

Aleutians East Borough
April 29, 2010
1:00 P.M.

CALL TO ORDER

Mayor Mack called the April 29, 2010 Assembly meeting to order at 1:00 p.m. by teleconference in each community.

ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Present
Ken McHugh	Present
Paul Schaack	Absent - excused
Joe Bereskin, Sr.	Absent - excused
Justine Gundersen	Present

Advisory Members:

Tom Hoblet, False Pass	Absent
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A quorum was present.

Others Present:

Sharon Boyette, Administrator
Tina Anderson, Clerk
Roxann Newman, Finance Director
Laura Tanis, Public Information Officer
Monty Martin, Cold Bay Terminal Manager

Agenda Additions/changes:

Presentation-Energy Summit, Senator Murkowski DVD
Old Business, Hovercraft update
New Business, Nelson Lagoon dock lighting

Adoption of Agenda:

MOTION:

Ken moved to approve and second by Justine. Hearing no objections motion approved.

Community Roll call and public comments on agenda items:

None.

Minutes, February 24, 2010:

MOTION:

Justine moved to approve the February 24, 2010 Minutes and second by Ken

Paul G. corrected the minutes saying he had thanked Mayor Mack for adding the Sand Point School gym floor replacement project and requested that be included in his comments on page 4.

Hearing no objections motion approved as corrected.

Minutes, March 17, 2010:

MOTION

Justine moved to approve March 17, 2010 Minutes and second by Marvin.

Correction: Page 4 change "four qualified bids have been received" to "four pre-qualified bidders will submit bids".

Hearing no objections motion approved as corrected.

Financial Report, March, 2010:

MOTION:

Justine moved to approve and second by Ken.

DISCUSSION

Paul G. said under page eight revenue \$3M budgeted, but only received about ½ million. The Finance Director explained that after we expend money, we submit for reimbursements.

The Administrator said the hovercraft revenue is approximately \$1,900 for month of March. Under expenses you will see less under insurance. However, the AEB insurance was included onto the hovercraft insurance so the Finance Director backed that out and placed under Other expenditures. Hovercraft expenses are about \$70,000 for the month.

Investment Report:

The Administrator said the investment went down a little this month. Under the Akutan harbor money revenues will be coming out for that project soon.

ROLL CALL

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

CONSENT AGENDA

- Introduction Ordinance 10-03, approving the FY11 budget.
- Introduction Ordinance 10-04, amending code section 4.36.070, Tie Vote Determination.

MOTION

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

DISCUSSION

In reviewing Ordinance 10-03, the Administrator said under revenues a line item has been added for SW Cities LLC showing revenues that are expected this year to allow Assembly to

track. SW Cities had no revenues last year. She and the Finance Director looked at past revenues. State revenues are high because of a good fishing year in 2008 but backed that down since not as good this year. Estimated lower than what you see for FY10.

Paul G. recommended a workshop to go through final budget before final action. Mayor agreed.

The Clerk reviewed Ordinance 10-04 amending code section 4.36.070. The amendment addresses a way to break a tie to determine who will be in a run-off election. She explained that last year's election had a tie for the candidate receiving the second highest number of votes with no one receiving excess of 40% of the votes cast. Both candidates agreed to a coin toss, however, if they had not the Borough would have had the expense of multiple elections.

ROLL CALL

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

OLD BUSINESS

Aleutian Financial Inc.(AFI), funding request:

Lori Canady spoke at the last meeting giving an outline of what AFI, a lending institution, does for Aleutian/Pribilof region. AFI has more loan applications which they are unable to loan money right now because they don't have any money. They are asking for a donation or a no interest loan. Once they have interest coming back in for loans, they can pay back. The Administrator said there are revenues left under equipment and some left in capital projects. Came up with \$15,000 under equipment, with capital projects money there is about \$30,000 available. She did not budget into next fiscal year's budget. Mayor Mack said with projects in AEB now is reluctant to do and recommends holding off on this until next fiscal year.

Paul G. suggested holding off until next meeting when we discuss the budget further.

Hovercraft:

Justine said two months ago Carol made a motion for the Assembly to re-look at the hovercraft after two months. The Administrator said they met with Marsh McLennan to get the insurance cost lower, saving around 5% on protection and indemnity. Marsh kicked in their commission but just for this year. They will get back to us on hull coverage. In June, they said they will get back to us with possible changes in deductible and coverage -- at the most a 10% change. Mayor Mack said he appreciates concern, but didn't put on agenda since there are no concrete numbers yet. The Assistant Administrator has been working on this and hopes to hear from the postal dept. on a contract soon. Next meeting we should have a more confirmed figure to give to the Assembly. Justine said she is a strong supporter of the hovercraft but feels revenues are being drained. She is not sure what the plans for the hovercraft are and another in Akutan planned. She is concerned about how to support the Akutan one when we can't support the King Cove hovercraft. Mayor Mack said since no concrete figures to bring to the Assembly at this time, next meeting will have a firm number for the Assembly to look at.

Carol asked if the Assistant Administrator will have a mail service contract by next month. She feels nothing seems to be falling into place with the hovercraft and is seeing a big loss and has the same concerns on the financial issue.

Paul G. reiterated his understanding that the hovercraft will be a separate agenda item at the next meeting. Mayor Mack said we need to be more persistent on the mail contract. The Administrator said the Assistant Administrator has corresponded with them repeatedly, the post office said 30-45 days and we passed that already. The post office said there has been a renovation with personnel changes due to economic downfall. Carol said we gave the hovercraft two more months, still no insurance savings, no mail contract and asked when is the breaking point? Marvin noted his concern about the budget item also.

NEW BUSINESS

Port Authority:

Mayor Mack said this is just a discussion item at this time. The Administrator only brought it forward because it is something that has come up from time to time. She wants the Assembly to know that she has not forgotten about it. This is a very preliminary information item.

Paul G. asked the Administrator if she has done a revenue/expenditures report on this particular port authority. The Administrator said no, but not sure what projects would go into the port authority. Could do a revenues and expenditures of projects that might go into a port authority. Paul G felt expenses would be around \$200,000 a year, there would have to be a revenue source or would have to tax something. It would need executive board meetings, legal advice and will cost money if it did get put into place. The Administrator said you will then have a whole other layer of employees. Mayor Mack said this is preliminary stages in developing, it becomes part of the operation and then the development of this port authority takes place in planning and structuring. He recommends meetings with attorneys for legal advice if the ordinance gets introduced and adopted. He suggested discussing thoroughly at the May meeting.

Nelson Lagoon Dock:

Justine said the dock lights have been out for two years. She requested the lighting be looked at to get lighting back on the dock. The Mayor was not aware lighting was not working and will look into the problem. Theo Chesley, from the public, said three halogen lights and a few navigation lights are all out. Either bulbs out or ballast need to be changed.

REPORTS AND UPDATES

The Administrator reviewed her report in packet and reviewed capital budget projects.

Energy Summit: Many people attended from region -- around 70 people. The Summit made good progress on energy issues.

Mel Gillis land issue: Continually negotiating with Mr. Gillis. Included in packet is letter authorizing Gillis's attorney to negotiate on his behalf.

ASSEMBLY COMMENTS

Paul G. said at Energy Summit there was some discussion in AEB. He suggested AEB spend between \$10-15,000 to purchase and distribute around 10 low energy light bulbs to every household in the Borough. Not sure in this fiscal year budget or next fiscal year. It seems like it would help residents with their utility bills immediately. He suggested allowing city offices and AEB offices to hand out to residents. He estimates approximately \$2 per bulb, 600 households.

Carol expressed her concern that her comments are always taken as an attack on individuals and they are not. The Mayor said Assembly members are voted in office by the people adding that it is the Assembly's job to make comments and suggestions and he supports her. Marvin noted his appreciation for Carol's comments.

Funding Requests:

Funding requests are postponed until the next Assembly meeting when the budget can be thoroughly reviewed.

PUBLIC COMMENTS

Theo Chesley said he submitted a view point letter to the Anchorage Daily News regarding a Compass article by the Administrator. It was nothing personal and confrontational and he does appreciate the AEB staffs hard work and also understands the need for new revenue, but also does not want our current renewable resources at risk. He understands a letter might be going out in support of oil and gas and wondering if the AEB would like to review in light of the offshore spill in the Gulf of Mexico. Not sure how to support in light of what is going on right now. This is exactly the kind of thing that we are trying to avoid. He understands that we need new sources of revenue, but a lot of fishermen that he has talked to do not support.

Mayor Mack said he has not signed anything at this time. The Administrator said next step is to have another meeting with the Assembly and other community leaders like we did in Cold Bay five years ago where we talk about everything and the recent development. To discuss the next 5 years on whether to move forward to safe development or get off of that train. North Aleutian Basin has been taken out of the plan by executive order so we are off the table right now for this 5 year plan. If we want to, the Assembly will talk about the next 5 year plan. The Murkowski video brings up the importance of energy development, but it gives us 5 years to get all the baseline studies accomplished.

Theo Chesley thanked the Administrator and Mayor for their comments.

Murkowski video was played for the public.

NEXT MEETING DATE AND LOCATION

