

CALL TO ORDER

Mayor Mack called the Regular Assembly meeting to order by teleconference in each community on February 9, 2017 at 3:00 p.m.

ROLL CALL

Mayor Stanley Mack	Present
Chris Babcock	Present
Carol Foster	Present
Warren Wilson	Present
Alvin D. Osterback	Present
Ken McHugh	Present
Paul Gronholdt	Present
Brenda Wilson	Present

Advisory Members:

Chris Emrich, False Pass	Present
Angela Simpson, Cold Bay	Present
Justine Gundersen, Nelson Lagoon	Absent

A quorum was present.

Staff Present:

Rick Gifford, Administrator
Roxann Newman, Finance Director
Tina Anderson, Clerk
Anne Bailey, Administrator Assistant
Laura Tanis, Communications Director

Adoption of the Agenda:

MOTION

Brenda moved to amend the agenda to include Paul's additional agenda requests below:

- New Business, Discussion of Role of King Cove workgroup with AEB.
- New Business, Discussion of Administrator resignation.

Second by Paul.

DISCUSSION

Paul said he wanted clarification on the work group, specifically on how it is made up and the AEB role.

ROLL CALL

Carol-yes, Ken-yes, Brenda-yes, Alvin-yes, Paul-yes, Warren-yes, Chris-yes.
Advisory: Chris E.-yes, Angela-yes. MOTION PASSED.

Community Roll Call and Public Comments on Agenda Items:

The communities of King Cove, False Pass, Sand Point, Akutan, Nelson Lagoon and the Anchorage office were participating.

City of King Cove Mayor, Henry Mack, recommended the Assembly support Resolution 17-18 regarding the Memorandum of Agreement (MOA) between AEB and City of King Cove adding that King Cove has a significant financial investment to the King Cove Road project. Cost has incurred at about \$2.5M and the MOA is to recover some of that cost. We received \$675,000 from AEB so far, \$412,000 is requested for this fiscal year and \$412,000 to be requested next fiscal year to recover our finances back in the city of King Cove.

Minutes, January 12, 2017:

MOTION

Brenda moved to approve the January 12, 2017 Minutes and second by Ken. Hearing no more MOTION PASSED.

Financial Reports, January, 2017:

MOTION

Brenda moved to approve the January Financial Report and second by Chris B.

DISCUSISON

The Finance Director said everything is tracking along well. She pointed out the difference under Dept. 900, Other, saying that Aleutia crab tax reimbursement increased.

Carol asked about the Assembly expenditures being higher. The Finance Director said the health insurance increase is the cause for fringe benefits to be at 93% expended.

ROLL CALL

Warren-yes, Carol-yes, Brenda-yes, Alvin-yes, Paul-yes, Ken-yes, Chris B.-yes. Advisory: Angela-yes, Chris-yes. MOTION PASSED.

Investment Report, December 2016:

In packet.

CONSENT AGENDA

- Resolution 17-15, FMA2, adopting an alternative allocation method for the FY17 Shared Fisheries Business Tax Program for FMA 2.
- Resolution 17-16, FMA3, adopting an alternative allocation method for the FY17 Shared Fisheries Business Tax Program for FMA 3.
- Resolution 17-19, A Resolution of the Aleutians East Borough Assembly in support of Congressional appropriation to address the 2016 fishery disaster determination by the Secretary of Commerce.

MOTION

Paul moved to approve the Consent Agenda and second by Brenda.

ROLL CALL

Chris B.-yes, Ken-yes, Alvin-yes, Warren-yes, Carol-yes, Paul-yes, Brenda-yes.

Advisory: Angela-yes, Chris E.-yes. **MOTION PASSED.**

ORDINANCES

Introduction Ordinance 17-04, Amending the Operating and Capital Budget for FY17:

MOTION

Brenda moved to accept and set for Public Hearing. Second by Alvin.

ROLL CALL

Carol-yes, Chris-yes, Ken-yes, Paul-yes, Warren-yes, Brenda-yes, Alvin-yes.

Advisory: Chris E.-yes, Angela-yes. **MOTION PASSED.**

RESOLUTIONS

Resolution 17-17, A Resolution by the Aleutians East Borough Assembly authorizing the transfer of the Robert E. "Babe" Newman Harbor from the Aleutians East Borough to the City of King Cove.

MOTION

Alvin moved to approve Resolution 17-17 and second by Brenda.

DISCUSSION

Paul said, as discussed at the workshop, it is part of the normal operation to transfer from the Borough to the city once the Borough has paid off the infrastructure.

During the break, the Administrator Assistant, Anne Bailey, e-mailed the Assembly the two plats of harbor boundaries to be transferred, as requested by Paul. Bailey said one plat is 69.45 acres, state tideland lease and other plat is a smaller portion, 9.453 acres, that had been transferred from the City of King Cove to the Borough.

ROLL CALL

Brenda-yes, Alvin-yes, Chris B.-yes, Paul-yes, Warren-yes, Carol-yes, Ken-yes. Advisory: Angela-yes, Chris E.-yes. **MOTION PASSED.**

Resolution 17-18, A Resolution of the Aleutians East Borough authorizing the Borough Mayor to enter into a Memorandum of Agreement (MOA) with the City of King Cove for the King Cove Access Project.

MOTION

Alvin moved to adopt and second by Brenda.

DISCUSSION

Paul expressed his concern that the Borough is ceding too much responsibility to the City of King Cove. Both have a role but he feels the way MOA is worded we virtually cede all to the City of King Cove. He felt the budget items related to this MOA makes it complicated as far

as conflict of interest and should clarify how the Conflict of Interest would apply or not apply. Because of ceding too much on the MOA, he finds it difficult to support at this time.

Mayor Mack said he and the Administrator have a good handle on what is going on. Before revenues go out, expenditures are reviewed by management. As far as conflict of interest, he does not feel anyone has anything to gain, and as Mayor he does not feel there is a conflict of interest.

ROLL CALL

Carol-yes, Warren-yes, Alvin-yes, Paul-no, Ken-yes, Brenda-yes, Chris B.-yes. Advisory: Chris E.-yes, Angela-yes. MOTION PASSED.

OLD BUSINESS *None*

(Brenda left approximately 3:25 p.m.)

NEW BUSINESS

Discussion of Role of King Cove workgroup with AEB:

Paul asked what the Borough's role is in King Cove Road Workgroup and how group operates.

The Administrator said the King Cove group is the entities that have an interest in the road between King Cove and Cold Bay Airport, which includes the Agdaadux Tribe, Belkofski Tribe, King Cove Corporation, City of King Cove and AEB. All have been cooperating and working together and many of the members of those organizations have gone and testified on the hazards of flying and vessel transportation. The Borough Code authorizes the power to build roads. The Borough has built approximately 20 miles of road to the NE Corner that is AEB owned and operated and trying to get the last 11 miles of that road built.

Mayor Mack pointed out that King Cove Corporation owns the land that was included in the Izembek National Wildlife Refuge land exchange for road corridor. He said the tribes have been influential in bringing the indigenous people of King Cove to the forefront in Washington D.C. The City of King Cove has spent their money to enhance the project for a better mode of transportation for the King Cove community and the Borough has been the sponsor of the project.

Paul requested a better understanding on how the group works. He asked if there are meetings and whether they vote on anything. Secondly, Paul felt that the Assembly hears everything after the fact. The Assembly sets the budget and helps finance projects connecting communities but lacks Assembly involvement.

The Administrator reminded the Assembly that last year's budget and this year's budget includes \$100,000 working toward the road, so the Assembly has been involved and approved that piece. As far as budget items, the Mayor has the final

say and he works closely with the City of King Cove and other groups trying to make this effort a success.

City of King Cove Administrator, Gary Hennigh, suggested the Assembly review the letter (*Letter in the April 16, 2015 Assembly packet, dated January 15, 2015*) from the City of King Cove Mayor, Henry Mack, explaining most of the questions by Assemblyman Gronholdt about how the group got started in 2009 in order to move forward with the King Cove Access Road Project. The City of King Cove has done what is necessary, doing 95% of the work, so King Cove can gain a safe, predictable and dependable access to the Cold Bay Airport.

Mayor Mack said the passage of Resolution 17-18 demonstrates the intent of the Assembly.

Alvin responded to Hennigh comments saying it is a good thing to bring some of this back up to discuss so people understand where we are and how we got here, not just for the Assembly, but for the public, since meeting is broadcast on KSDP public radio. The Assembly does get a lot of questions on where we are on the road and what we're doing.

Letter of Resignation of Administrator:

Paul asked for clarification of resignation of the Administrator, Rick Gifford, and how we will proceed from here. Gifford said resigning has been a very tough decision, he has enjoyed working for Aleutians East Borough and would have liked to have seen some of these projects get completed. He chose the date because summer is coming and plans to spend time with his family. The Administrator position works for the mayor and it is up to Mayor Mack on how he wants to go forward and fill position.

Alvin said the Administrator resignation is April 28, six months before the mayoral election. He suggested looking into hiring an interim manager until after election. Mayor Mack said he will start the process of looking for applicants. When he got elected he worked with the present Administrator prior to hiring a new administrator. Mayor Mack added that Administrator Gifford will assist in reviewing the applicants.

REPORTS AND UPDATES

Reports in packet.

King Cove Access Project:

Mayor Mack said the incoming Washington D.C. administration is encouraging in regards to the King Cove Access Project. The State of Alaska is still involved and the National Congress of Americans Indians, Alaska Federation of Natives and the CEO of the Alaska Native Corporations are in support of the road project.

Akutan/Akun link:

Mayor Mack said they are working with state and federal governments to get transportation operation subsidized.

ASSEMBLY COMMENTS *None*

PUBLIC COMMENTS *None*

NEXT MEETING DATE

March 1, in Anchorage, prior to the SWAMC Conference March 2-3, 2017.

ADJOURNMENT

Paul moved to adjourn and second by Ken. Hearing no more the meeting adjourned at 3:51 p.m.



Mayor



Clerk

3/1/17

Date