

Aleutians East Borough
January 12, 2012
10:00 A.M.

CALL TO ORDER

Mayor Mack called the January 12, 2012 Assembly meeting to order at 10:00 a.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.	Present
Justine Gundersen	Present

Advisory Members:

Tom Hoblet, False Pass	Absent
Harold Kremer III	Present

A quorum was present.

Staff Present:

Sharon Boyette, Administrator
Roxann Newman, Finance Director
Tina Anderson, Clerk
Ernie Weiss, Resource Director
Laura Tanis, Communications Manager
Anne Bailey, Community Development Director

Adoption of Agenda:

MOTION

Agenda was adopted as presented.

Community Roll Call and Public Comment on Agenda Items:

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

Minutes, December 13, 2011:

Ken made the corrections below:

- Page 6, delete, "Ken asked how the Severance Tax came about". Replace with, "Ken asked how the Severance Tax will work".
- Page 3, delete "is concerned that if we don't approve the request, it might result with the School district having to do something with the small schools". Replace with, "concerned that withholding the request would not necessarily result in more service for the small schools."

MOTION

Joe moved to approve as amended and second by Ken. Hearing no objections the December 13, 2011 Minutes are approved as corrected.

Financial Reports, December 2011:

MOTION

Justine moved to approve the December 2011 Financial Report and second by Ken.

DISCUSSION

Carol requested explanation for Dept. 900, Other Equipment line item. The Administrator said new computers were purchased for the Clerk's Dept., Maintenance Dept., Finance Dept. and Anchorage receptionist. Carol asked if the legal line item is for the unforeseen legal costs. Administrator answered yes.

Paul requested explanation on the hovercraft operation expenses. The Administrator said \$200,000 is the month-to-date expenses accrued due to work starting on hovercraft.

ROLL CALL

Carol-yes, Marvin-yes, Ken-yes, Paul-yes, Joe-yes, Justine-yes, Bill-yes. Advisory: Harold-yes.
PASSED.

Investment Report, November 2011:

Month-end market value is \$26,909,212, which includes \$51,218 in accrued interest.

ORDINANCES

Introduction Ordinance 12-02, Amending the FY12 Operating Budget:

MOTION

Bill moved to accept and set for public hearing and second by Justine.

DISCUSSION

Carol requested explanation why the Resources Dept. budget is higher than normal. The Resource Director said it is due to the SEDM project budgeted amount included under Resource Dept.

Carol feels we need to watch spending due to the decline in halibut quota in our area possibly causing revenues to be less this year.

The Administrator said Fund 22, terminal and hovercraft, revenues and expenditures have been amended. Under Terminal budget, \$156,300 has been added to revenues and expenditures for the HRV air handler system that FAA required, which is being reimbursed by FAA. We also reduced a lot of expenses in both operations. Some expenses for hovercraft will shift to the Akutan airport, Dept. of Transportation grant. Expenses will then be reimbursable plus bond money available. So, hovercraft operation will go down and more expenses will come out of Akutan airport project.

Paul asked whether there is official paperwork involved in the ownership/transfer of the hovercraft to another project. The Administrator said she and the Mayor have been working with Mark Hickey. AEB owns the hovercraft; the co-sponsorship agreement needs to be amended to include the hovercraft transfer to Akutan project, which we are working on now. Mayor Mack said because of regulation it was strictly used for King Cove project and the wording is being amended to allow us to use in Akutan. Joe believes this is going to be a long process to get done, in reality AEB should have built a new hovercraft. He said that there is \$11M in pot of money and he feels the co-sponsorship is in breach of agreement. He added that he is nervous about discussing the hovercraft and exchanging money and will be working on this very carefully. The Administrator noted that Akutan will be involved in the co-sponsorship agreement amendments. Mayor Mack said AEB is working through scenario to satisfy the marine link at this time.

ROLL CALL

Marvin-yes, Justine-yes, Bill-yes, Joe-yes, Ken-yes, Carol-yes, Paul-yes. Advisory: Harold-yes.
MOTION PASSED.

Introduction Ordinance 12-03, Adopting Aleutians East Borough Financial Disclosure requirements:
At the October 4 Regular Election the voters passed the proposition to opt-out of the Alaska Public Official Disclosure Law provided we adopt an AEB public official disclosure form. The ordinance is making the required changes in the AEB Code.

MOTION

Paul moved to accept Ordinance 12-03 and set for Public Hearing at the next Assembly meeting and second by Bill.

ROLL CALL

Bill-yes, Ken-yes, Carol-yes, Paul-yes, Marvin-yes, Justine-yes, Joe-yes. Advisory: Harold-yes.
MOTION PASSED

RESOLUTIONS

Resolution 12-10, Promoting and Selecting Capital Projects:

MOTION

Joe moved to adopt Resolution 12-10 and second by Ken.

DISCUSSION

Joe asked if Eastern Aleutian Tribes (EAT) is taking the lead of the new Cold Bay clinic project or AEB. Anne said EAT, City of Cold Bay and AEB are involved, but she has been handling all the grant work, however, EAT applied for the HRSA (U.S. Health Resources and Services Administration) grant because of their nonprofit status. Joe asked whether the AEB is going to need to look for more funding. Anne said it is a \$3M project and short about \$200,000.

Joe asked Justine whether the erosion project is done every year or whether it is an ongoing project every year. Justine said it is ongoing. Mayor Mack added that Nelson Lagoon's waterline is being encroached upon by the erosion.

Bill said he sees the Sand Point old harbor re-construction project on the resolution list, but does not see the new harbor. The Administrator said the city of Sand Point asked AEB not to pursue funding for the new harbor floats especially if it competes with funding for the old harbor. So, AEB has not applied for any new grants for the new harbor. The old harbor has significant amount of State money already, which comes with restrictions so no more state or federal money can go into old harbor project -- match has to come from other sources. Anne said requesting \$1.5M for old harbor. In regards to new harbor, previous employee, Ted Meyer, did submit a Tier 2 grant to State but Sand Point Administrator submitted Tier 1 for old harbor and the city asked us not to pursue money for new harbor.

The Administrator is working on request for state legislature. She added best chances for state funding is Cold Bay tarmac, Cold Bay clinic project and Cold Bay dock repairs. For federal funding best chances would be the Nelson Lagoon erosion project. King Cove Access project needs attention but not funding at this time.

Paul asked if a wave barrier plan is included in capital project #8 Cold Bay dock repairs. He also feels the Sand Point new harbor should be included on the list unless we have a letter from the city of Sand Point that says it is not important to them. The Administrator agreed and suggested adding the two projects. She said the dock repairs do not include improvements to that project suggested adding the wave barrier as #10 and Sand Point new harbor project as #11. Anne said Cold Bay dock repairs are specific to structural, operational repairs and anodes replacement. Another is corrosion under dock, which a study was done in 2007. Paul said AEB put out a bid contract for \$250,000 for anodes replacement and not sure if that was spent. Anne will look into that, but the city of Cold Bay received three quotes to do more work than that. City of Cold Bay employee, Shane Watson, said Global Diving received the bid repairs starting in May. He added that the contract that AEB paid for were anodes on new section of dock.

Bill asked if there is a school buildings capital projects list being built. The Administrator said we will be submitting some requests for reimbursements for projects already done. School District Superintendent Dr. Phil Knight said he is working on that along with the Maintenance Director, Jim Brown. Projects that will be submitted have very high ratings for reimbursements. Some previously submitted were reduced or pulled out of the Governor's budget. He recommends reiterating to our legislature how we have funded our projects and are submitting for reimbursements, which has been successful thanks to the Maintenance Director. The Superintendent said he hopes to get reimbursed for the Akutan siding project and the Sand Point pool repairs already completed.

AMENDMENT

Paul moved to amend Resolution 12-10 to include capital projects #10 Cold Bay dock wave barrier and #11 Sand Point new harbor floats project and second by Bill.

Hearing no objections MOTION PASSED.

ROLL CALL ON MAIN MOTION

Ken-yes, Justine-yes, Carol-yes, Marvin-yes, Paul-yes, Joe-yes, Bill-yes. Advisory: Harold-yes.
MOTION PASSED.

OLD BUSINESS

Appointment of Advisory Member-False Pass:

AEB received a letter from the City of False Pass recommending Nikki Hoblet as the False Pass Advisory Member.

MOTION

Joe moved to approve Nikki Hoblet as the False Pass Advisory Member and second by Marvin.
Hearing no objection MOTION PASSED.

NEW BUSINESS none

REPORTS AND UPDATES

Administrator Search:

Received six applicants for Administrator so far and applications are accepted until January 20th. Mayor Mack will start looking at the applicants tomorrow.

Bill asked if Assembly members would have an opportunity to see the applications since we work with the person quite often. He also suggested including Assembly members in the hiring process. Bill

suggested, if the code does not allow, to then amend the AEB Code because the hiring of an administrator is a major position and feels the Assembly should be involved. Mayor Mack said sometimes hiring becomes personal. Bill said sometimes it is personal, but the Borough has a diverse group on the Assembly and does not think it would be bad to have the Assembly involved. Mayor Mack suggested a committee. Justine said when Bob Juettner was hired Assembly was involved. Marvin suggested the committee also involve some Assembly members.

Paul said the investment committee has not scheduled a time to meet to discuss investments yet. He would also like an update on the landing craft plan, would like a written summary on progress of co-sponsorship agreement, and finally, at next meeting, he would like to review our form of government whether mayoral or assembly form of government. The Administrator said they met with Brad Gilman to go over what we would like on the agreement. Also, looking at all the rules in agreement and what needs to be done. She will do a more thorough description in writing. She also suggested having Joe Levesque go over all types of government and what other Borough governments have in place at the next meeting. She will also forward memo on the landing craft document.

Donation Requests:

Nikki Hoblet asked what the deadline is for donation requests from AEB. The Administrator said May 1 and will send form to Nikki.

Redistricting:

Ernie said redistricting trial is going on, can stream audio from internet. District 37 was just coming on when Assembly meeting started so does not have an update at this time.

ASSEMBLY COMMENTS

Ken requested LEPC be added on the next agenda.

PUBLIC COMMENTS

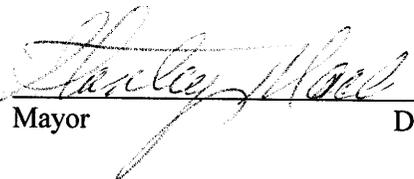
None

NEXT MEETING DATE AND TIME

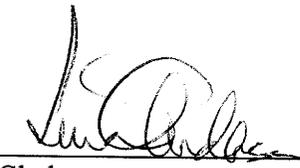
Next meeting will be during the SWAMC meeting February 16-17.

ADJOURNMENT

Paul moved to adjourn and second by Bill. Hearing no objections the meeting adjourned at 11:10 a.m.



Mayor Date

 2/14/12

Clerk Date