific Seafood is expanding its operations, Isanotski Grocery Store relies on the fishing fleets for large portion of sales, the City of False Pass also benefits from the fleet tying up in the boat harbor.

Please give this matter of including The City of False Pass as a partner, serious consideration as soon as possible. Then, let's schedule a joint meeting with all interested parties, to get involved in formulating a formal agreement. Let's make this happen for the community of False Pass.

Thank You for the time to consider this proposal. We look forward to hearing from you in the near future.

Sincerely,

Tom Hoblet

City of False Pass

Mayor

cc: Isanotski Corp

cc: Aleutian East Borough

cc: Aleut Enterprises

cc: Thomas Mack- Aleut Corp

cc: APICDA

Date & Location of Next Meeting

Adjournment