

Aleutians East Borough
March 24, 2011
6:00 P.M.

CALL TO ORDER

Mayor Mack called the March 24, 2011 Assembly meeting to order at 6:00 p.m. at the Southwest Cities building in Anchorage.

ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Present
Bill Cumberlidge	Present
Paul Schaack	Present
Joe Bereskin, Sr.	Present
Justine Gundersen	Present

Advisory Members:

Tom Hoblet, False Pass	Present
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A quorum was present.

Others Present:

Sharon Boyette, Administrator
Roxann Newman, Finance Director
Tina Anderson, Clerk
Ernie Weiss, Community Development Director
Laura Tanis, Communications Director
Summer Drake, Finance Assistant

Agenda Additions/changes:

- New Business, Severance Tax
- New Business, Redistricting Discussion
- New Business, Hovercraft Discussion

Adoption of Agenda:

Joe moved to adopt the agenda with the additions and second by Paul G. There were no objections the agenda was approved.

Community roll call and public comment on Agenda items:

Cold Bay, Sand Point, False Pass, and King Cove were connected via audio conference. There were no public comments.

Minutes, February 17, 2011:

MOTION

Justine moved to approve the February 17, 2011 Minutes and second by Bill. Hearing no objections the minutes are approved.

Financial Report, February, 2011:

MOTION

Joe moved to approve the February Financial Report and second by Marvin. Roll call followed.

ROLL CALL

Paul G.-yes, Marvin-yes, Justine-yes, Paul S.-yes, Bill-yes, Joe-yes, Carol-yes. Advisory: Tom-yes.

MOTION PASSED.

Investment Reports, January, February:

The February investment report is in packet and January investment report in the supplement. Paul G. suggested a meeting with Alaska Permanent Capital Management Co. to review investments.

OLD BUSINESS

Ports and Harbors:

Paul G. said after reading the Administrator's memo of options, he supports first option working with the communities and supporting their projects. Mayor Mack said they also took that action during the Juneau trip as well.

Joe asked if we oversee False Pass, Nelson Lagoon, and Cold Bay. Administrator said typically we do. Joe asked what the Administrator's preference. She said emphasis can be added when AEB says this is an AEB priority and can also say the AEB supports a city priority. Marvin supports either option.

MOTION

Paul G. moved to continue to work with municipalities and communities on prioritizing their projects. Second by Bill. There were no objections. MOTION PASSED.

Cold Bay Terminal Management:

Paul G. supports discussing staffing needs and feels it is good conversation to discuss whether positions are suitable for long term goal of AEB. Feels we should do that during first readings of budget annually.

Marvin said good to have manager's procedure manual. Although feels terminal manager position could be a part-time position if necessary. Mayor Mack said with NWS and FAA leasing space we need to be cautious how we maintain the building. We had a difficult time to confirm FAA as a lessee. The Administrator said FAA has not moved in yet and want additional air handling in space for equipment. Initially, AEB did not have enough money for an air handling system, but FAA will pay for the system. The engineer has gotten a price for the system and looking for someone to install now. So, FAA won't move in until the air handler is installed, but they are paying the rent.

NEW BUSINESS

Opting out of Alaska Public Official Financial Disclosure Statement requirement:

MOTION

Paul G. moved to direct the AEB's legal staff to draft first reading of an opt-out ordinance to be introduced at the next meeting. Second by Justine.

DISCUSSION

Joe asked if we would adopt our own financial disclosure statement. It was decided that multiple options will be available at first reading.

ROLL CALL

Carol-yes, Paul G.-yes, Justine-yes, Paul S.-yes, Marvin-yes, Joe-yes, Bill-yes. Advisory: Tom-yes.
MOTION PASSED.

FY10 Audit Report:

MOTION

Justine moved to adopt the FY10 Audit report and second by Marvin. Assembly thanked the Finance Director on a job well done.

ROLL CALL

Paul S.-yes, Joe-yes, Justine-yes, Carol-yes, Bill-yes, Marvin-yes, Paul G. Advisory: Tom-yes. MOTION PASSED.

ADF&G Funding Request – SEDM Genetic Stock Identification project discussion:

Paul G. said ADF&G needs a decision on whether the AEB will fund the SEDM project by next month. He suggested requesting more information on how it will work, when money will be required and when will scale samples be analyzed. He feels every one agrees that the project needs to be done and suggested making a decision on funding at the next meeting. Mayor Mack would like to see data available for next Board of Fisheries meeting in 2013. He believes it would be beneficial to know a timeline on when scale samples will be analyzed to determine when they will need the funding for the analysis. Justine agrees saying, if we commit money, we should receive a timeline for project.

Mayor Mack will try to get answers from ADF&G.

Nelson Lagoon School Funding Request:

MOTION

Justine moved to approve the \$3,000 funding request from the Nelson Lagoon School for their spring trip because she feels small school sites do not get much support. Second by Joe.

Bill noted that they did follow the donation policy and it is a nice letter to the point requesting a specific amount.

There were no objections, MOTION PASSED.

School District – Unencumbered Fund Balance:

School District request to amend the AEB Code to allow them to maintain an unreserved fund balance.

MOTION

Joe moved to remain status quo. Second by Justine.

ROLL CALL

Marvin-yes, Joe-yes, Paul S.-yes, Carol-yes, Justine-yes, Paul G.-yes, Bill-yes. Advisory: Tom-yes.
MOTION PASSED.

Severance Tax:

Mayor Mack supports a severance tax in order to catch tax revenues falling through the cracks. Tom asked if that pertains to fish delivered to other communities in King Cove and Sand Point. Mayor Mack explained that there are some fishing vessels that are not paying any tax. We want to capture other activity in the area. Joe felt we should be paying attention to catcher/processors in the region. Paul G. said there are some catchers that trawl and deliver to trampers inside boundaries and no revenues are being captured. He said this will catch those vessels that fish inside state waters that aren't getting taxed. Marvin said there is also a landing tax, fish being caught in our area and transferred to Seattle. This might capture those as well. Bill said there was a tax discussion at SWAMC about capturing some of the tramper transfers so they might have information already available.

MOTION

Paul G. moved to ask legal advisor to bring ordinance to next meeting for severance or landing tax which ever is best for AEB. Second by Bill.

ROLL CALL

Joe-yes, Bill-yes, Marvin-yes, Carol-yes, Paul G.-yes, Paul S.-yes, Justine-yes. Advisory: Tom-yes.

MOTION PASSED.

Hovercraft discussion:

Paul G. asked about a lease opportunity for the hovercraft to generate some income to capture back some of our expenses. He supports having it in some use.

Mayor Mack said the hovercraft tent has been damaged. Engineers found structural damage and it has been condemned. The Administrator has been working with AML/JIA insurance policy. They have determined that the event or events that caused damage are a covered incident. Now in the process to determine what the amount will be. We will replace with a permanent structure instead of a tent in the NE Corner through Dept. of Transportation. Initially, we were going to use the garage door from that tent for the metal building, but it has been damaged also. Need to determine if the door can be repaired and also how much insurance money we will receive for tent loss.

Mayor Mack said that there is a preliminary hovercraft lease possibility for two months. Right now the hovercraft is being stored outdoors. Joe asked whether there are charter opportunities for the hovercraft in the fisheries industry. Tom said, while at Fish Expo, he heard discussion of APICDA wanting to lease the hovercraft. The Administrator said she never heard any more on that discussion.

Tom asked what the insurance deductible amount is. Administrator answered \$5,000. Marvin asked about the dismantling of tent structure. The Administrator said part of the scope of work for NE Corner building is to dismantle the tent; contract specifies that will be completed last. She is trying to schedule a meeting with contractor to re-schedule dismantling as first thing done.

The Administrator will work closely with the insurance company.

Redistricting:

Mayor Mack said the Community Development Coordinator, Ernie Weiss, has been working on the redistricting issue. Ernie said he has been contacting neighboring municipalities to see what they're doing. The last meeting date for the redistricting board is March 31. The redistricting Anchorage

office will entertain proposals starting April 4 in afternoons. Ernie said Mark Hickey will attend the Juneau meeting. He believes AEB will stay status quo but good to have position.

The Administrator asked if any Assembly members have any strong feelings or opinion that you want AEB to take forward. So far our strategy is we want AEB to stay together and we don't want them to do any harm, not wanting to be placed in a SE Alaska district. Mayor Mack said we have been fortunate with the representatives that we have in Juneau. At this point in time, he supports status quo. Joe also prefers status quo. In talking to Hoffman there has been discussion to put us back with Kodiak. Hoffman is pushing status quo. Justine agrees with status quo and not supportive of being placed in Dillingham district. Mayor will stay informed as things progress. Marvin supports status quo also.

REPORTS AND UPDATES

In packet.

ASSEMBLY COMMENTS

Tom thanked Anne Bailey, the receptionist/grant writer assistant, for a job well done on grant award for False Pass harbor utility project.

Paul G. is not sure if he will be able to attend the April Assembly meeting Carol said she will not be able to attend the April meeting and possibly May meeting.

PUBLIC COMMENTS

Bill Dushkin asked what the Cold Bay terminal discussion was about. Mayor Mack said management of terminal was discussed. Bill asked what the plan is for the terminal. Mayor Mack said AEB has leased space to FAA and NWS. Bill asked if lack of an apron is holding terminal back. Mayor Mack answered yes.

Bill Dushkin said regarding the SEDM project there isn't much science on this and ADF&G doesn't have any funding for the project. He hopes AEB supports the project. Mayor Mack said we are requesting more information. Bill feels the sooner the project gets moving everyone in AEB will benefit. Bill asked about the status quo of school district. Mayor Mack said school district requested unencumbered fund balance. Bill said if we can't support our schools, what can we support. He feels there is a lack of consideration for something that is for education. Mayor Mack pointed out that the decision does not change the AEB contributions.

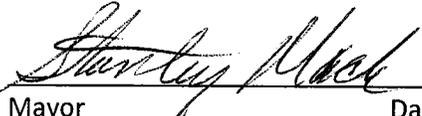
NEXT MEETING DATE

April 23 in Akutan.

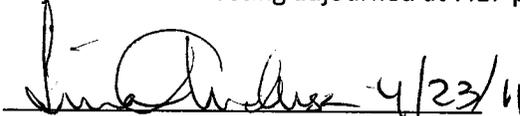
ADJOURNMENT

MOTION

Paul G. moved to adjourn and second by Joe. Hearing no objections the meeting adjourned at 7:17 p.m.



Mayor Date



Clerk Date