

Aleutians East Borough
March 21, 2012
1:00 p.m.

CALL TO ORDER

Mayor Mack called the March 21, 2012 Assembly meeting to order at 4:30 p.m. at the AEB office building in Anchorage and by teleconference in each community.

ROLL CALL

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

Advisory Members:

Nikki Hoblet, False Pass	Present
Harold Kremer III, Cold Bay	Present

A quorum was present.

Staff Present:

Sharon Boyette, Administrator
Roxann Newman, Finance Director
Tina Anderson, Clerk
Ernie Weiss, Resource Director
Laura Tanis, Communications Manager
Anne Bailey, Community Development Director
Joe Levesque, AEB Attorney

Agenda Additions:

- Resolution 12-13, expressing support for the continued issuance of J1 student visas to workers in seafood processing facilities.
- Redistricting
- Marine Link update

Adoption of Agenda with additions:

MOTION

Ken moved to adopt the agenda with additions and second by Justine. Hearing no objections agenda is adopted.

Community Roll Call and Public Comment on Agenda Items:

Akutan, Cold Bay, False Pass, King cove, Nelson Lagoon, Sand Point, Anchorage office.

Minutes, February 16, 2012:

MOTION

Ken moved to accept the February 16, 2012 Minutes as presented and second by Justine.
Hearing no objections MOTION APPROVED.

Minutes, March 8, 2012:

MOTION

Justine moved to approve the March 8, 2012 Minutes and second by Ken. Hearing no objections
MOTION APPROVED.

Financial Report, February 2012:

MOTION

Ken moved to accept the February Financial Report and second by Carol.

DISCUSSION

The Finance Director said revenues and expenditures are tracking along well. The Administrator added that revenues are looking great.

ROLL CALL

Marvin-yes, Paul-yes, Ken-yes, Justine-yes, Carol-yes. Advisory: Harold-yes, Nikki-yes. MOTION
PASSED

Investment Reports, January, February, 2012:

Permanent fund month-end market value of the portfolio is \$28,929,315, which includes \$61,034 in accrued interest.

Paul commented saying he compared January and February reports saying investments did recover some this last month but feels we should still consider to diversify some more or at least have the option.

PUBLIC HEARINGS

Public Hearing Ordinance 12-04, Amending Title 6, Chapter 6.04, Section 6.04.041, Subsection (F), Investments-Purpose and Limitations:

MOTION

Justine moved to adopt Ordinance 12-04 and second by Paul.

Mayor Mack opened for Public Hearing.

Edgar Smith, from the public, asked if AEB considered investing in the region instead of outside. Mayor Mack said when we build infrastructure we hope that helps increase revenue stream in the community encouraging people to take part in that. The Administrator said since 1990 the AEB has put \$48M worth of bond investments into the communities, a significant investment that we pay back each year.

Sandra Lopez, from the public, asked if the investments can be broken down into how much each community is receiving of that money. The Administrator said yes it is.

Paul said adding Emerging Markets he thinks is a good thing and our investors said that also with the majority of their customers investing in Emerging Markets already.

ROLL CALL

Ken-yes, Carol-yes, Marvin-yes, Justine-yes, Paul-yes. Advisory: Harold-yes, Nikki-yes. MOTION PASSED.

OLD BUSINESS

none

NEW BUSINESS

City of Sand Point, Robert E. Galovin Small Boat Harbor Funding Request:

City of Sand Point has requested that the funding request be tabled until the next meeting.

MOTION TO TABLE

Carol moved to table until the April Assembly meeting. Second by Paul.

ROLL CALL

Marvin-yes, Carol-yes, Justine-yes, Paul-yes, Ken-yes. Advisory: Harold-yes, Nikki-yes. MOTION PASSED.

City of Sand Point funding request tabled until the April Assembly meeting.

Permanent Fund Appropriations:

Carol said the Clerk researched the action and discussion taken when the permanent fund was started clearing up an understanding of why the permanent fund was developed. She asked what can be taken out of the permanent fund without amending the permanent fund code. The Clerk said the ordinance allows 8% of the 5 year average, which is \$1.8M this year.

Redistricting:

Borough Attorney, Joe Levesque said a status update on redistricting map went out. They specifically want AEB to look at how they handled the Aleutian Islands, specifically the AEB. There are a number of hearings set next week. RIGHTS Coalition intent is to get support for new map. House District 37 would generally remain the same, with the exception of House District 37 and 38 when combined would form a new Senate District S. There was a lot of distress by native groups to becoming paired with a non-native representative. The RIGHTS Coalition attempted to circumvent and created a new senate district. Hoffman would pick up some rural Matanuska-Susitna instead of Aleutian Islands and Lake & Peninsula. His understanding is to keep the AEB communities, Aleut Corporation and Aleutian Islands together. The whole intent is for AEB Assembly to say yay or nay.

Paul looked at proposed map and taking into consideration of what Joe Levesque said, would accept with minor change. He suggested moving some people from House District 37 into 38. The north area of 37 and put them in 38. Also, take Lake & Peninsula out of 38 and put in 37. Everything else would be the same, just a little change in map drawing.

Joe will get in touch with the RIGHTS Coalition and if Assembly agrees and submits that in writing, we can give it to them to see if that works. They are open to working with us.

Joe Levesque said when Supreme Court sent back to Superior Court, the Superior Court has vacated his record. We don't know what kind of public testimony they are going to take or if they are going to consider other party maps. The Superior Court order vacated specifically said to work with all the groups, look at their maps and work it out. April 14 there will be a new map. Coalition talking to judge about intervening into case to make sure the Superior Court does follow a fair process. He specifically asked if the AEB would consider that also.

Paul said there is discussion of joining Kodiak for senate district, however, more people don't like that because Kodiak gets all the money when that happens. New map is preferable with the two changes made.

Mayor Mack said we can proceed with Paul's recommendation and see whether the RIGHTS Coalition will accept change. Joe asked Paul or Ernie to put that in writing. Ernie reiterated his understanding saying we want to keep the AEB together. Joe Levesque said decision out of Supreme Court, our recommendations we made to court were all carried through. Supreme Court decided that board process was flawed because didn't follow the law and map doesn't apply to the state constitution. AEB and Aleutian Islands should remain intact. His concern is that the board will try to do something to split up the Aleutians, so RIGHTS Coalition is asking if interested in joining for an intervention.

Paul feels with those two proposed changes a bigger plus even though map is also a plus. Joe Levesque said Lake & Peninsula favors being split to have two senators to go to.

MOTION

Paul moved that we generally support the concept of the new Map A and change slightly to move the District 37 area Goodnews Bay and Platnum into District 38 and expand District 37 into the Lake & Peninsula, Iliamna area of District 38. Second by Ken

ROLL CALL

Marvin-yes, Carol-yes, Justine-yes, Paul-yes, Ken-yes. Advisory: Nikki-yes, Harold-yes. MOTION PASSED.

Akutan Marine Link:

The Administrator said there are essentially two components, First, is hovercraft and what we're doing on that. Second, is planning and preparations for actual transportation service. Kvichak Marine Industries is working on repairs and renovations. AEB advertised the hovercraft operation to be contracted out and has selected HoverLink, which is a newly formed subsidiary of Kvichak that is helping us in the planning for the operation. To initiate that, HoverLink hired Marty Robbins who is coming to Anchorage in April to meet with her and Mayor Mack. They will also meet with USFWS and will make sure permitting and mitigation measures for the hovercraft is complete and in manuals.

Mayor Mack said the mechanic from Pacific Diesel came out to survey the hovercraft engines. There is a lot of corrosion on engine, fuel lines and turbos but the mechanical part is in perfect condition. Recommendation is to repair. He said shipping engines down at their costs to repair in their shops would be less expensive than bringing them here to do work. Work will take a couple weeks and should be back and installed by June. Plan B is also still in place.

Paul asked how much money is committed to repairing, maintenance and for how long. The Administrator said first phase numbers less than \$100,000 and will get those numbers to Assembly. Paul asked where the Plan B landing craft option is. The Administrator got initial report from the marine engineer we contracted with. His report came back saying the landing craft is a viable option and we committed additional funds to start preliminary design and working with U.S. Coast Guard.

Resolution 12-13, Aleutians East Borough expressing support for the continued issuance of J1 student visas to workers in seafood processing facilities.

Ernie said SWAMC was asking for letters of support, supporting the continuation of issuance of J1 student visas. Peter Pan supports more in Dillingham than other facilities. He recommends to support.

Paul said everyone supports except some cannery workers. Ken said Bristol Bay operations extremely depend on this. The resolution was e-mailed out to Assembly AEB mail. Paul said timeframe is now and read the resolution for those that had not had the opportunity to review.

MOTION

Paul moved to approve Resolution 12-13 and second by Ken.

ROLL CALL

Paul-yes, Marvin-yes, Justine-yes, Ken-yes, Carol-yes. Advisory: Nikki-yes, Harold-yes. MOTION PASSED.

REPORTS AND UPDATES

All reports in packet.

Izembek Land Exchange/Road Corridor Draft Environmental Impact Statement (EIS):

The Administrator said yesterday the draft EIS for the King Cove/Cold Bay land exchange/road corridor was released and an executive summary available. The Executive Summary has been sent out to the public with the draft EIS on CD. Anticipating public hearing in King Cove, Cold Bay and Anchorage to receive public comments on draft EIS. USFWS does not have a preferred alternative preference in the EIS. There are two different road options, an option that somebody will run a hovercraft, and an option that somebody might run a ferry between both communities. She encourages everyone to make public comments due May 16.

ASSEMBLY COMMENTS None

PUBLIC COMMENTS

Paul Schaack, from the public, asked which alternative the AEB supports. Mayor Mack said AEB supports a road, either road alignments is fine. Paul said he received an e-mail from hovercraft pilot, Toby, saying hovercraft is iced in. Snow is compacted around it. They were asking about Dept. of Transportation equipment usage. Mayor Mack said he is proposing to move it back to King Cove to take out engines and get them on the freighter. Paul Schaack also suggested putting the Suna-X on rescue mission plaques for the rescue of crew on the F/V Turmoil in Volcano Bay.

