

Aleutians East Borough Assembly Meeting
March 17, 2010

CALL TO ORDER

Mayor Mack called the March 17, 2010 Assembly meeting to order at 1:00 p.m. at the Anchorage office building and by teleconference in the Borough communities.

ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Present
Ken McHugh	Present
Paul Schaack	Present
Joe Bereskin, Sr.	Present
Justine Gundersen, Nelson Lagoon	Present

Advisory Members:

Tom Hoblet, False Pass	Absent-Excused
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A quorum was present.

Others Present:

Sharon Boyette, Administrator
Tina Anderson, Clerk
Roxann Newman, Finance Director
Clark Corbridge, Administrator Assistant
Laura Tanis, Public Information Officer

Agenda Additions/changes:

New Business, Cold Bay small boat harbor

Adoption of agenda:

MOTION:

Roll Call & Establish of Quorum:

Agenda Additions:

Executive Session, Izembek road, strategies and tactics

Adoption of Agenda:

Justine moved to approve the agenda with the addition and second by Carol.

Community Roll Call:

Participating by teleconference are the communities of Sand Point, King Cove, False Pass, Cold Bay

Minutes, February 2010:

No one had time to review the minutes. Paul G. moved to postpone until next meeting. Second by Ken. There were no objections motion approved.

Financial Report, February:

Paul G. requested the Administrator explain the Akutan harbor account withdrawal of around \$500,000 (Investment report, page 56). The Administrator explained that the two withdrawals from Akutan harbor account are for the project start up.

Administrator said hovercraft revenues for the month are around \$1,200, expenses are around \$47,000. Page 9 of 25, shows expenditure for Cold Bay dock repairs along with city of Cold Bay and insurance coverage. Paul S. noted more repairs are needed to the dock.

MOTION

Ken moved to adopt the February financial report and second by Carol. There were no objections, motion approved.

Investment Report:

Available In packet.

CONSENT AGENDA

- Resolution 10-10, FY11 Community Revenue Sharing Application.

MOTION

Paul G moved to approve the Consent Agenda and second by Justine.

DISCUSSION

House keeping item every year. The amount of \$387,000we is the amount we're scheduled to receive to go into the general administration.

ROLL CALL

Carol-yes, Marvin-yes, Paul G.-yes, Paul S.-yes, Joe-yes, Ken-yes, Justine-yes. Passed.

OLD BUSINESS

Bond Sale – Presentation by Geoff Urbina:

Joe Levesque, Borough attorney, explained that October 2007 a \$5M bond was approved by the voters. Geoff Urbina works as the underwriter. The \$3M bond amount is for Akutan airport marine link, \$2m is other Borough transportation. The underwriter sells the bonds.

In reviewing the bond process, Geoff Urbina said he does a lot of municipal bonds for capital projects. They sell the loans out on Wall Street in the form of bonds. The ARRA (American recovering Reinvestment Act) signed by Obama has changed things in that there are extraordinary low rates at this time and municipal bonds are working quite well. Rates in the past were at 5-6%. Most deals recently are at high 3% to low 4%. The process is making sure all the cash flow money is delivered and legal documents are structured appropriately. The process will take 8 to 10 weeks so looking at late July. For historical reference, in 1981, interest rates were up to 13%. Today is 7% to 3-4%.

Mr. Urbina reviewed the municipalities that received ARRA money, the allocation list in Alaska show AEB did not make the allocation list along with others municipalities, however, if municipalities do not use the money, it will go back to the state. He reviewed the issuance by state. There is current legislation that provides for extension on the five Build America Bonds. The new ARRA provisions are the recovery reinvestment and the Build America Bonds.

Ken asked about what the mixed maturity rate? Mr. Urbina said it is market driven. His goal is to issue level debt service payments.

Joe Levesque said the bond closing will be in Anchorage. He said some municipalities allow some students the educational experience to attend the bond closing. The Borough could bring some students to a bond closing or do a bond closing in AEB.

Aleutian Financial Inc. Presentation by Lori Canady:

Lori Canady said the Community Development Financial Institutions (CDFI) are a financial institution funded underneath the U.S. Treasury Dept. AFI is a loan fund program set up to serve the Aleutian area for home loans, car loans and small business loans. She is coming to AEB for seed money. AFI needs to have capital in order to get certified to qualify for CDFI funding. AFI has three loans on the books, two in AEB. There are three more ready and waiting for funding. AFI can back a loan with deed of trust. Dan Duame, with Aleutian Housing Authority (AHA), does our legal and has done a lot to get incorporated. AFI has received money from APICDA, TAC, and APIA. Once we're certified by U.S. Treasury Dept., AFI will have access to \$1M and all that money will be funneled into the Aleutians. AFI is able to give 2% loans because we get low interest money and can get money without a lot of cost.

Carol asked how much is AFI looking for. AHA put up the \$50,000 to begin. Lori is asking for \$50,000 as a grant or as a loan from AEB. The Administrator said AEB can give them a grant and they would loan out, or can give a loan to AFI with an agreement to pay back in five years. Carol asked how much is necessary for the certification. Ms. Canady said they don't give an amount just a requirement of six loans being paid back. She said Bristol Bay Corporation is also starting its own CDFI.

NEW BUSINESS

No items

REPORTS AND UPDATES

Hovercraft mail contract:

Administrator said the Administrator Assistant gave update on mail contract for hovercraft. The postal service said they worked on contract specifications, in 30-40 days a solicitation will be offered and then we will have to respond to that with our proposal. They will then respond to that so it will be awhile before we receive a mail contract.

Sand Point gym floor:

Paul G. asked what date the bids are due from the day we began advertising. The Administrator answered 30 days.

Funding Request from Sand Point Library:

The Borough received a funding request from Sand Point librarian Marta Varga. Ms. Marta is looking for matching funds for the Bill & Melinda Gates Foundation grant for the purchase of a computer and interactive whiteboard. She had raised the matching funds for the grant but the cash was stolen and is requesting \$350 from the Borough. Assembly briefly discussed donation policy to determine whether request qualified under policy.

MOTION

Justine moved to donate the \$350 to the Sand Point Library. Second by Ken.

ROLL CALL

Marvin-yes, Paul S.-yes, Carol-yes, Paul G.-yes, Joe-yes, Justine-yes, Ken-yes. Passed.

Mel Gillis land issue:

Borough attorney, Joe Levesque, updated the Assembly on Mel Gillis land issue saying last meeting we were waiting from court on ruling on attorney fees. The court did award the AEB \$21,000 and by the time paid it totaled \$25,000. It is more like 15-20% of what was expended. Since that time Mel Gillis has paid that amount of money to the AEB. We thought he might ask AEB to waive the attorney fees and not go to Supreme Court, but he paid the fees. DNR will file a legal brief and then Mr. Gillis will file a brief. There are some negotiations going on by Mel Gillis lobbyist Pat Carter. He is in direct contact with the Administrator. When AEB selected lands the state lease agreement came with that. We had begun negotiating with him on a new AEB lease and he never got back to us, then we had litigation and AEB won. Now Mr. Carter said if we can find a way to get a new lease he will drop the court case. The Mayor and Administrator are working to get a draft lease together. The lease can not be signed until it goes before the Assembly for approval. Mayor Mack said lobbyist has the authority to act on behalf of Mel Gillis and attorney also is acting on behalf of Mr. Gillis, however there is nothing in writing stating that. Mr. Levesque agreed to get a written authorization saying attorney is representing Mr. Gillis. Mr. Levesque feels some agreement can be made.

Paul G asked if lease may or may not be transferable. Borough attorney said we're offering a 25 year lease and there is four years on present lease still. The new lease will allow Mr. Gillis to assign lease to someone else. There will be stipulations requiring it to be someone who can pay and run a safe operation. Paul G. asked if an option is not to have a lease extension. The attorney said it is the AEB Assembly decision, if no lease is offered, the state says he has so many days to get rid of improvements and anything else auctioned off. He is sure the court will render a decision before the present lease expires. He said the AEB chose that property because it was a leased property, even though a small amount of money at least something besides raw fish tax is coming in.

Michael Christiansen, Eastern Aleutian Tribes (EAT):

Michael Christiansen, new EAT Director, Introduced himself and gave an update on what is happening at EAT and what will happen in the region. He said a new five year plan is in the works. He will be visiting the region and holding listening sessions and visiting offices and schools. He will give updates to the communities during visit and that his office is open. He was able to go to the King Cove road /land exchange scoping meeting to make public comments on the medical side. He will have some direct communication and will get announcements out to the region when schedule is complete. If anyone has suggestions, ideas or comments contact him. He thanked the Assembly for their support and service.

Akutan airport project:

Akutan airport bids open on May 19. ~~Four qualified bids have been received already.~~

Four pre-qualified bidders will submit bids
corrected
April 29, 2010
mtg.

Road corridor/land exchange EIS scoping meetings:

Scoping meetings in AEB begin April 26 starting in Sand Point with King Cove scoping meeting last.

EXECUTIVE SESSIONS

MOTION

Paul G. moved to recess into Executive Session to discuss strategies for Cold Bay road through Izembek and to discuss legal tactics and strategies regarding the Cold Bay Terminal. Second by Marvin. There were no objections, motion approved. The Assembly went into Executive Session at 2:43 p.m.

The Assembly came out of Executive Session at 3:30 p.m. Mayor Mack said no action was taken, instructed attorney on legal tactics and strategies.

MOTION

Paul G. moved to authorize the Mayor and Administrator to use legal assistance to go through claims process. Second by Marvin.

ROLL CALL

Paul G.-yes, Marvin-yes, Joe-yes, Ken-yes, Carol-yes, Paul S.-yes, Justine-yes. Passed.

MOTION

Paul G. moved to allow the Mayor to do emergency repairs on terminal immediately and prepare bid package to get building up to FAA approval. Second by Ken.

ROLL CALL

Marvin-yes, Justine-yes, Carol-yes, Paul G.-yes, Joe-no, Ken-yes, Paul S.-yes. Passed.

Aleutian Energy Summit:

There is an Aleutian Energy Summit April 24-25. The Administrator said if anyone wants to attend please contact the Clerk.

ASSEMBLY COMMENTS

Paul S. said Cold Bay dock still needs more repair. He will request the city of Cold Bay write a letter to AEB.

Joe asked whether the \$2M for other transportation has been allocated. The Administrator said there was discussion to use for the King Cove/Cold Bay road. The Clerk will research the discussion.

Paul G. asked if there is a Knik Construction schedule for the Akutan boat harbor yet. The Administrator will check.

PUBLIC COMMENTS

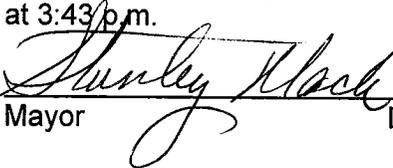
None

NEXT MEETING DATE AND TIME

Date and time will be determined later. Suggested locations are Nelson Lagoon or False Pass.

ADJOURNMENT

Justine moved to adjourn and second by Marvin. Hearing no objections the meeting adjourned at 3:43 p.m.



Mayor

Date



Clerk

4/29/10
Date