Aleutians East Borough Assembly Meeting
January 12, 2017

CALL TO ORDER
Mayor Mack called the Regular Assembly meeting to order by teleconference in each community on January 12, 2017 at 1:00 p.m.

ROLL CALL

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| 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:

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

A quorum was present.

Staff Present:
Rick Gifford, Administrator
Roxann Newman, Finance Director
Tina Anderson, Clerk
Anne Bailey, Administrator Assistant
Laura Tanis, Communications Director
Don Eubank, Maintenance Director

Adoption of the Agenda:
MOTION
Ken moved to approve and second by Alvin. Hearing no objections 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. No public comments.

Alvin noted a potential conflict of interest under New Business, AMMC donation request. He explained that he started the program and currently serves as technical advisory.

Minutes, December 8, 2016:

MOTION

Alvin moved to approve the December 8, 2016 Assembly Meeting Minutes and second by Ken. Hearing no more MOTION PASSED.

Financial Reports, December, 2016:

MOTION

Brenda moved to approve the December Financial Report and second by Alvin.

DISCUSSION

The Administrator said we are 50% through the fiscal year and everything is tracking along good.

Paul asked about our state extraterritorial shared fisheries tax, revenues. The Finance Director said we have not received that revenue yet.

ROLL CALL

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

Investment Report, November 2016:
In packet.

Public Hearing Ordinance 17-02, Amending Title 1 to provide for a general penalty, a minor offense fine schedule allowing for the disposition of certain offenses without a court appearance, providing for the applicable state surcharge, and amending Title 60 to identify those offenses punishable by the fine listed on the fine schedule:

MOTION

Chris moved to approve Ordinance 17-02 and second by Warren.

Mayor Mack opened for Public Hearing. Hearing none, Public Hearing closed.

DISCUSSION

Paul asked if staff had anything new. The Administrator said we had not heard anything new. AEB Attorney, Joe Levesque, is here to answer any questions. Levesque developed the ordinance draft and recommends approval of changes.

ROLL CALL

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

Public Hearing Ordinance 17-03, amending Title 6, Chapter 6.04, Subsection (F) of the Aleutians East Borough Code of Ordinances:

MOTION
Alvin moved to approve Ordinance 17-03 and second by Warren.

Mayor Mack opened for Public Hearing. Hearing none Public Hearing closed.

DISCUSSION
The Administrator said this is an AEB investment code change recommendation by APCM. It adjusts some language for the remaining of our assets classes similar to the last changes done. It doesn't change the asset allocation just allows them to use other indexes. Staff has reviewed and recommends adoption.

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

Resolution 17-14, Recognizing Joe Bereskin, Sr. for his dedicated service to the Aleutians East Borough communities:
MOTION
Alvin moved to approve Resolution 17-14 and second by Brenda.

Mayor Mack read the resolution to the public.

Joe thanked the Assembly and Mayor saying he appreciated the time spent on the Assembly.

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

OLD BUSINESS None

NEW BUSINESS None

REPORTS AND UPDATES
Reports in packet.

King Cove Access Project:
Paul requested a refresher on what authority the King Cove Road Project operates adding that all land is within AEB boundaries and hopefully the road will get completed, however, not quite clear on how the decision making is done.

City of King Cove Administrator, Gary Hennigh, said the King Cove Access Project group grew out of the various organizations involved with things happening on the King Cove Access Project in Juneau

and Washington D.C. starting in 2006, then the group continued through the Environmental Impact Statement process, the lawsuit and also to advocate for the new legislation that Senator Murkowski has been dedicated to during the last 6-7 years. The group also grows out of the previous Administrator, Bob Juettner, putting the project into City of King Cove hands in 2009 in order to continue forward, saying that there was nothing more formal than that. Previous Assembly packets have the costs involved and all done in good faith.

The Administrator said we have support of Congressional delegation. Representative Young introduced a bill last week. Senators Murkowski and Sullivan introduced a bill for land exchange yesterday. We are working with the State and Senators on the issue and hopefully Congress and the President will sign this legislation this year.

Alvin asked what acreage is in the proposed land exchange and whether it has changed. Gary Hennigh said in 2009, it was 61,000 acres of State of Alaska and King Cove Corporation land in exchange for 206 acres. President Obama signed it into law, but the law allowed Secretary of Interior to stop the exchange, which occurred on Dec. 23, 2013. Senator Murkowski resubmitted a bill with a land exchange of equal value with state land only in the exchange. The law says the value of 206 acres needed for the proposed road equals state land in or adjacent to Izembek Refuge. State supports and will offer any of the 41,000 acres they have in or adjacent to Izembek. He feels it is worth 5-10,000 acres of state land, but the official appraisal process will determine what is of equal value within 180 days timeframe once legislation is passed.

Paul said, regarding question on King Cove group, he understands the Borough and Assembly has a certain authority and responsibility on the King Cove Access Project that has never been put into writing. He requested AEB Administration submit something in writing on how the decision making is going on the project. He is not saying bad decisions are being made, but the Borough has a big role in this. Mayor Mack agreed an agreement should be put in place. Paul added he wants to see how the Borough and King Cove group interacts and under what authority the Assembly operates. The Administrator will work on agreement for the next Assembly meeting.

ASSEMBLY COMMENTS

PUBLIC COMMENTS

City of King Cove Mayor, Henry Mack, thanked Assembly for reimbursement of $625,000 on Izembek road expenses. We continue to request a response on the $825,000 reimbursement request submitted to the Borough. He supports an Agreement be brought back to the Assembly.

City of Sand Point Administrator, Andy Varner, provided an update to the Assembly saying the City of Sand Point filed petition to expand city boundaries. The city is responding to public comments and waiting for preliminary report, which is due in April.

NEXT MEETING DATE
February, 9, 2017.

ADJOURNMENT

MOTION

Ken moved to adjourn and second by Alvin. Hearing no objections the meeting adjourned at 1:47 p.m.

Mayor Date

Clerk 2/9/17 Date