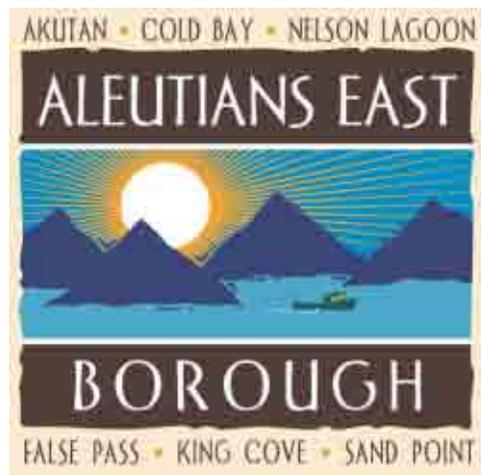


Aleutians East Borough Assembly Meeting

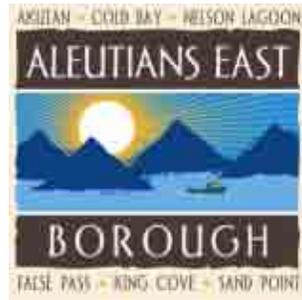


Workshop: Tuesday, November 13, 2012 – 4:00 p.m.

Meeting: Tuesday, November 13, 2012 – 7:00 p.m.

Roll Call & Establishment of a Quorum

Adoption of Agenda



ASSEMBLY MEETING

(material available on website: www.aleutianseast.org)

- Date:** November 13, 2012
- Time:** Workshop: 4:00 p.m.
Meeting: 7:00 p.m.
- Location:** Anchorage office – 3380 C Street (upstairs)

All communities will be provided with conference calling information for the designated location in your community. Public comments on agenda items will take place immediately after the adoption of the agenda. Additional public comments can be made at the end of the meeting.

1. Roll Call & Establishment of Quorum
2. Adoption of the Agenda.
3. Community Roll Call and Public Comment on Agenda Items.
4. Oath of Office: Seat C-Paul R. Gronholdt, Seat D-Brenda Wilson
5. Minutes
 - October 4, 2012
 - October 15, 2012
6. Financial Reports
 - Financial Reports
 - September, October 2012
 - Investment Report
 - September, October 2012
7. Consent Agenda
 - Resolution 13-11, Adopting an alternative allocation method for the FY13 Shared Fisheries Business Tax Program for FMA 2.
 - Resolution 13-12, Adopting an alternative allocation method for the FY13 Shared Fisheries Business Tax Program for FMA 3.
 - Resolution 13-13, Approval of contract in the amount of \$102,180 to Harvey Consulting LLP for Resource Development Land Use Permitting System.
 - Resolution 13-14, Supporting the City of False Pass CDBG Grant application for False Pass Generator Replacement Project.
8. Public Hearing
 - Public Hearing Ordinance 13-03, Amending the FY12 budget (final).
9. Resolutions
10. Ordinances
11. Old Business
 - Mayor Veto of amendment to Ordinance 13-02, FY13 Budget Ordinance Amendment.

- Approval of Contract in the amount of \$2.56M to HoverLink for Akutan/Akun Hovercraft Operations.

12. New Business

- Capital Projects Priority List – Discussion Only
- Transportation Link – Discussion Only
- Nelson Lagoon Advisory
- Donation Requests:
 - City of Sand Point – community playground funding request.

13. Reports and Updates

14. Assembly Comments

15. Public Comments

16. Next Meeting Date & Time

17. Adjournment

Community Roll Call & Public Comment on Agenda Items

Minutes

Aleutians East Borough
October 4, 2012
3:00 p.m.

CALL TO ORDER

Mayor Mack called the October 4, 2012 Assembly meeting to order at 3:00 p.m. by teleconference in each community.

ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Present
Bill Cumberlidge	Present
Ken McHugh	Present
Joe Bereskin, Sr.	Present
Justine Undergen	Present

Advisory Members:

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

A quorum was present.

Staff Present:

Tina Anderson, Clerk
Roxann Newman, Finance Director
Laura Tanis, Communications Manager
Anne Bailey, Community Development Director
Rick Gifford, Administrator
Linda Mack, Administrative Clerk

Adoption of the Agenda:

MOTION

Ken moved to adopt the agenda and second by Carol

Justine added the Cold Bay Terminal, New Business.

Hearing no objections MOTION PASSED

Community Roll Call and Public Comment on Agenda Items.

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

Minutes, August 28, 2012:

MOTION

Carol moved to accept the August 28, 2012 Minutes and second by Justine.
Hearing no more the August 28, 2012 Minutes are approved.

Financial Reports, August, 2012:

MOTION

Paul moved to adopt the August Financial Report and second by Bill.

Paul thanked the Finance Director for the added breakdown of hovercraft expenditures.

ROLL CALL

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

Investment Report, August, 2012:

The Permanent Fund month-end market value is \$29,547,090.

CONSENT AGENDA

- Resolution 13-07, Amending the Transportation Improvement Plan of the Borough to include the Sand Point Harbor Project, allocating \$2,000,000 from the 2007 Capital Projects Fund.
- Resolution 13-08, Requesting DOT/PF, design and construct the ferry boat discretionary project entitled: Cold Bay Dock Rehabilitation Project.
- Resolution 13-09, Assembly acknowledges that the planned improvements to Cold Bay Lot 13, Block 1 conveyed to Ray Koso satisfy the requirements of the purchase and sale agreement executed between the parties, and the provisions of AEB Ordinance 95-4.
- Resolution 13-10, the Assembly supporting the conveyance of certain gravel and dredge material to the City of Akutan.
- Introduction Ordinance 13-03, Amending the FY12 budget (final).

MOTION

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

ROLL CALL

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

PUBLIC HEARINGS

Public Hearing Ordinance 13-01, Authorizing the sale of Lot 56, Townsite of King Cove, AK, under AEB 50.10.070 Disposal of Real Property.

MOTION

Ken moved to adopt and second by Bill.

Mayor Mack reviewed the ongoing property trespassing issue with the house. The house on property also has deteriorated and has a mold issue. He was in the process of having the house demolished until interest was shown for purchase.

Mayor Mack opened for Public Hearing.

Henry Mack, City of King Cove Mayor, said he has been involved with the trespassing issue and recommended AEB sell the property also.

Hearing no more, Public Hearing closed.

ROLL CALL

Carol-yes, Marvin-yes, Justine-yes, Paul-yes, Bill-yes, Joe-yes, Ken-yes. MOTION PASSED.

Public Hearing Ordinance 13-02, Amending the FY13 budget:

MOTION

Carol moved to adopt and second by Justine.

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

AMENDMENT

Bill moved to amend the budget by removing the Public Information position. Second by Justine.

DISCUSSION

Paul said position might be better to be discussed during a workshop and action taken at a new fiscal year.

Bill said his reason is to save revenues.

Mayor Mack felt the budget is still solvent and recommends the position stay intact.

Marvin felt that the In the Loop is important. He felt we would go back to not enough communications in the AEB. Harold said he concurs with Marvin. In the loop is a great way for our community in AEB and feels she is doing a fine job.

ROLL CALL ON AMENDMENT

Paul-no, Joe-yes, Bill-yes, Justine-yes, Carol-yes, Ken-no, Marvin-no. Advisory: Nikki-no, Harold-no. MOTION PASSED.

ROLL CALL ON MAIN MOTION

Justine-yes, Carol-yes, Ken-yes, Paul-yes, Marvin-no, Joe-yes, Bill-yes. Advisory: Harold-no, Nikki-no. MOTION PASSED.

Rick said may be in a deficit although already 3-4 months into a budget and need to abide by certain bylaws in the Borough Code. He cautions the Assembly before you make a decision, adding that the three changes already in amendment gives a savings.

Joe said, since a public hearing, the Assembly has a right to amend to see fit although typically budgets are amended with a dollar amount.

FOR THE RECORD, Mayor Mack will veto the amendment. The Clerk read the veto section of AEB Code below:

2.12.060 Veto.

The Mayor may veto any ordinance, resolution, motion, or other action of the assembly and may, by veto, strike or reduce items in appropriation ordinances. He shall submit to the assembly at its next regular meeting a written statement advising of his veto and giving his reasons. A veto is overridden by the vote of two-thirds of the authorized membership of the assembly within 21 days following exercise of the veto or at the next regular meeting whichever is later. The veto does not extend to appropriation items in school budget ordinance; actions of the governing body sitting as the board of equalization or the board of adjustment; adoption or repeal of a manager plan of government.

OLD BUSINESS

Akutan airport, marine link & harbor updates:

DISCUSSION

Paul said there was a good discussion on Akutan harbor and airport at the workshop earlier and thanked everyone for the presentation.

Joe said the airport is taking only charters at this time, no scheduled flights until IFR (instrument flight rules) is available. There was an extension on the Essential Air Service (EAS) bid process for another 10 days so closing date is now October 10 for bids. The boat harbor has nothing going on at this time. At one point they are looking at putting a transient dock in but, at this time, mostly concentrating on getting airport up and running. He said the city of Akutan has been spending \$100,000-150,000 for project and are working on a passenger shelter.

Mayor Mack said once someone gets EAS contract we can then begin to work on getting a flight schedule in place. Marvin pointed out that whoever receives the government subsidy for the mail contract is responsible for delivering mail to the post office in Akutan.

NEW BUSINESS

Cold Bay Terminal:

Justine asked why we couldn't have piggybacked the terminal apron with the State of Alaska's Cold Bay airport paving project and asked for an update on the terminal apron project. Mayor Mack said there was no way to piggyback. The Administrator said AEB got \$2M at last legislative session and it is his understanding that DOT is in the process of

working on that project now and looking at 2014 before they put in the apron to the terminal. Mayor Mack said that we still have NWS and FAA renting space on top floor and FAA may also lease another room downstairs.

NEW BUSINESS None

REPORTS AND UPDATES

Reports are in the packet.

ASSEMBLY COMMENTS

Marvin said with all the new changes, he suggested a retreat during AML with all other entities. Mayor Mack thought it also a good idea possibly in the spring.

PUBLIC COMMENTS

City of King Cove Mayor, Henry Mack, thanked the Assembly and AEB for their numerous contributions last few years. He said King Cove just submitted a grant to Alaska Energy Authority for a project to provide waste heat to 16 housing units and the clinic. They also have a project in the works to extend the hydro plant. So, may also be requesting funding from the AEB, any assistance is helpful and is a savings for all. They are also putting together a design for a Senior Center building and may request funding from the AEB for that project also.

City of False Pass Mayor, Tom Hoblet, talked to AEB Fisheries Consultant, Sam Cotten, last week about NPFMC meetings, saying that Kodiak is going after rationalization in the Central Gulf. Tom believes rationalization in the Western Gulf will also come. If Western Gulf goes rationalization, younger people will have no chance to get into fisheries. He wants to know how much revenue AEB receives from the 25% (state fisheries) of the Pacific cod quota. Mayor Mack is not sure, but will get back to him. Mayor Hoblet asked if a lot of Pacific cod (federal season) is caught outside of the AEB jurisdiction. Mayor Mack is not sure, he will have to look into that also. Mayor Hoblet said several advisory proposals have been submitted to put more quota into state water fisheries. If not getting some revenue out of federal quota being caught outside our boundaries, he feels that it would be beneficial for the AEB to support the proposals submitted to capture revenues. Paul said rationalization comes up at the NPFMC in a couple days. He said 13% of the fleet will be observer covered next year. He added that nothing moves very fast at the NPFMC level.

NEXT MEETING

Mayor Mack suggested next meeting during the Alaska Municipal League Conference November 14-16.

ADJOURNMENT

Paul moved to adjourn and second by Ken. Hearing no more the meeting adjourned at 4:02 p.m.

Mayor

Date

Clerk

Date

Aleutians East Borough
October 15, 2012
10:00 a.m.

CALL TO ORDER

Mayor Mack called the October 15, 2012 Special Assembly meeting to order at 10:00 a.m. by teleconference in each community.

ROLL CALL

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

Advisory Members:

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

A quorum was present.

Staff Present:

Tina Anderson, Clerk
Roxann Newman, Finance Director
Rick Gifford, Administrator

Adoption of the Agenda:

MOTION

Ken moved to adopt the agenda and second by Carol

Hearing no objections MOTION PASSED

Community Roll Call and Public Comment on Agenda Items.

Akutan, King Cove, Nelson Lagoon, Sand Point, Anchorage office.

Certification of the October 2, 2012 Regular Election:

Election results:

Assembly Seats:

Seat C – Paul R. Gronholdt
Seat D – Brenda Lee Wilson

School Board Seats:

Seat A – Glen Gardner, Jr.
Seat F – Nikki Hoblet

MOTION

Justine moved to adopt the October 2, 2012 Regular Election results and second by Ken.
Hearing no objections MOTION PASSED.

ADJOURNMENT

Paul moved to adjourn and second by Ken. Hearing no more the meeting adjourned at 10:05
a.m.

Mayor

Date

Clerk

Date

Unapproved

Financial Report

ALEUTIANS EAST BOROUGH

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***Revenue Guideline©**

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Current Period: SEPTEMBER 12-13

		12-13	12-13	SEPTEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 01 GENERAL FUND						
Active	R 01-201 INTEREST REVENUE	\$35,000.00	\$0.00	\$0.00	\$35,000.00	0.00%
Active	R 01-203 OTHER REVENUE	\$7,000.00	\$47,402.16	\$11,972.54	-\$40,402.16	677.17%
Active	R 01-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-206 AEBSD Fund Balance Refun	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-218 AEB RAW FISH TAX	\$3,200,779.00	\$847,376.06	\$265,388.21	\$2,353,402.94	26.47%
Active	R 01-229 Southwest Cities LLC	\$0.00	\$30,000.00	\$0.00	-\$30,000.00	0.00%
Active	R 01-233 STATE PERS ON-BEHALF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-265 STATE RAW FISH TAX	\$1,664,919.00	\$0.00	\$0.00	\$1,664,919.00	0.00%
Active	R 01-266 STATE EXTRATERRITORIA	\$243,084.00	\$0.00	\$0.00	\$243,084.00	0.00%
Active	R 01-267 STATE FISH LANDING TAX	\$53,571.00	\$0.00	\$0.00	\$53,571.00	0.00%
Active	R 01-268 State "Loss" Of Raw Fish Tax	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-270 STATE REVENUE OTHER	\$542,712.00	\$0.00	\$0.00	\$542,712.00	0.00%
Active	R 01-276 AEB SCHOOL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-277 STATE BOND REBATE	\$1,045,464.00	\$276,835.00	\$124,216.00	\$768,629.00	26.48%
Active	R 01-291 PLO-95 PAYMNT IN LIEU O	\$559,000.00	\$0.00	\$0.00	\$559,000.00	0.00%
Active	R 01-292 USFWS LANDS	\$36,256.00	\$15,123.00	\$0.00	\$21,133.00	41.71%
Total Fund 01 GENERAL FUND		\$7,387,785.00	\$1,216,736.22	\$401,575.75	\$6,171,048.78	16.47%

ALEUTIANS EAST BOROUGH

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*Expenditure Guideline©

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Current Period: SEPTEMBER 12-13

		12-13	12-13	SEPTEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 01 GENERAL FUND						
DEPT 100 MAYORS OFFICE						
Active	E 01-100-000-300 SALARIES	\$68,985.00	\$17,246.16	\$5,748.72	\$51,738.84	25.00%
Active	E 01-100-000-350 FRINGE BENEFITS	\$27,810.00	\$6,688.40	\$2,230.54	\$21,121.60	24.05%
Active	E 01-100-000-400 TRAVEL AND PER	\$36,000.00	\$8,414.35	\$5,155.45	\$27,585.65	23.37%
Active	E 01-100-000-425 TELEPHONE	\$2,400.00	\$344.13	\$111.28	\$2,055.87	14.34%
Active	E 01-100-000-475 SUPPLIES	\$1,000.00	\$79.99	\$0.00	\$920.01	8.00%
Active	E 01-100-000-554 AK LOBBIST	\$36,000.00	\$10,500.00	\$3,500.00	\$25,500.00	29.17%
Active	E 01-100-000-555 FEDERAL LOBBIS	\$75,600.00	\$12,600.00	\$0.00	\$63,000.00	25.00%
SUBDEPT 000		<u>\$247,795.00</u>	<u>\$55,873.03</u>	<u>\$16,745.99</u>	<u>\$185,621.97</u>	<u>22.55%</u>
Total DEPT 100 MAYORS OFFICE		<u>\$247,795.00</u>	<u>\$55,873.03</u>	<u>\$16,745.99</u>	<u>\$185,621.97</u>	<u>22.55%</u>
DEPT 105 ASSEMBLY						
Active	E 01-105-000-300 SALARIES	\$25,000.00	\$1,400.00	\$0.00	\$23,600.00	5.60%
Active	E 01-105-000-350 FRINGE BENEFITS	\$56,000.00	\$18,213.10	\$4,502.80	\$37,786.90	32.52%
Active	E 01-105-000-400 TRAVEL AND PER	\$40,000.00	\$880.00	\$880.00	\$39,120.00	2.20%
Active	E 01-105-000-425 TELEPHONE	\$4,500.00	\$1,016.97	\$338.99	\$3,483.03	22.60%
Active	E 01-105-000-475 SUPPLIES	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
SUBDEPT 000		<u>\$126,000.00</u>	<u>\$21,510.07</u>	<u>\$5,721.79</u>	<u>\$104,489.93</u>	<u>17.07%</u>
Total DEPT 105 ASSEMBLY		<u>\$126,000.00</u>	<u>\$21,510.07</u>	<u>\$5,721.79</u>	<u>\$104,489.93</u>	<u>17.07%</u>
DEPT 150 PLANNING/CLERKS DEPARTMENT						
Active	E 01-150-000-300 SALARIES	\$81,160.00	\$19,482.74	\$6,372.91	\$61,677.26	24.01%
Active	E 01-150-000-350 FRINGE BENEFITS	\$33,524.00	\$7,198.34	\$2,362.80	\$26,325.66	21.47%
Active	E 01-150-000-400 TRAVEL AND PER	\$12,500.00	\$0.00	\$0.00	\$12,500.00	0.00%
Active	E 01-150-000-425 TELEPHONE	\$7,500.00	\$1,179.46	\$371.85	\$6,320.54	15.73%
Active	E 01-150-000-450 POSTAGE/SPEED	\$1,500.00	\$47.97	\$15.99	\$1,452.03	3.20%
Active	E 01-150-000-475 SUPPLIES	\$9,000.00	\$2,896.07	\$360.77	\$6,003.93	33.29%
Active	E 01-150-000-526 UTILITIES	\$15,000.00	\$3,405.13	\$2,142.24	\$11,594.87	22.70%
Active	E 01-150-000-530 DUES AND FEES	\$5,000.00	\$2,891.80	\$830.00	\$2,108.20	57.84%
Active	E 01-150-000-650 ELECTION	\$25,000.00	\$1,963.78	\$1,325.00	\$23,036.22	20.66%
Active	E 01-150-000-670 Planning Commissio	\$4,300.00	\$0.00	\$0.00	\$4,300.00	0.00%
SUBDEPT 000		<u>\$194,484.00</u>	<u>\$39,165.29</u>	<u>\$13,781.56</u>	<u>\$152,118.71</u>	<u>20.14%</u>
Total DEPT 150 PLANNING/CLERKS DEPARTMENT		<u>\$194,484.00</u>	<u>\$39,165.29</u>	<u>\$13,781.56</u>	<u>\$152,118.71</u>	<u>20.14%</u>
DEPT 200 ADMINISTRATION						
Active	E 01-200-000-300 SALARIES	\$166,116.00	\$41,860.02	\$13,713.34	\$124,255.98	25.20%
Active	E 01-200-000-350 FRINGE BENEFITS	\$64,234.00	\$18,636.01	\$6,084.00	\$45,597.99	29.01%
Active	E 01-200-000-380 CONTRACT LABO	\$25,000.00	\$8,000.00	\$3,000.00	\$19,000.00	24.00%
Active	E 01-200-000-382 ANCHORAGE OFFI	\$0.00	\$11,952.60	\$11,492.07	-\$11,952.60	0.00%
Active	E 01-200-000-400 TRAVEL AND PER	\$15,000.00	\$16,099.11	\$5,482.94	-\$1,099.11	107.33%
Active	E 01-200-000-425 TELEPHONE	\$6,000.00	\$1,209.78	\$0.00	\$4,790.22	23.08%
Active	E 01-200-000-450 POSTAGE/SPEED	\$2,500.00	\$507.44	\$500.00	\$1,992.56	20.30%
Active	E 01-200-000-475 SUPPLIES	\$18,120.00	\$2,436.53	\$1,222.71	\$15,683.47	14.52%
Active	E 01-200-000-500 EQUIPMENT	\$4,500.00	\$0.00	\$0.00	\$4,500.00	0.00%
Active	E 01-200-000-525 RENTAL/LEASE	\$36,980.00	\$5,398.46	\$0.00	\$31,581.54	14.60%
Active	E 01-200-000-530 DUES AND FEES	\$1,500.00	\$915.00	\$0.00	\$585.00	61.00%
SUBDEPT 000		<u>\$339,950.00</u>	<u>\$105,014.95</u>	<u>\$41,495.06</u>	<u>\$225,499.80</u>	<u>30.89%</u>
Total DEPT 200 ADMINISTRATION		<u>\$339,950.00</u>	<u>\$105,014.95</u>	<u>\$41,495.06</u>	<u>\$225,499.80</u>	<u>30.89%</u>
DEPT 250 FINANCE DEPARTMENT						
Active	E 01-250-000-300 SALARIES	\$116,802.00	\$31,740.49	\$9,929.44	\$85,061.51	27.17%
Active	E 01-250-000-350 FRINGE BENEFITS	\$51,161.00	\$11,911.52	\$3,647.01	\$39,249.48	23.28%
Active	E 01-250-000-400 TRAVEL AND PER	\$4,000.00	\$0.00	\$0.00	\$4,000.00	0.00%
Active	E 01-250-000-425 TELEPHONE	\$5,000.00	\$1,049.81	\$346.39	\$3,950.19	21.00%

ALEUTIANS EAST BOROUGH

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***Expenditure Guideline©**

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Current Period: SEPTEMBER 12-13

		12-13	12-13	SEPTEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Active	E 01-250-000-450 POSTAGE/SPEED	\$2,500.00	\$500.00	\$500.00	\$2,000.00	20.00%
Active	E 01-250-000-475 SUPPLIES	\$10,500.00	\$3,314.74	\$1,723.64	\$7,185.26	31.57%
Active	E 01-250-000-526 UTILITIES	\$4,000.00	\$978.74	\$757.19	\$3,021.26	24.47%
Active	E 01-250-000-550 AUDIT	\$45,000.00	\$28,313.61	\$28,313.61	\$16,686.39	62.92%
	SUBDEPT 000	\$238,963.00	\$77,808.91	\$45,217.28	\$161,154.09	32.56%
	Total DEPT 250 FINANCE DEPARTMENT	\$238,963.00	\$77,808.91	\$45,217.28	\$161,154.09	32.56%
	DEPT 650 RESOURCE DEPARTMENT					
Active	E 01-650-000-300 SALARIES	\$70,000.00	\$17,500.02	\$5,833.34	\$52,499.98	25.00%
Active	E 01-650-000-350 FRINGE BENEFITS	\$30,040.00	\$6,840.24	\$2,250.38	\$23,199.76	22.77%
Active	E 01-650-000-380 CONTRACT LABO	\$75,000.00	\$18,750.00	\$6,250.00	\$56,250.00	25.00%
Active	E 01-650-000-400 TRAVEL AND PER	\$35,000.00	\$8,721.05	\$772.00	\$26,278.95	24.92%
Active	E 01-650-000-401 SEMD SAMPLING	\$62,000.00	\$62,000.00	\$0.00	\$0.00	100.00%
Active	E 01-650-000-402 NPFMC Meetings	\$15,000.00	\$0.00	\$0.00	\$15,000.00	12.00%
Active	E 01-650-000-403 BOF Meetings	\$25,000.00	\$0.00	\$0.00	\$25,000.00	0.00%
Active	E 01-650-000-425 TELEPHONE	\$3,000.00	\$324.00	\$0.00	\$2,676.00	10.80%
Active	E 01-650-000-475 SUPPLIES	\$3,000.00	\$6.51	\$0.00	\$2,993.49	0.22%
Active	E 01-650-000-525 RENTAL/LEASE	\$6,000.00	\$1,351.85	\$0.00	\$4,648.15	22.53%
	SUBDEPT 000	\$324,040.00	\$115,493.67	\$15,105.72	\$206,746.33	35.64%
	Total DEPT 650 RESOURCE DEPARTMENT	\$324,040.00	\$115,493.67	\$15,105.72	\$206,746.33	35.64%
	DEPT 651 PUBLIC INFORMATION					
Active	E 01-651-011-300 SALARIES	\$84,959.00	\$21,947.70	\$7,079.90	\$63,011.30	25.83%
Active	E 01-651-011-350 FRINGE BENEFITS	\$32,736.00	\$6,629.51	\$1,537.06	\$26,106.49	20.25%
Active	E 01-651-011-400 TRAVEL AND PER	\$15,000.00	\$8,990.47	\$6,365.49	\$6,009.53	59.94%
Active	E 01-651-011-425 TELEPHONE	\$2,400.00	\$280.82	\$98.59	\$2,119.18	11.70%
Active	E 01-651-011-450 POSTAGE/SPEED	\$250.00	\$0.00	\$0.00	\$250.00	0.00%
Active	E 01-651-011-475 SUPPLIES	\$4,500.00	\$6.51	\$0.00	\$4,493.49	0.14%
Active	E 01-651-011-525 RENTAL/LEASE	\$6,800.00	\$1,351.85	\$0.00	\$5,448.15	19.88%
Active	E 01-651-011-532 ADVERTISING	\$25,000.00	\$72.00	\$24.00	\$24,928.00	0.29%
	SUBDEPT 011 PUBLIC INFORMATION	\$171,645.00	\$39,278.86	\$15,105.04	\$132,366.14	22.88%
	Total DEPT 651 PUBLIC INFORMATION	\$171,645.00	\$39,278.86	\$15,105.04	\$132,366.14	22.88%
	DEPT 700 PUBLIC WORKS DEPARTMENT					
Active	E 01-700-000-300 SALARIES	\$72,997.00	\$23,878.80	\$6,383.04	\$49,118.20	32.71%
Active	E 01-700-000-350 FRINGE BENEFITS	\$29,802.00	\$7,815.43	\$2,387.91	\$21,786.57	26.40%
Active	E 01-700-000-400 TRAVEL AND PER	\$12,000.00	\$4,588.00	\$4,588.00	\$7,412.00	38.23%
Active	E 01-700-000-425 TELEPHONE	\$1,500.00	\$251.14	\$59.30	\$1,248.86	16.74%
Active	E 01-700-000-475 SUPPLIES	\$6,000.00	\$2,101.15	\$250.00	\$3,898.85	36.72%
Active	E 01-700-000-500 EQUIPMENT	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	E 01-700-000-526 UTILITIES	\$2,500.00	\$370.85	\$348.40	\$2,129.15	14.83%
	SUBDEPT 000	\$126,099.00	\$39,006.37	\$14,016.65	\$86,991.44	30.93%
	Total DEPT 700 PUBLIC WORKS DEPARTMENT	\$126,099.00	\$39,006.37	\$14,016.65	\$86,991.44	30.93%
	DEPT 844 KCAP					
Active	E 01-844-000-300 SALARIES	\$4,500.00	\$0.00	\$0.00	\$4,500.00	0.00%
Active	E 01-844-000-350 FRINGE BENEFITS	\$6,000.00	\$0.00	\$0.00	\$6,000.00	0.00%
Active	E 01-844-000-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-844-000-425 TELEPHONE	\$2,120.00	\$60.62	\$0.00	\$2,059.48	2.85%
Active	E 01-844-000-475 SUPPLIES	\$3,600.00	\$6.51	\$0.00	\$3,593.49	0.18%
Active	E 01-844-000-525 RENTAL/LEASE	\$7,580.00	\$1,351.85	\$0.00	\$6,228.15	17.83%
	SUBDEPT 000	\$23,800.00	\$1,418.88	\$0.00	\$22,381.12	5.96%
	Total DEPT 844 KCAP	\$23,800.00	\$1,418.88	\$0.00	\$22,381.12	5.96%
	DEPT 850 EDUCATION					
Active	E 01-850-000-700 LOCAL SCHOOL C	\$1,500,000.00	\$0.00	\$0.00	\$1,500,000.00	25.00%

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		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Active	E 01-850-000-701 SCHOOL SCHOLA	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
Active	E 01-850-000-703 School Contribution	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-850-000-756 STUDENT TRAVEL	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
SUBDEPT 000		\$1,525,000.00	\$0.00	\$0.00	\$1,150,000.00	0.00%
Total DEPT 850 EDUCATION		\$1,525,000.00	\$0.00	\$0.00	\$1,150,000.00	0.00%
DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB						
Active	E 01-860-000-300 SALARIES	\$60,000.00	\$19,166.70	\$5,833.34	\$40,833.30	31.94%
Active	E 01-860-000-350 FRINGE BENEFITS	\$27,256.00	\$6,908.94	\$2,250.38	\$20,347.06	25.35%
Active	E 01-860-000-400 TRAVEL AND PER	\$10,000.00	\$1,782.90	\$1,148.00	\$8,217.10	19.83%
Active	E 01-860-000-425 TELEPHONE	\$4,000.00	\$99.46	\$0.00	\$3,900.54	2.49%
Active	E 01-860-000-450 POSTAGE/SPEED	\$250.00	\$0.00	\$0.00	\$250.00	0.00%
Active	E 01-860-000-475 SUPPLIES	\$4,500.00	\$6.51	\$0.00	\$4,493.49	0.14%
Active	E 01-860-000-525 RENTAL/LEASE	\$7,000.00	\$1,181.76	\$0.00	\$5,818.24	16.88%
SUBDEPT 000		\$113,006.00	\$29,146.27	\$9,231.72	\$83,659.73	25.79%
Total DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB		\$113,006.00	\$29,146.27	\$9,231.72	\$83,659.73	25.79%
DEPT 900 OTHER						
Active	E 01-900-000-500 EQUIPMENT	\$8,200.00	\$5,171.00	\$5,171.00	\$3,029.00	63.06%
Active	E 01-900-000-515 AEB VEHICLES	\$10,000.00	\$1,965.00	\$0.00	\$8,035.00	19.65%
Active	E 01-900-000-525 RENTAL/LEASE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-526 UTILITIES	\$13,000.00	\$3,263.42	\$1,982.13	\$9,736.58	25.10%
Active	E 01-900-000-527 Aleutia Crab	\$58,522.00	\$0.00	\$0.00	\$58,522.00	0.00%
Active	E 01-900-000-551 LEGAL	\$150,000.00	\$23,586.10	\$0.00	\$126,413.90	15.72%
Active	E 01-900-000-552 INSURANCE	\$180,000.00	\$136,891.94	\$5,903.88	\$43,108.06	76.05%
Active	E 01-900-000-600 REPAIRS	\$6,000.00	\$4,772.44	\$0.00	\$2,227.56	95.45%
Active	E 01-900-000-727 BANK FEES	\$2,000.00	\$0.00	\$0.00	\$2,000.00	0.00%
Active	E 01-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-752 CONTRIBUTION T	\$150,000.00	\$0.00	\$0.00	\$150,000.00	25.00%
Active	E 01-900-000-753 MISC EXPENSE	\$1,000.00	\$10,035.65	\$0.00	-\$9,035.65	1003.57%
Active	E 01-900-000-757 DONATIONS	\$23,500.00	\$7,000.00	\$0.00	\$16,500.00	29.79%
Active	E 01-900-000-760 REVENUE SHARIN	\$32,000.00	\$32,000.00	\$0.00	\$0.00	100.00%
Active	E 01-900-000-770 Depreciation Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-943 WEB SERVICE	\$18,666.66	\$5,767.04	\$3,126.00	\$12,899.62	18.81%
SUBDEPT 000		\$651,888.66	\$230,452.59	\$16,183.01	\$395,936.04	35.35%
Total DEPT 900 OTHER		\$651,888.66	\$230,452.59	\$16,183.01	\$395,936.04	35.35%
Total Fund 01 GENERAL FUND		\$4,082,670.66	\$754,167.89	\$192,603.82	\$2,906,965.30	18.47%

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		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 20 GRANT PROGRAMS						
Active	R 20-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-203 OTHER REVENUE	\$0.00	\$2,464.25	\$2,464.25	-\$2,464.25	0.00%
Active	R 20-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-254 KCAP Road Completion	\$707,444.26	\$0.00	\$0.00	\$707,444.26	0.00%
Active	R 20-287 KCAP/09-DC-359	\$1,958,992.03	\$0.00	\$0.00	\$1,958,992.03	0.00%
Active	R 20-422 DENALI COMMISSION/FAL	\$313,421.00	\$0.00	\$0.00	\$313,421.00	0.00%
Active	R 20-424 EDA/Akutan Harbor Floats	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
Active	R 20-512 Nelson Lagoon #810758 AC	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
Active	R 20-516 Library Grant Program	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	R 20-517 CIAP-COLD BAY BOAT RA	\$34,384.99	\$0.00	\$0.00	\$34,384.99	0.00%
Active	R 20-811 US FISH&WILDLIFE MARITI	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 20 GRANT PROGRAMS		\$4,019,485.42	\$2,464.25	\$2,464.25	\$4,017,021.17	0.06%

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	12-13 YTD Budget	12-13 YTD Amt	SEPTEMBER MTD Amt	12-13 YTD Balance	% of Budget
Fund 20 GRANT PROGRAMS					
DEPT 422 DENALI COMMISSION/FALSE PASS					
Active E 20-422-000-850 CAPITAL CONSTR	\$313,421.00	\$182,717.00	\$10,000.00	\$130,704.00	58.30%
SUBDEPT 000	\$313,421.00	\$182,717.00	\$10,000.00	\$130,704.00	58.30%
Total DEPT 422 DENALI COMMISSION/FALSE PASS	\$313,421.00	\$182,717.00	\$10,000.00	\$130,704.00	58.30%
DEPT 424 EDA/Akutan Harbor Floats					
Active E 20-424-000-850 CAPITAL CONSTR	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
SUBDEPT 000 NO DESCR	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
Total DEPT 424 EDA/Akutan Harbor Floats	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
DEPT 512 Nelson Lagoon-Hazard Impact					
Active E 20-512-000-380 CONTRACT LABO	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
SUBDEPT 000	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
Total DEPT 512 Nelson Lagoon-Hazard Impact	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
DEPT 516 Library Grant Program					
Active E 20-516-000-475 SUPPLIES	\$2,000.00	\$59.29	\$0.00	\$1,940.71	2.96%
SUBDEPT 000	\$2,000.00	\$59.29	\$0.00	\$1,940.71	2.96%
Total DEPT 516 Library Grant Program	\$2,000.00	\$59.29	\$0.00	\$1,940.71	2.96%
DEPT 517 CIAP-COLD BAY BOAT RAMP					
Active E 20-517-000-300 SALARIES	\$0.00	\$8,400.00	\$0.00	-\$8,400.00	0.00%
Active E 20-517-000-350 FRINGE BENEFITS	\$0.00	\$887.90	\$0.00	-\$887.90	0.00%
Active E 20-517-000-380 CONTRACT LABO	\$2,414.68	\$5,513.01	\$0.00	-\$3,098.33	228.31%
Active E 20-517-000-400 TRAVEL AND PER	-\$1,164.00	\$2,438.00	\$0.00	-\$3,602.00	-209.45%
Active E 20-517-000-475 SUPPLIES	\$9,646.48	\$9,138.61	\$0.00	\$507.87	94.74%
SUBDEPT 000	\$10,897.16	\$26,377.52	\$0.00	-\$15,480.36	242.06%
Total DEPT 517 CIAP-COLD BAY BOAT RAMP	\$10,897.16	\$26,377.52	\$0.00	-\$15,480.36	242.06%
DEPT 802 CAPITAL - COLD BAY					
Active E 20-802-000-850 CAPITAL CONSTR	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
SUBDEPT 000	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
Total DEPT 802 CAPITAL - COLD BAY	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
DEPT 803 CAPITAL - FALSE PASS					
Active E 20-803-000-850 CAPITAL CONSTR	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
SUBDEPT 000	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
Active E 20-803-059-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 059 FY12 CIP	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 803 CAPITAL - FALSE PASS	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
DEPT 806 CAPITAL - SAND POINT					
Active E 20-806-000-850 CAPITAL CONSTR	\$120,000.00	\$0.00	\$0.00	\$120,000.00	0.00%
SUBDEPT 000	\$120,000.00	\$0.00	\$0.00	\$120,000.00	0.00%
Total DEPT 806 CAPITAL - SAND POINT	\$120,000.00	\$0.00	\$0.00	\$120,000.00	0.00%
DEPT 811 US FISH AND WILDLIFE-TOURS					
Active E 20-811-000-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 811 US FISH AND WILDLIFE-TOURS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 812 AKUTAN AIRPORT/FEASIBILITY					
Active E 20-812-000-684 STOCK ID FEASIBI	\$24,000.00	\$0.00	\$0.00	\$24,000.00	0.00%
SUBDEPT 000	\$24,000.00	\$0.00	\$0.00	\$24,000.00	0.00%
Total DEPT 812 AKUTAN AIRPORT/FEASIBILITY	\$24,000.00	\$0.00	\$0.00	\$24,000.00	0.00%
DEPT 887 KCC Alternative Road					

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Active	E 20-867-000-300 SALARIES	\$0.00	\$9,150.00	\$3,150.00	-\$9,150.00	0.00%
Active	E 20-867-000-350 FRINGE BENEFITS	\$0.00	\$6,935.49	\$2,287.63	-\$6,935.49	0.00%
Active	E 20-867-000-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-000-381 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-000-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-000-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	SUBDEPT 000	\$0.00	\$16,085.49	\$5,437.63	-\$16,085.49	0.00%
Active	E 20-867-168-300 SALARIES	\$17,800.00	\$0.00	\$0.00	\$17,800.00	0.00%
Active	E 20-867-168-350 FRINGE BENEFITS	\$8,985.46	\$0.00	\$0.00	\$8,985.46	0.00%
Active	E 20-867-168-381 ENGINEERING	\$943,500.00	\$0.00	\$0.00	\$943,500.00	0.00%
Active	E 20-867-168-400 TRAVEL AND PER	\$5,926.49	\$0.00	\$0.00	\$5,926.49	0.00%
Active	E 20-867-168-850 CAPITAL CONSTR	\$982,780.08	\$0.00	\$0.00	\$982,780.08	0.00%
	SUBDEPT 168 KCAP/09-DC-359	\$1,958,992.03	\$0.00	\$0.00	\$1,958,992.03	0.00%
Active	E 20-867-169-300 SALARIES	\$0.00	\$75.00	\$75.00	-\$75.00	0.00%
Active	E 20-867-169-350 FRINGE BENEFITS	\$0.00	\$63.78	\$63.78	-\$63.78	0.00%
Active	E 20-867-169-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-169-753 MISC EXPENSE	\$7,100.00	\$0.00	\$0.00	\$7,100.00	0.00%
Active	E 20-867-169-850 CAPITAL CONSTR	\$741,058.88	\$0.00	\$0.00	\$741,058.88	0.00%
	SUBDEPT 169 KCAP Road Completion	\$748,158.88	\$138.78	\$138.78	\$748,020.10	0.02%
	Total DEPT 867 KCC Alternative Road	\$2,707,150.91	\$16,224.27	\$5,576.41	\$2,690,926.64	0.60%
	DEPT 900 OTHER					
Active	E 20-900-000-511 FY12 ACOUSTIC T	\$5,218.70	\$0.00	\$0.00	\$5,218.70	0.00%
Active	E 20-900-000-753 MISC EXPENSE	\$0.00	\$25,775.00	(\$81,020.74)	-\$25,775.00	0.00%
Active	E 20-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	(\$192,535.75)	\$0.00	0.00%
	SUBDEPT 000	\$5,218.70	\$25,775.00	-\$273,556.49	-\$26,842.26	493.90%
	Total DEPT 900 OTHER	\$5,218.70	\$25,775.00	-\$273,556.49	-\$26,842.26	493.90%
	Total Fund 20 GRANT PROGRAMS	\$4,260,501.04	\$251,153.06	-\$257,980.08	\$4,003,062.00	5.89%

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		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 22 OPERATIONS						
Active	R 22-203 OTHER REVENUE	\$150,000.00	\$0.00	\$0.00	\$150,000.00	0.00%
Active	R 22-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-221 COLD BAY TERMINAL LEA	\$139,620.00	\$39,905.33	\$11,635.11	\$99,714.67	28.58%
Active	R 22-222 COLD BAY TERMINAL OTH	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-245 HOVERCRAFT/MEDEVACS	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
Active	R 22-246 HOVERCRAFT /TICKETS	\$330,000.00	\$0.00	\$0.00	\$330,000.00	0.00%
Active	R 22-247 HOVERCRAFT/ VEHICLES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-248 HOVERCRAFT/ FREIGHT	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
<i>Total Fund 22 OPERATIONS</i>		\$724,620.00	\$39,905.33	\$11,635.11	\$684,714.67	5.51%

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		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 22 OPERATIONS						
DEPT 802 CAPITAL - COLD BAY						
Active	E 22-802-200-300 SALARIES	\$24,000.00	\$6,120.00	\$2,120.00	\$17,880.00	25.50%
Active	E 22-802-200-350 FRINGE BENEFITS	\$3,617.00	\$646.89	\$224.09	\$2,970.11	17.88%
Active	E 22-802-200-380 CONTRACT LABO	\$0.00	\$29,195.48	\$0.00	-\$29,195.48	0.00%
Active	E 22-802-200-400 TRAVEL AND PER	\$3,000.00	\$0.00	\$0.00	\$3,000.00	0.00%
Active	E 22-802-200-425 TELEPHONE	\$4,500.00	\$1,143.29	\$291.25	\$3,356.71	25.41%
Active	E 22-802-200-475 SUPPLIES	\$15,000.00	\$907.58	\$237.95	\$14,092.42	6.05%
Active	E 22-802-200-525 RENTAL/LEASE	\$5,335.00	\$3,141.26	\$0.00	\$2,193.74	58.88%
Active	E 22-802-200-526 UTILITIES	\$24,000.00	\$1,316.98	\$4,998.66	\$22,683.02	5.49%
Active	E 22-802-200-551 LEGAL	\$100,000.00	\$62,206.41	\$62,206.41	\$47,793.59	52.21%
Active	E 22-802-200-576 GAS	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	E 22-802-200-577 FUEL	\$15,000.00	\$2,844.12	\$2,844.12	\$12,155.88	18.96%
SUBDEPT 200 COLD BAY TERMINAL		\$195,952.00	\$97,522.01	\$62,920.48	\$98,429.99	49.77%
Total DEPT 802 CAPITAL - COLD BAY		\$195,952.00	\$97,522.01	\$62,920.48	\$98,429.99	49.77%
DEPT 843 Hovercraft Operation						
Active	E 22-843-100-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-380 CONTRACT LABO	\$1,950,000.00	\$585,000.00	\$390,000.00	\$1,365,000.00	30.00%
Active	E 22-843-100-425 TELEPHONE	\$0.00	\$793.81	\$174.19	-\$793.81	0.00%
Active	E 22-843-100-475 SUPPLIES	\$0.00	\$148,724.46	\$29,865.94	-\$148,724.46	0.00%
Active	E 22-843-100-500 EQUIPMENT	\$0.00	\$81,582.50	\$81,582.50	-\$81,582.50	0.00%
Active	E 22-843-100-526 UTILITIES	\$5,000.00	\$2,980.76	\$1,053.72	\$2,019.24	59.62%
Active	E 22-843-100-552 INSURANCE	\$215,000.00	\$0.00	\$0.00	\$215,000.00	0.00%
Active	E 22-843-100-576 GAS	\$5,000.00	\$1,728.96	\$728.97	\$3,271.04	34.58%
Active	E 22-843-100-577 FUEL	\$5,000.00	\$45,081.38	\$5,512.00	-\$40,081.38	901.63%
SUBDEPT 100 HOVERCRAFT OPERATION		\$2,180,000.00	\$865,891.87	\$508,917.32	\$1,314,108.13	39.72%
Total DEPT 843 Hovercraft Operation		\$2,180,000.00	\$865,891.87	\$508,917.32	\$1,314,108.13	39.72%
Total Fund 22 OPERATIONS		\$2,375,952.00	\$963,413.88	\$571,837.80	\$1,412,538.12	40.55%

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		12-13	12-13	SEPTEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 24 BOND CONSTRUCTION						
Active	R 24-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-203 OTHER REVENUE	\$0.00	\$25,000.00	\$0.00	-\$25,000.00	0.00%
Active	R 24-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-227 COE-HARBOR PROJECTS	\$2,052,245.00	\$0.00	\$0.00	\$2,052,245.00	0.00%
Active	R 24-259 BOND PROCEEDS	\$1,171,609.64	\$0.00	\$0.00	\$1,171,609.64	0.00%
Active	R 24-270 STATE REVENUE OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-277 STATE BOND REBATE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total Fund 24 BOND CONSTRUCTION	\$3,223,854.64	\$25,000.00	\$0.00	\$3,198,854.64	0.78%

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Current Period: SEPTEMBER 12-13

	12-13 YTD Budget	12-13 YTD Amt	SEPTEMBER MTD Amt	12-13 YTD Balance	% of Budget
Fund 24 BOND CONSTRUCTION					
DEPT 809 Akutan Airport/Grant					
Active E 24-809-000-850 CAPITAL CONSTR	\$2,708,552.94	\$1,096,523.31	\$86,000.00	\$1,612,029.63	40.48%
SUBDEPT 000	\$2,708,552.94	\$1,096,523.31	\$86,000.00	\$1,612,029.63	40.48%
Total DEPT 809 Akutan Airport/Grant	\$2,708,552.94	\$1,096,523.31	\$86,000.00	\$1,612,029.63	40.48%
DEPT 830 KING COVE HARBOR					
Active E 24-830-000-850 CAPITAL CONSTR	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
SUBDEPT 000	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
Total DEPT 830 KING COVE HARBOR	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
DEPT 833 FALSE PASS HARBOR					
Active E 24-833-000-850 CAPITAL CONSTR	\$416,215.75	\$5,190.22	\$0.00	\$411,025.53	1.25%
SUBDEPT 000	\$416,215.75	\$5,190.22	\$0.00	\$411,025.53	1.25%
Total DEPT 833 FALSE PASS HARBOR	\$416,215.75	\$5,190.22	\$0.00	\$411,025.53	1.25%
DEPT 839 AKUTAN HARBOR					
Active E 24-839-000-850 CAPITAL CONSTR	\$1,171,609.64	\$68,904.14	\$0.00	\$1,102,705.50	5.88%
SUBDEPT 000	\$1,171,609.64	\$68,904.14	\$0.00	\$1,102,705.50	5.88%
Total DEPT 839 AKUTAN HARBOR	\$1,171,609.64	\$68,904.14	\$0.00	\$1,102,705.50	5.88%
DEPT 862 NELSON LAGOON DOCK					
Active E 24-862-000-850 CAPITAL CONSTR	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
SUBDEPT 000	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
Total DEPT 862 NELSON LAGOON DOCK	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
DEPT 867 KCC Alternative Road					
Active E 24-867-169-850 CAPITAL CONSTR	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
SUBDEPT 169 KCAP Road Completion	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
Total DEPT 867 KCC Alternative Road	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
DEPT 900 OTHER					
Active E 24-900-000-380 CONTRACT LABO	\$0.00	\$5,824.61	\$2,926.85	-\$5,824.61	0.00%
Active E 24-900-000-725 BOND INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$0.00	\$5,824.61	\$2,926.85	-\$5,824.61	0.00%
Total DEPT 900 OTHER	\$0.00	\$5,824.61	\$2,926.85	-\$5,824.61	0.00%
Total Fund 24 BOND CONSTRUCTION	\$8,403,863.69	\$1,176,442.28	\$88,926.85	\$6,227,421.41	18.37%

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		12-13	12-13	SEPTEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 30 BOND FUND						
Active	R 30-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-203 OTHER REVENUE	\$2,815,936.78	\$0.00	\$0.00	\$2,815,936.78	0.00%
Active	R 30-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-259 BOND PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 30 BOND FUND		\$2,815,936.78	\$0.00	\$0.00	\$2,815,936.78	0.00%

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Current Period: SEPTEMBER 12-13

		12-13	12-13	SEPTEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 30 BOND FUND						
DEPT 900 OTHER						
Active	E 30-900-000-725 BOND INTEREST	\$1,395,936.78	\$253,981.60	\$108,164.10	\$1,141,955.18	18.19%
Active	E 30-900-000-726 BOND PRINCIPAL	\$1,420,000.00	\$335,000.00	\$185,000.00	\$1,085,000.00	23.59%
Active	E 30-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000		<u>\$2,815,936.78</u>	<u>\$588,981.60</u>	<u>\$293,164.10</u>	<u>\$2,226,955.18</u>	<u>20.92%</u>
Total DEPT 900 OTHER		\$2,815,936.78	\$588,981.60	\$293,164.10	\$2,226,955.18	20.92%
Total Fund 30 BOND FUND		\$2,815,936.78	\$588,981.60	\$293,164.10	\$2,226,955.18	20.92%

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		12-13	12-13	SEPTEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 40 PERMANENT FUND						
Active	R 40-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 40-203 OTHER REVENUE	\$350,000.00	\$0.00	\$0.00	\$350,000.00	0.00%
Active	R 40-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 40-230 LAND SALES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 40 PERMANENT FUND		\$350,000.00	\$0.00	\$0.00	\$350,000.00	0.00%

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Current Period: SEPTEMBER 12-13

	12-13 YTD Budget	12-13 YTD Amt	SEPTEMBER MTD Amt	12-13 YTD Balance	% of Budget
Fund 40 PERMANENT FUND					
DEPT 900 OTHER					
Active E 40-900-000-380 CONTRACT LABO	\$350,000.00	\$5,824.60	\$2,926.84	\$344,175.40	1.66%
Active E 40-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$350,000.00	\$5,824.60	\$2,926.84	\$344,175.40	1.66%
Total DEPT 900 OTHER	\$350,000.00	\$5,824.60	\$2,926.84	\$344,175.40	1.66%
Total Fund 40 PERMANENT FUND	\$350,000.00	\$5,824.60	\$2,926.84	\$344,175.40	1.66%

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		12-13	12-13	SEPTEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 41 MAINTENANCE RESERVE FUND						
Active	R 41-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-203 OTHER REVENUE	\$100,000.00	\$149,248.25	\$0.00	-\$49,248.25	149.25%
Active	R 41-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-276 AEB SCHOOL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 41 MAINTENANCE RESERVE FUND		<u>\$100,000.00</u>	<u>\$149,248.25</u>	<u>\$0.00</u>	<u>-\$49,248.25</u>	<u>149.25%</u>

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Current Period: SEPTEMBER 12-13

		12-13	12-13	SEPTEMBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 41 MAINTENANCE RESERVE FUND						
DEPT 800 CAPITAL - SCHOOL						
Active	E 41-800-857-300 SALARIES	\$0 00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-380 CONTRACT LABO	\$0 00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-850 CAPITAL CONSTR	\$0 00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 857 FALSE PASS SCHOOL		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-860-300 SALARIES	\$0.00	\$0.00	\$0 00	\$0.00	0.00%
Active	E 41-800-860-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0 00	\$0.00	0.00%
Active	E 41-800-860-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 860 SAND POINT Gym Floor		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-300 SALARIES	\$0.00	\$0 00	\$0 00	\$0.00	0.00%
Active	E 41-800-865-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0 00	\$0.00	0.00%
Active	E 41-800-865-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 865 Akutan School		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-300 SALARIES	\$0.00	\$420.00	\$420.00	-\$420.00	0.00%
Active	E 41-800-866-350 FRINGE BENEFITS	\$0.00	\$44.39	\$44.39	-\$44.39	0.00%
Active	E 41-800-866-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-425 TELEPHONE	\$0 00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-475 SUPPLIES	\$0 00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 866 NELSON LAGOON SCHOOL		\$0.00	\$464.39	\$464.39	-\$464.39	0.00%
Active	E 41-800-867-300 SALARIES	\$0 00	\$12,870.00	\$0.00	-\$12,870.00	0.00%
Active	E 41-800-867-350 FRINGE BENEFITS	\$0.00	\$1,360.36	\$0.00	-\$1,360.36	0.00%
Active	E 41-800-867-400 TRAVEL AND PER	\$0 00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-867-475 SUPPLIES	\$0.00	\$958.51	\$0.00	-\$958.51	0.00%
Active	E 41-800-867-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0 00	\$0.00	0.00%
SUBDEPT 867 Sand Point School		\$0.00	\$15,188.87	\$0.00	-\$15,188.87	0.00%
Active	E 41-800-868-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-350 FRINGE BENEFITS	\$0.00	\$0 00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-380 CONTRACT LABO	\$0.00	\$10,429.41	\$1,317.50	-\$10,429.41	0.00%
Active	E 41-800-868-400 TRAVEL AND PER	\$0.00	\$0.00	\$0 00	\$0.00	0.00%
Active	E 41-800-868-475 SUPPLIES	\$0.00	\$1,609.94	\$200.28	-\$1,609.94	0.00%
Active	E 41-800-868-577 FUEL	\$0.00	\$0 00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-852 ASPHALT PAVING	\$0.00	\$0 00	\$0 00	\$0.00	0.00%
SUBDEPT 868 King Cove School		\$0.00	\$12,039.35	\$1,517.78	-\$12,039.35	0.00%
Active	E 41-800-869-300 SALARIES	\$0.00	\$2,640.00	\$2,640.00	-\$2,640.00	0.00%
Active	E 41-800-869-350 FRINGE BENEFITS	\$0.00	\$279.04	\$279.04	-\$279.04	0.00%
Active	E 41-800-869-380 CONTRACT LABO	\$0.00	\$0 00	\$0.00	\$0.00	0.00%
Active	E 41-800-869-400 TRAVEL AND PER	\$0.00	\$0.00	\$0 00	\$0.00	0.00%
Active	E 41-800-869-475 SUPPLIES	\$0.00	\$395.28	\$0.00	-\$395.28	0.00%
Active	E 41-800-869-942 PROPERTY LEASE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 869 COLD BAY SCHOOL		\$0.00	\$3,314.32	\$2,919.04	-\$3,314.32	0.00%
Total DEPT 800 CAPITAL - SCHOOL		\$0.00	\$31,006.93	\$4,901.21	-\$31,006.93	0.00%
DEPT 900 OTHER						
Active	E 41-900-000-751 OPERATING TRAN	\$0.00	\$0 00	\$0 00	\$0.00	0.00%
Active	E 41-900-000-753 MISC EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-900-000-880 LAND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

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Current Period: SEPTEMBER 12-13

	12-13 YTD Budget	12-13 YTD Amt	SEPTEMBER MTD Amt	12-13 YTD Balance	% of Budget
SUBDEPT 000	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 900 OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<i>Total Fund 41 MAINTENANCE RESERVE FUND</i>	\$0.00	\$31,006.93	\$4,901.21	-\$31,006.93	0.00%

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Current Period: OCTOBER 12-13

		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 01 GENERAL FUND						
Active	R 01-201 INTEREST REVENUE	\$35,000.00	\$7,206.30	\$7,206.30	\$27,793.70	20.59%
Active	R 01-203 OTHER REVENUE	\$7,000.00	\$88,015.68	\$40,613.52	-\$81,015.68	1257.37%
Active	R 01-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-206 AEBSD Fund Balance Refun	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-218 AEB RAW FISH TAX	\$3,200,779.00	\$1,075,625.48	\$228,249.42	\$2,125,153.52	33.61%
Active	R 01-229 Southwest Cities LLC	\$0.00	\$30,000.00	\$0.00	-\$30,000.00	0.00%
Active	R 01-233 STATE PERS ON-BEHALF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-265 STATE RAW FISH TAX	\$1,664,919.00	\$2,033,096.94	\$2,033,096.94	-\$368,177.94	122.11%
Active	R 01-266 STATE EXTRATERRITORIA	\$243,084.00	\$0.00	\$0.00	\$243,084.00	0.00%
Active	R 01-267 STATE FISH LANDING TAX	\$53,571.00	\$0.00	\$0.00	\$53,571.00	0.00%
Active	R 01-268 State "Loss" Of Raw Fish Tax	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-270 STATE REVENUE OTHER	\$542,712.00	\$0.00	\$0.00	\$542,712.00	0.00%
Active	R 01-276 AEB SCHOOL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-277 STATE BOND REBATE	\$1,045,464.00	\$276,835.00	\$0.00	\$768,629.00	26.48%
Active	R 01-291 PLO-95 PAYMNT IN LIEU O	\$559,000.00	\$0.00	\$0.00	\$559,000.00	0.00%
Active	R 01-292 USFWS LANDS	\$36,266.00	\$15,123.00	\$0.00	\$21,133.00	41.71%
Total Fund 01 GENERAL FUND		\$7,387,785.00	\$3,525,902.40	\$2,309,166.18	\$3,861,882.60	47.73%

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Current Period: OCTOBER 12-13

		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 01 GENERAL FUND						
DEPT 100 MAYORS OFFICE						
Active	E 01-100-000-300 SALARIES	\$68,985.00	\$23,822.72	\$6,576.56	\$45,162.28	34.53%
Active	E 01-100-000-350 FRINGE BENEFITS	\$27,810.00	\$9,113.06	\$2,424.66	\$18,696.94	32.77%
Active	E 01-100-000-400 TRAVEL AND PER	\$36,000.00	\$9,281.64	\$867.29	\$26,718.36	25.78%
Active	E 01-100-000-425 TELEPHONE	\$2,400.00	\$455.62	\$111.49	\$1,944.38	18.98%
Active	E 01-100-000-475 SUPPLIES	\$1,000.00	\$404.99	\$325.00	\$595.01	40.50%
Active	E 01-100-000-554 AK LOBBIST	\$36,000.00	\$14,000.00	\$3,500.00	\$22,000.00	38.89%
Active	E 01-100-000-555 FEDERAL LOBBIS	\$75,600.00	\$18,900.00	\$6,300.00	\$56,700.00	33.33%
	SUBDEPT 000	\$247,795.00	\$75,978.03	\$20,105.00	\$165,516.97	30.66%
	Total DEPT 100 MAYORS OFFICE	\$247,795.00	\$75,978.03	\$20,105.00	\$165,516.97	30.66%
DEPT 105 ASSEMBLY						
Active	E 01-105-000-300 SALARIES	\$25,000.00	\$4,000.00	\$2,600.00	\$21,000.00	16.00%
Active	E 01-105-000-350 FRINGE BENEFITS	\$56,000.00	\$23,136.00	\$4,922.90	\$32,864.00	41.31%
Active	E 01-105-000-400 TRAVEL AND PER	\$40,000.00	\$3,893.00	\$3,013.00	\$36,107.00	9.73%
Active	E 01-105-000-425 TELEPHONE	\$4,500.00	\$1,356.29	\$339.32	\$3,143.71	30.14%
Active	E 01-105-000-475 SUPPLIES	\$500.00	\$2,500.00	\$2,500.00	-\$2,000.00	500.00%
	SUBDEPT 000	\$126,000.00	\$34,885.29	\$13,375.22	\$91,114.71	27.69%
	Total DEPT 105 ASSEMBLY	\$126,000.00	\$34,885.29	\$13,375.22	\$91,114.71	27.69%
DEPT 150 PLANNING/CLERKS DEPARTMENT						
Active	E 01-150-000-300 SALARIES	\$81,160.00	\$26,958.55	\$7,475.81	\$54,201.45	33.22%
Active	E 01-150-000-350 FRINGE BENEFITS	\$33,524.00	\$9,793.87	\$2,595.53	\$23,730.13	29.21%
Active	E 01-150-000-400 TRAVEL AND PER	\$12,500.00	\$0.00	\$0.00	\$12,500.00	0.00%
Active	E 01-150-000-425 TELEPHONE	\$7,500.00	\$2,006.74	\$827.28	\$5,493.26	26.76%
Active	E 01-150-000-450 POSTAGE/SPEED	\$1,500.00	\$47.97	\$0.00	\$1,452.03	3.20%
Active	E 01-150-000-475 SUPPLIES	\$9,000.00	\$3,069.16	\$73.09	\$5,930.84	34.47%
Active	E 01-150-000-526 UTILITIES	\$15,000.00	\$5,768.98	\$2,363.85	\$9,231.02	38.46%
Active	E 01-150-000-530 DUES AND FEES	\$5,000.00	\$3,726.80	\$835.00	\$1,273.20	75.08%
Active	E 01-150-000-650 ELECTION	\$25,000.00	\$5,479.77	\$3,515.99	\$19,520.23	22.72%
Active	E 01-150-000-670 Planning Commissio	\$4,300.00	\$0.00	\$0.00	\$4,300.00	0.00%
	SUBDEPT 000	\$194,484.00	\$56,851.84	\$17,686.55	\$137,371.71	29.23%
	Total DEPT 150 PLANNING/CLERKS DEPARTMENT	\$194,484.00	\$56,851.84	\$17,686.55	\$137,371.71	29.23%
DEPT 200 ADMINISTRATION						
Active	E 01-200-000-300 SALARIES	\$166,116.00	\$58,022.96	\$16,162.94	\$108,093.04	34.93%
Active	E 01-200-000-350 FRINGE BENEFITS	\$64,234.00	\$25,217.17	\$6,581.16	\$39,016.83	39.26%
Active	E 01-200-000-380 CONTRACT LABO	\$25,000.00	\$7,500.00	\$1,500.00	\$17,500.00	30.00%
Active	E 01-200-000-382 ANCHORAGE OFFI	\$0.00	\$10,061.63	(\$1,890.97)	-\$10,061.63	0.00%
Active	E 01-200-000-400 TRAVEL AND PER	\$15,000.00	\$16,755.71	\$656.60	-\$1,755.71	111.70%
Active	E 01-200-000-425 TELEPHONE	\$6,000.00	\$1,978.19	\$768.41	\$4,021.81	32.97%
Active	E 01-200-000-450 POSTAGE/SPEED	\$2,500.00	\$507.44	\$0.00	\$1,992.56	20.30%
Active	E 01-200-000-475 SUPPLIES	\$18,120.00	\$4,454.38	\$2,017.85	\$13,665.62	24.58%
Active	E 01-200-000-500 EQUIPMENT	\$4,500.00	\$0.00	\$0.00	\$4,500.00	0.00%
Active	E 01-200-000-525 RENTAL/LEASE	\$36,980.00	\$8,131.86	\$2,733.40	\$28,848.14	21.99%
Active	E 01-200-000-530 DUES AND FEES	\$1,500.00	\$1,440.00	\$525.00	\$60.00	96.00%
	SUBDEPT 000	\$339,950.00	\$134,069.34	\$29,054.39	\$203,856.68	39.44%
	Total DEPT 200 ADMINISTRATION	\$339,950.00	\$134,069.34	\$29,054.39	\$203,856.68	39.44%
DEPT 250 FINANCE DEPARTMENT						
Active	E 01-250-000-300 SALARIES	\$116,802.00	\$41,504.20	\$9,763.71	\$76,297.80	35.53%
Active	E 01-250-000-350 FRINGE BENEFITS	\$51,161.00	\$15,770.31	\$3,858.79	\$35,390.69	30.82%
Active	E 01-250-000-400 TRAVEL AND PER	\$4,000.00	\$0.00	\$0.00	\$4,000.00	0.00%
Active	E 01-250-000-425 TELEPHONE	\$5,000.00	\$1,458.19	\$408.38	\$3,541.81	29.16%

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		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Active	E 01-250-000-450 POSTAGE/SPEED	\$2,500.00	\$1,524.53	\$1,024.53	\$975.47	60.98%
Active	E 01-250-000-475 SUPPLIES	\$10,500.00	\$5,558.57	\$2,243.83	\$4,941.43	52.94%
Active	E 01-250-000-526 UTILITIES	\$4,000.00	\$1,195.79	\$217.05	\$2,804.21	29.89%
Active	E 01-250-000-550 AUDIT	\$45,000.00	\$28,313.61	\$0.00	\$16,686.39	52.92%
SUBDEPT 000		<u>\$238,963.00</u>	<u>\$95,325.20</u>	<u>\$17,516.29</u>	<u>\$143,637.80</u>	<u>39.89%</u>
Total DEPT 250 FINANCE DEPARTMENT		\$238,963.00	\$95,325.20	\$17,516.29	\$143,637.80	39.89%
DEPT 650 RESOURCE DEPARTMENT						
Active	E 01-650-000-300 SALARIES	\$70,000.00	\$24,173.36	\$6,673.34	\$45,826.64	34.53%
Active	E 01-650-000-350 FRINGE BENEFITS	\$30,040.00	\$9,287.60	\$2,447.36	\$20,752.40	30.92%
Active	E 01-650-000-380 CONTRACT LABO	\$75,000.00	\$25,000.00	\$6,250.00	\$50,000.00	33.33%
Active	E 01-650-000-400 TRAVEL AND PER	\$35,000.00	\$12,933.38	\$4,212.33	\$22,066.62	37.75%
Active	E 01-650-000-401 SEMD SAMPLING	\$62,000.00	\$89,000.00	\$27,000.00	-\$27,000.00	143.55%
Active	E 01-650-000-402 NPFMC Meetings	\$15,000.00	\$1,800.00	\$1,800.00	\$13,200.00	12.00%
Active	E 01-650-000-403 BOF Meetings	\$25,000.00	\$0.00	\$0.00	\$25,000.00	0.00%
Active	E 01-650-000-425 TELEPHONE	\$3,000.00	\$424.05	\$100.05	\$2,575.95	14.14%
Active	E 01-650-000-475 SUPPLIES	\$3,000.00	\$306.51	\$300.00	\$2,693.49	10.22%
Active	E 01-650-000-508 FY10Pollock Survey	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-650-000-525 RENTAL/LEASE	\$6,000.00	\$2,036.33	\$684.48	\$3,963.67	33.94%
Active	E 01-650-000-679 Fisheries Developm	\$0.00	\$2,500.00	\$2,500.00	-\$2,500.00	0.00%
SUBDEPT 000		<u>\$324,040.00</u>	<u>\$167,461.23</u>	<u>\$51,967.56</u>	<u>\$156,300.67</u>	<u>51.68%</u>
Total DEPT 650 RESOURCE DEPARTMENT		\$324,040.00	\$167,461.23	\$51,967.56	\$156,300.67	51.68%
DEPT 651 PUBLIC INFORMATION						
Active	E 01-651-011-300 SALARIES	\$84,959.00	\$30,047.12	\$8,099.42	\$54,911.88	35.37%
Active	E 01-651-011-350 FRINGE BENEFITS	\$32,736.00	\$8,238.64	\$1,609.13	\$24,497.36	25.17%
Active	E 01-651-011-400 TRAVEL AND PER	\$15,000.00	\$9,925.79	\$935.32	\$5,074.21	66.17%
Active	E 01-651-011-425 TELEPHONE	\$2,400.00	\$332.33	\$51.51	\$2,067.67	19.22%
Active	E 01-651-011-450 POSTAGE/SPEED	\$250.00	\$0.00	\$0.00	\$250.00	0.00%
Active	E 01-651-011-475 SUPPLIES	\$4,500.00	\$54.49	\$47.98	\$4,445.51	1.21%
Active	E 01-651-011-525 RENTAL/LEASE	\$6,800.00	\$2,038.33	\$684.48	\$4,763.67	29.95%
Active	E 01-651-011-532 ADVERTISING	\$25,000.00	\$822.00	\$750.00	\$24,178.00	3.28%
SUBDEPT 011 PUBLIC INFORMATION		<u>\$171,645.00</u>	<u>\$51,456.70</u>	<u>\$12,177.84</u>	<u>\$120,059.41</u>	<u>29.98%</u>
Total DEPT 651 PUBLIC INFORMATION		\$171,645.00	\$51,456.70	\$12,177.84	\$120,059.41	29.98%
DEPT 700 PUBLIC WORKS DEPARTMENT						
Active	E 01-700-000-300 SALARIES	\$72,997.00	\$30,837.84	\$6,959.04	\$42,159.16	42.25%
Active	E 01-700-000-350 FRINGE BENEFITS	\$29,602.00	\$10,329.77	\$2,514.34	\$19,272.23	34.90%
Active	E 01-700-000-400 TRAVEL AND PER	\$12,000.00	\$5,958.00	\$1,370.00	\$6,042.00	49.65%
Active	E 01-700-000-425 TELEPHONE	\$1,500.00	\$360.09	\$108.95	\$1,139.91	24.01%
Active	E 01-700-000-475 SUPPLIES	\$6,000.00	\$3,015.41	\$914.26	\$2,984.59	50.26%
Active	E 01-700-000-500 EQUIPMENT	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	E 01-700-000-526 UTILITIES	\$2,500.00	\$437.31	\$56.46	\$2,062.69	17.49%
SUBDEPT 000		<u>\$126,099.00</u>	<u>\$50,938.42</u>	<u>\$11,933.05</u>	<u>\$75,160.58</u>	<u>40.40%</u>
Total DEPT 700 PUBLIC WORKS DEPARTMENT		\$126,099.00	\$50,938.42	\$11,933.05	\$75,160.58	40.40%
DEPT 844 KCAP						
Active	E 01-844-000-300 SALARIES	\$4,500.00	\$0.00	\$0.00	\$4,500.00	0.00%
Active	E 01-844-000-350 FRINGE BENEFITS	\$6,000.00	\$0.00	\$0.00	\$6,000.00	0.00%
Active	E 01-844-000-400 TRAVEL AND PER	\$0.00	\$755.37	\$755.37	-\$755.37	0.00%
Active	E 01-844-000-425 TELEPHONE	\$2,120.00	\$111.12	\$50.60	\$2,008.88	5.24%
Active	E 01-844-000-475 SUPPLIES	\$3,600.00	\$6.51	\$0.00	\$3,593.49	0.18%
Active	E 01-844-000-525 RENTAL/LEASE	\$7,580.00	\$2,036.33	\$684.48	\$5,543.67	26.86%
SUBDEPT 000		<u>\$23,800.00</u>	<u>\$2,909.33</u>	<u>\$1,490.45</u>	<u>\$20,890.67</u>	<u>12.22%</u>
Total DEPT 844 KCAP		\$23,800.00	\$2,909.33	\$1,490.45	\$20,890.67	12.22%

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		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
DEPT 850 EDUCATION						
Active	E 01-850-000-700 LOCAL SCHOOL C	\$1,500,000.00	\$375,000.00	\$375,000.00	\$1,125,000.00	25.00%
Active	E 01-850-000-701 SCHOOL SCHOLA	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
Active	E 01-850-000-703 School Contribution	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-850-000-756 STUDENT TRAVEL	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
SUBDEPT 000		\$1,525,000.00	\$375,000.00	\$375,000.00	\$1,150,000.00	24.59%
Total DEPT 850 EDUCATION		\$1,525,000.00	\$375,000.00	\$375,000.00	\$1,150,000.00	24.59%
DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB						
Active	E 01-860-000-300 SALARIES	\$60,000.00	\$25,840.04	\$6,673.34	\$34,159.96	43.07%
Active	E 01-860-000-350 FRINGE BENEFITS	\$27,266.00	\$9,356.30	\$2,447.36	\$17,899.70	34.33%
Active	E 01-860-000-400 TRAVEL AND PER	\$10,000.00	\$1,982.90	\$200.00	\$8,017.10	19.83%
Active	E 01-860-000-425 TELEPHONE	\$4,000.00	\$173.17	\$73.71	\$3,826.83	4.33%
Active	E 01-860-000-450 POSTAGE/SPEED	\$250.00	\$0.00	\$0.00	\$250.00	0.00%
Active	E 01-860-000-475 SUPPLIES	\$4,500.00	\$6.51	\$0.00	\$4,493.49	5.56%
Active	E 01-860-000-525 RENTAL/LEASE	\$7,000.00	\$1,780.12	\$598.36	\$5,219.88	25.43%
SUBDEPT 000		\$113,006.00	\$39,139.04	\$9,992.77	\$73,623.21	34.63%
Total DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB		\$113,006.00	\$39,139.04	\$9,992.77	\$73,623.21	34.63%
DEPT 900 OTHER						
Active	E 01-900-000-500 EQUIPMENT	\$8,200.00	\$5,171.00	\$0.00	\$3,029.00	63.06%
Active	E 01-900-000-515 AEB VEHICLES	\$10,000.00	\$1,965.00	\$0.00	\$8,035.00	19.65%
Active	E 01-900-000-525 RENTAL/LEASE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-526 UTILITIES	\$13,000.00	\$6,060.09	\$2,796.67	\$6,939.91	46.62%
Active	E 01-900-000-527 Aleutia Crab	\$58,522.00	\$0.00	\$0.00	\$58,522.00	0.00%
Active	E 01-900-000-551 LEGAL	\$150,000.00	\$63,259.35	\$39,673.25	\$86,740.65	42.17%
Active	E 01-900-000-552 INSURANCE	\$180,000.00	\$137,343.17	\$451.23	\$42,656.83	76.30%
Active	E 01-900-000-600 REPAIRS	\$5,000.00	\$7,206.23	\$2,433.79	-\$2,206.23	144.12%
Active	E 01-900-000-727 BANK FEES	\$2,000.00	\$250.00	\$250.00	\$1,750.00	12.50%
Active	E 01-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-752 CONTRIBUTION T	\$150,000.00	\$37,500.00	\$37,500.00	\$112,500.00	25.00%
Active	E 01-900-000-753 MISC EXPENSE	\$1,000.00	\$10,035.65	\$0.00	-\$9,035.65	1003.57%
Active	E 01-900-000-757 DONATIONS	\$23,500.00	\$7,000.00	\$0.00	\$16,500.00	29.79%
Active	E 01-900-000-760 REVENUE SHARIN	\$32,000.00	\$32,000.00	\$0.00	\$0.00	100.00%
Active	E 01-900-000-770 Depreciation Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-943 WEB SERVICE	\$19,999.99	\$5,767.04	\$0.00	\$14,232.95	21.23%
SUBDEPT 000		\$653,221.99	\$313,557.53	\$83,104.94	\$349,588.10	48.00%
Total DEPT 900 OTHER		\$653,221.99	\$313,557.53	\$83,104.94	\$349,588.10	48.00%
Total Fund 01 GENERAL FUND		\$4,084,003.99	\$1,397,571.95	\$643,404.06	\$2,687,120.51	34.22%

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		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 20 GRANT PROGRAMS						
Active	R 20-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-203 OTHER REVENUE	\$0.00	\$57,316.11	\$54,851.86	-\$57,316.11	0.00%
Active	R 20-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-254 KCAP Road Completion	\$707,444.26	\$0.00	\$0.00	\$707,444.26	0.00%
Active	R 20-287 KCAP/09-DC-359	\$1,958,992.03	\$0.00	\$0.00	\$1,958,992.03	0.00%
Active	R 20-422 DENALI COMMISSION/FAL	\$313,421.00	\$182,717.00	\$182,717.00	\$130,704.00	58.30%
Active	R 20-424 EDA/Akutan Harbor Floats	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
Active	R 20-512 Nelson Lagoon #810758 AC	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
Active	R 20-516 Library Grant Program	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	R 20-517 CIAP-COLD BAY BOAT RA	\$34,384.99	\$0.00	\$0.00	\$34,384.99	0.00%
Active	R 20-518 CIAP-Create A Resource La	\$255,050.00	\$0.00	\$0.00	\$255,050.00	0.00%
Active	R 20-811 US FISH&WILDLIFE MARITI	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 20 GRANT PROGRAMS		\$4,274,535.42	\$240,033.11	\$237,568.86	\$4,034,602.31	5.62%

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	12-13 YTD Budget	12-13 YTD Amt	OCTOBER MTD Amt	12-13 YTD Balance	% of Budget
Fund 20 GRANT PROGRAMS					
DEPT 422 DENALI COMMISSION/FALSE PASS					
Active E 20-422-000-850 CAPITAL CONSTR	\$313,421.00	\$182,717.00	\$0.00	\$130,704.00	58.30%
SUBDEPT 000	\$313,421.00	\$182,717.00	\$0.00	\$130,704.00	58.30%
Total DEPT 422 DENALI COMMISSION/FALSE PASS	\$313,421.00	\$182,717.00	\$0.00	\$130,704.00	58.30%
DEPT 424 EDA/Akutan Harbor Floats					
Active E 20-424-000-850 CAPITAL CONSTR	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
SUBDEPT 000 NO DESCR	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
Total DEPT 424 EDA/Akutan Harbor Floats	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
DEPT 512 Nelson Lagoon-Hazard Impact					
Active E 20-512-000-380 CONTRACT LABO	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
SUBDEPT 000	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
Total DEPT 512 Nelson Lagoon-Hazard Impact	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
DEPT 516 Library Grant Program					
Active E 20-516-000-475 SUPPLIES	\$2,000.00	\$421.60	\$362.31	\$1,578.40	21.08%
SUBDEPT 000	\$2,000.00	\$421.60	\$362.31	\$1,578.40	21.08%
Total DEPT 516 Library Grant Program	\$2,000.00	\$421.60	\$362.31	\$1,578.40	21.08%
DEPT 517 CIAP-COLD BAY BOAT RAMP					
Active E 20-517-000-300 SALARIES	\$0.00	\$8,400.00	\$0.00	-\$8,400.00	0.00%
Active E 20-517-000-350 FRINGE BENEFITS	\$0.00	\$887.90	\$0.00	-\$887.90	0.00%
Active E 20-517-000-380 CONTRACT LABO	\$2,414.88	\$5,513.01	\$0.00	-\$3,098.33	228.31%
Active E 20-517-000-400 TRAVEL AND PER	-\$1,164.00	\$2,438.00	\$0.00	-\$3,602.00	-209.45%
Active E 20-517-000-475 SUPPLIES	\$9,646.48	\$9,138.61	\$0.00	\$507.87	94.74%
SUBDEPT 000	\$10,897.16	\$26,377.52	\$0.00	-\$15,480.36	242.06%
Total DEPT 517 CIAP-COLD BAY BOAT RAMP	\$10,897.16	\$26,377.52	\$0.00	-\$15,480.36	242.06%
DEPT 518 CIAP-Create A Resource LandUse					
Active E 20-518-000-850 CAPITAL CONSTR	\$255,050.00	\$114.54	\$114.54	\$254,935.46	0.04%
SUBDEPT 000 NO DESCR	\$255,050.00	\$114.54	\$114.54	\$254,935.46	0.04%
Total DEPT 518 CIAP-Create A Resource LandUse	\$255,050.00	\$114.54	\$114.54	\$254,935.46	0.04%
DEPT 802 CAPITAL - COLD BAY					
Active E 20-802-000-850 CAPITAL CONSTR	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
SUBDEPT 000	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
Total DEPT 802 CAPITAL - COLD BAY	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
DEPT 803 CAPITAL - FALSE PASS					
Active E 20-803-000-850 CAPITAL CONSTR	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
SUBDEPT 000	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
Active E 20-803-059-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 059 FY12 CIP	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 803 CAPITAL - FALSE PASS	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
DEPT 806 CAPITAL - SAND POINT					
Active E 20-806-000-850 CAPITAL CONSTR	\$120,000.00	\$0.00	\$0.00	\$120,000.00	0.00%
SUBDEPT 000	\$120,000.00	\$0.00	\$0.00	\$120,000.00	0.00%
Total DEPT 806 CAPITAL - SAND POINT	\$120,000.00	\$0.00	\$0.00	\$120,000.00	0.00%
DEPT 811 US FISH AND WILDLIFE-TOURS					
Active E 20-811-000-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 811 US FISH AND WILDLIFE-TOURS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 812 AKUTAN AIRPORT/FEASIBILITY					

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		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Active	E 20-812-000-684 STOCK ID FEASIBI	\$24,000.00	\$0.00	\$0.00	\$24,000.00	0.00%
	SUBDEPT 000	\$24,000.00	\$0.00	\$0.00	\$24,000.00	0.00%
	Total DEPT 812 AKUTAN	\$24,000.00	\$0.00	\$0.00	\$24,000.00	0.00%
	AIRPORT/FEASIBILITY					
DEPT 867 KCC Alternative Road						
Active	E 20-867-000-300 SALARIES	\$0.00	\$12,150.00	\$3,000.00	-\$12,150.00	0.00%
Active	E 20-867-000-350 FRINGE BENEFITS	\$0.00	\$9,062.06	\$2,126.57	-\$9,062.06	0.00%
Active	E 20-867-000-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-000-381 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-000-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-000-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	SUBDEPT 000	\$0.00	\$21,212.06	\$5,126.57	-\$21,212.06	0.00%
Active	E 20-867-168-300 SALARIES	\$17,800.00	\$0.00	\$0.00	\$17,800.00	0.00%
Active	E 20-867-168-350 FRINGE BENEFITS	\$8,985.46	\$0.00	\$0.00	\$8,985.46	0.00%
Active	E 20-867-168-381 ENGINEERING	\$943,500.00	\$0.00	\$0.00	\$943,500.00	0.00%
Active	E 20-867-168-400 TRAVEL AND PER	\$5,926.49	\$0.00	\$0.00	\$5,926.49	0.00%
Active	E 20-867-168-850 CAPITAL CONSTR	\$982,780.08	\$0.00	\$0.00	\$982,780.08	0.00%
	SUBDEPT 168 KCAP/09-DC-359	\$1,958,992.03	\$0.00	\$0.00	\$1,958,992.03	0.00%
Active	E 20-867-169-300 SALARIES	\$0.00	\$300.00	\$225.00	-\$300.00	0.00%
Active	E 20-867-169-350 FRINGE BENEFITS	\$0.00	\$288.61	\$224.83	-\$288.61	0.00%
Active	E 20-867-169-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-867-169-753 MISC EXPENSE	\$7,100.00	\$0.00	\$0.00	\$7,100.00	0.00%
Active	E 20-867-169-850 CAPITAL CONSTR	\$741,058.88	\$0.00	\$0.00	\$741,058.88	0.00%
	SUBDEPT 169 KCAP Road Completion	\$748,158.88	\$588.61	\$449.83	\$747,570.27	0.08%
	Total DEPT 867 KCC Alternative Road	\$2,707,150.91	\$21,800.67	\$5,576.40	\$2,685,350.24	0.81%
DEPT 900 OTHER						
Active	E 20-900-000-507 FY13 POLLOCK S	\$128,000.00	\$64,127.61	\$64,127.61	\$63,872.39	50.10%
Active	E 20-900-000-511 FY12 ACOUSTIC T	\$5,218.70	\$0.00	\$0.00	\$5,218.70	0.00%
Active	E 20-900-000-753 MISC EXPENSE	\$0.00	\$125,540.96	\$99,765.96	-\$125,540.96	0.00%
Active	E 20-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	SUBDEPT 000 NO DESCR	\$133,218.70	\$189,668.57	\$163,893.57	-\$56,449.87	142.37%
	Total DEPT 900 OTHER	\$133,218.70	\$189,668.57	\$163,893.57	-\$56,449.87	142.37%
	Total Fund 20 GRANT PROGRAMS	\$4,643,551.04	\$421,099.90	\$169,946.82	\$4,222,451.14	9.07%

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		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 22 OPERATIONS						
Active	R 22-203 OTHER REVENUE	\$150,000.00	\$0.00	\$0.00	\$150,000.00	0.00%
Active	R 22-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-221 COLD BAY TERMINAL LEA	\$139,620.00	\$46,540.44	\$6,635.11	\$93,079.56	33.33%
Active	R 22-222 COLD BAY TERMINAL OTH	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-245 HOVERCRAFT/MEDEVACS	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
Active	R 22-246 HOVERCRAFT /TICKETS	\$330,000.00	\$0.00	\$0.00	\$330,000.00	0.00%
Active	R 22-247 HOVERCRAFT/ VEHICLES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-248 HOVERCRAFT/ FREIGHT	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
Total Fund 22 OPERATIONS		\$724,620.00	\$46,540.44	\$6,635.11	\$678,079.56	6.42%

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	12-13 YTD Budget	12-13 YTD Amt	OCTOBER MTD Amt	12-13 YTD Balance	% of Budget
Fund 22 OPERATIONS					
DEPT 802 CAPITAL - GOLD BAY					
Active E 22-802-200-300 SALARIES	\$24,000.00	\$8,408.00	\$2,288.00	\$15,592.00	35.03%
Active E 22-802-200-350 FRINGE BENEFITS	\$3,617.00	\$888.74	\$241.85	\$2,728.26	24.57%
Active E 22-802-200-380 CONTRACT LABO	\$0.00	\$32,310.48	\$3,115.00	-\$32,310.48	0.00%
Active E 22-802-200-400 TRAVEL AND PER	\$3,000.00	\$322.00	\$322.00	\$2,678.00	10.73%
Active E 22-802-200-425 TELEPHONE	\$4,500.00	\$1,489.73	\$346.44	\$3,010.27	33.11%
Active E 22-802-200-475 SUPPLIES	\$15,000.00	\$1,507.58	\$600.00	\$13,492.42	10.05%
Active E 22-802-200-525 RENTAL/LEASE	\$5,335.00	\$3,141.26	\$0.00	\$2,193.74	58.88%
Active E 22-802-200-526 UTILITIES	\$24,000.00	\$7,135.16	\$5,818.18	\$16,864.84	29.73%
Active E 22-802-200-561 LEGAL	\$100,000.00	\$52,206.41	\$0.00	\$47,793.59	60.34%
Active E 22-802-200-576 GAS	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active E 22-802-200-577 FUEL	\$15,000.00	\$5,548.11	\$2,703.99	\$9,451.89	36.99%
SUBDEPT 200 GOLD BAY TERMINAL	\$195,952.00	\$112,957.47	\$15,435.46	\$74,857.99	57.65%
Total DEPT 802 CAPITAL - GOLD BAY	\$195,952.00	\$112,957.47	\$15,435.46	\$74,857.99	57.65%
DEPT 843 Hovercraft Operation					
Active E 22-843-100-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 22-843-100-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 22-843-100-380 CONTRACT LABO	\$1,950,000.00	\$919,237.20	\$334,237.20	\$1,030,762.80	47.14%
Active E 22-843-100-425 TELEPHONE	\$0.00	\$913.81	\$120.00	-\$913.81	0.00%
Active E 22-843-100-475 SUPPLIES	\$0.00	\$148,747.51	\$23.05	-\$148,747.51	0.00%
Active E 22-843-100-500 EQUIPMENT	\$0.00	\$81,582.50	\$0.00	-\$81,582.50	0.00%
Active E 22-843-100-526 UTILITIES	\$5,000.00	\$3,206.92	\$226.16	\$1,793.08	64.14%
Active E 22-843-100-552 INSURANCE	\$215,000.00	\$0.00	\$0.00	\$215,000.00	0.00%
Active E 22-843-100-576 GAS	\$5,000.00	\$1,910.99	\$182.03	\$3,089.01	53.15%
Active E 22-843-100-577 FUEL	\$5,000.00	\$45,081.38	\$0.00	-\$40,081.38	1553.68%
SUBDEPT 100 HOVERCRAFT OPERATION	\$2,180,000.00	\$1,200,680.31	\$334,788.44	\$945,775.24	55.08%
Total DEPT 843 Hovercraft Operation	\$2,180,000.00	\$1,200,680.31	\$334,788.44	\$945,775.24	55.08%
Total Fund 22 OPERATIONS	\$2,375,952.00	\$1,313,637.78	\$350,223.90	\$1,020,633.23	55.29%

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		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 24 BOND CONSTRUCTION						
Active	R 24-201 INTEREST REVENUE	\$0.00	\$18,427.22	\$18,427.22	-\$18,427.22	0.00%
Active	R 24-203 OTHER REVENUE	\$0.00	\$60,741.97	\$35,741.97	-\$60,741.97	0.00%
Active	R 24-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-227 COE-HARBOR PROJECTS	\$2,052,245.00	\$0.00	\$0.00	\$2,052,245.00	0.00%
Active	R 24-259 BOND PROCEEDS	\$1,171,609.64	\$0.00	\$0.00	\$1,171,609.64	0.00%
Active	R 24-270 STATE REVENUE OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-277 STATE BOND REBATE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 24 BOND CONSTRUCTION		\$3,223,854.64	\$79,169.19	\$54,169.19	\$3,144,685.45	2.46%

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	12-13 YTD Budget	12-13 YTD Amt	OCTOBER MTD Amt	12-13 YTD Balance	% of Budget
Fund 24 BOND CONSTRUCTION					
DEPT 809 Akutan Airport/Grant					
Active E 24-809-000-850 CAPITAL CONSTR	\$2,708,552.94	\$1,383,455.63	\$286,932.32	\$1,325,097.31	51.08%
SUBDEPT 000	\$2,708,552.94	\$1,383,455.63	\$286,932.32	\$1,325,097.31	51.08%
Total DEPT 809 Akutan Airport/Grant	\$2,708,552.94	\$1,383,455.63	\$286,932.32	\$1,325,097.31	51.08%
DEPT 830 KING COVE HARBOR					
Active E 24-830-000-850 CAPITAL CONSTR	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
SUBDEPT 000	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
Total DEPT 830 KING COVE HARBOR	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
DEPT 833 FALSE PASS HARBOR					
Active E 24-833-000-850 CAPITAL CONSTR	\$416,215.75	\$5,190.22	\$0.00	\$411,025.53	1.25%
SUBDEPT 000	\$416,215.75	\$5,190.22	\$0.00	\$411,025.53	1.25%
Total DEPT 833 FALSE PASS HARBOR	\$416,215.75	\$5,190.22	\$0.00	\$411,025.53	1.25%
DEPT 839 AKUTAN HARBOR					
Active E 24-839-000-850 CAPITAL CONSTR	\$1,171,609.64	\$68,904.14	\$0.00	\$1,102,705.50	5.88%
SUBDEPT 000	\$1,171,609.64	\$68,904.14	\$0.00	\$1,102,705.50	5.88%
Total DEPT 839 AKUTAN HARBOR	\$1,171,609.64	\$68,904.14	\$0.00	\$1,102,705.50	5.88%
DEPT 862 NELSON LAGOON DOCK					
Active E 24-862-000-850 CAPITAL CONSTR	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
SUBDEPT 000	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
Total DEPT 862 NELSON LAGOON DOCK	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
DEPT 867 KCC Alternative Road					
Active E 24-867-169-850 CAPITAL CONSTR	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
SUBDEPT 169 KCAP Road Completion	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
Total DEPT 867 KCC Alternative Road	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
DEPT 900 OTHER					
Active E 24-900-000-380 CONTRACT LABO	\$0.00	\$8,781.04	\$2,956.43	-\$8,781.04	0.00%
Active E 24-900-000-725 BOND INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$0.00	\$8,781.04	\$2,956.43	-\$8,781.04	0.00%
Total DEPT 900 OTHER	\$0.00	\$8,781.04	\$2,956.43	-\$8,781.04	0.00%
Total Fund 24 BOND CONSTRUCTION	\$6,403,863.69	\$1,466,331.03	\$289,888.75	\$4,937,532.66	22.90%

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		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 30 BOND FUND						
Active	R 30-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-203 OTHER REVENUE	\$2,815,936.78	\$0.00	\$0.00	\$2,815,936.78	0.00%
Active	R 30-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-259 BOND PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 30 BOND FUND		\$2,815,936.78	\$0.00	\$0.00	\$2,815,936.78	0.00%

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		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 30 BOND FUND						
DEPT 900 OTHER						
Active	E 30-900-000-725 BOND INTEREST	\$1,395,936.78	\$253,981.60	\$0.00	\$1,141,955.18	18.19%
Active	E 30-900-000-726 BOND PRINCIPAL	\$1,420,000.00	\$335,000.00	\$0.00	\$1,085,000.00	23.59%
Active	E 30-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000		<u>\$2,815,936.78</u>	<u>\$588,981.60</u>	<u>\$0.00</u>	<u>\$2,226,955.18</u>	<u>20.92%</u>
Total DEPT 900 OTHER		\$2,815,936.78	\$588,981.60	\$0.00	\$2,226,955.18	20.92%
Total Fund 30 BOND FUND		\$2,815,936.78	\$588,981.60	\$0.00	\$2,226,955.18	20.92%

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		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 40 PERMANENT FUND						
Active	R 40-201 INTEREST REVENUE	\$0.00	\$722,563.90	\$722,563.90	-\$722,563.90	0.00%
Active	R 40-203 OTHER REVENUE	\$350,000.00	\$0.00	\$0.00	\$350,000.00	0.00%
Active	R 40-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 40-230 LAND SALES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 40 PERMANENT FUND		\$350,000.00	\$722,563.90	\$722,563.90	-\$372,563.90	206.45%

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	12-13 YTD Budget	12-13 YTD Amt	OCTOBER MTD Amt	12-13 YTD Balance	% of Budget
Fund 40 PERMANENT FUND					
DEPT 900 OTHER					
Active E 40-900-000-380 CONTRACT LABO	\$350,000.00	\$8,781.03	\$2,956.43	\$341,218.97	2.51%
Active E 40-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	<u>\$350,000.00</u>	<u>\$8,781.03</u>	<u>\$2,956.43</u>	<u>\$341,218.97</u>	<u>2.51%</u>
Total DEPT 900 OTHER	<u>\$350,000.00</u>	<u>\$8,781.03</u>	<u>\$2,956.43</u>	<u>\$341,218.97</u>	<u>2.51%</u>
Total Fund 40 PERMANENT FUND	<u>\$350,000.00</u>	<u>\$8,781.03</u>	<u>\$2,956.43</u>	<u>\$341,218.97</u>	<u>2.51%</u>

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		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 41 MAINTENANCE RESERVE FUND						
Active	R 41-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-203 OTHER REVENUE	\$100,000.00	\$149,248.25	\$0.00	-\$49,248.25	149.25%
Active	R 41-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-276 AEB SCHOOL	\$0.00	\$66,376.82	\$66,376.82	-\$66,376.82	0.00%
Total Fund 41 MAINTENANCE RESERVE FUND		\$100,000.00	\$215,625.07	\$66,376.82	-\$115,625.07	215.63%

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		12-13	12-13	OCTOBER	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 41 MAINTENANCE RESERVE FUND						
DEPT 800 CAPITAL - SCHOOL						
Active	E 41-800-857-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 857 FALSE PASS SCHOOL		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-860-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-860-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-860-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 860 SAND POINT Gym Floor		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 865 Akutan School		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-300 SALARIES	\$0.00	\$420.00	\$0.00	-\$420.00	0.00%
Active	E 41-800-866-350 FRINGE BENEFITS	\$0.00	\$44.39	\$0.00	-\$44.39	0.00%
Active	E 41-800-866-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-400 TRAVEL AND PER	\$0.00	\$492.00	\$492.00	-\$492.00	0.00%
Active	E 41-800-866-425 TELEPHONE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-850 CAPITAL CONSTR	\$0.00	\$3,220.00	\$3,220.00	-\$3,220.00	0.00%
SUBDEPT 866 NELSON LAGOON SCHOOL		\$0.00	\$4,176.39	\$3,712.00	-\$4,176.39	0.00%
Active	E 41-800-867-300 SALARIES	\$0.00	\$12,870.00	\$0.00	-\$12,870.00	0.00%
Active	E 41-800-867-350 FRINGE BENEFITS	\$0.00	\$1,360.36	\$0.00	-\$1,360.36	0.00%
Active	E 41-800-867-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-867-475 SUPPLIES	\$0.00	\$958.51	\$0.00	-\$958.51	0.00%
Active	E 41-800-867-850 CAPITAL CONSTR	\$0.00	\$360.00	\$360.00	-\$360.00	0.00%
SUBDEPT 867 Sand Point School		\$0.00	\$15,548.87	\$360.00	-\$15,548.87	0.00%
Active	E 41-800-868-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-380 CONTRACT LABO	\$0.00	\$10,429.41	\$0.00	-\$10,429.41	0.00%
Active	E 41-800-868-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-475 SUPPLIES	\$0.00	\$1,563.20	(\$46.74)	-\$1,563.20	0.00%
Active	E 41-800-868-577 FUEL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-852 ASPHALT PAVING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 868 King Cove School		\$0.00	\$11,992.61	-\$46.74	-\$11,992.61	0.00%
Active	E 41-800-869-300 SALARIES	\$0.00	\$2,640.00	\$0.00	-\$2,640.00	0.00%
Active	E 41-800-869-350 FRINGE BENEFITS	\$0.00	\$279.04	\$0.00	-\$279.04	0.00%
Active	E 41-800-869-380 CONTRACT LABO	\$0.00	\$600.00	\$600.00	-\$600.00	0.00%
Active	E 41-800-869-400 TRAVEL AND PER	\$0.00	\$590.00	\$590.00	-\$590.00	0.00%
Active	E 41-800-869-475 SUPPLIES	\$0.00	\$395.28	\$0.00	-\$395.28	0.00%
Active	E 41-800-869-942 PROPERTY LEASE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 869 COLD BAY SCHOOL		\$0.00	\$4,504.32	\$1,190.00	-\$4,504.32	0.00%
Total DEPT 800 CAPITAL - SCHOOL		\$0.00	\$36,222.19	\$5,215.26	-\$36,222.19	0.00%
DEPT 900 OTHER						
Active	E 41-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-900-000-753 MISC EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-900-000-880 LAND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

ALEUTIANS EAST BOROUGH

11/05/12 10:25 AM

***Expenditure Guideline©**

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Current Period: OCTOBER 12-13

	12-13 YTD Budget	12-13 YTD Amt	OCTOBER MTD Amt	12-13 YTD Balance	% of Budget
SUBDEPT 000	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 900 OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 41 MAINTENANCE RESERVE FUND	\$0.00	\$36,222.19	\$5,215.26	-\$36,222.19	0.00%

Akutan Airport					
Hovercraft/Landing Craft Expenses					
AEB Grant \$150,000.00					
20-809-000-850					
FY10 - FY12					
FY10					Grant
Date	Vendor	Amount	Comments		\$ 150,000.00
9/10/2009	K&L Gates	\$ 1,496.87	Akutan Airport-Consulting		
10/14/2009	K&L Gates	\$ 3,727.50	Akutan Airport-Consulting		
11/6/2009	K&L Gates	\$ 8,785.07	Akutan Airport-Consulting/Environmental		
11/30/2009	K&L Gates	\$ 4,082.50	Akutan Airport-Consulting		
12/17/2009	K&L Gates	\$ 7,648.00	Akutan Airport-Consulting		
2/2/2010	K&L Gates	\$ 10,750.28	Akutan Airport-Consulting/Environmental		
3/11/2010	K&L Gates	\$ 6,380.29	Akutan Airport-Consulting/Environmental		
3/31/2010	K&L Gates	\$ 7,860.29	Akutan Airport-Consulting/Environmental		
4/20/2010	K&L Gates	\$ 2,035.00	Akutan Airport-Consulting/Environmental		
5/5/2010	K&L Gates	\$ 6,455.00	Akutan Airport-Consulting/Environmental		
6/10/2010	K&L Gates	\$ 740.00	Akutan Airport-Consulting/Environmental		
	Duplicate Payments	\$ (10,462.79)			
		\$ 49,498.01		\$ 49,498.01	
3/2/2010	Seamasters	\$ 9,300.00	Akutan Airport-Hovercraft		
3/11/2010	Seamasters	\$ 2,500.47	Akutan Airport-Hovercraft		
		\$ 11,800.47	Total	\$ 11,800.47	\$ 61,298.48
			Total Remaining Grant FY10		\$ 88,701.52
FY11					
Date	Vendor	Amount	Comments		
9/21/2010	USKH	\$ 4,070.00	Akutan Airport-Consulting		
10/22/2010	USKH	\$ 2,220.00	Akutan Airport-Consulting		
11/29/2011	USKH	\$ 4,070.00	Akutan Airport-Consulting		
1/19/2011	USKH	\$ 7,190.00	Akutan Airport-Consulting		
2/18/2011	USKH	\$ 4,665.00	Akutan Airport-Consulting		
3/27/2011	USKH	\$ 3,008.00	Akutan Airport-Consulting		
4/21/2011	USKH	\$ 1,665.00	Akutan Airport-Consulting		
5/20/2011	USKH	\$ 2,220.00	Akutan Airport-Consulting		
6/16/2011	USKH	\$ 2,220.00	Akutan Airport-Consulting		
6/30/2011	USKH	\$ 4,000.00	Akutan Airport-Consulting		
		\$ 35,328.00		\$ 35,328.00	\$ 35,328.00

			Total Remaining Grant FY11	\$ 53,373.52
FY12				
Date	Vendor	Amount	Comments	
7/29/2011	USKH	\$ 760.00	Akutan Airport-Consulting	
9/7/2011	USKH	\$ 370.00	Akutan Airport-Consulting	
10/27/2011	USKH	\$ 740.00	Akutan Airport-Consulting	
11/1/2011	USKH	\$ 1,665.00	Akutan Airport-Consulting	
12/30/2011	USKH	\$ 555.00	Akutan Airport-Consulting	
1/17/2012	USKH	\$ 6,100.00	Akutan Airport-Consulting	
2/21/2012	USKH	\$ 1,874.00	Akutan Airport-Consulting	
3/16/2012	USKH	\$ 1,295.00	Akutan Airport-Consulting	
4/18/2012	USKH	\$ 1,572.50	Akutan Airport-Consulting	
5/22/2012	USKH	\$ 1,692.50	Akutan Airport-Consulting	
6/21/2012	USKH	\$ 1,850.00	Akutan Airport-Consulting	
6/30/2012	USKH	\$ 925.00	Akutan Airport-Consulting	
		\$ 19,399.00		\$ 19,399.00
12/8/2011	Bearfoot Inn Alaska	\$ 600.00	Hotel-Hovercraft to Cold Bay	
12/8/2011	Seward Brandell	\$ 600.00	Truck Rental-Hovercraft	
12/8/2011	Seward Brandell	\$ 1,768.00	Contract-Hovercraft to Cold Bay	
3/21/2012	G & K, Inc.	\$ 10,245.57	Hovercraft Utilities/Cold Bay	
		\$ 13,213.57		\$ 13,213.57
4/13/2012	Hoverlink, LLC	\$ 54,338.81	Akutan Airport Project-Phase 1	
		\$ 54,338.81		\$ 54,338.81
				\$ 86,951.38
			Overexpended	\$ (33,577.86)
			Taken Out Of General Fund	\$ 33,577.86
			Total Remaining Grant As Of 6/30/12	\$ -

Akutan Airport					
Hovercraft/Landing Craft Expenses					
AEB Grant /Communities \$457,827.89 /149,005.00					
20-900-000-850					
FY12					
				Grant	
				\$	149,005.00
				\$	457,827.89
Date	Vendor	Amount	Comments		
12/30/2011	Peninsula Airways	\$ 117.00	P.Tobin Travel		
12/30/2011	Peninsula Airways	\$ 117.00	S.Brandell Travel		
3/28/2012	CCFM	\$ 70.37	Oil Pads/Hovercraft		
5/14/2012	Kvichak Marine	\$ 350,000.00	Progress Payment 1		
5/16/2012	Aleutian Services	\$ 421.20	Hovercraft Freight Transfer		
5/22/2012	Far North Supply	\$ 296.65	Supplies/Hovercraft		
5/22/2012	Far North Supply	\$ 7.85	Supplies/Hovercraft		
5/31/2012	Frosty Fuel	\$ 80.85	Gas/Hovercraft		
5/31/2012	Frosty Fuel	\$ 113.19	Gas/Hovercraft		
5/31/2012	Frosty Fuel	\$ 184.88	Gas/Hovercraft		
6/5/2012	Far North Supply	\$ 8.95	Supplies/Hovercraft		
6/5/2012	Far North Supply	\$ 422.94	Supplies/Hovercraft		
6/5/2012	Bearfoot Inn	\$ 9.10	Cleaning Supplies/Hovercraft		
6/5/2012	Bearfoot Inn	\$ 9.10	Cleaning Supplies/Hovercraft		
6/11/2012	Aleutian Services	\$ 774.05	Hovercraft Freight Transfer		
6/19/2012	Frosty Fuel	\$ 181.64	Gas/Hovercraft		
6/19/2012	Frosty Fuel	\$ 167.09	Gas/Hovercraft		
6/26/2012	Frosty Fuel	\$ 198.35	Gas/Hovercraft		
6/26/2012	Frosty Fuel	\$ 72.75	Gas/Hovercraft		
6/26/2012	Frosty Fuel	\$ 153.08	Gas/Hovercraft		
6/29/2012	Seawide	\$ 22,683.46	FLIR Camera/Hovercraft		
6/29/2012	Hoverlink, LLC	\$ 195,000.00	Hovercraft/Phase 2 April 2012		
6/29/2012	Hoverlink, LLC	\$ 195,000.00	Hovercraft/Phase 2 May 2012		
6/30/2012	Frosty Fuel	\$ 1,078.00	Fuel/Hovercraft		
		\$ 767,167.50		\$ 767,167.50	\$ 767,167.50
			Overexpended		\$ (160,334.61)
			Taken Out of General Fund	\$ 160,334.61	
			Total AEB/CIP Grant 6/30/12	\$	\$ -

Akutan Airport					
Hovercraft/Landing Craft Expenses					
Bond \$3,000,000.00					
24-809-000-850					
FY11-FY13					
FY11					Bond
Date	Vendor	Amount	Comments		\$ 3,000,000.00
8/12/2010	Kvichak Marine	\$ 212,326.83	Akutan Airport-Hovercraft Project		
12/30/2010	USKH	\$ 5,235.00	Akutan Airport-Consulting		
		\$ 217,561.83		\$ 217,561.83	\$ 217,561.83
			Total Remaining Bond FY11		\$ 2,782,438.17
FY12					
Date	Vendor	Amount	Comments		
12/30/2011	Kvichak Marine	\$ 34,041.73	Contract-Hovercraft to Cold Bay		
4/18/2012	Union Bank	\$ 39,843.50	Workskiff-50%		
		\$ 73,885.23		\$ 73,885.23	\$ 73,885.23
			Total Remaining Bond As Of 6/30/12		\$ 2,708,552.94
FY13					
Date	Vendor	Amount	Comments		
7/18/2012	Keybank	\$ 9,940.00	Arizon Trailer Specialists		
7/31/2012	Alaska Air Forwarding	\$ 583.31	Freight-Akutan Airport		
7/31/2012	Peoples Bank	\$ 1,000,000.00	Kvichak Marine		
9/14/2012	Bank of New York Mellon	\$ 55,000.00	CMF Leasing/Kiewitt-Telehandler		
9/14/2012	Bank of New York Mellon	\$ 31,000.00	CMF Leasing/Kiewitt-Van		
10/18/2012	Knik Construction	\$ 25,000.00	Hovercraft Pad/Akutan Airport		
10/23/2012	Kvichak Marine	\$ 215,448.56	Hovercraft/Akutan		
10/23/2012	Kvichak Marine	\$ 3,023.79	Hovercraft/Akutan		
10/30/2012	Kvichak Marine	\$ 20,149.26	Hovercraft/Akutan		
10/30/2012	Kvichak Marine	\$ 23,040.69	Hovercraft/Akutan		
10/30/2012	Kvichak Marine	\$ 270.02	Hovercraft/Akutan		
		\$ 1,383,455.63		\$ 1,383,455.63	\$ 1,383,455.63
			Total Remaining Bond As Of 9/21/12		\$ 1,325,097.31

Akutan Airport									
Hovercraft/Landing Craft Expenses									
22-843-100									
FY13									
FY13									Budget
Date	Vendor	Amount	Comments						
7/12/2012	Hoverlink LLC	\$ 195,000.00	Phase 2 June 2012						
7/26/2012	Wells Fargo Bank	\$ 41,359.00	Dwayne Lanes Auto-Truck						
7/31/2012	Hickey & Associates	\$ 1,920.84	Akutan Airport Fees						
7/31/2012	Peninsula Airways	\$ 292.40	Freight/Hovercraft						
7/31/2012	Union Bank	\$ 40,223.50	Workskiff						
7/31/2012	Frosty Fuel	\$ 1,347.50	Hovercraft/Fuel						
7/31/2012	Frosty Fuel	\$ 1,347.50	Hovercraft/Fuel						
7/31/2012	Frosty Fuel	\$ 1,347.50	Hovercraft/Fuel						
8/6/2012	Frosty Fuel	\$ 11.32	Hovercraft Fuel						
8/6/2012	Frosty Fuel	\$ 1,239.70	Hovercraft Fuel						
8/6/2012	Frosty Fuel	\$ 1,266.65	Hovercraft Fuel						
8/6/2012	Frosty Fuel	\$ 1,447.50	Hovercraft Fuel						
8/6/2012	Frosty Fuel	\$ 1,342.11	Hovercraft Fuel						
8/6/2012	Frosty Fuel	\$ 1,347.50	Hovercraft Fuel						
8/6/2012	Frosty Fuel	\$ 1,347.50	Hovercraft Fuel						
8/13/2012	Peoples Bank	\$ 195,000.00	Phase 2 July 2012/ Hoverlink LLC						
8/13/2012	Bearfoot Inn	\$ 53.20	Hovercraft Supplies						
8/15/2012	Frosty Fuel	\$ 646.80	Hovercraft/Fuel						
8/15/2012	Frosty Fuel	\$ 1,277.43	Hovercraft/Fuel						
8/15/2012	Frosty Fuel	\$ 1,347.50	Hovercraft/Fuel						
8/15/2012	Frosty Fuel	\$ 1,185.80	Hovercraft/Fuel						
8/15/2012	Frosty Fuel	\$ 1,347.50	Hovercraft/Fuel						
8/15/2012	Frosty Fuel	\$ 1,277.43	Hovercraft/Fuel						
8/15/2012	Frosty Fuel	\$ 1,401.40	Hovercraft/Fuel						
8/15/2012	Frosty Fuel	\$ 1,428.35	Hovercraft/Fuel						
8/15/2012	Frosty Fuel	\$ 1,482.25	Hovercraft/Fuel						
8/15/2012	Frosty Fuel	\$ 1,180.41	Hovercraft/Fuel						
8/15/2012	Frosty Fuel	\$ 323.40	Hovercraft/Gas						
8/15/2012	Frosty Fuel	\$ 86.24	Hovercraft/Gas						
8/15/2012	Frosty Fuel	\$ 75.46	Hovercraft/Gas						

8/15/2012	Coastal Transportation	\$ 22,498.75	Hovercraft Freight				
8/20/2012	Chamber of Commerce	\$ 95,566.20	Datawell BV-				
8/23/2012	Peninsula Airways	\$ 46.34	Freight/Hovercraft				
8/23/2012	G & K Inc.	\$ 1,856.39	Hovercraft Landing Pad/Utilities				
8/23/2012	Frosty Fuel	\$ 5,241.14	Hovercraft/Fuel				
8/23/2012	Frosty Fuel	\$ 4,214.00	Hovercraft/Fuel				
8/23/2012	Frosty Fuel	\$ 2,810.91	Hovercraft/Fuel				
8/28/2012	Frosty Fuel	\$ 1,347.50	Hovercraft/Fuel				
8/28/2012	Frosty Fuel	\$ 1,347.50	Hovercraft/Fuel				
8/28/2012	Coastal Transportation	\$ 161.94	Freight/Hovercraft				
8/28/2012	Far North Supply	\$ 385.75	Fuel Pump				
8/28/2012	Peninsula Airways	\$ 46.34	Freight/Hovercraft				
8/28/2012	Frosty Fuel	\$ 129.36	Hovercraft/Gas				
8/28/2012	Frosty Fuel	\$ 91.63	Hovercraft/Gas				
8/28/2012	Frosty Fuel	\$ 91.63	Hovercraft/Gas				
8/31/2012	Linda Mack	\$ 100.00	Vehicle Registration				
9/6/2012	Bearfoot Inn	\$ 17.70	Hovercraft Supplies				
9/10/2012	G & K Inc.	\$ 984.27	Hovercraft Landing Pad/Utilities				
9/19/2012	Hoverlink LLC	\$ 195,000.00	Phase 2 August 2012				
9/19/2012	Coastal Transportation	\$ 15,502.75	Freight/Hovercraft				
9/19/2012	Keybank	\$ 1,165.00	Hovercraft Truck/Ferry to Akutan				
9/19/2012	Keybank	\$ 701.00	Hovercraft Truck/Ferry to Akutan				
9/19/2012	Kvichak Marine	\$ 9,763.38	Hovercraft				
9/19/2012	Kvichak Marine	\$ 502.87	Hovercraft				
9/19/2012	Frosty Fuel	\$ 142.30	Hovercraft/Gas				
9/19/2012	Frosty Fuel	\$ 130.44	Hovercraft/Gas				
9/19/2012	King Cove Corporation	\$ 4,752.80	Hovercraft/Fuel				
9/19/2012	King Cove Corporation	\$ 759.20	Hovercraft/Fuel				
9/26/2012	Trident Seafoods	\$ 264.80	Hovercraft/Gas				
10/16/2012	Hoverlink LLC	\$ 116,138.00	Phase 2 Hovercraft				
10/17/2012	CLS America	\$ 23.05	Hovercraft-Buoys/Direct Email				
10/30/2012	Hoverlink LLC	\$ 218,099.20	Phase 2/Hovercraft - September				
		\$ 1,198,835.83				\$ 1,198,835.83	
Other Invoices Posted In 22-843-100							
10/31/2012	Telalaska Inc.	\$ 387.06	Hovercraft Phone				
10/31/2012	Glentel Inc.	\$ 526.75	Hovercraft Sat Phone				
10/31/2012	King Cove City of	\$ 197.25	Utilities/King Cove				

Akutan Airport					
Hovecraft/Landing Craft Expenses					
Repairs /Renovations					
FY11-FY13					
21-Sep-12					
Vendor	FY11 Amount	FY12 Amount	FY13 Amount	Total Amount Paid To Vendor	
Bearfoot Inn		\$ 618.20	\$ 70.90	\$ 689.10	
Seward Brandell		\$ 2,368.00		\$ 2,368.00	
G & K Inc.		\$ 10,245.57	\$ 2,840.66	\$ 13,086.23	
Hoverlink, LLC		\$ 54,338.81		\$ 54,338.81	
Peninsula Airways		\$ 234.00	\$ 385.08	\$ 619.08	
CCFM		\$ 70.37		\$ 70.37	
Kvichak Marine	\$ 212,326.83	\$ 384,041.73	\$ 1,010,266.25	\$ 1,606,634.81	
Aleutian Services		\$ 1,195.25		\$ 1,195.25	
Far North Supply		\$ 736.39	\$ 385.75	\$ 1,122.14	
Frosty Fuel		\$ 2,229.83	\$ 40,651.16	\$ 42,880.99	
Seawide		\$ 22,683.46		\$ 22,683.46	
Union Bank-Workskiff		\$ 39,843.50	\$ 40,223.50	\$ 80,067.00	
Keybank-Arizona Trailer			\$ 9,940.00	\$ 9,940.00	
Keybank-Alaska Marine Ferry			\$ 1,165.00	\$ 1,165.00	
Alaska Air Forwarding			\$ 583.31	\$ 583.31	
Bank of New York-Kiewitt			\$ 86,000.00	\$ 86,000.00	
Wells Fargo-Dwayne Auto			\$ 41,359.00	\$ 41,359.00	
Hickey & Associates			\$ 1,920.84	\$ 1,920.84	
Coastal Transportation			\$ 38,163.44	\$ 38,163.44	
Chamber of Commerce-Datawell			\$ 95,566.20	\$ 95,566.20	
Linda Mack			\$ 100.00	\$ 100.00	
King Cove Corporation			\$ 5,512.00	\$ 5,512.00	
				\$	
Total As Of September 21, 2012	\$ 212,326.83	\$ 518,605.11	\$ 1,375,133.09	\$ 2,106,065.03	
Akutan Airport					
Hovecraft/Landing Craft Expenses					
Operations					
FY12-FY13					
		FY12	FY13	Total Amount Paid to Vendor	
Hoverlink, LLC		\$ 390,000.00	\$ 919,237.20	\$ 1,309,237.20	
CLS America-Buoys/Direct Email			\$ 23.05	\$ 23.05	
Kvichak Marine			\$ 261,932.32	\$ 261,932.32	24-809-000-850
Knik Construction			\$ 25,000.00	\$ 25,000.00	24-809-000-850

Total As Of October 31, 2012		\$ 390,000.00	\$ 1,206,192.57	\$ 1,596,192.57		\$ 1,596,192.57
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INVESTMENT REPORT



October 10, 2012

Mr. Rick Gifford
Administrator
Aleutians East Borough
3380 C Street, Suite 205
Anchorage, Alaska 99503

sent via email

Dear Rick,

Enclosed is the September 2012 report for the Aleutians East Borough, which includes a listing of portfolio assets, purchases and sales. As this report coincides with the end of a calendar quarter, performance data is included.

Permanent Fund:

The month-end market value of the portfolio was \$30,018,853, which includes \$64,227 in accrued interest receivable. Estimated annual cash income from the portfolio, excluding dividends on equities, is \$283,193.

Series E account:

The month-end market value of the portfolio was \$2,448,166.

Akutan Harbor-2006A:

The month-end market value of the account was \$1,640,898.

Operating Fund:

The month-end market value of the portfolio was \$2,507,403.

2010 Series A:

The month-end balance \$2,008,335.

2010 Series B:

The month-end balance was \$2,012,597.

If we can provide anything further please let us know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bert Wagon".

Bert Wagon
Senior Vice President

A handwritten signature in blue ink, appearing to read "Evan Rose".

Evan Rose
President and CEO

cc via email: Anne Bailey, Office Manager,
Linda Mack, Administrative Clerk

ALEUTIANS EAST BOROUGH

Account Statement - Quarter Ending September 30, 2012

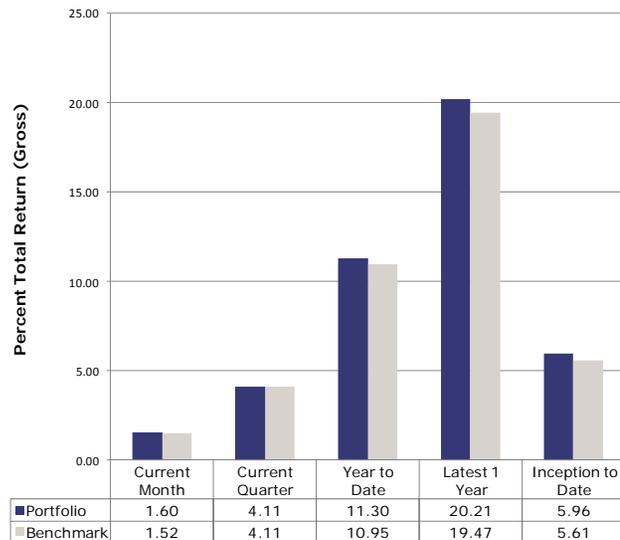


ACCOUNT ACTIVITY

Portfolio Value on 06-30-12	28,336,199
Contributions	500,000
Withdrawals	-2,377
Change in Market Value	937,084
Interest	71,621
Dividends	176,326
Portfolio Value on 09-30-12	30,018,853

INVESTMENT PERFORMANCE

Current Account Benchmark:
Equity Blend

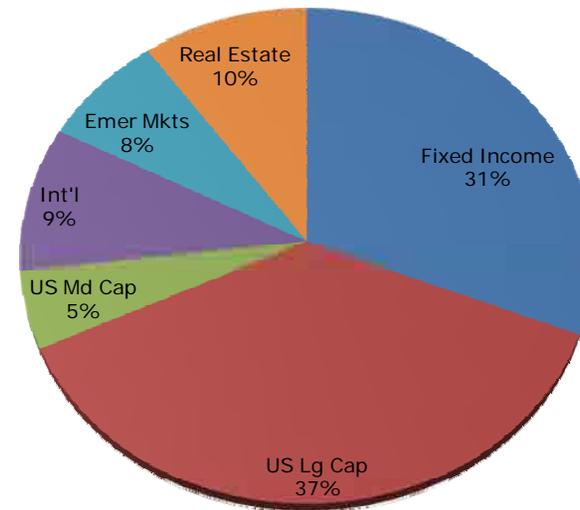


Performance for Periods One Year and Greater are Annualized

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP, ChFC Laura@apcm.net
Your Portfolio Manager:	Bert Wagnon Brandy Niclai, CFA
Contact Phone Number:	907/272 -7575

PORTFOLIO COMPOSITION



Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
ALEUTIANS EAST BOROUGH
September 30, 2012

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
500,000	US TREASURY NOTES 0.125% Due 09-30-13	99.93	499,668	99.93	499,670	1.66	625	2	0.19
800,000	US TREASURY NOTES 0.250% Due 11-30-13	100.00	800,031	100.05	800,408	2.67	2,000	672	0.21
125,000	US TREASURY NOTES 1.875% Due 02-28-14	98.35	122,940	102.33	127,915	0.43	2,344	201	0.23
300,000	US TREASURY NOTES 2.625% Due 06-30-14	100.45	301,337	104.15	312,456	1.04	7,875	1,990	0.25
525,000	US TREASURY NOTES 1.250% Due 10-31-15	97.52	511,991	102.80	539,726	1.80	6,562	2,746	0.34
250,000	US TREASURY NOTES 0.625% Due 05-31-17	99.52	248,799	100.25	250,625	0.83	1,562	525	0.57
275,000	US TREASURY NOTES 3.375% Due 11-15-19	97.63	268,490	115.94	318,829	1.06	9,281	3,506	1.05
150,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	156,059	117.09	175,629	0.59	5,250	1,983	1.15
250,000	US TREASURY NOTES 2.625% Due 11-15-20	104.36	260,910	110.41	276,015	0.92	6,562	2,479	1.27
	Accrued Interest				14,104	0.05			
			3,170,225		3,315,377	11.04		14,104	
AGENCIES									
400,000	FEDERAL HOME LN BKS 4.875% Due 05-17-17	99.74	398,946	119.25	477,000	1.59	19,500	7,258	0.65
	Accrued Interest				7,258	0.02			
			398,946		484,258	1.61		7,258	
FNMA & FHLMC									
121,476	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	104.56	127,018	106.43	129,285	0.43	4,859	405	1.60
	Accrued Interest				405	0.00			
			127,018		129,690	0.43		405	
ASSET-BACKED SECURITIES									
150,000	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	107.25	160,875	106.88	160,314	0.53	5,700	253	0.55
	Accrued Interest				253	0.00			
			160,875		160,568	0.53		253	

* Callable security

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
ALEUTIANS EAST BOROUGH
September 30, 2012

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
COMMERCIAL MORTGAGE-BACKED SECURITIES									
500,000	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41 Accrued Interest	100.55	502,726	104.41	522,058	1.74	27,590	2,299	2.07
					2,299	0.01			
			502,726		524,358	1.75		2,299	
CORPORATE BONDS									
150,000	GLAXOSMITHKLINE CAP INC 4.850% Due 05-15-13	99.79	149,683	102.77	154,162	0.51	7,275	2,748	0.40
150,000	TOYOTA MOTOR CREDIT 1.375% Due 08-12-13	101.03	151,539	100.93	151,398	0.50	2,062	281	0.30
150,000	BARRICK GOLD FINANCE CO. 6.125% Due 09-15-13	111.45	167,173	105.19	157,791	0.53	9,187	408	0.68
100,000	CATERPILLAR FINANCIAL 6.125% Due 02-17-14	100.12	100,125	107.71	107,711	0.36	6,125	749	0.51
100,000	MORGAN STANLEY 6.000% Due 04-28-15	95.25	95,250	108.37	108,375	0.36	6,000	2,550	2.62
250,000	GENERAL ELECT CAP CORP MED TERM NT SER A 6.900% Due 09-15-15	104.49	261,227	116.16	290,402	0.97	17,250	767	1.31
150,000	PPG INDUSTRIES INC 1.900% Due 01-15-16	98.62	147,937	103.35	155,029	0.52	2,850	602	0.86
150,000	HSBC FINANCE CORP 5.500% Due 01-19-16	97.07	145,611	110.56	165,834	0.55	8,250	1,650	2.17
150,000	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16	99.98	149,971	105.47	158,205	0.53	3,150	1,164	0.58
150,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	117.91	176,866	118.58	177,867	0.59	8,437	3,891	0.93
150,000	JOHN DEERE CAPITAL CORP 2.000% Due 01-13-17	102.52	153,774	104.17	156,252	0.52	3,000	650	1.00
150,000	STATOIL ASA 3.125% Due 08-17-17	107.07	160,599	109.57	164,355	0.55	4,687	573	1.11
150,000	ASTRAZENECA PLC 5.900% Due 09-15-17	101.14	151,711	122.83	184,252	0.61	8,850	393	1.15
150,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	117.17	175,749	119.02	178,530	0.59	9,300	4,650	2.17
150,000	JPMORGAN CHASE 6.000% Due 01-15-18	103.99	155,979	119.23	178,839	0.60	9,000	1,900	2.14
150,000	UNITED PARCEL SERVICE 5.500% Due 01-15-18	121.23	181,845	121.59	182,389	0.61	8,250	1,742	1.27
150,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	149,358	120.76	181,137	0.60	8,625	1,437	1.67

* Callable security

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
ALEUTIANS EAST BOROUGH
September 30, 2012

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
200,000	UNITED HEALTH GROUP INC 6.000% Due 02-15-18	121.46	242,916	122.82	245,634	0.82	12,000	1,533	1.56
150,000	BANK OF AMERICA CORP 5.650% Due 05-01-18	83.68	125,521	114.02	171,027	0.57	8,475	3,531	2.91
150,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	116.51	174,771	124.02	186,028	0.62	11,250	1,437	3.29
150,000	VERIZON COMMUNICATIONS 6.350% Due 04-01-19	125.02	187,530	128.21	192,322	0.64	9,525	4,762	1.74
161,488	SOUTHWEST AIRLS 2007-1 PASS 6.150% Due 08-01-22	102.36	165,302	113.25	182,885	0.61	9,932	1,655	4.47
	Accrued Interest				39,074	0.13			
			3,570,441		3,869,502	12.89		39,074	
MUNICIPAL BONDS									
200,000	FAIRBANKS NORTH STAR BORO AK 5.000% Due 09-01-22	120.54	241,078	127.23	254,454	0.85	10,000	833	1.97
	Accrued Interest				833	0.00			
			241,078		255,287	0.85		833	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
84,158	VANGUARD INST'L S&P500 INDEX FUND	96.89	8,153,816	131.95	11,104,671	36.99	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
15,444	ISHARES S&P MIDCAP 400	72.41	1,118,232	98.68	1,524,014	5.08	NA		
INTERNATIONAL FUNDS/ETF									
86,372	VANGUARD MSCI EAFE ETF	37.88	3,271,921	32.88	2,839,911	9.46	NA		
EMERGING MARKET FUNDS/ETF									
53,953	VANGUARD EMERGING MARKET ETF	43.10	2,325,355	41.72	2,250,919	7.50	NA		
REAL ESTATE									
45,907	VANGUARD REIT ETF	53.03	2,434,236	64.97	2,982,536	9.94	NA		
CASH AND EQUIVALENTS									
	CASH RECEIVABLE		312		312	0.00	NA		
	DIVIDEND ACCRUAL		4,872		4,872	0.02			
	FEDERATED PRIME CASH INST'L SHARES		572,576		572,576	1.91			
	VICTORY MONEY MARKET FUND		0		0	0.00			
			577,760		577,760	1.92			
TOTAL PORTFOLIO			26,052,629		30,018,853	100	283,193	64,227	

* Callable security

AEB/AKUTAN HARBOR - 2006 A

Account Statement - Quarter Ending September 30, 2012



ACCOUNT ACTIVITY

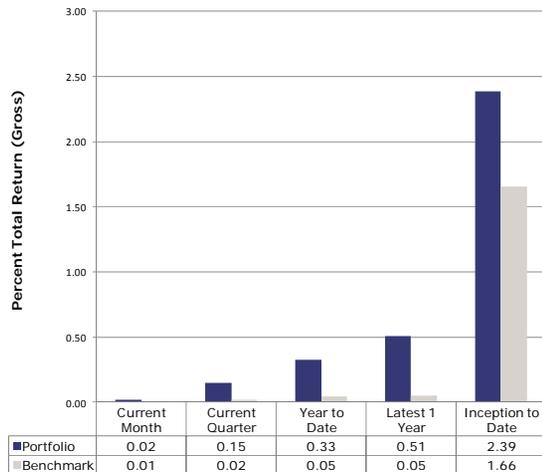
Portfolio Value on 06-30-12	2,110,702
Contributions	68,067
Withdrawals	-540,374
Change in Market Value	-1,664
Interest	4,167
Dividends	0
Portfolio Value on 09-30-12	1,640,898

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272 -7575

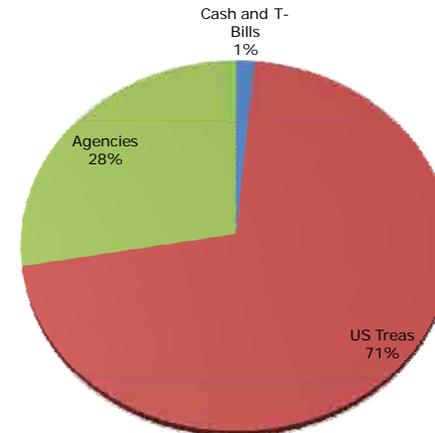
INVESTMENT PERFORMANCE

Current Account Benchmark:
90 Day Tbill



Performance for Periods One Year and Greater are Annualized

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: Aaa Yield to Maturity: 0.20% Average Maturity: 1.15 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB/AKUTAN HARBOR - 2006 A
September 30, 2012

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
325,000	US TREASURY NOTES 0.750% Due 12-15-13	100.77	327,514	100.64	327,093	19.93	2,437	719	0.22
500,000	US TREASURY NOTES 1.250% Due 02-15-14	102.45	512,227	101.41	507,030	30.90	6,250	798	0.23
325,000	US TREASURY NOTES 0.250% Due 05-31-14	99.98	324,949	100.03	325,101	19.81	812	273	0.23
	Accrued Interest				1,791	0.11			
			1,164,689		1,161,014	70.75		1,791	
AGENCIES									
150,000	FNMA 0.500% Due 10-30-12	100.29	150,430	100.03	150,040	9.14	750	315	0.18
300,000	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	102.35	307,037	101.21	303,645	18.50	5,625	1,562	0.20
	Accrued Interest				1,877	0.11			
			457,468		455,563	27.76		1,877	
CASH AND EQUIVALENTS									
	FEDERATED PRIME CASH INST'L SHARES		24,321		24,321	1.48			
TOTAL PORTFOLIO			1,646,478		1,640,898	100	15,875	3,668	

AEB OPERATING FUND

Account Statement - Quarter Ending September 30, 2012



ACCOUNT ACTIVITY

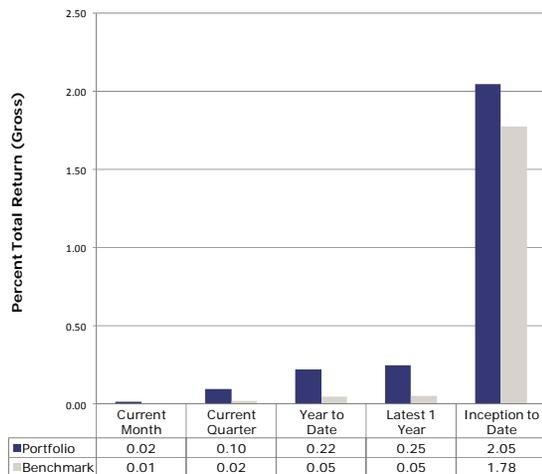
Portfolio Value on 06-30-12	2,505,314
Contributions	1,381,227
Withdrawals	-1,381,599
Change in Market Value	-5,519
Interest	7,980
Dividends	0
Portfolio Value on 09-30-12	2,507,403

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272 -7575

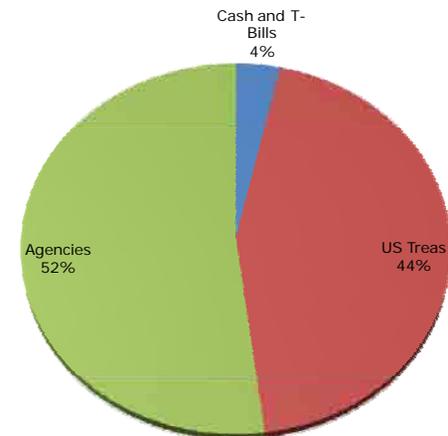
INVESTMENT PERFORMANCE

Current Account Benchmark:
90 Day Tbill



Performance for Periods One Year and Greater are Annualized

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: Aaa Yield to Maturity: 0.30% Average Maturity: 0.54 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB OPERATING FUND
September 30, 2012

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
500,000	US TREASURY NOTES 0.375% Due 06-30-13	100.16	500,801	100.15	500,740	19.97	1,875	474	0.18
600,000	US TREASURY NOTES 1.750% Due 01-31-14 Accrued Interest	102.46	614,742	102.03	612,210	24.42	10,500	1,769	0.22
			1,115,543		1,115,193	44.48		2,243	
AGENCIES									
1,000,000	FHLB 1.375% Due 10-26-12	101.04	1,010,430	100.08	1,000,830	39.92	13,750	344	0.23
300,000	FEDERAL FARM CREDIT BANK 1.875% Due 12-07-12 Accrued Interest	102.10	306,298	100.31	300,942	12.00	5,625	1,781	0.19
			1,316,728		1,303,897	52.00		2,125	
CASH AND EQUIVALENTS									
	FEDERATED PRIME CASH INST'L SHARES		88,313		88,313	3.52			
TOTAL PORTFOLIO			2,520,584		2,507,403	100	31,750	4,368	

ALEUTIANS EAST BOROUGH SERIES E BOND

Account Statement - Quarter Ending September 30, 2012



ACCOUNT ACTIVITY

Portfolio Value on 06-30-12	2,446,274
Contributions	0
Withdrawals	-365
Change in Market Value	-5,466
Interest	7,723
Dividends	0
Portfolio Value on 09-30-12	2,448,166

MANAGEMENT TEAM

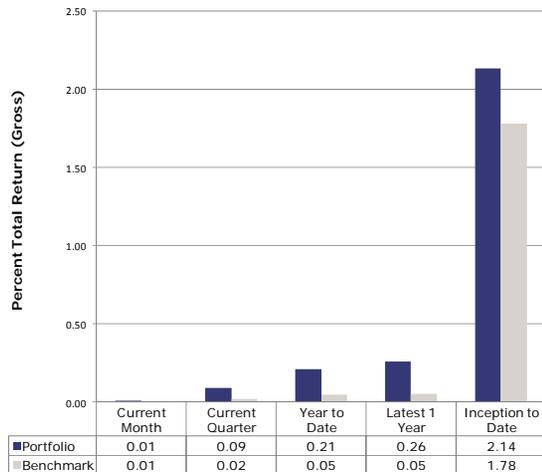
Director of Client Relations: Laura Bruce, CFP, ChFC
 Laura@apcm.net

Your Portfolio Manager: Bill Lierman, CFA
 Bert Wagnon

Contact Phone Number: 907/272 -7575

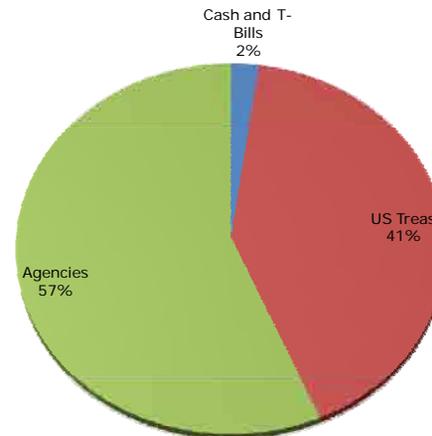
INVESTMENT PERFORMANCE

Current Account Benchmark:
90 Day Tbill



Performance for Periods One Year and Greater are Annualized

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: Aaa Yield to Maturity: 0.20% Average Maturity: 0.56 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
ALEUTIANS EAST BOROUGH SERIES E BOND
September 30, 2012

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
500,000	US TREASURY NOTES 0.375% Due 06-30-13	100.15	500,742	100.15	500,740	20.45	1,875	474	0.18
500,000	US TREASURY NOTES 1.750% Due 01-31-14 Accrued Interest	102.61	513,047	102.03	510,175	20.84	8,750	1,474	0.22
					1,948	0.08			
			1,013,789		1,012,863	41.37		1,948	
AGENCIES									
750,000	FHLB 1.375% Due 10-26-12	101.04	757,822	100.08	750,622	30.66	10,312	258	0.23
500,000	FEDERAL FARM CREDIT BANK 1.875% Due 12-07-12	102.10	510,496	100.31	501,570	20.49	9,375	2,969	0.19
125,000	FHLMC 0.375% Due 10-30-13 Accrued Interest	100.07	125,088	100.16	125,197	5.11	469	197	0.23
					3,423	0.14			
			1,393,407		1,380,813	56.40		3,423	
CASH AND EQUIVALENTS									
	FEDERATED PRIME CASH INST'L SHARES		54,490		54,490	2.23			
TOTAL PORTFOLIO			2,461,686		2,448,166	100	30,781	5,371	

* Callable security

AEB 2010 SERIES A GO BOND/KCAP

Account Statement - Quarter Ending September 30, 2012



ACCOUNT ACTIVITY

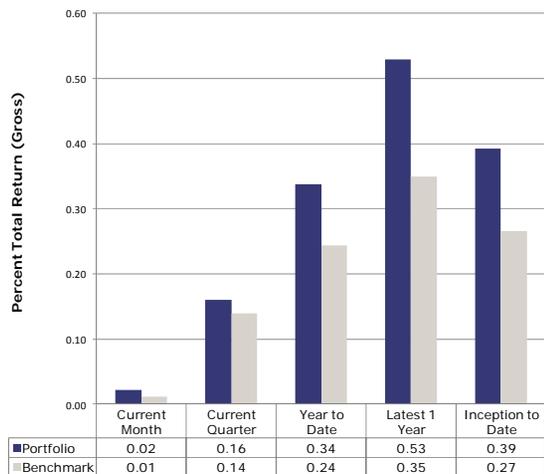
Portfolio Value on 06-30-12	2,005,399
Contributions	0
Withdrawals	-280
Change in Market Value	-2,002
Interest	5,218
Dividends	0
Portfolio Value on 09-30-12	2,008,335

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272-7575

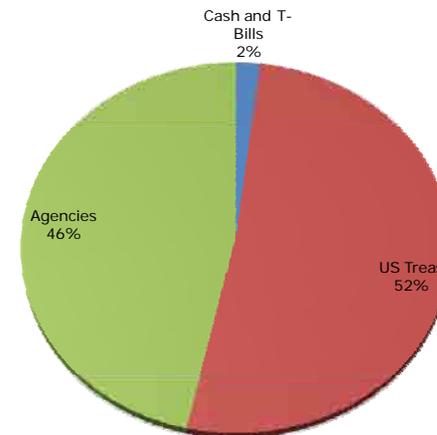
INVESTMENT PERFORMANCE

Current Account Benchmark:
50% Barclays 1-3 Gov/ 50% 90 day tbill



Performance for Periods One Year and Greater are Annualized

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: Aaa Yield to Maturity: 0.20% Average Maturity: 1.07 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB 2010 SERIES A GO BOND/KCAP
September 30, 2012

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
275,000	US TREASURY NOTES 0.750% Due 12-15-13	100.77	277,127	100.64	276,771	13.78	2,062	609	0.22
500,000	US TREASURY NOTES 1.250% Due 02-15-14	102.33	511,641	101.41	507,030	25.25	6,250	798	0.23
250,000	US TREASURY NOTES 0.250% Due 03-31-14	99.96	249,902	100.03	250,077	12.45	625	2	0.23
	Accrued Interest				1,409	0.07			
			1,038,670		1,035,287	51.55		1,409	
AGENCIES									
125,000	FNMA 0.500% Due 10-30-12	100.29	125,359	100.03	125,034	6.23	625	262	0.18
300,000	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	102.70	308,088	101.21	303,645	15.12	5,625	1,562	0.20
500,000	FNMA 1.000% Due 09-23-13	101.21	506,068	100.75	503,760	25.08	5,000	111	0.23
	Accrued Interest				1,936	0.10			
			939,515		934,375	46.52		1,936	
CASH AND EQUIVALENTS									
	CASH RECEIVABLE		312		312	0.02	NA		
	FEDERATED PRIME CASH INST'L SHARES		38,361		38,361	1.91			
			38,674		38,674	1.93			
TOTAL PORTFOLIO			2,016,859		2,008,335	100	20,187	3,344	

AEB 2010 SERIES B BOND/AKUTAN AIR

Account Statement - Quarter Ending September 30, 2012



ACCOUNT ACTIVITY

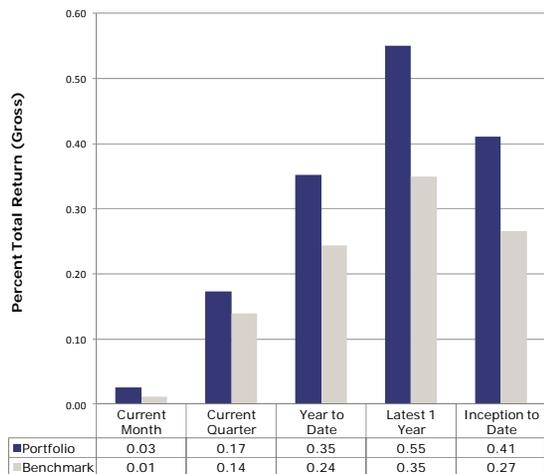
Portfolio Value on 06-30-12	3,008,386
Contributions	0
Withdrawals	-1,000,371
Change in Market Value	-1,675
Interest	6,257
Dividends	0
Portfolio Value on 09-30-12	2,012,597

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272-7575

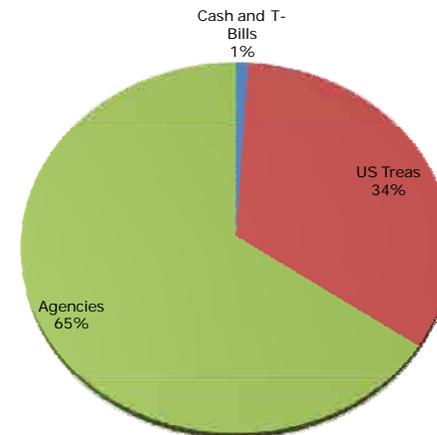
INVESTMENT PERFORMANCE

Current Account Benchmark:
50% Barclays 1-3 Gov/ 50% 90 day tbill



Performance for Periods One Year and Greater are Annualized

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: Aaa Yield to Maturity: 0.20% Average Maturity: 0.98 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB 2010 SERIES B BOND/AKUTAN AIR
September 30, 2012

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
500,000	US TREASURY NOTES 0.750% Due 12-15-13	100.77	503,867	100.64	503,220	25.00	3,750	1,107	0.22
175,000	US TREASURY NOTES 0.250% Due 03-31-14 Accrued Interest	99.96	174,932	100.03	175,054	8.70	437	1	0.23
			<u>678,799</u>		<u>1,108</u> 679,382	<u>0.06</u> 33.76		<u>1,108</u>	
AGENCIES									
100,000	FNMA 0.500% Due 10-30-12	100.29	100,287	100.03	100,027	4.97	500	210	0.18
450,000	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	102.70	462,132	101.21	455,467	22.63	8,437	2,344	0.20
750,000	FNMA 1.000% Due 09-23-13 Accrued Interest	101.21	759,103	100.75	755,640	37.55	7,500	167	0.23
			<u>1,321,522</u>		<u>2,720</u> 1,313,855	<u>0.14</u> 65.28		<u>2,720</u>	
CASH AND EQUIVALENTS									
	CASH RECEIVABLE		219		219	0.01	NA		
	FEDERATED PRIME CASH INST'L SHARES		<u>19,141</u>		<u>19,141</u>	<u>0.95</u>			
			19,360		19,360	0.96			
TOTAL PORTFOLIO			2,019,681		2,012,597	100	20,625	3,828	

QUARTERLY PERSPECTIVES

ECONOMY & FINANCIAL MARKETS

Climbing the wall of worry?

The equity markets have been on a roll. U.S. stocks gained +6.4% in the third quarter (Q3) and are up +16.4% YTD. The broader EAFE index of non-US international stock markets did slightly better, up +6.9% in Q3 but only +10.1% YTD. Meanwhile bond yields in the U.S. seem stuck in a narrow trading range around 1.6% on the 10 year Treasury.

The announcement that the ECB would make unlimited purchases of troubled sovereign debt on the secondary market to reduce yields (with some fiscal strings attached) was greeted with a sigh of relief in Europe. Many believe this takes the “tail risk” of a really bad event off the table. Combine that with progress on the ESM (the permanent euro bailout fund) and the likelihood of a European banking union and you have the makings of an equity rally. That’s especially true given the depressed valuations in Europe.

The Federal Reserve joined the party by announcing a QE3 bond buying program with no definite end date. They also said that the economy remains weak, that inflation is well contained (it’s up +1.7% YoY) and offered to keep short rates close to zero through 2015. They expect the “wealth effect” from a rising stock market to save the day. Tell that to savers who are stuck with rock bottom interest rates when rolling their CDs.

The question is how long can these easy monetary machinations continue to substitute for sound fiscal policies? No sooner had the ECB eased than we started to hear about Greece and Spain crawfishing on austerity measures. This seems too happen over and over again. Wash. Rinse. Repeat.

Even in the U.S. you have to wonder if the Fed is just enabling the politicians to avoid making tough decisions with respect to the fiscal cliff. QE1. QE2. QE3. Wash. Rinse. Repeat.

All this money printing has gold soaring to recent highs near \$1,800 an ounce and commodities perking up despite slow economic growth.

These facts — including general economic malaise, election year uncertainty, and the rapid rise in equity prices (in the face of a potential stall in earnings) — led us to reduce exposure to U.S. equities in September. We still like them longer term but think we will get a better opportunity to buy over the next several months at lower prices. It’s a tweak, not a signal that stocks are overvalued in the long run, especially compared to bonds.

Muddle along, nothing to see here.

Global economic growth remains subpar. In the U.S., continuing good news on the housing front is helping but other headwinds have kept growth in the 2% neighborhood and unemployment above 8%. Our fiscal cliff challenges are well known. Businesses remain wary and confidence is low. The most widespread drought since 1956 hasn’t helped. In an environment with lots of unused capacity in the labor and product markets it’s hard to see inflation kicking up, although we are in uncharted waters with respect to monetary policy.

The eurozone is in recession. The unemployment rate is 11.4%, the highest on record. It’s at depression levels in Spain (25.1%) and Greece (23.1%). Recently we have seen more riots in the streets. Policymakers have several bazookas including a \$625 billion bailout fund and an ECB that says it will do “whatever it takes” to save the euro. How this all ends is anyone’s guess.

Asia is slowing. China has moved from a consistent 10% growth to 7% and that may be the norm going forward. We still don’t believe the hard landing stories out there. The Shanghai stock market is down this year and trading around the 2,000 mark, it has not closed below that level since January 2009.

Japan has been described as a bug looking for a windshield. Poor demographics (population there has actually started to decline) combined with the largest

(Continued on page 2)

ECONOMY & FINANCIAL MARKETS

(Continued from page 1)

debt burden in the world suggest a slow economy at best. ISI forecasts 1% growth in 2013.

Other than that Mrs. Lincoln, how was the play?

So the economic outlook remains challenging. What does this mean for the markets?

Generally, the equity and bond markets reflect these difficult times. That is they are “priced into” the markets – that’s why risky stock markets are trading at lower valuations and safe haven bond prices are at record highs – interest rates at record lows. It’s because investors are worried.

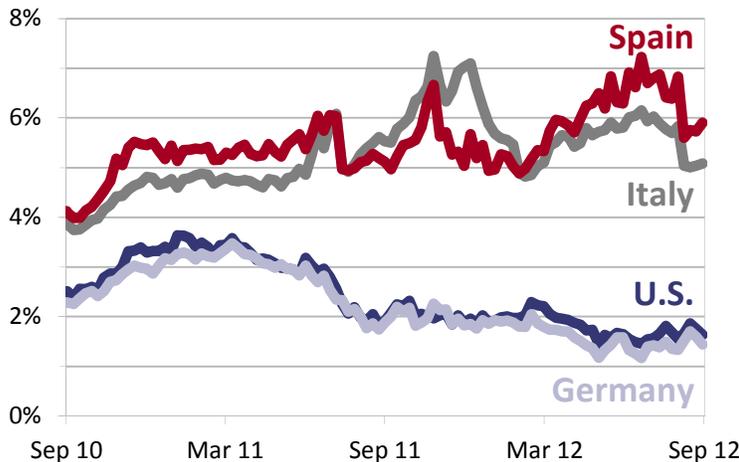
Contrary to what many investors might think, there isn’t a great correlation between economic growth and stock market returns. (Notice that the stock market has been strong recently while the economic recovery has been one of the slowest and weakest ever.) We believe that valuation is very important. In

other words discounted cash flows, P/E ratios, earnings and dividend yields vs. bond yields, etc. really influence our decision making.

Frankly we don’t see many asset classes that are jumping out as dramatically over or under valued. There aren’t many “fat pitches.” We do believe that emerging market equities are attractive and that bonds are unattractive. But both observations hold for the long term as short term trends and a very easy Federal Reserve may keep rates lower longer than we expect.

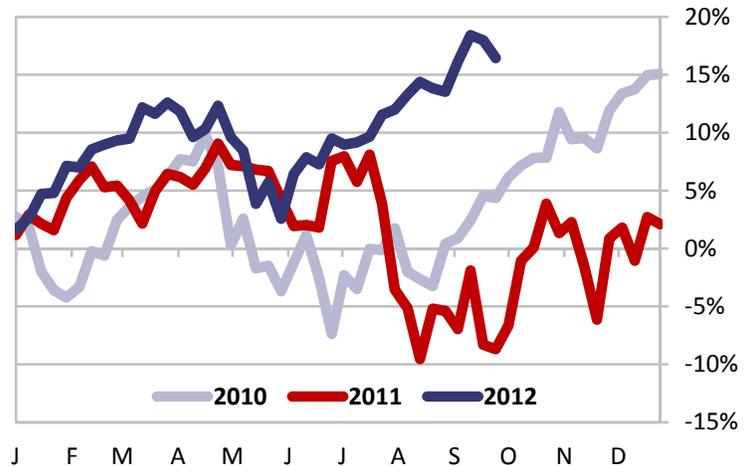
Jeff Pantages, CFA
Chief Investment Officer

10 Year Global Treasury Note Yields



Bloomberg

S&P 500 Index Total Return

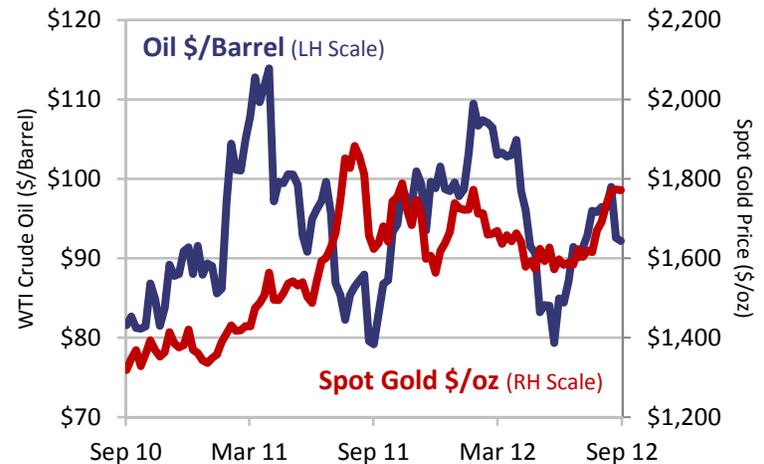


Bloomberg

Bloomberg Consensus Forecasts

Data as of 10/2/2012	2011	2012	2013	2014
Real GDP (% YoY)	1.80	2.20	2.05	2.60
CPI Inflation (% YoY)	3.17	2.00	2.00	2.30
Unemployment (%)	9.0	8.2	7.9	7.4
Fed Funds (%)	0.25	0.25	0.25	-
10-Yr Note (%)	1.88	1.79	2.45	-

Oil and Gold Roller Coaster



Bloomberg

PORTFOLIO STRATEGY

What in the world is EAFE?

EAFE stands for Europe, Australasia, and Far East. It is a stock market index of developed international equity markets outside the U.S. It consists of around 900 stocks of the largest companies in the world.

APCM uses a Vanguard ETF (VEA) that replicates EAFE to get exposure to these international stock markets. The expense ratio is 0.12% and compares favorably to the 1.37% average expense ratio for international equity funds. (That's a BIG difference!)

Ten largest holdings and % of total net assets²

Royal Dutch Shell PLC	2.2%
Nestle SA	2.0
BHP Billiton Ltd	1.7
HSBC Holdings PLC	1.6
Vodafone Group PLC	1.4
Novartis AG	1.3
BP PLC	1.3
Roche Holding AG	1.3
GlaxoSmithKline PLC	1.2
Toyota Motor Corp	1.2
Top ten as % of total net assets	15.2%

The two tables highlight key aspects of the investment. The ten largest countries account for almost 90% of the portfolio. The ten largest stocks in the portfolio are household names and account for 15.2% of assets. Royal Dutch Shell (Netherlands) is the largest at

2.2% of the portfolio, with food giant Nestle (Switzerland) in second place and mining company BHP Billiton (Australia) in third.

Ten largest countries as % of common stock

United Kingdom	23.3%
Japan	21.9
France	9.2
Switzerland	8.5
Australia	8.3
Germany	8.0
Sweden	3.1
Hong Kong	3.0
Spain	2.7
Netherlands	2.5

Remember, indices measure broad exposure to an asset class and weight individual stock exposure according to some rule. In the case of EAFE that is by market capitalization (stock price X number of shares outstanding). Indices are also fully invested – they hold no cash – and charge no fees.

There are other international indices including the FTSE (“footsie”) which is the result of a joint venture between the Financial Times and the London Stock Exchange. As we go to press Vanguard has announced that they are changing benchmarks for a number of funds (including VEA) which will require some trading. We’ll have more on this next month.

Mutual fund managers trail their benchmarks once again!

Every quarter S&P publishes data on the performance of mutual fund managers compared to various passive indices of U.S. stocks and bonds. The numbers through June 30, 2012 prove once again how hard it is to beat benchmarks. The table to the right shows the percent of funds outperformed by their benchmark.

Transactions costs and high fees are part of the reason for the underperformance. APCM buys low cost index funds that match the performance of the index. That means on average these investments BEAT the average manager and end up in the second quartile of performance year after year.

Index funds do not provide average performance; they do better than the average manager. APCM favors index funds because of this and their consistent track record, broad diversification, and low fees.

Percentage of U.S. Funds Outperformed by Their Benchmarks

Category Index	1 Year	3 Year	5 Year
Large Cap Funds <i>S&P 500</i>	85.5%	85.2%	65.4%
Mid Cap Funds <i>S&P 400</i>	70.8%	85.6%	81.6%
Small Cap Funds <i>S&P 600</i>	91.0%	83.9%	77.7%
Domestic Equity Funds <i>S&P 1500</i>	89.8%	73.2%	67.7%
Govt. Long Funds <i>Barclays Long Govt.</i>	95.6%	96.5%	93.6%
Govt. Int. Funds <i>Barclays Int. Govt.</i>	55.0%	58.5%	65.2%
Govt. Short Funds <i>Barclays 1-3 Year Govt.</i>	41.5%	41.9%	62.2%
High Yield Funds <i>Barclays High Yield</i>	83.1%	90.5%	94.8%



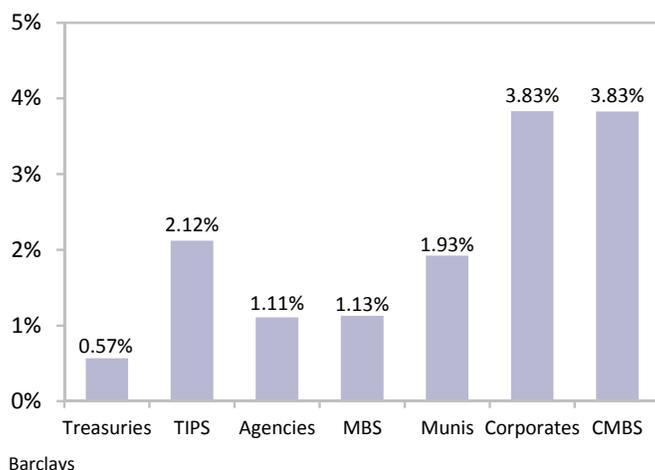
Bill Lierman, CFA
Portfolio Manager

■ The Treasury market continued to be volatile throughout the quarter. This should continue until uncertainty with the U.S. elections, fiscal cliff, and Europe is cleared up. The curve steepened slightly as the two year note declined 7 basis points (bps) and the yield on the ten year bond increased 5 bps ending the quarter at 1.63%.

■ TIPS provided a +2.12% return for the quarter. Real yields decreased across all parts of the

curve and now are negative out to the year 2032. Higher energy prices and concern of continued monetary easing pushed up inflation expectations across the curve.

Q3 2012 Bond Total Return



■ The Federal Reserve decided to purchase additional mortgage backed securities (QE3), to the tune of \$40B per month without a predetermined end-date. The current coupon Fannie Mae mortgage ended the month at 1.84% after reaching a low of 1.69%.

■ Corporations are taking advantage of low yields by issuing record amounts of debt. According to Bloomberg, worldwide corporate issuance was approximately \$950B for the quarter and \$2.9T for the year. In July, IBM was able to issue \$1B 10yr bonds with a coupon of 1.875%.

■ CMBS was the winner for the quarter returning +3.32% excess return (vs. Treasuries). There has been little issuance along with strong demand and loan data has continued to improve throughout the year.

■ Municipal investors earned +1.93% for the quarter. J.P. Morgan calculated that there has been 43 straight weeks of inflows into municipal bond funds totaling approximately \$40B of new funding.

■ Another major outpouring of central bank liquidity and reassuring promises from the Fed and ECB lifted equities in a low volume rally during Q3 (24% lower than September 2011). Domestic equities were up +6.4% in Q3 trailing their international counterparts. YTD the S&P 500 is up +16.4%. Strong U.S. performance has led to more expensive valuations on a P/E basis (forward P/E 13x) but stocks remain more attractive than bonds.

■ International equities are playing catch up. Developed markets outperformed the U.S., rallying +6.9%. The ECB's declaration to do "whatever it takes to preserve the euro," coupled with its plans to begin a bond buying program have reduced the risks of a euro-zone collapse. European equities were up +8.8%. Headwinds remain as the crisis lingers and Europe's recession weighs on corporate profits.

■ Emerging markets outperformed as China announced stimulus equivalent to 2% of GDP to combat concerns of slowing growth. Emerging Asia posted dollar returns of +8.9% while Latin American markets lagged with a return of +4.7%.

■ Commodities increased +9.7% on the back of strength in the energy, metals, and agriculture sectors. Gasoline, silver, and wheat were all up over +20.0%. Easy monetary policy pushed gold up +10.0%.

■ Investors are now looking forward to earnings season, which starts with Alcoa reporting at the close on October 9th. Consensus earnings estimates imply -1% YoY growth resulting in the first quarter of negative YoY growth since the crisis.

Total Return (%) as of September 30, 2012

	Q3 2012	1 Year	3 Years	5 Years
Domestic Equities				
Large Cap S&P 500	6.4	30.2	13.2	1.1
Mid Cap S&P 400	5.4	28.5	14.3	3.8
Small Cap S&P 600	5.4	33.4	15.1	3.3
International Equities				
Developed MSCI EAFE	6.9	13.8	2.1	-5.2
Emerging MSCI Emerging Markets	7.7	16.9	5.6	-1.3
Other				
Commercial Property S&P U.S. REIT	0.1	32.6	20.5	2.0
Commodities DJ-UBS Commodity	9.7	6.0	5.3	-3.0
Fixed Income				
Total Bond Market Barclays Aggregate	1.6	5.2	6.2	6.5
1-3 Yr U.S. Treasury/Agency Barclays 1-3 Gov	0.3	0.7	1.5	2.9
Int'l Treasury Barclays Global Tsy ex-US	4.6	5.8	3.8	6.6

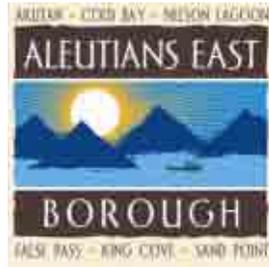
Returns are annualized for periods greater than one year



Brandy Niclai, CFA
Portfolio Manager



Consent Agenda



To: Assembly and Mayor
From: Tina Anderson, Clerk
Date: November 13, 2012
Re: FY13 Shared Fisheries Business Tax Program for FMA2 and FMA3.

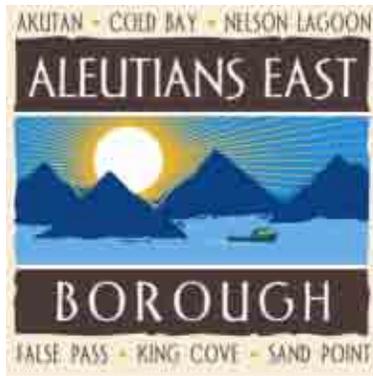
Resolution 13-11, a resolution adopting an alternative method for the Shared Fisheries Business Tax Allocation for FMA 2. This is the same distribution scheme that was agreed upon since the inception of the program. All of the municipalities within FMA 2 (west of Unimak) receive an equal share of 60% of the program receipts. The eligible cities will share the remaining 40% of the funding allocation on a per capita basis. The FY13 program allocation to AEB should be \$219,390.89.

Resolution 13-12, a resolution adopting an alternative method for the Shared Fisheries Business Tax Allocation for FMA 3. This also is the same distribution scheme that was agreed upon since the inception of the program. All the municipalities within FMA 3 (east of Unimak), will share equally 40%. The remaining 60% will be divided among the eligible cities based on a per capita basis. The FY13 program allocation to AEB should be \$10,846.37.

CLERK/PLANNER
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(907) 383-3496 FAX
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P.O. BOX 49
KING COVE, ALASKA 99612
(907) 497-2588
(907) 497-2386 FAX
e-mail: AEBFINANCE@aol.com



RESOLUTION 13-11

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY 13 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN THE ALEUTIAN ISLANDS FISHERIES MANAGEMENT AREA 2.

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY13 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2011 from fisheries business activities; and

WHEREAS, 3AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and

WHEREAS, the Aleutians East Borough proposes to use an alternative method for allocation of FY13 funding available within the Aleutian Islands Fisheries Management Area in agreement with all other municipalities in this area participating in the FY13 Shared Fisheries Business Tax Program;

BE IT RESOLVED BY THE ALEUTIANS EAST BOROUGH ASSEMBLY THAT:

SECTION 1. The Aleutians East Borough by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2011 of fisheries business activity in the Aleutian Island Region Fisheries Management Area 2.

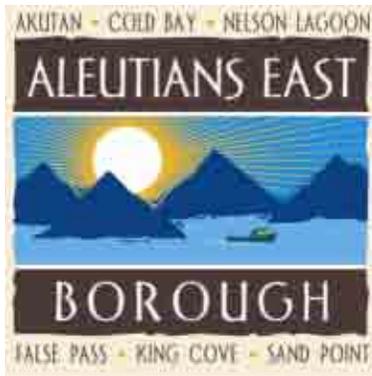
ALTERNATIVE ALLOCATION METHOD:

1. Each municipality (including the Aleutians East Borough) will split 60 percent of the total funding allocation for the fisheries management area;
2. Each city (excluding the Aleutians East Borough) will split 40 percent of the funding allocation on a per capita basis.

Approved this _____ day of November, 2012

Mayor

ATTEST: _____
Clerk



RESOLUTION 13-12

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY 13 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN THE ALASKA PENINSULA FISHERIES MANAGEMENT AREA 3.

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY13 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2011 from fisheries business activities; and

WHEREAS, 3AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and

WHEREAS, the Aleutians East Borough proposes to use an alternative method for allocation of FY13 funding available within the Aleutian Islands Fisheries Management Area in agreement with all other municipalities in this area participating in the FY13 Shared Fisheries Business Tax Program;

BE IT RESOLVED BY THE ALEUTIANS EAST BOROUGH ASSEMBLY THAT:

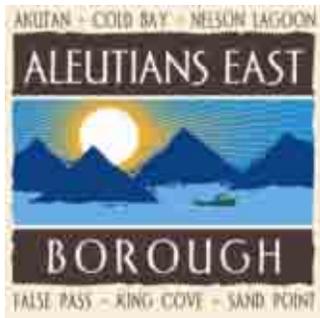
SECTION 1. The Aleutians East Borough by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2011 of fisheries business activity in the Alaska Peninsula Fisheries Management Area 3.

ALTERNATIVE ALLOCATION METHOD: It is proposed that 40% of the FY13 funding available for FMA3 be distributed equally among the eligible municipalities located within FMA3, and that the remaining 60% of the funding be divided among the same eligible communities based upon revenue sharing population estimated as determined for 2011 by DCCED, with exception of mutually agreed upon population counts for the Aleutians East Borough and Lake and Peninsula Borough.

Approved this _____ day of November, 2012.

Mayor

ATTEST: _____
Clerk



Agenda Statement

Date: October 25, 2012

To: Mayor Mack and Assembly

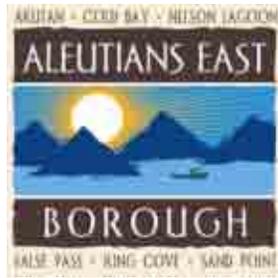
From: Anne Bailey, Community Development Coordinator

Re: Resolution 13-3 approving a contract in the amount of \$102,180 with Harvey Consulting, LLC for a Coastal Impact Assistance Program (CIAP) Project entitled "Resource Development Land Use Permitting System."

The Aleutians East Borough received CIAP funds for the Create a Resource Development Land Use Permitting System to Protect Coastal Resources in the Aleutians East Borough Resource Development District Project. The Project will create a permitting system that will regulate resource development activities in the Aleutians East Borough coastal zone and maximize resource development opportunities while protecting coastal resources through an organized, efficient permit program.

On September 25, 2012, the Borough issued a Request for Proposal for a consultant to help with this project. We received a lot of interest; however, only received two proposals. A review committee met and unanimously selected Harvey Consulting, LLC as the consultant for the project.

A Notice of Award between the Borough and Harvey Consulting, LLC was fully executed on October 19, 2012 and now Assembly approval is needed since the contract exceeds \$100,000. The Borough staff is planning on meeting with Harvey Consulting, LLC on November 16, 2012 to begin setting up community meeting times.



RESOLUTION 13-13

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY APPROVING A CONTRACT IN THE AMOUNT OF \$102,180 WITH HARVEY CONSULTING, LLC FOR A COASTAL IMPACT ASSISTANCE PROGRAM (CIAP) PROJECT ENTITLED “RESOURCE DEVELOPMENT LAND USE PERMITTING SYSTEM”

WHEREAS, the Aleutians East Borough received CIAP funds funded with qualified outer continental shelf oil and gas revenues by CIAP, Fish and Wildlife Service and U.S. Department of the Interior for the Create a Resource Development Land Use Permitting System to Protect Coastal Resources in the Aleutians East Borough Resource Development District Project (Resource Development Land Use Permitting System); and

WHEREAS, the project will create a permitting system that will regulate resource development activities in the Aleutians East Borough coastal zone and maximize resource development opportunities while protecting coastal resources through an organized, efficient permit program; and

WHEREAS, on September 25, 2012 the Borough issued a Request for Proposal for a consultant to create a resource development land use permitting system; and

WHEREAS, two proposals were received on October 15, 2012 and a review committee met on October 17, 2012 to discuss the proposals; and

WHEREAS, the review committee selected Harvey Consulting, LLC as the consultant for the project; and

WHEREAS, a Notice of Award between the Borough and Harvey Consulting, LLC was fully executed on October 19, 2012.

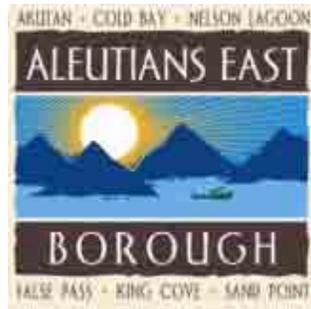
NOW THEREFORE BE IT RESOLVED by the Aleutians East Borough Assembly approves a contract in the amount of \$102,180 with Harvey Consulting, LLC for the CIAP Project entitled “Resource Development Land Use Permitting System.”

PASSED AND APPROVED by the Aleutians East Borough on this day November 13, 2012.

Stanley Mack, Mayor

ATTEST:

Tina Anderson, Clerk



Agenda Statement

Date: October 30, 2012

To: Mayor Mack and Assembly

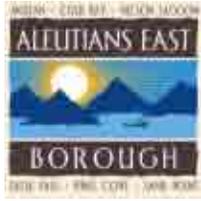
From: Anne Bailey, Community Development Coordinator

Re: Resolution 13-14 Supporting the City of False Pass' Community Development Block Grant Application Entitled: "False Pass Generator Replacement Project"

The City of False Pass owns City of False Pass Electric (i.e. electric company) and provides electrical services to the community of False Pass. The City wishes to provide uninterrupted service to the 25 residential customers, 13 commercial customers, 11 community structures, 3 Federal/State facilities and the Harbor, which includes 75 stalls.

The electric company has three generators in its powerhouse. Generator #1 has 10,466 hours on it and has proven unable to handle the community's needs. Generator #2 has 44,784 miles on it and has been rebuilt twice and Generator #3 has 18,042 hours on it and will require a rebuild soon. Since Generator #1 does not have the capacity to handle the community's need the City is in the process of submitting a CDBG grant to replace Generator #1 with a generator that can handle the community's needs, allows for community expansion and is more efficient while being used.

The City is requesting Borough support for this project. Resolution 13-? is attached for the Assembly's consideration.



RESOLUTION 13-14

A RESOLUTION BY THE ALEUTIANS EAST BOROUGH ASSEMBLY SUPPORTING THE CITY OF FALSE PASS' COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION ENTITLED: "FALSE PASS GENERATOR REPLACEMENT PROJECT."

WHEREAS, the City of False Pass owns City of False Pass Electric (i.e. the electric company) and provides electrical services to the community; and

WHEREAS, the City of False Pass wishes to provide uninterrupted service to the residents, commercial businesses, State/Federal /community facilities and the harbor; and

WHEREAS, the electricity has three generators and one of them does not have the capacity to meet the City's needs and needs to be replaced; and

WHEREAS, the City of False Pass is submitting a Community Development Block Grant (CDBG) requesting funds for a replacement generator.

NOW THEREFORE BE IT RESOLVED by the Aleutians East Borough Assembly to support the City of False Pass' submittal of the CDBG Grant Application entitled: False Pass Generator Replacement; and

BE IT FURTHER RESOLVED by the Aleutians East Borough Assembly that the Aleutians East Borough will provide administrative services throughout the grant process.

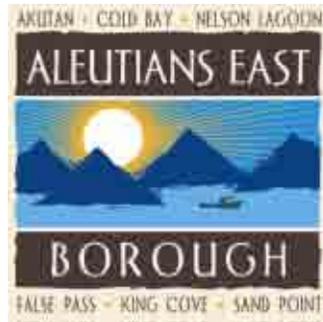
PASSED AND APPROVED by the Aleutians East Borough on this 13th day of November, 2012.

Stanley Mack, Mayor

ATTEST:

Tina Anderson, Clerk

Public Hearings



MEMO

DATE: October 4, 2012
TO: Mayor Mack and Assembly
From: Roxann Newman, Finance Director
Subject: Fiscal Year 2012 Final

The final FY12 budget has a surplus of \$1,943,690.62. Below is the breakdown:

Final FY12 revenue amount:		\$9,003,879
Final FY12 expenditure amount:		\$6,159,827
With a Final FY12 Surplus amount:		\$2,844,052
Fund 20, Grants:		
Excess expended for the Akutan Airport Project:	\$193,912.47	
Excess expended for the Sand Point Paving Project:	\$411,285.91	
Fund 22, Hovercraft Expenditures:		
Excess expended for the Hovercraft:	\$295,163.00	
The total of these expenses were taken out of the General Fund :		\$ 900,361.68
Leaving AEB with a Final FY12 Surplus of:		\$1,943,690.62

ORDINANCE 13-03

AN ORDINANCE AMENDING THE OPERATING AND CAPITAL BUDGET FOR THE ALEUTIANS EAST BOROUGH FISCAL YEAR 2012.

Section 1. Classification	This is a non-code ordinance
Section 2. Effective Date	This ordinance becomes effective upon Adoption.
Section 3. Severability	The terms, provisions, and sections of this Ordinance are severable.
Section 4. Content	The operating and capital budget for the Aleutians East Borough and the Aleutians East Borough School District for Fiscal Year 2012 is amended as follows:

REVENUES	FY12 BUDGET
Local	
Interest Income	\$35,000
AEB Fish Tax	\$4,789,215
AEBSD Refund	\$170,735.90
Other Revenue	\$74,885
Southwest Cities LLC	\$30,000
State	
Shared Fishery Tax	\$1,664,919
Extraterritorial Fish Tax	\$243,084
Landing Tax	\$53,571
Debt Reimbursement	\$909,098
State Aid to Local Government	\$542,712
Federal	
Payment in Lieu of Taxes	\$454,403
USF&WS Lands	\$36,256
Total FY12 Revenues	\$9,003,879
AEBSD Revenue	\$6,916,725

OPERATING FUND EXPENDITURES

Mayor	\$250,866
Assembly	\$129,354
Administration	\$333,450
Clerk/Planning	\$172,603
Finance	\$290,298
Natural Resources	\$502,297
Communications Director	\$155,666
Development Director	\$108,453
Public Works	\$116,243
Educational Support	\$988,774
KCAP	\$9,671
Other Gen.Fund	
Equipment	\$22,816
Rental/Lease	\$0
Repairs	\$4,409
Utilities	\$22,803
Aleutia Crab	\$66,367
Legal	\$303,934
Insurance	\$140,567
Bank Fees	\$398
EATS	\$150,000
Misc.	\$54,006
Donations	\$22,300
NLG Rev. Sharing	32,000
Web Service	\$23,547
Total Other	\$843,147
Total General Fund	\$3,900,822
Capital Projects	\$0
Bond Projects	\$0
Debt Services	\$2,159,005
Maintenance Reserve	\$100,000
Total Expenditure	\$6,159,827
AEB Surplus	\$2,844,052
AEBSD Expenses	\$6,916,725
Fund 20, Grants, Revenues	\$660,206
Fund 20, Grants, Expenditures	\$660,206
Fund 22, Hovercraft, Revenues	\$0
Fund 22, Hovercraft, Expenditures	\$323,852
Fund 22, Terminal Operations, Revenues	\$300,125

Fund 22, Terminal Operations, Expenditures	\$271,436
Fund 24, Bond Project, Revenues	\$5,000,000
Fund 24, Bond Project, Expenditures	\$5,000,000
Fund 30, Bond Payments, Revenues	\$1,597,433
Fund 30, Bond Payments, Expenditures	\$1,597,433
Fund 40, Permanent Fund, Revenues	\$350,000
Fund 40, Permanent Fund, Expenditures	\$35,000
Fund 41, Maintenance Reserve, Revenues	\$100,000
Fund 41, Maintenance Reserve, Expenditures	\$100,000

Passed and adopted by the Aleutians East Borough Assembly this _____ day of January, 2012.

Mayor

ATTEST:

Clerk

REVENUES						FY12		Mid-Year	Final		FY11 Amounts/Will Change FY12	
								FY12	FY12		Medical	\$ 918.70 month
	AEBSD Revenues					\$6,916,725		\$6,916,725	\$6,916,725		PERS	22%
											ESC	1.72%
											Medicare	1.45%
	Interest Income					\$35,000		35,000	35,000		PERS/DC	6.13%
Local	AEB Fish Tax					\$2,635,000		2,635,000	4,789,215			71.7
	AEBSD Refund							\$ 170,000.00	\$ 170,735.90	*AEBSD Rollover		
	Other Revenue					\$7,000		\$7,000	\$74,885			
	Southwest Cities LLC								\$30,000			
State	Shared Fishery Tax					\$1,581,128		\$1,581,128	\$1,664,919			
	Extraterritorial Fish Tax					\$108,350		\$108,350	\$243,084			
	Landing Tax					\$45,115		\$45,115	\$53,571			
	Debt Reimbursement					\$1,045,464		\$1,045,464	\$909,098			
	Coastal Management					\$0		\$0				
	State Aid to Local Governments					\$515,752		\$515,752	\$542,712			
Federal	Payment in Lieu of Taxes					\$559,000		\$559,000	\$454,403			
	USF&WS Lands					\$36,256		\$36,256	\$36,256			
	Total FY12 Revenues					\$6,568,065		\$6,738,065	\$9,003,879			
Operating Fund Expenditures												
	Mayor					\$ 247,795.00		\$247,795	\$250,866		*Salary Increase 2.65% COLA	
	Assembly					\$ 136,000.00		\$126,000	\$129,354			
	Administration					\$ 339,950.00		\$ 339,950.00	\$333,450			
	Clerk/Planning					\$ 176,484.00		\$ 176,484.00	\$172,603			
	Finance					\$ 238,963.00		\$243,963	\$290,298			
	Natural Resources					\$ 572,289.00		\$527,289	\$502,297			
	Public Information Officer					\$ 171,645.00		\$171,645	\$155,666			
	Development Coordinator					\$ 125,596.00		\$125,596	\$108,453			
	Public Works					\$ 126,099.00		\$126,099	\$116,243			
	Educational Support					\$ 825,000.00		995,000	988,774			
	KCAP					\$ 23,800.00		\$23,800	\$9,671			
	Other GF											
	Equipment					\$8,200		\$18,200	\$22,816			
	Rental/Lease					\$0			\$0			
	Repairs							\$5,000	\$4,409			
	Utilities					\$11,410		\$11,410	\$22,803			
	Aleutia Crab					\$58,522		\$58,522	\$66,367			
	Legal					\$75,000		\$105,000	\$303,934			
	Insurance					\$180,000		\$180,000	\$140,567			
	Bank Fees					\$2,000		\$2,000	\$398			
	EATS					\$150,000		\$150,000	\$150,000			
	Misc.					\$1,000		\$1,000	\$54,006			
	Youth Service					\$23,500		\$23,500	\$22,300			

	NLG Rev. Sharing			\$32,000		\$32,000	\$32,000		
	Web Service/Tech Support			\$11,000		\$16,000	\$23,547		
	Total Other			\$552,632		\$602,632	\$843,147		
	Total General Fund			\$3,536,253	\$0	\$3,706,253	\$3,900,822		
	Capital Projects			\$0		\$0			
	Bond Projects			\$0		\$0			Fund 20
	Debt Services			\$2,159,005		\$2,159,005	\$2,159,005		
	Maintenance Reserve			\$100,000		\$100,000	\$100,000		
	Total Expenditure			\$5,795,258		\$5,965,258	\$6,159,827		Fund 22
	AEB Surplus			\$772,807		\$772,807	\$2,844,052		
	AEBSD Expenditures			\$6,916,725		\$6,916,725	\$6,916,725		Surplus Expenses
	Fund 20, Grants, Revenues			\$660,206					
	Fund 20, Grants, Expenditures			\$660,206					
	Fund 22, Hovercraft, Revenues			\$201,000		\$0			
	Fund 22, Hovercraft, Expenditures			\$727,308		\$286,000	\$323,852		
	Fund 22, Terminal Operations, Revenues			\$213,471		\$295,920	\$300,125		
	Fund 22, Terminal Operations, Expenditures			\$398,471		\$353,771	\$271,436		
	Fund 24, Bond Project, Revenues			\$5,000,000					
	Fund 24, Bond Project, Expenditures			\$5,000,000					
	Fund 30, Bond Payments, Revenues			\$1,597,433					
	Fund 30, Bond Payments, Expenditures			\$1,597,433					
	Fund 40, Permanent Fund, Revenues			\$350,000					
	Fund 40, Permanent Fund, Expenditures			\$35,000					
	Fund 41, Maintenance Reserve, Revenues			\$100,000					
	Fund 41, Maintenance Reserve, Expenditures			\$100,000					

	Legal			\$75,000	\$105,000	\$303,934	*Add 30,000 from 01-650-000-300						
	Insurance			\$180,000	\$180,000	\$140,567							
	Bank Fees			\$2,000	\$2,000	\$398							
	EATS			\$150,000	\$150,000	\$150,000							
	Misc.			\$1,000	\$1,000	\$54,006							
	Donations			\$23,500	\$23,500	\$22,300							
	NLG Rev. Sharing			\$32,000	\$32,000	\$32,000							
	Web Service/Tech Support			\$11,000	\$16,000	\$23,547	*Add 5000 from 01-650-000-350						
	Total Other			\$552,632	\$602,632	\$843,147							
Development Coordinator													
	Salary			\$61,590	\$61,590	\$65,076							
	Fringe			\$27,256	\$27,256	\$25,723							
	Contract labor			\$6,000	\$6,000	\$0							
	Travel & per diem			\$15,000	\$15,000	\$5,934							
	Phone			\$4,000	\$4,000	\$751							
	Postage			\$250	\$250	\$0							
	Supplies			\$4,500	\$4,500	\$3,817							
	Rent			\$7,000	\$7,000	\$7,152							
	Development			\$0	\$0	\$0							
	Misc.			\$0	\$0	\$0							
	Total Development			\$125,596	\$125,596	\$108,453							
Public Works													
	Salary			\$72,997	\$72,997	\$75,797							
	Fringe			\$29,602	\$29,602	\$28,611							
	Contract labor			\$0	\$0	\$0							
	Travel & per diem			\$12,000	\$12,000	\$6,281							
	Phone			\$1,500	\$1,500	\$1,207							
	Postage			\$0	\$0	\$0							
	Supplies			\$6,000	\$6,000	\$2,797							
	Equipment			\$1,500	\$1,500	\$0							
	Utilities			\$2,500	\$2,500	\$1,549							
	Total Public Works			\$126,099	\$126,099	\$116,243							
Education													
	Local Contribution			\$800,000	\$970,000	\$970,000	*Rollover from AEBSD						
	Scholarships			\$20,000	\$20,000	\$13,774							
	Student travel			\$5,000	\$5,000	\$5,000							
	Total Educational Support			\$825,000	\$995,000	\$988,774							
KCAP													
	Salary			\$ 4,500.00	\$ 3,000.00	\$ -	*Reduce by 1500 and add to 400						
	Fringe			\$ 6,000.00	\$ 3,000.00	\$ -	*Reduce by 3000 and add to 400						
	Travel & per diem			\$ -	\$ 4,500.00	\$ 1,508.56	*Add 3000 from 350/1500 from 300						
	Telephone			\$ 2,120.00	\$ 2,120.00	\$ 548.97							
	Supplies			\$ 3,600.00	\$ 3,600.00	\$ 289.73							
	Rental/Lease			\$ 7,580.00	\$ 7,580.00	\$ 7,323.96							

						\$ 23,800.00		\$ 23,800.00	\$ 9,671.22						
TOTAL OPERATING BUDGT						\$3,536,253	\$0	\$3,706,252	\$3,900,822						

Resolutions

Ordinances

OLD BUSINESS

LEVESQUE LAW GROUP, LLC

3380 C Street, Suite 202
Anchorage, Alaska 99503

Phone: (907) 261-8935
Fax: (206) 309-0667
Email: joc@levesquelawgroup.com

MEMORANDUM

TO: Mayor Stanley Mack
FROM: Joe Levesque *jl*
DATE: October 22, 2012
RE: AMENDMENT TO BUDGET AMENDMENT ORDINANCE

The purpose of this memo is to generally outline the options available to Mayor Mack (Mayor) following an amendment to the Aleutians East Borough's (Borough) Budget Amendment Ordinance (Ordinance 13-02) before the Borough Assembly (Assembly) on October 4, 2012, and to list justifications for exercising the Mayor's veto power.

FACTS

During the Assembly meeting on October 4, 2012, the Assembly had a Budget Amendment Ordinance (Ordinance 13-02) before it. The Ordinance to Amend (Ordinance 13-02) included three (3) items: (1) Cost of Living Allowances (COLA); (2) a salary increase for the Community Development Coordinator and (3) a reduction of the 2012-2013 School Budget Contribution.

The Ordinance (Ordinance 13-02) having been previously introduced for a first reading was scheduled for a Public Hearing at the October 4, 2012 meeting. A motion to approve the Budget Amendment Ordinance (Ordinance 13-02) was made and then a motion to amend the Budget Amendment Ordinance (13-02) was made to remove from the Borough's 2012-2013 Budget, the Public Information Officer position. The motion to amend passed on a 4-3 vote. The motion to approve the Budget Amendment Ordinance, including the motion to amend passed 6-1.

Memo to Mayor Stanley Mack
October 22, 2012
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ISSUE

What steps need to be taken for the Mayor to veto the amendment to the Budget Amendment Ordinance?

SHORT ANSWER

The Mayor must decide which part of the Assembly action he wishes to veto. After making his decision the Mayor is mandated to submit a written statement at the next regular Assembly meeting advising the Assembly of his veto and the reasons he is using his veto power. In this regard, this memorandum serves as the Mayor's written statement.

ANALYSIS

The Aleutians East Borough's ("Borough") Code of Ordinances includes a provision addressing the Mayor's Veto authority and power. See: Sec. 2.12.060. Sec. 2.12.060 provides:

The Mayor may veto any ordinance, resolution, motion, or other action of the assembly and may, by veto, strike or reduce items in appropriation ordinances. He shall submit to the assembly at its next regular meeting a written statement advising of his veto and giving his reasons. A veto is overridden by the vote of two-thirds of the authorized membership of the assembly within 21 days following exercise of the veto or at the next regular meeting whichever is later. The veto does not extend to appropriation items in school budget ordinance; actions of the governing body sitting as the board of equalization or the board of adjustment; adoption or repeal of a manager plan of government.

The Borough's veto ordinance mirrors the Title 29 of the Alaska Statutes.¹ Under both the Borough's veto ordinance and the Alaska Statutes related to veto, the Mayor's general veto power is broad and has very few exceptions.

¹ AS 29.20.270 titled "Veto" provides.

- (a) Except as provided in (c) – (e) of this section, the mayor may veto an ordinance, resolution, motion, or other action of the governing body and may strike or reduce appropriation items.
- (b) A veto must be exercised before the next regular meeting of the governing body and must be accompanied by a written explanation of the reasons for the veto. A veto may be overridden by vote of two-thirds of the authorized membership of the governing body within 21 days following exercise of the veto, or at the next regular meeting, whichever is later.
- (c) The veto does not extend to
 - (1) appropriation items in a school ordinance;

Memo to Mayor Stanley Mack
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Under the Borough's Mayor's veto authority, the Mayor "... may veto any ordinance, resolution, motion, or other action of the assembly [.]". Therefore, as Mayor you could either veto the Budget Amendment Ordinance (Ordinance 13-02) in its entirety or you could veto the motion to amend the Budget Amendment Ordinance (Ordinance 13-02).

Since the Budget Amendment Ordinance (Ordinance 13-02) was publicly noticed (i.e. it enjoyed a first reading and a public hearing), it is recommended that you not veto it. Rather, as authorized by your veto authority, it is recommended that you veto the motion to amend the Budget Amendment Ordinance (Ordinance 13-02).

A veto of a motion or other action of the Assembly permits the Mayor to veto an amendment to an ordinance, resolution, or other action item. The motion/ other action veto allows the Mayor to delete an amendment or to eliminate an addition when made by motion.

There are several reasons to justify a veto of the motion. First, the Borough has an ordinance that speaks in terms of 'Acts by Ordinance'; it includes 'Ordinance Procedure' under Sec. 1.20.030. According to Sec. 1.20.030:

The following procedure governs the enactment of all ordinances except emergency ordinances:

(6) After the public hearing the governing body shall consider the ordinance, and may adopt it with or without amendment. If an amendment to the ordinance is so substantial as to change the basic character of the ordinance, the ordinance, as amended, shall be treated as newly introduced and shall be scheduled for a public hearing to occur after publication of the summary and notice required in subsection B (3) of this section.

Sec. 1.20.030 (B) (6).

Under this Borough ordinance, the motion to amend the Budget Amendment Ordinance (Ordinance 13-02) should have been treated as newly introduced ordinance. Because it was not, public notice issues are triggered. Accordingly, the first justification for the veto

-
- (2) actions of the governing body sitting as the board of equalization or the board of adjustment,
 - (3) adoption or repeal of a manager plan of government.
 - (d) The mayor of a second class city has no veto power.
 - (e) The veto does not extend to an ordinance adopted under AS 04.11.501. This subsection applies to home rule and general law municipalities.

Memo to Mayor Stanley Mack
October 22, 2012
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is failure to follow mandatory ordinance procedure thereby bypassing public notice requirements.

The second justification, somewhat related to the first is failure to discuss the recommended budget amendment during the Borough's Budget Session and failure to discuss other aspects of the budget when the amendment was made. In other words, since the underlying Borough Budget was discussed and approved by the Assembly, for the Assembly to later remove approximately four months of funding for something previous authorized is not only untimely but, places the Borough in a situation where part of its previous authorized and spent budget is removed without appropriating new monies to cover Borough expenses.

Finally, the third justification is separation of powers.² The principle of separation of powers is that the executive, legislative and judiciary powers of government are to be divided into different branches of government. This allows for checks and balances. Under the Borough Code, the Mayor's Office is fully vested as the Executive and Administrative branch of the Borough. As such, the Mayor is solely vested with the power to implement and administer the departments of the Borough. For the Assembly to reorganize the administration of Borough departments is a violation of the separation of powers.

CONCLUSION

Under the general veto power, the Mayor is able to veto any ordinances, resolutions, motions, or other actions of the Assembly. The general veto power is broad and has very few exceptions. Should the Mayor chose to exercise his veto power, a written statement advising of the veto and providing reasons for the veto must be submitted to the Borough Assembly at its next regular meeting. In this regard, this memorandum serves as the Mayor's written statement.

In the case at hand, the Mayor is authorized pursuant to his broad veto power, to veto the motion to amend the Budget Amendment Ordinance (Ordinance 13-02) because the motion failed to follow mandated ordinance procedures and as such failed to provide adequate notice to the public regarding the proposed amendment. Moreover, the motion to amend was made outside the regular Budget Sessions and did not include

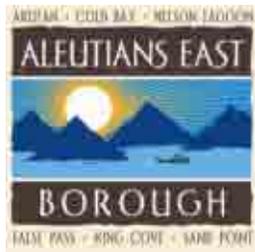
² The Borough's Code of Municipal Ordinances clearly breaks down the separation of powers in the Borough. The Assembly powers are outlined in Sec. 2.12.010 et seq and the Mayor's powers are outlined in 2.16.010 et seq.

Memo to Mayor Stanley Mack
October 22, 2012
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any review of the overall budget passed and in place. Finally, the motion to amend appears to be a violation of the separation of powers.

Accordingly, the Mayor is authorized to exercise the broad veto powers of his office and might do so unless a member of the majority of the Assembly voting in favor of the motion to amend moves to reconsider the motion to amend during the next Assembly meeting.



Agenda Statement

Date of Meeting: November 13, 2012

To: Mayor Mack and Assembly

From: Rick Gifford, Administrator

Re: HoverLink Agreement

The Aleutians East Borough (AEB) has been working with Kvichak Marine Industries, Inc. (Kvichak) and HoverLink, LLC (HoverLink) through Agreements/Memorandums of Agreement to refurbish and make improvements to the Hovercraft Suna X to provide for passenger and freight operations from the Akutan Airport on Akun Island to Akutan in accordance with the Co-Sponsorship Agreement (CSA) between the City of Akutan, the AEB and the State of Alaska Department of Transportation and Public Facilities for the Akutan Airport approved by the Assembly with Resolution 10-08 dated January 14, 2010.

According to Section 1.d. of the CSA, “the Borough agrees to acquire, operate, and maintain appropriate hovercraft equipment and crew as necessary to provide reasonable public access between the community and the airport for a minimum of twenty (20) years after the Project is completed, as required by FAA grant assurances.” The HoverLink contract included in the Assembly’s meeting packet endeavors to meet those requirements in the CSA.

Summary of Agreement

HoverLink Responsibilities:

- Provide the services and personnel (further described in Exhibit B) to operate the Suna X (Vessel) between the Akutan Airport and the community of Akutan.
- Maintain the Vessel in accordance with the Vessel manufacturer’s and major component manufacturers’ recommended service schedules and maintenance manuals and procedures.
- Document all passengers and cargo carried on the Vessel as necessary for AEB to seek payment for such transportation services and will work cooperatively with AEB to enhance and grow revenues.

AEB Responsibilities:

HOVERLINK AGREEMENT

Assembly Meeting November 13, 2012

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- Provide for all capital improvements and ongoing maintenance at the Facilities reasonably required for HoverLink to perform the Services.
- Provide certain logistical and infrastructure support to enable HoverLink to perform the Services, including utilities, telecommunications, weather data, and such other support and assistance as mutually agreed upon.
- Procure and pay for all fuel needed for HoverLink's operation and maintenance of the Vessel.

HoverLink will perform the Services set forth in the Agreement at HoverLink's costs, including general and administrative costs as provided in the Budget, margined at ten percent (10%) of such costs. The estimated budget is set forth on Section V and Appendix B of the Ferry Services Plan attached as Exhibit C. The total annual operating budget for HoverLink is estimated to be \$2,560,000. This budget does not include fuel, insurance costs for the hovercraft paid directly by AEB and utilities on the Facilities.

The initial term of this Agreement will expire on August 31, 2013, and will automatically renew for successive, one-year terms unless AEB provides HoverLink written notice of its intent not to renew not less than ninety (90) days prior to the end of the Initial Term or Additional Term, as applicable. AEB may terminate the Agreement on ninety (90) days' prior written notice to HoverLink.

Insurance requirements are detailed in Section 7 of the agreement indicating which coverages are the responsibility of AEB and which are the responsibility of HoverLink. This portion of the agreement was reviewed by the Borough's insurance broker.

The Borough Attorney was involved in reviewing and negotiating this Agreement with HoverLink.

Recommendation

Based on the Co-Sponsorship Agreement between the City of Akutan, the Aleutians East Borough and the State of Alaska Department of Transportation and Public Facilities for the Akutan Airport, the administration recommends approval of the HoverLink Ferry Services Agreement.

FERRY SERVICES AGREEMENT

This Ferry Services Agreement ("Agreement") is entered into and made to be effective as of April 9, 2012 ("Effective Date"), by and between HoverLink, LLC, a Washington limited liability company ("HoverLink"), and Aleutians East Borough, a Second Class Borough of the the State of Alaska ("AEB"), collectively referred to as "the Parties."

RECITALS

- A. AEB owns a BHT-130WD Hovercraft, SUNA-X, Official Number 1190205 (the "Vessel").
- B. The Vessel will provide service from an improved sea plane ramp located on Akutan Island near the village to the new airport being constructed on Akun Island (the "Service Route"), as depicted on the route plan set forth on Appendix C to the Ferry Services Plan (the "Plan").
- C. HoverLink will operate the Vessel to provide passenger transportation on the Service Route pursuant to the terms of this Agreement, and as further described on the Ferry Services Plan attached hereto as Exhibit C ("Ferry Services Plan").
- D. AEB will carry out capital improvements and ongoing maintenance at the Akutan Village sea plane ramp, the Vessel hanger site, and the Surf Bay landing area on Akun Island, as depicted on the Plan (the "Facilities").

This Agreement shall supersede any and all previous offers and counter-offers, either oral or written. If this Agreement is not signed by all parties, it shall not represent a binding agreement.

AGREEMENT

The parties agree as follows:

1. Services.

1.1 HoverLink's Services. HoverLink will perform the services described in Exhibit B, attached hereto (the "Services"). HoverLink and its Personnel will provide the Services in a professional manner.

1.2 Personnel. HoverLink will have and maintain qualified personnel (the "Personnel") to perform the Services and its other obligations under this Agreement, as more particularly described in Exhibit B. HoverLink will be responsible for the training and performance of its Personnel under this Agreement. The Personnel will be qualified to operate and navigate the Vessel on the Service Route and will comply with all applicable federal and state laws. HoverLink may use vendors or subcontractors as needed to perform Services.

1.3 Vessel.

1.3.1 AEB has provided the Vessel to HoverLink in good working order.

1.3.2 AEB owns good and marketable title to the Vessel, free and clear of all liens or encumbrances.

1.3.3 AEB will be responsible for ensuring that the Vessel has and will continue to have all applicable permits, authorizations, and licenses necessary for HoverLink to provide the Services, except that HoverLink will be responsible for maintaining the Vessel to ensure that it maintains an acceptable United States Coast Guard Certificate of Inspection, and for permits and licenses required by Personnel.

1.4 Maintenance and Repair.

1.4.1 Routine Maintenance. HoverLink will maintain the Vessel in accordance with the Vessel manufacturer's and major component manufacturers' recommended service schedules and maintenance manuals and procedures. The cost of all routine maintenance and procedures shall be borne by AEB as described in the Budget (as defined below), except as otherwise set forth in Section 2.1 below.

1.4.2 Spare Parts. HoverLink will maintain spare parts at the Vessel hangar site depicted on the Plan at all times during the term, of sufficient type and quantity as reasonably required to permit HoverLink to maintain the Vessel in a fully operational condition at all times.

1.4.3 Main Repairs. HoverLink will immediately notify AEB of any necessary repairs to be made to the Vessel. Non-routine repairs anticipated to exceed \$5,000 (projected parts and labor) require prior written approval of the Borough Administrator excepting those necessary to be immediately made in the event of an emergency or to maintain the service schedule. The cost of any repairs shall be borne by AEB, except that HoverLink shall be responsible for the cost of any repairs to the extent such repairs are not covered by insurance and are required as a result of HoverLink's gross negligence, willful misconduct, or failure to perform routine maintenance as stated in Section 1.4.1 above

1.4.4 Interruption in Service due to Failure to perform Routine Maintenance and Repairs. AEB may, at its option, obtain and maintain business interruption insurance coverage.

1.5 AEB Responsibilities.

1.5.1 AEB will be responsible for carrying out all capital improvements and ongoing maintenance at the Facilities reasonably required for HoverLink to perform the Services.

1.5.2 AEB will provide certain logistical and infrastructure support to enable HoverLink to perform the Services, including utilities, telecommunications, weather data, and such other support and assistance as mutually agreed to by the parties (collectively, the "Infrastructure").

1.5.3 AEB will procure and pay for all fuel needed for HoverLink's operation and maintenance of the Vessel.

1.6 Fare Revenue and Ticketing. HoverLink will document all passengers and cargo carried on the Vessel as necessary for AEB to seek payment for such transportation services from third parties, and will work cooperatively with AEB to enhance and grow revenues. In the event that fare collection at the Vessel is necessary, HoverLink will work with AEB to provide the most efficient and cost effective means for such collection, provided that in no event will HoverLink handle or collect any cash.

2. Compensation.

2.1 Fees. HoverLink will perform the Services set forth in this Agreement at HoverLink's costs, including general and administrative costs as provided in the Budget,

margined at ten percent (10%) of such costs (the "Fees"). The estimated budget is set forth on Section V and Appendix B of the Ferry Services Plan attached hereto as Exhibit C (the "Budget"). HoverLink will diligently work to manage the Services within the Budget and shall notify AEB on a monthly basis regarding the overall Budget performance. Any changes to the Budget or the Services shall be made pursuant to Section 9.5 below.

2.2 Invoices; Payment. HoverLink will provide AEB monthly invoices no later than the tenth (10th) day of each month for the Fees incurred for the previous month. AEB will pay HoverLink all amounts due within fifteen (15) days of receipt of the monthly invoice. AEB will pay HoverLink an amount of \$300,000 for working capital on or before the date of AEB's execution of this Agreement, which amount shall be credited back to AEB upon termination of this Agreement.

2.3 Taxes. Each party is responsible for its own taxes incurred or levied in connection with its activities under this Agreement, except for business and occupation (B&O) taxes which are included in the Budget.

2.4 Books and Records. During the term of this Agreement and for one (1) year thereafter, HoverLink will keep copies of books and records related to amounts HoverLink requests to be paid for the Services. A Certified Public Account designated by AEB may, on reasonable notice to HoverLink and during normal business hours, examine and make copies of HoverLink's books and records for purposes of auditing and verifying the fees charged under this Agreement.

2.5 Reports. During the term of this Agreement, HoverLink will provide AEB a report of the Services upon request by AEB in the format set forth in Exhibit D.

3. Term.

3.1 Term and Renewal. The initial term of this Agreement will begin on the Effective Date and will expire on August 31, 2013 (the "Initial Term"), and will automatically renew for successive, one-year terms (each, an "Additional Term") unless AEB provides HoverLink written notice of its intent not to renew not less than ninety (90) days prior to the end of the Initial Term or Additional Term, as applicable.

3.2 Termination for Convenience. Notwithstanding Section 3.1, AEB may terminate this Agreement on ninety (90) days' prior written notice to HoverLink. If AEB terminates this Agreement pursuant to this Section, AEB will be responsible for Fees owed to HoverLink for any Services rendered through the termination date. AEB will also be responsible for any costs reasonably incurred by HoverLink to wrap up and shut down its operations, the amount and timing of which will be mutually agreed upon by the parties. AEB's termination pursuant to this Section 3.2 may be for any reason including, without limitation, any withdrawal, reduction, or limitation of AEB's funding following the Effective Date.

3.3 Termination for Breach. Notwithstanding Section 3.1, either party may terminate this Agreement for breach or default of the other party on thirty (30) days' written notice to the breaching party. If the breaching party does not cure the breach or default within the thirty (30) day period, the non-breaching party may thereafter terminate this Agreement at any time, effective immediately, and has no obligation to accept an attempted cure by the breaching party. A party's right to terminate pursuant to this Section 3.3 is not exclusive and is in addition to any other legal or equitable remedies accorded that party under applicable law.

3.4 Post-Termination Survival. The terms and conditions of Sections 3.2, 3.3, 3.4, 4, 6, and 8 shall survive any termination or expiration of this Agreement.

4. Confirmation of Relationship.

4.1 Independent Contractor. HoverLink is an independent contractor providing services to AEB under this Agreement. The provisions of this Agreement will not be construed to establish any form of partnership, agency or other joint venture of any kind between AEB and HoverLink, nor to constitute either party as the agent, employee or legal representative of the other. All persons furnished by HoverLink to accomplish the intent of this Agreement will be considered solely HoverLink's employees or agents and HoverLink will be solely responsible for compliance with all laws, rules and regulations involving, among other things, employment of labor, hours of labor, working conditions, workers' compensation, payment of wages, and withholding and payment of all applicable taxes of any nature

5. Representations and Warranties.

5.1 AEB Representations and Warranties. AEB represents and warrants to HoverLink that: (i) it has the necessary authority to enter into this Agreement and carry out its obligations hereunder; (ii) it has all licenses, permits, and authorizations necessary for HoverLink to operate the Vessel in accordance with this Agreement; (iii) it has good and marketable title to the Vessel; (iv) it carries the insurance as required in Section 7 below; (v) it will comply with all applicable laws, rules, regulations and orders of any governmental authority in its performance under this Agreement.

5.2 HoverLink Representations and Warranties. HoverLink represents and warrants to AEB that: (i) it has the necessary authority to enter into this Agreement and carry out its obligations hereunder; (ii) it will employ qualified Personnel to perform the Services; (iii) it and its employees possess all licenses, permits and authorizations necessary for their operation of the Vessel in accordance with this Agreement; (iv) it carries the insurance as required in Section 7 below; and (v) it will comply with all applicable laws, rules, regulations and orders of any governmental authority in its performance under this Agreement.

5.3 Exclusive Warranties. EXCEPT AS OTHERWISE SET FORTH IN THIS SECTION 5, NEITHER PARTY MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES OR ANY MATERIALS PROVIDED TO EACH OTHER HEREUNDER, AND BOTH PARTIES EXPRESSLY DISCLAIM THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

6. Indemnification.

6.1 AEB Indemnification. Except to the extent arising out of HoverLink's negligence or willful misconduct and subject to Section 7.6 below, AEB will indemnify, defend and hold harmless HoverLink, its personnel, employees, contractors, officers, agents, managers, members, and representatives from and against any and all damages, liabilities, penalties, fines, losses, costs and expenses including reasonable attorneys' fees (collectively, "Losses") arising from or relating to (a) any third-party claims or actions based on AEB's negligence or willful misconduct in performing its obligations under this Agreement; or (b) breach of any of the representations or warranties set forth in Section 5.1 above.

6.2 HoverLink Indemnification. Except to the extent arising out of AEB's negligence or willful misconduct and subject to Section 7.6 below, HoverLink will indemnify, defend and hold harmless AEB, its personnel, employees, contractors, officers, agents, managers, members, and representatives from and against any and all Losses arising from or relating to (a) any third-party claims or actions based on HoverLink's negligence or willful misconduct in

performing its obligations under this Agreement; or (b) breach of any of the representations or warranties set forth in Section 5.2 above.

6.3 Notification, Rights and Cooperation. The indemnified party agrees to give the indemnifying party prompt written notice of any claim subject to indemnification; provided that an indemnified party's failure to promptly notify the indemnifying party will not affect the indemnifying party's obligations hereunder, except to the extent that the delay prejudices the indemnifying party's ability to defend the claim. The indemnifying party will have the right to conduct the defense of any claim with counsel of its own choosing and to settle the claim as the indemnifying party deems appropriate, provided that the indemnifying party will not enter into any settlement that adversely affects the indemnified party's rights without the indemnified party's prior written consent. The indemnified party agrees to reasonably cooperate with the indemnifying party in the defense and settlement of any claim, at the indemnifying party's expense.

7. Insurance.

7.1 AEB Coverages. AEB will, at its expense, procure and maintain in full force and effect the following insurance coverage during the term of this Agreement:

7.1.1 Hull and machinery, subject to the terms and conditions of the Air Cushion Vehicle Clauses or equivalent, in an amount equal to the vessel's agreed value, and including innocent owners' insurance.

7.1.2 Protection & indemnity as per form SP-23 or per the rules of Steamship Mutual P&I Club, including liability coverage for property damage and injuries to third parties, passengers and crew and pollution liability to a limit of not less than \$100,000,000 per occurrence with HoverLink added as Co-Insured as manager and operator of the vessel with all the liability and obligations of a vessel owner

7.1.3 Commercial General liability or Marine General Liability insurance including contractual liability and actions over indemnification involving employees and including Terminal Operator's liability to a limit of not less than \$1,000,000 per occurrence.

7.1.4 Workers compensation including coverage under the U.S. Longshore and Harbor Workers Compensation Act as required by law and including Employer's Liability insurance to a limit of \$2,500,000

7.1.5 Auto Liability insurance covering all owned, non-owned and hired autos to a limit not less than \$1,000,000 per occurrence.

7.1.6 Excess Liability insurance to a limit of \$9,000,000 excess of General Liability/Terminal Operator's Liability and Auto Liability.

7.2 HoverLink Coverages. HoverLink will procure and maintain in full force and effect the following insurance coverage during the term of this Agreement:

7.2.1 Commercial General liability or Marine General Liability insurance including contractual liability and actions over indemnification involving employees to a limit of not less than \$1,000,000 per occurrence.

7.2.2 Workers compensation including coverage under the U.S. Longshore and Harbor Workers Compensation Act as required by law and including Employer's Liability insurance to a limit of \$2,500,000.

7.2.3 Auto Liability insurance covering all owned, non-owned and hired autos to a limit not less than \$1,000,000 per occurrence.

7.2.4 Excess Liability insurance to a limit of \$9,000,000 excess of General Liability and Auto Liability.

7.3 Additional Insurance Requirements.

7.3.1 Each of the above policies shall waive subrogation in favor of the non-procuring party.

7.3.2 Each of the policies other than Workers Compensation/USL&H shall name the non-procuring party and its vessel, members, managers, officers, employees, agents and volunteers as Additional Assureds with respect to liabilities under this agreement and shall be primary to other insurance available to the Additional Assured.

7.3.3 Each policy shall be endorsed to provide the non-procuring party not less than thirty (30) days advance notice of cancellation or reduction in coverage except ten (10) days advance notice in the event of non-payment of premium.

7.4 Certificates. On or before May 20, 2012, each insured party shall deliver to the other party certificates of insurance in form reasonably satisfactory to the other party evidencing the coverages required hereunder ("Evidence of Insurance"), and each insured party shall provide the other party with Evidence of Insurance thereafter before the expiration dates of expiring policies. Such certificates shall also contain a statement:

"Should any of the above insurance covered by this Certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance notice to the other party."

7.5 Failure to Secure. If either insured party at any time during the term of this Agreement should fail to secure or maintain or fail to cause to be maintained the foregoing insurance, the other party shall be permitted to obtain such insurance in the insured party's name or as an agent of the insured party; provided, however, the other party shall notify the insured party in writing of the inadequacy of the insured party's insurance and the insured party shall have a thirty (30) calendar day cure period to allow the insured party adequate time to secure such insurance. If the insured party fails to secure such insurance after the expiration of the cure period, HoverLink shall be compensated by the insured party for the costs of the insurance premiums, plus interest at the maximum rate permitted by law computed from the date such premiums have been paid. The insured party shall indemnify and hold harmless the other party from any Losses arising from the failure to maintain any of the insurance policies required above.

7.6 Reliance Upon and/or Failure of Insurance. The parties shall rely upon the insurances identified in this Section 7 to address loss, damage, claim, liability and/or suit relating to this Agreement and/or performance hereunder and agree to promptly submit all such matters to the applicable insurance. In the event a party fails to procure a required

insurance, an insurance fails for any reason (including breach of warranty or condition) and/or an insurer otherwise refuses or is unable to pay, the party required to procure and maintain such insurance shall be deemed the insurer or self-insurer, shall accept and pay all claims which would otherwise be covered by such failed insurance and shall indemnify and hold harmless (including legal fees and costs) the other party of and from any loss, damage, claim, liability and/or suit which would have been covered by such insurance had the insurance been procured and maintained as required.

8. Damages Limitation. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES FOR ANY CLAIM ARISING OUT OF SUCH PARTY'S PERFORMANCE OF THIS AGREEMENT UNLESS SUCH DAMAGES ARE PROVED TO HAVE RESULTED SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH PARTY, IN WHICH CASE (EXCEPT FOR DAMAGES RESULTING FROM SUCH PARTY'S WILLFUL MISCONDUCT) THE TOTAL LIABILITY TO THE OTHER PARTY FOR ANY SUCH CLAIM WILL NOT EXCEED HOVERLINK'S TOTAL ANNUAL PROFIT UNDER THIS AGREEMENT.

9. Miscellaneous.

9.1 Relationship Managers. Each party will name a representative as the primary liaison with the other party (each, a "Relationship Manager"). The Relationship Manager for HoverLink will be the General Manager, currently Martin Robbins, and the Relationship Manager for AEB will be the AEB Administrator. The Relationship Managers will serve as the parties' points of contact. The Relationship Managers will communicate on a frequent (not less than quarterly) basis to review HoverLink's performance hereunder and to address any related concerns and questions of AEB.

9.2 Dispute Resolution. If a dispute or claim arises under this Agreement (a "Dispute") that the Relationship Managers of each party are unable to resolve, a party will notify the other party of the Dispute in writing (which may be via email) with as much detail as possible. AEB and HoverLink senior business representatives with full authority to resolve the Dispute will use good faith efforts to resolve the Dispute within ten (10) business days after receipt of a Dispute notice. If the parties' senior business representatives are unable to resolve the Dispute, or agree on the appropriate corrective action to be taken, within the ten (10) business days, then the parties shall submit the Dispute to a mediator mutually agreed upon. If the parties are unable to resolve the Dispute through mediation, then the parties shall submit the matter to binding arbitration, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction over the parties. The costs of mediation or arbitration shall be equally borne by the parties and shall be conducted in a neutral jurisdiction outside of the State of Alaska determined by AEB. Pending resolution of the Dispute, both parties will continue to perform their respective, undisputed responsibilities under this Agreement. Nothing contained in this section will limit or delay the right of either party to seek injunctive relief where in such party's sole opinion the absence of such relief would cause irreparable harm to such party.

9.3 Governing Law. This Agreement is governed by the laws of the State of Alaska.

9.4 Assignment. The parties may not assign or transfer this Agreement, in whole or in part, without the other party's prior written consent. Any assignment in contravention of this provision will be null and void. This Agreement will be binding on all permitted assignees and successors in interest.

9.5 Entire Agreement/Amendments. This Agreement, together with all exhibits that are attached hereto, represents the entire agreement of the parties regarding the subject matter described herein, and all other promises, representations, understandings, arrangements and prior agreements related thereto are merged herein and superseded hereby. The provisions of this Agreement may not be amended except by an agreement in writing signed by authorized representatives of both parties referencing this Agreement and stating their intention to amend this Agreement.

9.6 Notices. Except as may be otherwise set forth herein, all notices, requests, demands and other communications hereunder will be in writing and will be deemed to have been duly given: (i) on the day of delivery when delivered in person to the party's designated representative(s) for receipt of notices; (ii) on the date three (3) days after mailing if mailed by registered or certified mail; or (iii) on the next day if delivered by overnight courier to the party. To be effective, all notices must be sent to the following addresses to the attention of the person(s) or position(s) identified:

If to HoverLink:

HoverLink, LLC
Attn: Keith Whittemore
469 NW Bowdoin Place
Seattle, WA 98107

With a copy to:

Graham & Dunn P.C.
Attn: V. Marc Droppert
2801 Alaskan Way, Suite 300
Seattle, WA 98121

If to AEB:

ALEUTIANS EAST BOROUGH
Attn: Rick Gifford, Borough Administrator
3380 C Street, Suite 205
Anchorage, Alaska 99503

With a copy to:

LEVESQUE LAW GROUP, LLC
Attn: Joseph N. Levesque, Borough Attorney
3380 C Street, Suite 202
Anchorage, Alaska 99503

Such addresses may be changed by notice given by one party to the other pursuant to this section.

9.7 Severability. If any provision of this Agreement is invalid or unenforceable in any jurisdiction, the other provisions herein will remain in full force and effect in such jurisdiction and will be liberally construed to effectuate the purpose and intent of this Agreement, and the invalidity or unenforceability of any provision of this Agreement in any

jurisdiction will not affect the validity or enforceability of any such provision in any other jurisdiction.

9.8 Waiver of Breach. The waiver of any breach of any provision of this Agreement will be effective only if in writing. No such waiver will operate or be construed as a waiver of any subsequent breach.

9.9 Interpretation. As used in this Agreement, including Statements of Work, the use of the term "including" is illustrative and not limiting.

9.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original, but all of which together will be considered one and the same agreement.

9.11 Force Majeure. No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from the following force majeure events ("Force Majeure Events"): (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances; and (i) other similar events beyond the reasonable control of the party impacted by the Force Majeure Event (the "Impacted Party").

The parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

HOVER LINK, LLC

By: MJR
(signature)

Name: MARTIN J. ROBBINS
(print name of person signing agreement)

Title: GENERAL MANAGER

Date Signed: _____

ALEUTIANS EAST BOROUGH

By: _____
(signature)

Name: _____
(print name of person signing agreement)

Title: _____

Date Signed: _____

EXHIBIT A

(INTENTIONALLY OMITTED)

EXHIBIT B
SERVICES

(See Attached)

EXHIBIT B
SERVICES

1. Services. The services shall include the following, as further described in the Ferry Service Plan attached hereto as Exhibit C, which shall be updated by mutual agreement of the parties from time to time.
 - a. Phase 1. HoverLink will provide the following services during the period beginning April 9, 2012 and ending August 31, 2012:
 - Hire all Personnel;
 - Finalize operations and safety plans and procedures;
 - Train and certify all Personnel;
 - Develop and finalize procedures for development of the go and no-go protocols;
 - Finalize maintenance procedures;
 - Provide demonstrations for government agencies as reasonably required; and
 - Additional services as agreed by the parties.
 - b. Phase 2. HoverLink will provide the following services beginning during the period beginning September 1, 2012, and ending August 31, 2013:
 - Operate the Vessel to provide round trip service on the Service Route, at a schedule to be agreed to by the parties which is synchronized with the flights operated any airline providing service at the Akun Island airport (the "Schedule"). The Schedule will be adjusted on agreement of the parties based upon seasonable or timetable adjustments made by the air carriers;
 - Be available to communicate with AEB in support of the round trip service on the Service Route 7 days-a-week, 365 days-a-year;
 - Be prepared to operate the Vessel for other missions at the reasonable, prior, written request of AEB;
 - Explore options for other revenue streams such as vehicular transportation, freight, mail, fuel delivery, search and rescue, and medical evacuation; and
 - Additional services as agreed by the parties.
2. HoverLink Personnel. The Personnel required to operate the Vessel will include the following four (4) member crew and one (1) on-shore maintenance engineer, for a total on-site staff of five (5):
 - (a) One 100 Ton Master (minimum) as Captain, holding a radar observer qualification and hovercraft endorsement;
 - (b) One 100 Ton Master (minimum) as First Officer, holding a radar observer qualification and hovercraft endorsement;
 - (c) One qualified high speed deckhand and one hovercraft maintenance engineer, who, together with (a), and (b) will complete the crew; and
 - (d) One port engineer or relief crew, as a riding gang member who will provide shore staff support and crew redundancy as required.
3. Communication; Reporting Requirements. HoverLink's Relationship Manager will be primarily responsible for communications with AEB. HoverLink will provide AEB routine administrative reports in the format set forth on Exhibit D and will maintain all necessary logs and records necessary for compliance with applicable law.

EXHIBIT C
FERRY SERVICE PLAN

(See Attached)

Akutan – Akun Hovercraft Ferry Service Plan

I. Summary of the Service

A. The Route

The ferry route shall be served by a single hovercraft owned by the Aleutians East Borough (AEB) and operated under contract by HoverLink, LLC (HoverLink).

HoverLink is a wholly owned subsidiary of Kvichak Marine Industries, Inc. (KMI). The service route shall be from Akutan Island near the village, to the new airport on Akun Island. The landing on Akun Island will be via the beach at Surf Bay. There will also be a hovercraft shelter built at the head of Akutan Harbor.

B. Service Schedule

The ferry service will provide the marine link between the new airport and Akutan. Flight schedules to Akun have not been established; at this time the service is presumed to be offered by Grant Aviation on a twice daily basis between Dutch Harbor (DUT) and Akutan. HoverLink will respond to any published airline schedule with corresponding ferry times; and coordinate with any other airline arrivals (i.e., charters) as necessary, to provide the marine link in an efficient manner.

Air service is subject to seasonal and demand changes, as well as weather limitations on the existing aircraft and facilities. Direct service from Anchorage (ANC) to Akun Island bypassing DUT is also a future possibility. During peak personnel changes (the "Push") at the Trident Seafood plant in Akutan, additional sailings may be required to support multiple flights and charters. Those peak travel times are mid-December to mid-January, mid-March to late April, and late May to late June.

The assumed schedule is based on two flights per day, and will be adjusted to any seasonal or timetable adjustments made by the air carriers. The hovercraft crew operating day is limited to 12 hours in duration due to United States Coast Guard (USCG) regulations.

C. The Vessel

The route will be served by the SUNA-X, Official Number 1190205 owned by AEB. SUNA-X is a BHT-150WD hovercraft and she currently holds a United States Coast Guard Certificate of Inspection (COI) as a Subchapter T vessel. The vessel admeasures at 92 gross tons.

SUNA-X has a payload capacity of 20,000 pounds (ten tons). Payload can be any combination of passengers, luggage, and cargo with some limitations. The vessel can carry up to 49 passengers with luggage, with an operating crew of up to four, maximum of 53 persons allowed onboard. The vessel can accommodate one heavy duty pickup truck as cargo. The current COI is attached as Appendix A to this Plan. SUNA-X can also transport up to 500 gallons of #2 diesel fuel in her integral tanks, as cargo, for transfer ashore.

D. The Facilities

AEB is partnering with other agencies to construct all capital improvements at the following hovercraft sites; and is responsible for any future or ongoing maintenance needed at these sites as they pertain to hovercraft operations. HoverLink's role will be to provide operational guidance to AEB as requested for all facilities; and to keep AEB informed as to the status of these facilities regarding state of good repair.

Akutan Village Sea Plane Ramp – This ramp is deficient in a number of ways, and is judged to be usable only under the most ideal conditions of wind and tide. Our pilots have been instructed to nose in here only, and only when conditions are ideal. The hovercraft cannot safely land there (out of the water) under any conditions.

The ramp is irregular, it is too narrow, it is too shallow, and its approaches can and will be compromised by other moored vessels. The riprap recently installed there is lethal to the bottom of the craft at certain tide levels.

This situation is even more troubling as this is the location at which the hovercraft was supposed to be fueled; not only fuel for our own operations, but also to enable us to transport fuel to Akun to support operations there for the City of Akutan and DOT.

We believe that the project permits for ferry operations preclude us from fueling within 100 feet of the water; this is impossible based on the current ramp situation in the village. Given the situation and the immediate need to be taking on fuel, we are recommending that AEB purchase one of the two remaining 10,000 fuel tanks from Kiewit on Akun, and transport it to the Shelter. On days of excellent weather, we can then shuttle fuel (purchased from Trident) to our Shelter tank. This will give us an operating margin for the many days per month that we will be unable to nose into the village ramp, until such time that the Trident float option is a reality (see options below).

Right now we see two options:

1. We can nose onto the small round rock beach just east of the City Dock, near the satellite dishes, to transfer passengers. This is less than ideal as there is no proper walking surface there. But this can be used in a crude operation for the very short term. Continued use of this beach landing will accelerate finger wear on the bow of the vessel and put passengers at risk for slip and fall, or other injuries.
2. Construct a proper landing on the eastern most end of the new Trident sheet pile wharf. In this location a float could be placed to allow the hovercraft to approach, come into boating mode, turn into the dangerous and prevailing S wind, and moor abroast of the float. From this location passengers, cargo, and fuel can be safely handled; and we can safely depart nose into the wind. We have discussed this preliminarily with Dave Abbasian of Trident and he is very agreeable to assisting.

We rate the reliability of this ramp at 0% given the current situation, with the Trident float option at 60% or greater.

Requested actions:

1. Complete an agreement with Trident to use the area discussed above.
2. Pursue acquisition of a float appropriate for use at the Trident sheet pile wharf; Trident may be able to provide the float, fendering, and gangways for a reasonable cost.
3. Acquire one of the 10,000 gallon fuel tanks from Kiewit and transport it to the Shelter, estimated price from Kiewit is \$50,000 plus any transportation cost.

Hovercraft Shelter Site – It is by far the best of the three ramps, but does have a few deficiencies. First, the lower reaches of the ramp have concrete panels that are excessively grooved. This highly abrasive surface will lead to accelerated finger wear on the craft and higher operational costs, and more vessel down time. This deficiency is found at all three ramps. It can be mitigated by covering these panels with sand or mud to provide a lower friction surface.

More importantly, the western flank of the ramp slopes downhill to the west, instead of being flat and level. The consequence is that the craft will tend to seek low ground when it is up on cushion making its approach to the shelter. So as the craft is either entering or exiting the shelter, the stern will tend to fall downhill to the west and off the ramp towards the range lights. This can be somewhat mitigated by building a sand berm just off the western end of the ramp. This will be an inexpensive fix and will help protect the craft and the range lights. Also, as the craft tends to twist when backing out or driving in, there is a danger that the craft will damage the shelter. To that end we will want to bolster the concrete barriers that protect the door edges. There may be days when it is just safer to leave the craft outside rather than risking entry into the shelter.

Overall, we rate the reliability of this ramp at 80% or better, with safe entry into the shelter at something less than 80%.

Requested actions:

1. Build a sand berm on western edge of concrete pad per HoverLink direction.
2. Provide portable Jersey barriers to place strategically at corners of shelter doorway to protect doors and the shelter structure there.
3. Cover lower ramp panels with mud or sand to prevent excessive finger wear.

Surf Bay Landing Area – In addition to the overly aggressive concrete texturing mentioned above, there are three major deficiencies here that (not a question of if, but only a matter of when) will put the craft, crew, and passengers into extreme peril.

The mooring buoy, we are told and have been assured, will be removed from here soon. As is, it presents a serious navigational hazard; but we are learning to drive around it. In driving around it we are unnecessarily bringing the stream or the rocks more into play than they should be.

First, the pad is not level after climb out. As mentioned above, when a hovercraft is on cushion and on land, it naturally tends to follow gravity and fall downhill. Due to the surf conditions at Surf Bay, we need to turn the craft 180 degrees to enter the surf bow first. Since we land bow first, this maneuver is required for every ramp departure. Once we start to rotate the craft on its air cushion it will immediately tend to slide downhill beam to the surf. Being beam to the surf is the most dangerous way for the craft to enter the water. If the ramp was flat, the craft could rotate fully BEFORE heading down the ramp into the surf. As things are, the captains will be fighting to control the craft EVERY time they depart Akun. Our pilots have been instructed to NEVER enter the surf stern first. If they feel that they cannot safely rotate the craft, they will cancel the departure until wind conditions allow them to do so.

Second, there is no bailout room to either the immediate right or the left of the ramp; with VERY dangerous rocks on the right, and a bridge over a stream lined with jagged riprap on the left. If the craft falls either direction due to wind or wave action, there is no room for error. The

rocks to the right pose the greater of the two hazards. Landing on the rocks with passengers is a nightmare scenario. The craft would be lost and lives would be put into serious jeopardy. The only method to avoid this under difficult wind/sea conditions is to aim to land well north of the stream and bailout on the comparatively generous beach there. This will be the only option in strong N or NW wind patterns. We fully anticipate making emergency landings on the beach north of the stream, then using the bridge to transport passengers to and from the airport, on a regular basis. There is no fix to the existing ramp for this deficiency. The stream to the N and rocks to the S cannot be moved. The only mitigation is to land up the beach to the N and use the bridge.

Third, the ramp is not deep enough. There is simply not enough ramp between the climb out area and the hill at the head of the ramp. The lack of run out room means that the pilots will be reluctant to use the correct amount of power to climb the ramp due to the possibility of over running the ramp into the hill side and taking out the range lights there. This is exacerbated by the fact that there is no level area on the ramp.

Given all of these factors, we rate the reliability of this ramp at 60% given the bailout to the N on the beach, without the bailout area the reliability is judged to be no better than 30% on an annual basis, and even lower during the storm months.

Requested actions:

1. Remove the mooring buoy.
2. Prepare beach area N of stream to act as a proper bailout area, per HoverLink guidance.
3. Retain bridge over the stream permanently.
4. Cover lower reaches of ramp with sand or mud.

Additionally, HoverLink's crew will require shore side logistical and infrastructure support in order to carry out the service. Following is a brief summary of these items; the status of each has been updated based on current information.

- Utilities – AEB to pay for and provide all utilities at all sites.
- Telecommunications – we will need a dedicated satellite based telecommunications system at the hovercraft shelter (hovercraft operations office) for voice and data. The craft will have a satellite telephone and all required VHF radios. VHF radios will be purchased and installed at the hovercraft operations center. The captain and engineer on the active duty crew will be carrying cellular phones. All telecommunications costs to be paid by AEB.
- Housing – RESERVED, AEB to provide.
- Groceries – the HoverLink crews will be responsible for their own groceries and meal preparation duties funded out of their per diem allowance.
- Transportation – AEB has provided a 21 foot Workskiff, Inc. M-Series skiff, with a S-Series cabin and full outfit, for HoverLink’s use for crew transportation between the village and the shelter. The hovercraft itself will be used to shuttle heavy freight or bulky items (oil drums, spare parts, et cetera). Further, AEB has provided a pickup truck for the crew’s use at Akutan, and a 5 ton fuel truck for fueling from Trident. A telehandler is also being secured by AEB for HoverLink’s use. HoverLink will provide all air transportation for the crews as a reimbursable expense.
- Weather Data – weather data will be available in mid-September from an automated weather observation station (AWOS) being installed at the airport by DOT. Additionally, HoverLink will be deploying an AEB provided wave and current buoy in the vicinity of Surf Bay for monitoring all pertinent data.

E. Plan Implementation

The work to develop this Plan is a deliverable item under HoverLink’s RFEI letter and the resultant letter agreement between AEB and HoverLink as executed on February 21, 2012. Those documents further describe Phase 1 and Phase 2 of this project as follows:

For Phase 1 (complete as of August 31, 2012):

- hire all staff;
- finalize operations and safety plans and procedures as contained in this Plan;
- train and certify all staff for the operation;
- setup mechanisms for ongoing development of the go and no-go protocols;
- finalize maintenance procedures;
- complete the vessel COI and make her ready for passenger service;
- provide demonstrations for United States Fish & Game, United States Coast Guard and other agencies as required or requested;
- all as outlined and described in this Plan, its appendices, and any agreed upon addendums.

For Phase 2 (Operations):

- provide twelve months of safe, reliable, and efficient hovercraft ferry service;
- be prepared to do any other missions as requested by AEB;
- explore options for other revenue streams such as fuel and vehicular transportation, freight, mail, SAR, medical evacuation;
- all as outlined and described in this Plan, its appendices, and any agreed upon addendums.

I.E. Operations

A. Route Manual & Wildlife Protection

The hovercraft ferry service will be operated in a safe and environmentally responsible manner.

These operating requirements are paramount. HoverLink has trained the operating crews during Phase 1 of the project; and the crews are now qualified to operate and navigate SUNA-X on the prescribed route in accordance with the Route Plan.

Additionally, the crews will be thoroughly trained on all aspects for the protection of the environment, wildlife, marine mammals, fish, and bird resources. In particular, the operating crews will be trained regarding the proper treatment of threatened and endangered species; and their respective habitats. All federal and state laws regarding protection of the environment, wildlife, marine mammals, fish, and bird resources will be strictly followed.

See Appendix C of this Plan for the particulars and details of the Akutan – Akun Route Plan and Wildlife, Marine Mammal, Fish, and Bird Resource Protection Plans.

B. Vessel Crewing

For the Akutan to Akun Island hovercraft ferry route the vessel will normally operate with a fully qualified four person crew consisting of:

- One 100 Ton Master – holding a radar observer qualification and hovercraft endorsement;
- One 100 Ton Master as First Officer/Pilot – holding a radar observer qualification and hovercraft endorsement;

- One Hovercraft Maintenance Engineer; and
- One Qualified High Speed Deckhand; at all times.

The decision to carry a four person crew is based on relative increase in risk arising from the change in operating environments between Cold Bay and Akutan. The decision is also importantly based on the lack of operational data and history on which to conclude that risks maybe acceptable operating with a three person crew.

The USCG has issued a new COI for this route that allows for operation of the hovercraft with a crew of only three. Given that the Master and First Officer are both licensed to fully operate the craft; this will allow for hovercraft operations to continue without interruption should any one member of the crew be unavailable for duty.

Additionally, in this case the start-up costs to the project were relatively unaffected by the increase in student numbers. The start-up training costs have yielded four licensed operators – giving the project some capacity to immediately deal with unplanned personnel turnover or absences in the first year of ferry operation.

Future risk analysis may conclude the route can be served with a three person crew at which point HoverLink and AEB can analyze the risk/benefit of making that change; versus ramping up with a second pilot training scheme in the future.

Therefore, it is proposed that the service will be staffed by two four person operating crews, each consisting of one Captain (or Master), one First Officer/Pilot, one Hovercraft Engineer, and one Deckhand. Each crew will work a shift rotation of three weeks on and three weeks off the vessel. All eight crew members will be direct employees of HoverLink and will report directly to the General Manager.

The oncoming crew will assemble in Seattle, WA on the day prior to their rotation date and will meet with the General Manager. This crew will then travel together from Seattle to Akutan on the

scheduled rotation date. Once on-site both crews will participate in a turnover period where operational, maintenance, and logistical details will be shared with the oncoming crew. Once turnover of the route to the oncoming crew is complete, the off going crew will return to Seattle and meet with the General Manager prior to starting their three week off period. On a regular basis the General Manager will travel to Akutan and conduct turnover briefings in person with the crews.

See Appendix D of this Plan for complete crew position descriptions, including key activities, responsibilities, job content knowledge, and required communication skills. The Captain, First Officer, and Deckhand will also assist the Hovercraft Engineer as required for preventative maintenance and repair activities; exercising a total team approach to operational safety, reliability, and service efficiency.

C. Maintenance Crewing

As outlined above in Section II.B, it is proposed that each crew include a Hovercraft Engineer to provide for proper daily vessel preventative maintenance and repairs.

See Appendix D of this Plan for a complete position description, including key activities, responsibilities, job content knowledge, and required communication skills. The Hovercraft Engineer will also assist the Captain, First Officer, and Deckhand as required for vessel navigation and underway operations.

HoverLink proposes to augment the skill set and experience of the Hovercraft Engineers with the consulting services of Hovertek (Mr. Paul Tobin). These services will be provided on an as needed basis and will be overseen by the General Manager. Specific ongoing support will be provided in these areas:

- audits and inspections of maintenance reports, records, and procedures;
- audit of craft technical and master log books;

- provide advice and recommended solutions to HoverLink personnel upon request with 24/7 telephone support;
- provide additional specific hovercraft maintenance training as requested;
- provide on-site certified hovercraft engineer to assist or augment the crew if required and subject to availability; and
- provide on-site BHT 150 experienced Pilot in Command (as an advisor to the crew) on an as required basis.

D. Preventative Maintenance & Repair Plan

Hovercraft SUNA-X shall be maintained in accordance with the manufacturers recommended service schedule and approved maintenance manual and procedures.

References:

DOC.066 BHT150WD Maintenance Manual
DOC.065 BHT150WD Type Operating Manual
CFR 46 Subchapter T parts 175 thru 185
Hoffmann - Propeller Operation and Maintenance Manual No - E765A

Suitable maintenance and operation of this type of hovercraft includes:

1. Ensuring that up to date records are maintained, to include the following:
 - A) Operating hours
 - B) Any damage or defects which may affect the safe operation of the craft
 - C) Any incidents or unusual occurrences, including particularly severe weather conditions
 - D) All modifications or design changes approved by the manufacturer and USCG MSO
 - E) All service bulletins issued by the manufacturer
2. Daily Inspections:
 - A) Daily inspections are conducted by maintenance staff on a pre and post flight basis.
 - All defects are recorded in a craft technical log and are signed off as rectified or as a deferred defect
 - Craft is certified as *serviceable* by maintenance personnel and all findings, rectifications and signatures are noted in the technical log book
 - B) The Daily Inspection consists of inspecting and recording the following items pre flight:
 - All Fluid Levels – engine oils, coolant, hydraulic fluid etc. level and any addition
 - Engine hours – pre and post flight
 - Craft Hour Totals
 - Structure
 - Electrics

- Engines
- Propellers
- Lifts Fans & shaft components
- Control Systems
- Skirt Systems

3. Major Inspections and Preventative Maintenance/Service:

Preventative maintenance and service shall be accomplished in a block check methodology consisting of inspection and servicing at every 50 hour interval of craft operations. The block check method consists of 20 separate checks and service over 1000 hrs of craft operations and is a proven technique adapted from the aircraft industry with the focus on safety and ensuring reliability.

Maintenance personnel refer to the block check service schedule and sign off on the related tasks as completed. This procedure occurs @ every 50 hours of craft operations until 1,000 hours is achieved. Once a particular block check is completed it is noted in the craft master and technical log book. At every 1,000 hour milestone the block check method defaults to Block 1 check 1 and the process repeats. See Appendix E and table below for current SUNA-X schedule and block check sign off sheets, as an example:

Block Check Service Schedule
SUNA-X BHT 150WD

	Check 1	Check 2	Check 3	Check 4
Block 1	1050 hrs <i>Complete</i>	1300 hrs	1550 hrs	1800 hrs
Block 2	1100 hrs <i>Complete</i>	1350 hrs	1600 hrs	1850 hrs
Block 3	1150 hrs <i>Complete</i>	1400 hrs	1650 hrs	1900 hrs
Block 4	1200 hrs	1450 hrs	1700 hrs	1950 hrs
Block 5 *	1250 hrs (oils)	1500 hrs (oils)	1750 hrs (oils)	2000 hrs (oils)

* - indicates oil changes every 250 hours

E. Safety Management

The United States Coast Guard recommends the use of Safety Management Systems in all commercial passenger carrying services – irrespective of vessel size or class of voyage. HoverLink endorses this recommendation fully and has as a consequence developed a comprehensive suite of standing orders, instructions and guidelines as operators of the SUNA-X for the Akutan to Akun hovercraft ferry service. The documents are a Safety Management System (SMS) and provide guidance and direction for all employees to safely and effectively deliver the marine link connecting Akutan with Akun Island. The SMS is constituted of ten chapters – commencing with Standing Orders, and concluding with the vessel manufacturer’s type operating manual. These documents are “controlled” in that each chapter is assigned an alpha numeric designation with an approved company signature band and date. In this way Captains and crews can and should help “evolve” the safety management system based upon their operational experiences in and around the passenger service. Suggestions for change which have been approved by the company are in turn issued or re-issued with new tracking numbers. Operational crews will review parts of the SMS during each Occupational Safety Meeting – which are typically held once every 3 weeks. HoverLink has tailored the existing SMS for SUNA-X to the Akutan to Akun route as part of Phase 1. The tailored SMS is Appendix F of this Plan and is available at the HoverLink FTP website for review; it is not attached due to its file size.

F. Security

The SMS for this hovercraft ferry service contains specific and detailed information regarding safety and security procedures to be followed by the HoverLink crews in carrying out the service.

As this is a USCG Subchapter T vessel, HoverLink believes that we will not be required to operate under an approved vessel or facility security plan, as would be required under the Marine Transportation Security Act (MTSA).

Currently there is no TSA screening process out of ANC and onwards to Akutan on flights operated by the air carriers. For the purpose of this Plan and proposal we assume that there will be no security requirements enforced upon the ferry service.

G. Operating & Environment Permits

Any and all permits required for the service shall be paid for and secured by AEB. HoverLink will assist AEB as requested with technical and operational data. AEB shall communicate any future operating or environmental permit requirements to HoverLink for inclusion in future addenda to this Plan.

HoverLink will incorporate all known permit requirements into the respective operational and route manual documents.

III. Management & Administration

A. Organization Chart

An organizational chart for the service is provided as Appendix G.

B. Position Descriptions

Position descriptions for all HoverLink staff are contained in Appendix C of this Plan.

C. Communications

The General Manager will bear the primary responsibility for all communications between HoverLink and AEB; and prospective partners such as airline partners, the local community, DOT, and Trident. The SMS (Appendix F) provides further details on communications internal to the HoverLink staff; and for notifications to outside agencies necessitated by ferry operations that are typically made by the crew.

HoverLink commits to providing the required communication links on a 24/7/365 basis in support of the hovercraft ferry service. The General Manager will nominally be available at all times and serve in an on-call status. During times of vacation, illness, or while otherwise out of

cellular phone range, the General Manager will delegate the on-call responsibility to one of the off-duty Masters or First Officers, or to another person knowledgeable of the service.

D. Reports

HoverLink will provide the following routine administrative reports to AEB, and will keep copies on file. The format and content of the reports will be subject to development and mutual agreement. These data reports will be generated by the crews, and the back office staff at KMI as part of the General & Administrative effort:

- monthly ridership and freight data
- monthly fuel consumption
- emergent repair activity for repairs exceeding \$5,000
- monthly budget update with the monthly invoice
- quarterly vessel and machinery hour summary
- annual Drug & Alcohol Testing results to the USCG and FTA
- any inspection reports or other correspondence received from outside regulatory agencies (USCG 835)
- any complaints received from ferry customers or service partners, along with HoverLink's resolution of same
- any reportable marine casualties or incidents (USCG 2692)

In addition, the Masters will be responsible for maintaining all required logs and records on the vessel and at the Akutan office facilities; and for generating any required reports per the SMS.

E. Insurance

Both parties agree to provide insurance to cover all aspects of ferry operations. Details on the insurance agreements are contained in the contract between AEB and HoverLink.

F. Invoicing & Payment Procedures

1. Invoicing

For Phase 2, HoverLink will prepare monthly invoices based on actual expenses incurred. Invoices will be electronically mailed to AEB by the General Manager in the form of a PDF file on or about the tenth of each month. Books and records in support of actual costs for the cost plus portion of invoices shall be available at the corporate headquarters of KMI in Seattle, Washington. These records may be reviewed by AEB in Seattle at a prearranged time of mutual convenience. See Section V and Appendix B of the Plan for more detailed information and the budget.

For Phase 1 which is complete as of August 31, 2012; AEB will be billed for the actual costs incurred, plus KMI G&A at \$12,000 per month, B&O taxes, all margined at 10%. Given that AEB has been making pro-forma payments throughout Phase 1, and end of phase true up invoice will be prepared.

2. Payments to HoverLink

Payment for each invoice sent to AEB shall be due within 15 calendar days of the date of the invoice. Payment shall be via wire transfer directly into the bank account of HoverLink. HoverLink will provide bank wire instructions under separate cover.

3. Payments to HoverLink Employees and Vendors

KMI has set up HoverLink as a completely separate entity in its corporate payroll, accounting software, and related financial systems; including separate bank accounts. HoverLink will be setup to make payments to HoverLink employees and all vendors who provide services directly in support of HoverLink operations for AEB. Strict separation of all financial transactions shall be maintained between KMI and HoverLink.

G. Fare Revenue & Ticketing

HoverLink will not collect fares (cash) directly from hovercraft ferry passengers or produce tickets. All passenger fare and freight revenues will be collected by AEB from others. HoverLink operating crews will count passengers and record all names, document the weight of any freight items, and the volume of fuel delivered as cargo. We will create and provide the appropriate records so that AEB can be accurately reimbursed for all of the marine link transportation services provided. If provided credit card readers for walk up passengers, HoverLink will process those types of payment on behalf of AEB if telecommunications infrastructure allows.

HoverLink will assist AEB as required to determine tariffs and fee structures (including revenue sharing) for other potential services such as freight, fuel and vehicular transportation, medical evacuation, SAR, mail delivery, et cetera.

HoverLink will coordinate as necessary with partners such as PenAir, Grant Aviation, and any other airline as necessary, and Trident to make any fare revenue or ticketing system work in an efficient and auditable manner. HoverLink will assist AEB as requested to enhance and grow revenues.

IV. Staff

A. HoverLink Staff Size

In 2010 AEB applied for and received an amendment to the USCG COI for crew level on the SUNA-X. The original four person crew which included:

- One Master (100Ton minimum);
- One Radar Observer; and
- Two Deckhands at all times.

Permission was received to reduce the crew to a total of three with the following designations:

- One (1) Master;

- One (1) Senior Deckhand (High Speed);
- One (1) Qualified Deckhand (High Speed) at all times;

with Deckhands trained in accordance with NVIC's 5-01, Ch1 and 1-91, CH1 respectively.

For the new hovercraft route from Akutan to Akun Island, HoverLink will operate in year one with a crew as detailed in Section II of the Plan. For the purposes of this Plan, HoverLink will then consist of nine total direct employees as follows:

- General Manager (GM)
- Two Captains
- Two First Officers/Pilots
- Two Hovercraft Maintenance Engineers
- Two High Speed Deckhands

Position descriptions for all operating staff are detailed in Appendix D of this Plan. The two operating crews will be designated as Crew A and Crew B. The GM will establish a presence in Akutan in support of the service, the community, the regulators, and the various partners. During Phase 2, the GM will travel to Akutan once to twice per month, and as needed. The GM will also be able to stop in ANC for meetings with AEB as requested.

The GM was in place as of April 9, 2012 as a HoverLink employee; his first visit to Akutan occurred on April 21, 2012 and he met with the Mayor, Trident representatives, other Akutan residents; and he toured the various facilities.

The two hovercraft operating crews have been hired. The crews will travel to Seattle independently and at their own cost; and assemble as a team prior to departure day for Akutan. All vessel crew of HoverLink are salaried to mitigate overtime labor costs, and all have executed a marine employee contract that covers all aspects of rotational and off-site employment.

Should it become necessary at some point in the future, HoverLink may hire an administrative assistant to supplement the staff.

B. Recruitment

Job announcements were placed in a wide variety of marine employment outlets, on our website, on the AEB website, and in various other locations. HoverLink received 270+ applications for the eight positions. All employees were officially hired on June 12, 2012. HoverLink has maintained a short roster of potential employees in the event that crew turnover occurs.

C. Human Resources

KMI will provide human resource services to HoverLink as necessary to advertise for, recruit, hire, administer, retain, and replace as necessary all HoverLink employees. Employee policies, procedures, administration, and benefits will be generally comparable between employees of KMI and HoverLink. These services are provided as part of the fixed monthly G&A cost; see Section V and Appendix B of this Plan.

D. Training

Training of all current HoverLink employees has been completed prior to the start of ferry service. HoverLink provided all required training of hovercraft operations personnel during Phase 1. The training program is summarized below, and is indicative of the training regimen for the Captain (or Pilot) of the vessel, the most arduous and challenging position on the crew. Similar training was undertaken for other crew members. The training syllabus and school has been officially approved by the USCG, allowing the Captains and 1st Officers to receive their hovercraft endorsements. Additionally, the Engineers and Deckhands will be certified by the Captain of each crew. HoverLink will also conduct heavy weather training in September and October of 2012 in order to fully prepare our pilots for those operational challenges. Since a bulk of their training occurred in fair weather conditions in Cold Bay, this extra training on the route is required.

PILOT TRAINING - PROGRAM SUNA-X

1.0 INTRODUCTION

Controlled documents have been developed to guide an Air Cushion Vessel Master Instructor – approved by USCG and designated by HoverLink – in the pilot and navigation training evolutions required to make a certified deck officer (here-in-after described as a Student) competent to serve in commercial operations aboard the hovercraft SUNA-X. Successful completion of this training program will permit the Trainee to safely operate the vessel within the manufacturer’s prescribed operating envelope.

2.0 METHODOLOGY

The course follows a 240 hour training progression from a classroom environment covering ‘ground school’ topics - to final consolidation evolutions requiring real-time pilot and navigation skills at sea. There are four modules to this training scheme:

- 2.1 principles and theory of Air Cushion Vehicles and BHT-150WD SMS;
- 2.2 craft systems and maintenance training;
- 2.3 basic piloting and control of the BHT-150WD;
- 2.4 principles of the safe operational envelope, individual and team high-speed navigation skills under radar guidance.

160 total hours of mission time must be accumulated on the SUNA-X as part of the USCG endorsement requirements; this will yield four fully credentialed hovercraft pilots. Forty (40) of these hours will be as “pilot-in-control” with 15 hours providing radar guidance. Trainees will track these hours in a personal pilot logbook which will be made available to USCG examiners upon request. Upon successful completion of the training program the approved instructor authority will issue an “attestation of training completion” to each trainee. The attestation must be presented to the USCG regional

examination center in order to obtain a Hovercraft endorsement to their marine certificate – which will authorize them to operate the SUNA-X.

V. Budget

The estimated budget for Phase 2 is attached as Appendix B of this Plan. The following paragraphs provide a brief narrative of the budgeting thoughts, assumptions, and methodology for each of the budget line items. The first page of Appendix B is a summary sheet, showing total cost by line item, and a grand total. Subsequent pages of the budget show details, quantities, unit costs, et cetera.

Careful and prudent management of the budget is critical. It shall be the responsibility of the General Manager to keep AEB completely informed regarding budget performance. Significant budget anomalies will be brought to the attention of AEB immediately for resolution; typically these would involve some mechanical failure necessitating expensive repair services or parts that go well beyond the respective budget line items.

Additionally, the GM will produce a budget update monthly basis along with the monthly invoice.

A. Labor

All HoverLink employees are to be salaried to preclude overtime, all will be considered to be employed in Seattle, WA or Alaska for tax and employment law purposes. Detail Sheet 2 shows the estimated direct and indirect labor costs. Compensation for all employees is set. For the operating crews, there will be "day-rate" adjustments in their employment contracts to account for extra or fewer days worked in any given payroll period. Provisions will also be made for per diem if crews are stranded in a non-duty status due to weather or transportation delays, and there will be a provision for a Non-Duty Day Rate. To cover this cost we have included a 5% direct labor

contingency in the budget; see Sheet 2 of Appendix B. Labor costs for consultants are also included.

B. Travel & Per Diem Costs

Costs for crew, staff, and consultant travel and per diem are detailed on Sheet 3 of the budget. All costs for airfare and lodging are best estimates or placeholders at this point due to the lack of travel certainty and reliability in the Aleutians.

Regarding airfare, HoverLink has teamed up with US Travel – Fisheries Division in order to procure air travel with the required flexibility and best pricing. As previously mentioned, crews will be responsible for their own travel between the lower 49 and Seattle. Regarding lodging and accommodation see the discussion in Section I.D of the Plan.

Per diem is set at the currently approved federal rate of \$102 per day as determined by the GSA for Dutch Harbor. HoverLink will bill for any required hotels required as a result of travel delays at actual cost.

C. Maintenance & Repairs

There is no detail sheet for repairs, for preventative maintenance costs the labor is included in crew labor, and the associated consumables are spoken to in Section V.D below. In terms of emergent (unplanned) maintenance and repair work; predicting what might break during any given year of ferry operations is difficult at best. While preventative (planned) maintenance costs are well understood and easy to budget for, emergent repairs are much more random in nature. To mitigate the risk certain spare parts are being procured in support of the service under KMI's separate efforts to prepare the vessel for service, see Section VI.A below. Our philosophy will be to have critical spares on the shelf and to maintain that stock at all times; especially difficult or long lead time items.

As a starting point and place holder, we have examined historical repair cost histories for other ferry services and determined that repairs typically run at about 10% of the total cost of all other direct costs. Therefore we are using that value as a first estimate. As mentioned above, HoverLink will provide AEB immediate notification in the event that the need for expensive repairs becomes apparent, and any repair costing more than \$5,000. As the craft sees regular service over the first years this number will become somewhat easier to predict.

D. Consumables

Sheet 4 of the budget shows the anticipated costs for consumables for the first 1,000 hours of craft operation. In order to get best value for known consumables, we have and will purchase items in bulk out of Seattle and arrange for cost effective shipping to Akutan. We will purchase a one year supply of given items being mindful of any shelf life limitations. The combined value of consumables and spare parts will necessitate the need for secure and dry storage. All items will be inventory controlled; and we will set up a system to track usage and provide for cost effective

replenishment. As with all direct costs, HoverLink will bill only the actual cost incurred and will stretch AEB's budget dollars to the greatest extent possible.

E. Vendors

Sheet 5 of the budget shows estimates for the service of outside vendors in support of hovercraft operations. In some cases these are services that may or may not be required, but we felt it prudent to put some budget in for them regardless. In some cases these are skill sets that the crew will not have, and are best performed by outside repair technicians.

Undoubtedly the need for other vendors or specialized services may arise, in this case AEB will be informed and the budget may require revision via addendum.

F. Fuel

Fuel for the vessel will be provided by Trident and shall be paid for directly by AEB. We anticipate that the vessel will consume approximately 80 gallons per hour of operation. Given two airline flights per day and the training requirements of the Plan, that works out to approximately 1,000 vessel operating hours total for Phase 2 (first year of operation). Therefore AEB should plan on purchasing 80,000 gallons of diesel fuel to cover hovercraft operations for the period September 1, 2012 through August 31, 2013. This calculation is shown on Sheet 4 of Appendix B. HoverLink will fully document all fuel deliveries from Trident and provide the requisite reports.

G. Insurance

Any premiums for required insurance will be billed to AEB; we have included a line item amount of \$6,000 to cover this expense in the budget.

H. Fixed Fees & Taxes

KMI has proposed a fixed monthly fee for General & Administrative support of HoverLink at \$12,000 per month for the first year. KMI feels that this value covers the actual efforts for human resources, accounting, accounts payable, logistics, planning, payroll, record keeping, and other

administrative costs. AEB should not be exposed to escalating G&A costs that would be calculated on a percentage basis, as the aforementioned efforts should be fixed and independent of the other operational direct costs.

HoverLink will incur business and occupation taxes (B&O) taxes on gross receipts, payable to the State of Washington and the City of Seattle at the rates indicated on the budget summary sheet. These percentages are calculated against the subtotal of direct costs and G&A; but not against profit even though it is taxed as part of the gross receivable.

The budget proposal does not include any other business related taxes; as none are known at this time. However, employer paid taxes, sales tax, and other taxes on airfare, hotels, consumables, et cetera are included in the budget as presented.

1. Legal

HoverLink has proposed a placeholder amount of \$10,000 for legal expenses incurred as part of Phase 2 startup. We are retaining legal assistance to create marine employment contracts for the crew, review insurance coverages to ensure no gaps, to prepare a form of contract between AEB and HoverLink, and other required services.

1. Profit

HoverLink has established a profit margin of ten percent (10%) taken on all direct costs and fixed fees.

VI. Implementation Schedule

Separate from this Plan, efforts to make the vessel ready for service have been completed by KMI. AEB has contracted KMI to accomplish the refit effort on SUNA-X that was required to put the craft back in to passenger service. The scope of this effort consisted of normal maintenance and repair, capital improvements, top-end engine overhaul of all four engines, and provisioning of critical spare parts. Specific work items include complete major overhaul items such as repair of

the engines and replacement of the propeller hubs, installation of anti-icing systems, preparation for USCG inspection, and other needed repairs. KMI had a crew on station in Cold Bay starting in early May, and they completed the work in mid-June. The craft was operational and available for underway training on July 4, 2012.

The milestone schedules for Phase 1 and 3 are presented as follows:

A. Phase 1 & Phase 2 Milestones

- Phase 0 complete, HoverLink and KMI begin all processes for Phase 1 – April 2
- HoverLink travel to ANC to meet with AEB, PenAir, USF&G – completed April 5-6
- Draft FSP approved by AEB, notice to proceed – completed April 6
- Finalize position descriptions – completed April 12
- Release advertisements for crew hiring – completed April 17
- HoverLink employees all under contract – completed June 13
- Amend budget and Plan as necessary – completed May 22
- SUNA-X ready for training – completed July 4
- HoverLink completes form of contract, sent to AEB for review – completed July 19
- USCG Certificate of Inspection – completed August 6
- USCG approval of HoverLink training program – completed August 15
- SUNA-X relocated from Cold Bay to Akutan – completed August 18
- Resolution of insurance and contract issues – consensus reached on August 29
- Memorandum of Understanding executed in lieu of final contract – completed August 31
- All crew training and ferry service available – completed on August 31
- AEB/HoverLink contract and budget finalized and executed – September 2012

END OF THE PLAN

APPENDIX A



United States of America
Department of Homeland Security
United States Coast Guard

Certification Date: 07 Aug 2012
Expiration Date: 07 Aug 2017
IMO Number: 9095058

Certificate of Inspection

For ships on international voyages this certificate fulfills the requirements of SOLAS 74 as amended, regulation V/14, for a SAFE MANNING DOCUMENT

Vessel Name SUNA X	Official Number 1190205	Call Sign WDD3905	Service Passenger (Uninspected)
Loading Port KING COVE AK	Hull Material Aluminum	Horsepower 2400	Propulsion Diesel
Place Built SEATTLE, WA UNITED STATES	Delivery Date 05Sep2006	Date Keel Laid 25May2005	Gross Tons R-92 1-109
			Net Tons R-82 1-36
			DWT 1-66.6
			Length R-88.6 1-66.6
Owner ALEUTIANS EAST BOROUGH 469 BOWDOIN PLACE SEATTLE, WA 98107 UNITED STATES	Operator HOVERLINK, LLC 469 BOWDOIN PLACE SEATTLE, WA 98107 UNITED STATES		

This vessel must be manned with the following licensed and unlicensed personnel. Included in which there must be 0 certified lifeboatmen, 0 certified tankermen, 0 HSC type rating, and 0 GMDSS Operators.

<input type="checkbox"/> 1 Master	<input type="checkbox"/> 0 Master & 1st Class pilot	<input type="checkbox"/> 0 Radio Officer(s)	<input type="checkbox"/> 0 Chief Engineer	<input type="checkbox"/> 0 QMED/Rating
<input type="checkbox"/> 0 Chief Mate	<input type="checkbox"/> 0 Mate & 1st Class Pilot	<input type="checkbox"/> 0 Able Seaman/ROANW	<input type="checkbox"/> 0 1st Asst. Engr/2nd Engr.	<input type="checkbox"/> 0 Oilers
<input type="checkbox"/> 0 2nd Mate/OIC/NW	<input type="checkbox"/> 0 Lic. Mate/OIC/NW	<input type="checkbox"/> 0 Ordinary Seamen	<input type="checkbox"/> 0 2nd Asst. Engr/3rd Engr.	<input type="checkbox"/> 1 SENIOR DECKHAND
<input type="checkbox"/> 0 3rd Mate/OIC/NW	<input type="checkbox"/> 0 1st Class Pilot	<input type="checkbox"/> 0 Deckhands	<input type="checkbox"/> 0 3rd Asst. Engr.	<input type="checkbox"/> 1 QUALIFIED DECKHAND
			<input type="checkbox"/> 0 Lic. Engr.	

In addition, this vessel may carry 49 passengers, 0 other persons in crew, 0 persons in addition to crew, and no others. Total persons allowed: 53

Route Permitted and Conditions of Operation:

---Lakes, Bays, and Sounds---

AKUTIAN BAY, ALASKA.

THE SENIOR DECKHAND (HIGH SPEED) AND QUALIFIED DECKHAND (HIGH SPEED) SHALL BE DESIGNATED IN WRITING BY THE MASTER WITH A COPY RETAINED ON BOARD THE VESSEL. THE DECKHANDS SHOULD BE TRAINED AND QUALIFIED IN ACCORDANCE WITH THE GUIDANCE IN NAVIGATION AND VESSEL INSPECTION CIRCULAR NO. 5-01 CHANGE 1 AND 1-91 CHANGE 1 RESPECTIVELY.

WHEN THE VESSEL IS AWAY FROM A SHORESIDE DOCK, OR HAS PASSENGERS ON BOARD, OR BOTH, FOR MORE THAN TWELVE (12) HOURS IN ANY TWENTY-FOUR (24) HOUR PERIOD, AN ALTERNATE CREW SHALL BE PROVIDED.

***SEE NEXT PAGE FOR ADDITIONAL CERTIFICATE INFORMATION**

With this inspection for Certification having been completed at COLD BAY, AK, the Officer in Charge, Marine Inspection, Western Alaska certified the vessel, in all respects, is in conformity with the applicable vessel inspection laws and the rules and regulations prescribed thereunder.

Annual/Periodic/Quarterly Reinspections				This certificate issued by
Date	Zone	A/P/Q	Signature	
-	-	-	-	 Paul Mehler III, Captain, USCG Officer in Charge, Marine Inspection Western Alaska Inspection Zone
-	-	-	-	
-	-	-	-	
-	-	-	-	



Department of Homeland Security
United States Coast Guard

Certificate of Inspection

Certification Date:
07Aug2017

SUNAK

ONE CHILD-SIZE LIFE PRESERVER SHALL BE PROVIDED FOR EACH PERSON WEIGHING LESS THAN NINETY (90) POUNDS.

ALL VESSEL OPERATIONS MUST BE IN ACCORDANCE WITH THE ALIUTIANS EAST BOROUGH B&T 130 WC HOVERCRAFT TYPL OPERATING MANUAL, APPROVED BY OCMI WESTERN ALASKA LETTER DTD MAY 15, 2007.

VESSEL MUST OPERATE WITHIN THE SPEED VERSUS SIGNIFICANT WAVE HEIGHT DATA CONTAINED IN MARINE SAFETY CENTER LETTER H1-061859 DATED JULY, 13, 2006 AS FOLLOWS:

SIGNIFICANT WAVE HEIGHT (FT)	MAXIMUM ALLOWABLE SPEED (KTS)	
	HEAD WINDS	BLAM WINDS
0.0	60.0	60.0
0.5	54.5	56.4
1.0	48.6	51.9
1.5	42.5	46.9
2.0	36.7	41.9
2.5	31.3	37.0
3.0	26.6	32.6
3.5	23.0	28.8
4.0	20.0	25.6
4.5	17.9	23.2
5.0	16.4	21.3
5.5	15.4	19.4
6.0	14.6	18.6
6.3	14.1	17.9

ABOVE 6.3 FEET SEEK SHELTER AT SLOW SPEED

VESSEL GRANTED SPECIAL CONSIDERATION BY OCMI PUGET SOUND LETTER DATED 31JAN06 FOR A FIAM MAIN SYSTEM W/ AN EQUIVALENT LEVEL OF SAFETY. THE FOLLOWING EQUIPMENT IS REQUIRED AT ALL TIMES: ONE (1) COAST GUARD APPROVED 33-GALLON DIRECT PRESSURE PFFP FOAM SYSTEM W/ 50-FOOT HOSE, ONE (1) COAST GUARD APPROVED 50-LB DRY CHEMICAL SYSTEM W/ 25-FOOT HOSE, & A COAST GUARD APPROVED AUTOMATIC FIRE SUPPRESSION SYSTEM IN ALL FOUR (4) ENGINE COMPARTMENTS.

VESSEL GRANTED SPECIAL CONSIDERATION BY OCMI PUGET SOUND LETTER DATED 31JAN06 FOR A BILGE SYSTEM W/ AN EQUIVALENT LEVEL OF SAFETY. THE FOLLOWING EQUIPMENT IS REQUIRED AT ALL TIMES: TWO (2) RULE 3000 CPH 24-VDC ELECTRIC PUMPS EACH FITTED W/ SECTION HOSE WHICH CAN REACH BOTTOM OF ALL HULL VOIDS & DISCHARGE HOSE WHICH CAN REACH OVER THE SIDE FROM ALL POSITIONS ON THE CRAFT, TWO (2) 50-FOOT ELECTRIC CORDS, & TWO (2) ELECTRICAL RECEPTAC AS SEPARATED TO ENABLE Dewatering OF ANY FLOODED COMPARTMENT.

---Hull Exams---

Exam Type	Next Exam	Last Exam	Prior Exam
Drydock	31Aug2014	07Aug2012	21May2010
Internal Structure	31Aug2014	07Aug2012	21May2010

---Stability---

Letter: Approval Date / 20Aug2012 Office/ MSC

---Lifesaving Equipment---

Total Equipment for	Number Persons	Required
Life Preservers (Adult)	53	53



Department of Homeland Security
United States Coast Guard

Certificate of Inspection

Certification Date:
07 Aug 2012

SUNA X

Lifeboats (Total)	0	0	Life Preservers (Child)	6
Lifeboats (Port)*	0	0	Ring Buoys (Total)	3
Lifeboats (Starboard)*	0	0	With Lights*	1
Motor Lifeboats*	0	0	With Line Attached*	1
Lifeboats w/Radio*	0	0	Other*	1
Rescue Boats/Platforms	0	0	Immersion Suits	0
Inflatable Rafts	3	56	Portable Lifeboat Radios	0
Life Floats/Buoyant App	0	0	Equipped with EPIRB?	Yes
Inflatable Buoyant App (IBA)	0	0	(* Included in totals)	

---Fire Fighting Equipment---

Number of Fireman Outlets/ 0

Fixed Extinguishing Systems

Capacity	Agent	Space Protected
17	Halocarbon (Formerly: FM 200, FE241)	Port Inert Engine
17	Halocarbon (Formerly: FM 200, FE241)	Starboard Inert Engine
64	Halocarbon (Formerly: FM 200, FE241)	Port Engine Room
64	Halocarbon (Formerly: FM 200, FE241)	Starboard Engine Room

Fire Extinguishers - Hand portable and semi-portable

Qty	Class Type
1	A-II
1	B-I
5	B-II
1	B-IV
2	B-V

END

APPENDIX B

Akutan - Akun Hovercraft Ferry Service
Proposed Budget

Appendix B

Item		Phase 2	Comment
Labor		1,281,558	see Labor tab
Travel & Per Diem		438,740	see Travel & Per Diem tab
Maintenance & Repair	10.0%	191,839	estimated as a % of other direct costs
Consumables		47,090	see Consumables tab
Vendors		135,000	see Vendors tab
Legal/Insurance		16,000	
Subtotal Direct Costs		2,110,227	
General & Administrative		144,000	fixed @ \$12,000 per month
B&O Tax	2.215%	49,931	WA State (1.8%) + City of Seattle (0.415%)
Subtotal with Fixed Fees & Taxes		2,304,158	
	Profit @ 10%	255,842	
Total Annual Operating Budget		\$ 2,560,000	

Item	Phase 2		Total
	Quantity	Unit Cost	
Direct Labor			
Captains			196,725
1st Officers/Pilots			173,850
Engineers			164,700
Deckhands			109,800
Relief Crew			81,500
General Manager			<u>132,000</u>
Total Direct Labor			858,575
Labor Contingency		5.0%	42,929
Indirect Labor			
Employee Benefits	10	8,000	80,000
Employer Paid Taxes		12.28%	<u>110,705</u>
Total Indirect Labor			190,705
Consultant Labor (estimated)	<u>Quantity</u>	<u>Rate</u>	
Heavy Weather Training	48	1,200	57,600
Hovertek	183	650	118,950
FORUS Consulting	80	160	<u>12,800</u>
Total Consultant Labor			189,350
Total Labor			1,281,558

Item	Persons	Quantity	Unit Cost	Phase 2	Comment
Total Airfare for 17 Crew Changes				235,550	105 round trips
Per Diem					
Crew Per Diem	5	365	102.00	186,150	
General Manager	1	120	102.00	12,240	ten days per month
Heavy Weather Trainers	1	48	100.00	4,800	
Total Per Diem				203,190	
Total Travel & Per Diem				438,740	

Item	Quantity	Unit Cost	Phase 2
Estimated Running Hours			1,000
Fluids			
Engine Oil	12	850.00	10,200
Engine Coolant	325	18.54	6,026
Hydraulic Oil	5	67.35	337
Other Lubricants	1	1,200.00	1,200
Total Fluids			17,762
Filters			
Engine Oil	48	25.00	1,200
Engine Fuel	16	65.12	1,042
Engine Induction	16	110.00	1,760
Crankcase Breathers	32	172.05	5,506
Total Filters			9,508
Miscellaneous			
Gaskets	112	10.00	1,120
Absorbents Pads & Shop Towels	20	130.00	2,600
Drive Belts	8	262.50	2,100
Hardware	32	125.00	4,000
Shop Items	1	10,000.00	10,000
Total Miscellaneous			19,820
Total Consumables			47,090

Fuel	Hours	Rate	Gallons
Akutan - Phase 3	1,000	80	80,000

Total Estimated Fuel Demand

80,000 Trident supplied, billed direct to ACB

Item	Phase 2	Estimated Expenses
Estimated Running Hours	1,000	
Pacific Power Products	13,333	Pacific Power Products - MTU support
Spill Response Vendor	2,500	
Telecommunications	50,000	\$4,025 per month for satellite voice/data to office
Navigation & Electronics	8,333	
Hazardous & Oily Waste Disposal	10,000	
Shipping Costs	30,000	
Tools	8,333	
Alaska Ship Supply	4,167	estimate of marine hardware & lifesaving equipment
Griffon Hoverworks	8,333	emergent repairs estimate
Total Vendors	135,000	

APPENDIX C



HOVERLINK LLC

Seattle Washington

ROUTE PLANNING

PURPOSE

To ensure that a passage planning routine is completed prior to every voyage aboard Suna-X.

RESPONSIBILITY

It is the responsibility of the Captain to ensure that this procedure is followed, and that they promote a teamwork approach to their Bridge Management and vessel operations.

PROCEDURE[s]

1. When the Captain is satisfied that the members of the bridge team have sufficient local knowledge and experience to maintain a safe navigational watch in pilotage waters, it is not necessary to record specific voyage plans. This will be the case for almost all Suna-X passenger bearing voyages. However, Captains and First Officers are expected to follow the routines specified for "Standard Ramp Approach; and Standard Ramp Departure" for all voyages. (Detailed in section 5.0 and 6.0 of this part.)
2. Due to the nature of the planned Akutan passenger service - most voyages will follow the same route between Akutan and Surf Bay. See the Map insert following. Captains are expected to vary from this route only for purposes of:
 - a. collision avoidance, AND
 - b. for weather routing to improve passenger ride comfort or wake effect on nearby vessels and/or foreshore environment, AND
 - c. for avoidance of Marine Mammal and Bird "potential disturbance zones" (see SMS Wildlife management procedures Chapter 2: A1-09 for details)
3. When planning trips outside the normal passenger route, the following items must be considered:
 - 3.1 The latest weather forecast must be obtained & the most appropriate weather route considered. <http://padq.arh.noaa.gov/>
 - 3.2 The tide heights and currents to be encountered are to be gathered, and considered for planning the departure times, transit speeds, and voyage route. <http://tidesonline.nos.noaa.gov/geographic.html> [Then click "Alaska"; then click "Unalaska"]

CAUTION: MUST BE EXERCISED in respect to operations in or near AKUN NARROWS - as short steep standing waves could be encountered which exceed the limitations of the vessel in certain circumstances.

Safety Management System – Chapter 5 [Routine Bridge Procedures] Route Planning Routine

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Seattle Washington

- 3.3 Notices to Shipping & Notices to Mariners active in the area to be transited are to be considered in the planning phase INCLUDING the maintenance of the Ferry Service Commitment to AVOID, MINIMIZE and otherwise not harm or harass the wildlife species outlined in Chapter 2: A2-09. All avoiding actions and procedures required for the passenger carrying route remain "IN EFFECT" for any voyages outside the normal Akutan ferry service route.
- 3.4 The Captain will ensure that: Sufficient fuel is on board for the intended trip including a two hour reserve.
- 3.5 A safe speed is established considering traffic density, proximity to navigational hazards, visibility, weather conditions & available depth of water. 30 knots is the maximum speed for SUNA-X when operating on sand, mud or very shallow water - regardless of the other conditions. When establishing a safe speed the effects of the crafts wash must be considered - particularly when transiting confined waterways or navigating in close proximity to small vessels. Every effort must be made to operate well 'outside' the hump wave phenomena of the craft - whenever travelling in close proximity to shorelines or small vessels.
- 3.6 Safe clearing distances are established considering the weather, visibility & current being encountered along the route.
- 3.7 Traffic likely to be encountered en route must be considered based upon local knowledge & known traffic patterns for the Trident plant.
- 4.0 All members of the SUNA-X crew are considered part of the "Bridge" team and must be aware of the route plan - and must not hesitate to make suggestions for improvement to the plan. The route plan can be modified at any time to suit changing environmental conditions.



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5.0 STANDARD DEPARTURE AKUTAN BAY to SURF BAY [54° 08.04'N, 165° 46.72'W]

PRIOR to departing from the ramp at Akutan village or from the Hovercraft hangar the Pilot and First Officer will consult as to local weather conditions, and sea state in the Harbor. The most sea-kindly route [predicted] will be agreed to prior to departure with due regard for wake management – particularly in proximity to vessels alongside at Trident and in the village – and remaining more than 0.25nm south off the Village foreshore. The bridge team will complete a “cross-check” by spoken words confirming that their compass information is identical and appropriate for the craft aspect: [Normally XYZ degrees True when the craft centerline is oriented along the long axis of the ramp and pad]. The Pilot will observe local wind conditions by the flag or wind sock on the ramp, and will maneuver the craft in such a way as to transition to water “as required”. He/she will then assume a course of 180 degrees True as the craft accelerates beyond hump speed. The First Officer will maintain a sharp lookout for conflicting traffic until the craft has reached a distance of 0.25nm south of the ramp. [Hereafter referred to as **Point Wheel-over**].

- Leg 2: The craft will come to port and shape an appropriate course to Track [080° T] and hold this leg (#2) for 1 nautical mile.
- Leg 3: At the end of leg 2 the navigator will bring the craft to port by 20 degrees and steer as required to make good [060° T] for 1 nautical mile. The main purpose of legs 2 & 3 is to ensure at least a quarter mile clearance off the village foreshore.
- Leg 4: brings the craft slightly to starboard to make good a course of [070° T] for 2.5 nm. This is the only “open” reach on the voyage and must be adjusted for passenger and crew comfort under the prevailing wind and sea conditions.
- Leg 5: The vessel should be brought to starboard to make good 090° T for 1 nautical mile. The waypoint which anchors this leg is hereafter referred to as **POINT OPTION**. This waypoint can be adjusted to best suit the prevailing wind and surf conditions – ideally a perpendicular approach to the beach is desired. Care must be taken to avoid the rocky finger which lies to starboard during the final leg of the trip – approx. 6 cables to the beach.
- Leg 6: The vessel will be approximately 6 cables from the Surf Bay landing zone when it is brought to starboard for the final approach and landing on Akun Island. Courses at this stage should be T.M.O. (TO MASTERS ORDERS) to allow for sea and wind conditions.
- **DESTINATION: Surf Bay Akun Island - 54° 08.79'N, 165° 37.09'W**

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5.1 STANDARD APPROACH TO SURF BAY

Approaching the Surf Bay landing zone: the craft shall normally be navigated to Point Option located 0.6 nautical miles NNW of the beach landing zone. Subject to local wind conditions speed will normally be reduced to sub-hump prior to reaching Pt. Option. From Point Option, the Pilot and Navigator will normally have sufficient distance, and time, to assess how well the craft is TRACKING on approach to the beach landing zone, and therefore how much rudder and nozzle are required to compensate for wind and sea conditions. Under the influence of strong cross-winds, Pilots and Navigators should favour the "UPWIND" side of the approach track.

Under the influence of strong tail wind and following seas Pilots and Navigators should consider astern mode operation of nozzles and high propeller power on only one propeller in order to maintain appropriate track without developing excessive landing speed.

Under normal visibility the pilot should be able to "eyeball" the craft onto the beach under searchlight conditions when within 3 cables of the beach. The First Officer will be required to use the search lights to "track" whatever REFERENCE points are called for by the PILOT. In particular CARE MUST ALWAYS be given to the prominent rocky outcropping which protects the western flank of the landing zone.

NB: Under the influence of cross-winds above 35 knots the Captain should consider bringing the craft "downwind" of the ramp at slow speed where he/she should bring the craft about "into wind". From this position the craft can be powered across the wind to a point where the skirts are contacting the shore / ramp transition zone. From this position it will be possible to "pin" the bows and power the stern up into the wind whereon the final "ascent" of the beach may be completed.



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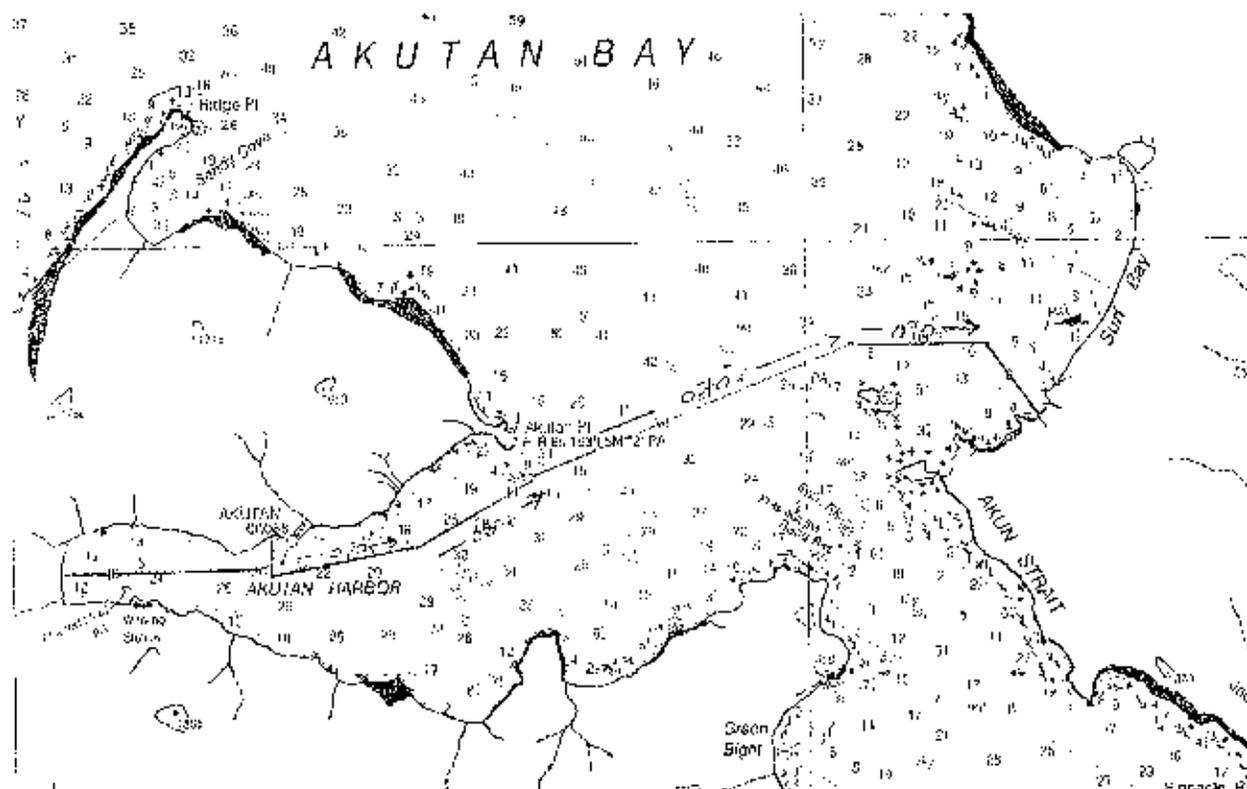


Figure 5.1 – Standard route Akutan to Surf Bay (reciprocal courses for the return trip)

6.0 STANDARD DEPARTURE SURF BAY 54° 08.79'N, 165° 37.09'W

PRIOR to departing from the beach at Surf Bay the Pilot and First Officer will consult as to local weather conditions, and surf conditions in the Bay. The most sea-kindly route will be agreed to prior to departure with due regard for the requirement to attack breaking surf greater than 4 feet nearly head-on. In no case should a departure be attempted where breaking surf is assessed at more than 6 feet in height. It is important to clear the surf zone as quickly as possible – pilots may consider virtually increasing the wavelength (and thereby reducing the risk of pounding exposure) by attacking the surf zone on the “shoulder” – that is off either bow as appropriate to the prevailing winds. Care must be taken in darkness or in conditions near the vessels “worst intended” to MAINTAIN radar and visual contact with the rocky outcropping which protects the western flank of the Akun landing area.

The bridge team will complete a “cross-check” by spoken words confirming that their compass information is identical and appropriate for the craft aspect: [Normally XYZ degrees True when the craft centerline is oriented along the long axis of the Akun landing area]. The Pilot will observe local wind conditions by the flag or wind sock on the ramp, and will maneuver the craft in such a way as to transition to water “as required”. He/she will then assume courses of:

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Leg 1: The First Officer will maintain a sharp lookout for rock outcroppings until the craft has reached POINT OPTION [0.6 nautical miles NNW of the point of departure on Akun Island course approx. 340°]

Leg 2: The craft will thereafter come to port and shape an appropriate course to Track 270° True - to arrive at a position 1.0 nautical due west of Point Option.

Leg 3: Having reached a position 1 nm west of Point Option the vessel will be brought to port to make good 250° True for 2.5 nautical miles.

Leg 4: The vessel will reach the SE corner of Akutan Island and make a slight alteration to port to track 240°T for one nautical mile.

Leg 5: The vessel will be brought to starboard at the close of leg 4 to make good a course of 260°T for 1 nautical mile bringing the Akutan ramp abeam the vessel will be brought to a stop and wheeled over to starboard to complete the FINAL LEG.

Leg 6: The vessel will be brought to a heading which will allow the craft to "track" North, and its speed reduced below hump in order to land on the Akutan ramp.

DESTINATION AKUTAN: [54° 08.04'N, 165° 46.72'W]

6.1 STANDARD APPROACH TO AKUTAN RAMP

Approaching the Akutan Ramp: the craft shall normally have been navigated to a position located 0.25 nautical miles South of the ramp [Point WHEEL-OVER]. Subject to local wind conditions speed will normally be reduced to below hump. From Point Wheel-over, the Pilot and Navigator will normally have sufficient distance, and time, to assess how well the craft is TRACKING on approach to the ramp [Course to TRACK 360° True, and therefore how much rudder and nozzle are required to compensate for wind and sea conditions. Under the influence of strong cross-winds, Pilots and Navigators should favour the "UPWIND" side of the approach track.

Under the influence of strong tail wind and following seas Pilots and Navigators should consider astern mode operation of nozzles and high propeller power on only one propeller in order to maintain appropriate track without developing excessive landing speed.

Under normal visibility the pilot should be able to "eyeball" the craft onto the ramp under searchlight conditions when within 3 cables of the beach. The First Officer will be required to use the search lights to "track" whatever REFERENCE points are called for by the PILOT.

NB: Under the influence of strong cross-winds (above 25 knots) the Captain may choose to maintain control by reducing speed and drawing into the foreshore where a static climb technique can be utilized to pivot on the beach in order to drive the stern upwind. This

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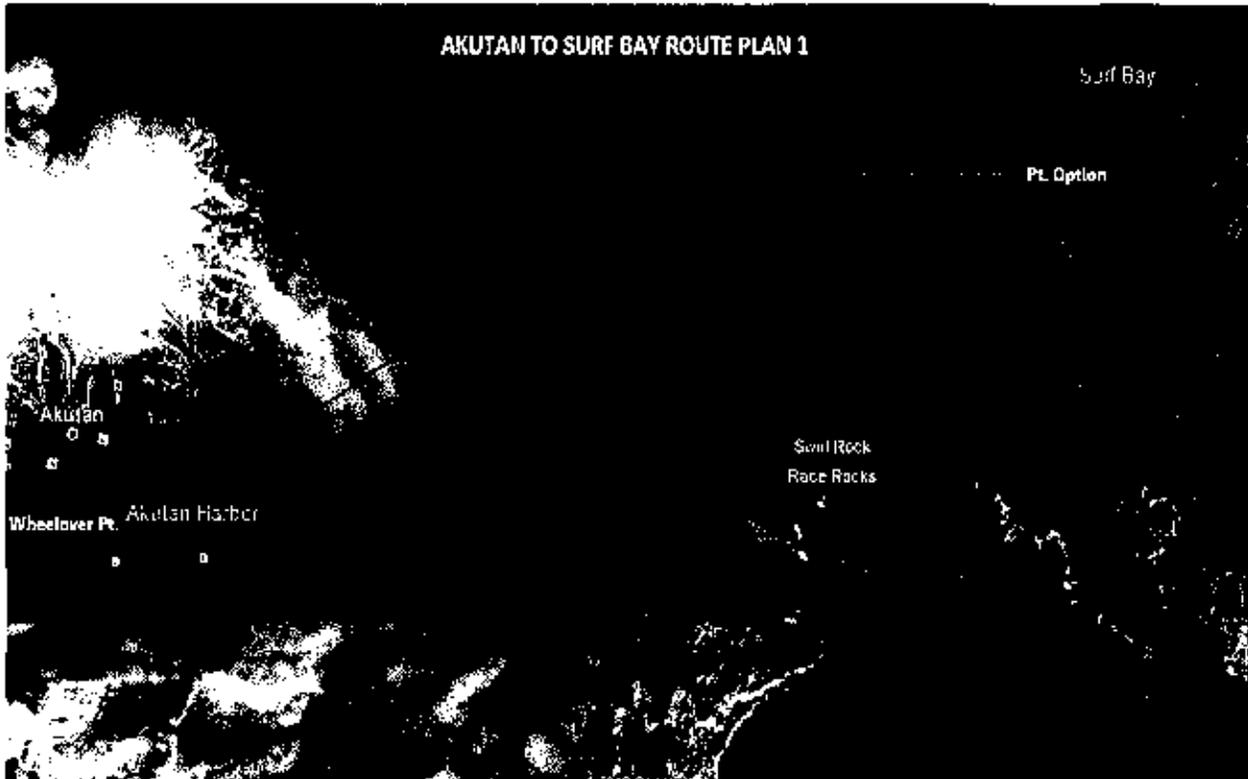
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technique should be practiced as the Akutan landing area does NOT provide any "RUN OUT" room in the event of an overshoot.



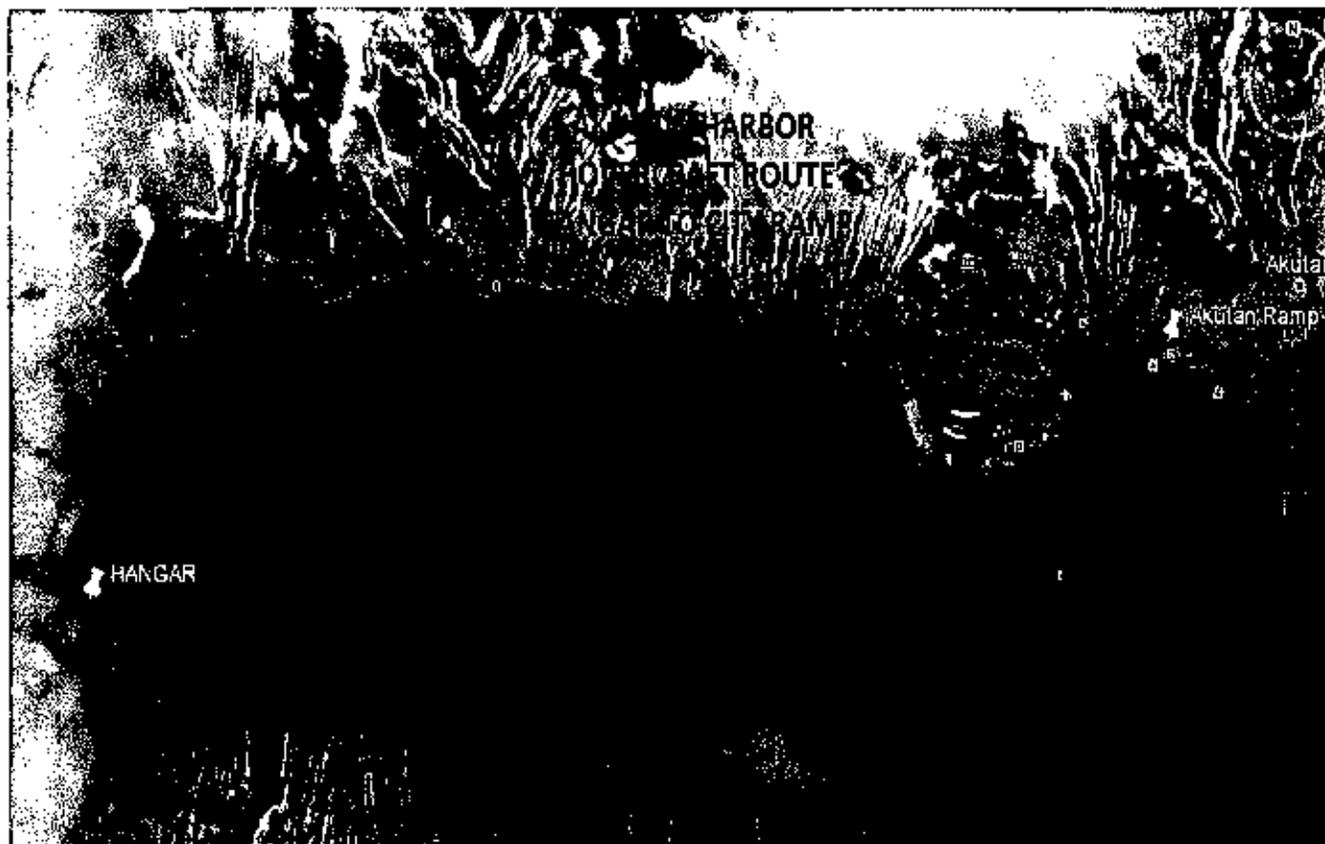
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NON-PASSENGER CARRYING ROUTE: Hangar – Ramp – Hangar (1.8nm)



STANDARD DEPARTURE AKUTAN HANGAR:

- 1) Courses and manouvers shall be T.M.O. until such point as the vessel has reached the water.
- 2) The transit from the hangar will normally require a COURSE MADE GOOD of 090T for a distance of 1.4 nm – at which point the Easternmost building at the Trident "Headland" will be on the port beam.
- 3) An alteration to port is required for the second leg – to make a COURSE MADE GOOD of 050T which is held until the vessel lies due south of the Akutan Ramp;
- 4) The final .15nm approach will require courses steered to MAKE GOOD 000T.
- 5) Actual compass courses will vary significantly under the influence of the prevailing winds: care must be taken to avoid operating within 200 yards of the southern or northern foreshores of Akutan Harbor as these are potential Loafing and Foraging areas for resident Sea Otters.

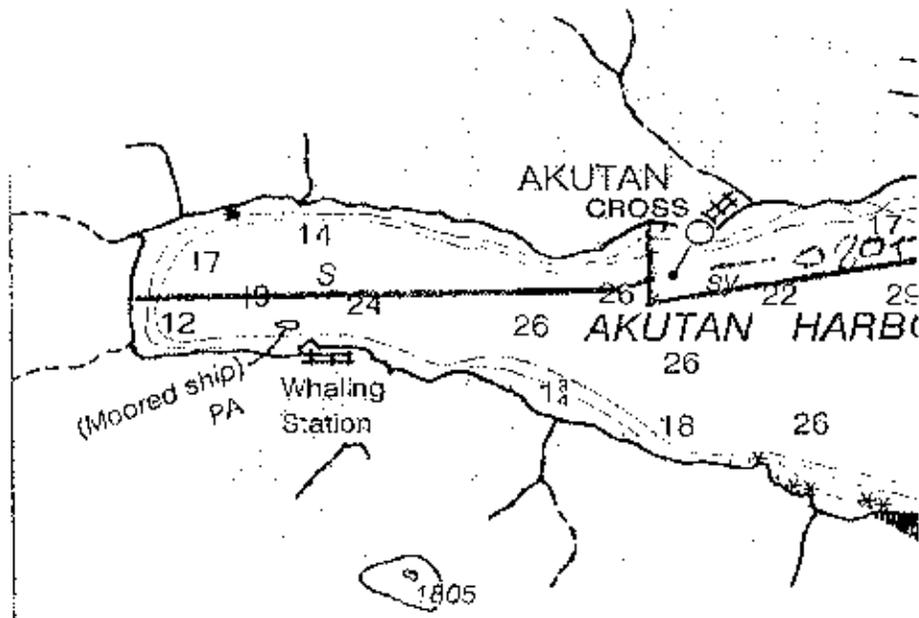
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6.1 Hangar to Akutan route – ACV to remain center of harbour until abeam LZ

APPENDIX D

HoverLink, LLC Job Description

HOVERCRAFT CAPTAIN

Job Summary

Prior to holding the position of Hovercraft Captain for HoverLink, LLC (here-after referred to as the Company); the employee will be designated as a Hovercraft Pilot in training. Each trainee pilot will complete an extensive OJT scheme in preparation for operational endorsement by the United States Coast Guard. Once fully qualified (i.e., in possession of a type specific Hovercraft endorsement from the US Coast Guard) the Pilot may be appointed to either the lead (Captain) or First Officer crew positions in the scheduled rotation for voyage specific services in Alaska.

Key Activities

- Takes program direction from the HoverLink LLC General Manager;
- Safely leads the pilotage and operation of the BHT-130WD hovercraft SUNA X in accordance with the Company Safety Management System;
- Ensures the ready condition of HoverLink vessels and facilities;
- Plans and monitors the daily work of subordinate crew including a First Officer, Engineer and Deckhand;
- Works with the General Manager to ensure that passenger and cargo service is completed in accordance with all applicable USCG policies, and HoverLink LLC Safety Management and sailing instructions.
- Maintains written records as required by the Company, including but not limited to voyage log-sheets, wildlife monitoring forms, fueling logs, stability assessments, Pilot logbooks, vessel technical logbooks, and post trip summary reports.
- Collaborates with and assists the Companies maintenance staff and duty engineers to ensure that all required maintenance is performed timely and with minimum disruption to the hovercraft's operational schedule.

Major Duties

- Serve as a local point of contact for unscheduled services including cargo carriage and medical evacuations¹ and Company provisions for such work. Must be familiar with the procedure used to ensure fit and competent crew members are timely available for all Hovercraft voyages.
- Maintain all documentation as directed by the Company. This may include, but is not necessarily limited to, regular completion of emergency drills and reminding the General

¹ Until such time as an Akutan community medical evacuation process maybe established with HoverLink LLC, any emergency requirements for over water transportation shall be directed to the Senior HoverLink employee in Akutan at the time of the emergency requirement.

Manager when documentation is due as required by Coast Guard regulations and Company policies and procedures.

- Conducting daily briefings of crew members on duty to ensure each knows their daily assignments. Ensure all such assignments are timely completed and documented in Company logbooks.
- Make timely requests for the purchase of equipment, supplies, parts and tools and submit them to the General Manager for approval.
- Assist as required with the care and upkeep of the Hovercraft and its maintenance facility.
- As directed by the Company, collect timesheets from hovercraft crew members at the end of each "on cycle"; verify the time claimed prior to submitting them to the General Manager.
- At the location specified by the Company - on the final 'outgoing' transit day of each 'on cycle' – meet with the General Manager for debriefing.
- As directed by the General Manager, provide written performance evaluations of hovercraft crew members for Company personnel records.
- When so directed by the HoverLink General Manager, provide information regarding passengers and cargo carried on the hovercraft and other details of hovercraft operation, including but not limited to information about total passengers and cargo carried, fuel utilized and similar data.
- Perform other duties as assigned by the Company General Manager.

Job Requirements

- Demonstrated ability to communicate well, both verbally and in writing, and to demonstrate wheelhouse resource management suitable for operation of a high speed craft.
- Demonstrated professional deportment and behavior, including but not necessarily limited to: excellent judgment and teamwork skills; consistent adherence to the chain of command; good interpersonal relations with Coast Guard and Company clients and contractors, other crew members and the general public; compliance with all applicable regulations; demonstrating professional demeanor and appearance at all times when on duty; and willingness to accomplish needed tasks independently, taking initiative when appropriate.
- Prefer a minimum of five (5) years of maritime, aviation or hovercraft-related experience² in Alaska or a geographic region with similar weather and operating challenges.
- Demonstrated ability to deal with record keeping pertaining to equipment and to personnel, as required by the FAA, the U.S. Coast Guard, or a similar regulatory agency, is an asset.
- Pass a Pre-Employment Physical Examination including a drug/alcohol screening.
- Current US Coast Guard license and documents, minimum 100 Ton.
- US citizenship.

² The five (5) years of experience may be an aggregate of hovercraft, aviation and maritime experience, as deemed appropriate by the Company.

Skills & Abilities

- Demonstrated ability to pilot and navigate an air cushion vessel proficiently in the waters of the Aleutian Islands Alaska.
- Ability to assist with vessel maintenance routines and repairs when required.
- Ability to operate personal computer utilities such as MS Word and Xcel.
- Ability to serve as the Community lead between the Company, its employees, and local clientele while optimizing performance and keeping the hovercraft operating on time and within budget.

Work Environment

The work requires employees to serve on an equal *time on and time off* basis (3 weeks). The Company's operations serve the isolated Alaskan community of Akutan – meals & quarters are shared while 'on cycle' with crews sharing meal preparation duties.

Some work is performed in an office environment. This consists of desk work utilizing a computer, phone and other office equipment. The majority of the work is performed on or in the vicinity of the hovercraft, while en-route, at the hovercraft terminals in Akutan, Surf Bay or at the maintenance facility on Akutan Island.

Supervisory Control

The Hovercraft Captain normally reports to – and regularly communicates with - the Company General Manager. The Captain is normally the senior company representative in Akutan with the General Manager coordinating from Company Headquarters in Washington State. During training periods the Company may otherwise specify designated Company Instructors as direct reports for Trainee Pilots & Captains.

Salary

This is an exempt, salaried position. The starting salary for a Pilot Trainee is \$XXX,XXX per year. The starting salary for a Captain who has received a Type Rating endorsement letter for the hovercraft SUNA-X from the Coast Guard, and who has been appointed by HoverLink LLC to perform Captain duties is \$YYY,YYY per year.

APPROVED:

For HoverLink, LLC

Date

HoverLink, LLC Job Description

HOVERCRAFT FIRST OFFICER/PILOT

Job Summary

Prior to holding the position of Hovercraft First Officer/Pilot for HoverLink, LLC (here-after referred to as the Company); the employee will be designated as a Hovercraft Pilot in training. Each trainee pilot will complete an extensive OJT scheme in preparation for operational endorsement by the United States Coast Guard. Once fully qualified (i.e., in possession of a type specific Hovercraft endorsement from the US Coast Guard) the Pilot may be appointed to either the lead (Captain) or First Officer crew positions in the scheduled rotation for voyage specific services in Alaska.

Key Activities

- Takes onboard and shoreside direction from the HoverLink, LLC Hovercraft Captain;
- Safely pilots and navigates the BHT-130WD hovercraft SUNA X in accordance with the Captains directions and Company Safety Management System;
- Leads passenger safety briefings and ensures the safe loading and unloading of passengers and luggage to/from the vessel;
- Ensures the pre-departure ready condition of HoverLink vessels and facilities;
- Performs the daily work assigned by the Captain and ensures the timely completion of assigned work by subordinate crew;
- Maintains written records as required by the Company, including but not limited to voyage log-sheets, wildlife monitoring forms, fueling logs, stability assessments, Pilot logbooks, vessel technical logbooks, and weather monitoring reports.
- Assists the Companies maintenance staff and duty engineers to ensure that all required maintenance is performed timely and with minimum disruption to the hovercraft's operational schedule.

Major Duties

- Must be familiar with the procedures to ensure pre-departure vessel readiness including those for life-saving appliances, fueling, engineering clearance, weather clearance, and vessel stability.
- Maintain all documentation as directed by the Company. This may include - but is not necessarily limited to - passenger counts, record of safety briefings, fueling records, and wildlife encounter reports.
- Conducting pre-departure and post-arrival vessel inspections and documenting findings in vessel technical logs.
- Make timely requests for the use of equipment, supplies, parts and tools to the Captain.
- Assist as directed with the care and maintenance of the Hovercraft and its maintenance facility.

- At the location specified by the Company - on the final 'outgoing' transit day of each 'on cycle' – meet with the General Manager for debriefing.
- Perform other duties as assigned by the Company General Manager.

Job Requirements

- Demonstrated ability to communicate well, both verbally and in writing, and to demonstrate wheelhouse resource management suitable for operation of a high speed craft.
- Demonstrated professional deportment and behavior, including but not necessarily limited to: excellent judgment and teamwork skills; consistent adherence to the chain of command & SMS; good interpersonal skills and client orientation; demonstrating professional demeanor and appearance at all times when on duty; and willingness to accomplish tasks as a team.
- Prefer a minimum of five (5) years of maritime, aviation or hovercraft-related experience¹ in Alaska or a geographic region with similar weather and operating challenges.
- Demonstrated ability to deal with record keeping pertaining to equipment and to personnel, as required by the FAA, the U.S. Coast Guard, or a similar regulatory agency, is an asset.
- Pass a Pre-Employment Physical Examination including a drug/alcohol screening.
- Current US Coast Guard license and documents, minimum 100 Ton.
- US citizenship.

Skills & Abilities

- Demonstrated ability to pilot and navigate an air cushion vessel proficiently in the waters of the Aleutians Islands, Alaska.
- Ability to assist with vessel maintenance routines and repairs when required.
- Ability to operate personal computer utilities such as MS Word and Xcel.
- Ability to work collaboratively within a small team.

Work Environment

The work requires employees to serve on an equal *time on and time off* basis (3 weeks). The Company's operations serve the isolated Alaskan community of Akutan – meals & quarters are shared while 'on cycle' with crews sharing meal preparation duties.

Some work is performed in an office environment. This consists of desk work utilizing a computer, phone and other office equipment. The majority of the work is performed on or in the vicinity of the hovercraft, while en-route, at the hovercraft terminals in Akutan, Surf Bay or at the maintenance facility on Akutan Island.

¹ The five (5) years of experience may be an aggregate of hovercraft, aviation and maritime experience, as deemed appropriate by the Company.

Supervisory Control

The Hovercraft First Officer normally reports to the Hovercraft Captain. The Captain is normally the senior company representative in Akutan with the General Manager coordinating from Company Headquarters in Washington State. During training periods the Company may otherwise specify designated Company Instructors as direct reports for Trainee Captains.

Salary

This is an exempt, salaried position. The starting salary for a Pilot Trainee is \$XX,XXX per year. The starting salary for a First Officer/Pilot who has received an endorsement letter for the hovercraft SUNA-X from the Coast Guard is \$YY,YYY per year.

APPROVED:

For HoverLink, LLC

Date

HoverLink, LLC Job Description

HOVERCRAFT ENGINEER/DECKHAND¹

Job Summary

The Hovercraft Engineer/Deckhand position is normally obtained by an employee who has served a period of apprenticeship under the instruction of either a USCG qualified engineer, a design authority engineer, or under the instruction of a competent engineering consultant(s) designated by HoverLink, LLC (here-after referred to as the Company) for the vessel type. Once assessed as qualified by the Company, the Engineer/Deckhand will fill the position in the scheduled rotation for voyage specific services in Alaska.

Key Activities

- Maintains the Hovercraft in a safe and reliable condition;
- Takes direction from the Hovercraft Captain;
- Conducts regular cyclic & preventative maintenance on the Hovercraft SUNA X as prescribed by HoverLink, LLC;
- Performs repairs and replacements of vessel components, parts, and structures as required by operational service conditions and OEM directions;
- Maintains critical spares inventory in collaboration with the Captain and General Manager;
- Serves as a deckhand during voyages with particular care for passenger safety and observation of passenger spaces at sea;
- Participates fully in safety training and drills², and as directed by the Captain, provides input regarding maintenance schedules and topics to be covered during daily briefings for the hovercraft crew;
- Works with the Captain as directed to ensure that both hovercraft maintenance and scheduled passenger service are completed in accordance with all applicable requirements (both Coast Guard regulations and SMS policies) and in such a fashion as to maintain regularly scheduled operations of the Client's hovercraft;
- Maintains written maintenance records as required by the Company and Coast Guard regulations, including but not limited to weekly reports to the General Manager and Captain of total hours of hovercraft operation;
- Remains available for duty as directed by the Captain to ensure the Hovercraft is available as needed for medevacs and charters³; and

¹ For further information, see the hovercraft *Safety Management System* Chapter 4, and Title 46 [10.520] of the *Code of Federal Regulations (CFRs)*

² See, for example, *Safety Management System* Chapter 1, Document No. A1-03, providing that the Captain's duties regarding "all matters which affect, or may affect, safety, or the environment" are "shared with the Lead Engineer." Maintaining the hovercraft in safe, reliable operating condition is the primary responsibility of the Engineer.

- Obtains mechanical, safety and engineering training from Company Consultants, design authorities and others as directed. This training ensures that the Engineer / Deckhand can effectively coordinate with all personnel doing maintenance directly for or contributing to the Company. It also ensures that all required maintenance is properly prioritized and scheduled in order to ensure regulatory compliance and a minimum of disruption to the hovercraft's operational schedule.

Major Duties

- Responsible for maintenance of the Company hovercraft and related infrastructure and equipment⁴.
- Provide information (including but not limited to status reports on hovercraft maintenance and maintenance priorities) to the Hovercraft Captain and General Manager.
- Maintain all documentation as required by the Coast Guard and the Company Safety Management System, and as directed by the Company General Manager or the Hovercraft Captain. This may include, but is not necessarily limited to, timely reminding the Captain when documentation is due as required by Coast Guard regulations and/or Company policies and procedures, and then following up with others as needed or directed.
- Cooperate with the Hovercraft Captain to assist in conducting daily briefings of crew members on duty to ensure each knows the day's assignments – particularly with respect to maintenance requirements. Work with the Captain and General Manager on scheduling, to ensure all maintenance-related assignments are timely completed and appropriately documented.
- Coordinate with the Captain as necessary and convey requests for parts, supplies and equipment to the General Manager.
- Serve as backup as required to provide information regarding passengers and cargo carried on the hovercraft⁵ and other details of hovercraft operation, including but not limited to fuel & oil consumption, cargo and passenger carriage and similar data to sources as designated by the Company.
- Perform other duties as assigned by the Hovercraft Captain.
- At the location specified by the Company - on the final 'outgoing' transit day of each 'on cycle' – meet with the General Manager for debriefing.

⁴ Both this function and the Engineer/Deckhand duties may require working at times other than regularly scheduled work times, in order to accommodate emergency flights to Akun Isl.

⁴ See *Safety Management System* Chapter 4, "Statement of Qualifications Engineer." An engineer is a person who holds a valid Marine Engineering Type Endorsement or Aircraft Maintenance Engineering Endorsement (for example, an FAA-issued Airframe and Powerplant Mechanic's license). Until such endorsement has been earned, the individual is properly referred to as an engineer-in-training.

⁵ See United States Coast Guard regulations regarding logbook entries and manifests, regarding issuance of tickets and maintaining lists of passengers and cargo carried. When in doubt about requirements, more thorough documentation is preferable.

Job Requirements

- Demonstrated ability to maintain and repair a hovercraft and its component systems, including but not necessarily limited to lift engines, thrust engines, propellers, peripheral trunks and skirts and electrical, hydraulic and electronic systems.
- Prefer a minimum of two (2) years of maritime, aviation or hovercraft-related experience⁶ in Alaska or a geographic region with similar weather and operating conditions.
- Demonstrated ability to communicate well, both verbally and in writing, and to contribute to appropriate and effective wheelhouse resource management.
- Demonstrated professional behavior, including but not necessarily limited to: excellent judgment; consistent adherence to the chain of command⁷; good interpersonal relations with Coast Guard and Clients, other crew members and the general public; compliance with all applicable regulations; demonstrating professional demeanor and appearance at all times when on duty; and willingness to accomplish needed tasks independently, taking initiative when appropriate.
- Demonstrated ability to deal with record keeping pertaining to equipment, personnel, passengers and freight, as required by the FAA, the U.S. Coast Guard, or a similar regulatory agency, is an asset.
- Work towards full qualification as a Hovercraft Chief Engineer, as described in the *Safety Management System* and United States Coast Guard regulations.
- Other duties as assigned, which may include but are not necessarily limited to maintenance of the hovercraft and hovercraft-related facilities and vehicles, cleaning the vessel and its facilities, completing paperwork and developing checklists as necessary to implement USCG regulations and applicable Company policies, and other ancillary duties.
- Pass a Pre-Employment Physical Examination including a drug/alcohol screening.
- Current US Coast Guard Engineer's license preferred (any tonnage), with radar observer endorsement preferred.
- US citizenship.

Skills

- Ability to troubleshoot failed or failing vessel-borne components or systems (such as engines, generators, transmissions and propellers) and to diagnose and repair ancillary systems (such as hydraulics, electro-hydraulic components and ballast pumps).
- Ability to be trained to obtain and maintain appropriate hovercraft engineering licensing levels;
- Computer skills, including e-mail and ability to use Microsoft Office.
- Knowledge of Personal Protective Equipment (PPE) and demonstrated experience using PPE consistently and appropriately.

⁶ The two (2) years of experience may be a combination of experience from the hovercraft, aviation and/or maritime industries, as deemed appropriate by the Company.

⁷ The chain of command for this hovercraft operation is: From the General Manager to the Captain then Engineer for all aspects of maintenance management. For at sea operations the chain-of-command flows from Captain to First Officer to Engineer to Deckhand.

Work Environment

The work requires employees to serve on an equal *time on and time off* basis (3 weeks). The Company's operations serve the isolated Alaskan community of Akutan – meals & quarters are shared while 'on cycle' with crews sharing meal preparation duties.

Some work is performed in an office environment. This consists of desk work utilizing a computer, phone and other office equipment. The majority of the work is performed on or in the vicinity of the hovercraft, while en-route, at the hovercraft terminals in Akutan, Surf Bay or at the maintenance facility on Akutan Island.

The position requires standing, walking, climbing, fine motor skills, good eyesight, heavy lifting, and exposure to extreme (and rapidly variable) weather, blowing dust and debris, and loud noises.

Supervisory Control

The Hovercraft Engineer/Deckhand reports to the Hovercraft Captain. Functional leadership for the maintenance plans and priorities of the vessel lie with the Engineer / Deckhand position. Nevertheless the Engineer reports to the Hovercraft Captain who shall retain final authority respecting when and what tasks are performed. While nothing limits the authority of the Captain to remove the vessel from planned service for safety reasons, the General Manager must be consulted in all such cases and with respect to maintenance activities that will take the vessel out of planned service.

Salary

This is an exempt, salaried position. The starting salary for a Hovercraft Engineer/Deckhand⁸ is \$XX,XXX per year. The starting salary for a Hovercraft Engineer/Deckhand who has received (and maintains in good standing) an endorsement letter for the hovercraft from the United States Coast Guard, is \$YY,YYY per year.

APPROVED:

For HoverLink, LLC

Date

⁸ This is for an individual who has progressed beyond the Hovercraft Engineer Trainee stage, and who has developed the skills necessary to serve as a Coast-Guard-endorsed maintenance technician/engineer.

HoverLink, LLC Job Description

HOVERCRAFT HIGH SPEED DECKHAND

Job Summary

The Hovercraft High Speed Deckhand position is earned by an individual who has completed the HoverLink, LLC on-the-job training scheme for the BHT-130 Hovercraft. This is a vessel type specific familiarization encompassing life-saving appliances, PPE, Bridge Resource Management, Safety and environmental management. Once fully qualified (i.e., in possession of an endorsement from a designated Company instructor), the Hovercraft High Speed Deckhand may fill the position on the scheduled rotation for voyage specific services in Alaska.

Key Activities

- Takes direction from the Hovercraft Captain and First Officer at sea, and from the Engineer during shore-mode operations¹;
- Participates fully in safety training and drills;
- Maintains written records as required by the Captain;
- Remains available for duty as directed by the Captain, to ensure the hovercraft is available as needed for medevacs and charters²;
- Supervises passengers during loading & unloading operations;
- Performs lookout and bridge team duties for the Captain when the vessel is underway; and
- May act as a team leader in response to any emergencies on board the hovercraft.
- Assists with meals & quarters preparations as required;

Major Duties

- Ensure the compliance of passengers with Company safety policies during loading and unloading evolutions;
- Ensure the readiness & cleanliness of the vessel for sea-going operations as directed by the Captain and SMS procedures;
- Maintain all documentation as required by the Coast Guard and the Company;
- Perform other duties as assigned by the Captain on Duty.

¹ When the hovercraft crew is not at sea, routine maintenance shall be performed on the vessel and its maintenance facility; while the entire crew will contribute 'as required' to these duties, the Deckhand will assist the engineer to the greatest extent possible.

² Both this function and the Senior Deckhand's ancillary duties may require working at times other than regularly scheduled work times, in order to accommodate Client needs.

Job Requirements

- A minimum of two (2) years of maritime, aviation or hovercraft-related experience in Alaska or a geographic region with similar weather and operating conditions is preferred.
- Demonstrated familiarity with the following matters relating to emergency conditions: Failure Mode Operations including single lift-engine operations, & rudder hydraulic failure operations; vital actions during onboard emergencies such as: Man Overboard, Fire, Abandon Ship, Foul Weather Procedures, and Collision procedures.
- Demonstrated familiarity with seamanship duties, engineering and passenger safety/control duties, and appropriate vessel operational matters, including those applicable to: High Speed Bridge operations; routine Engineering tasks including fueling; personal and crew Safety equipment; and Seamanship respecting cargo operations.
- Demonstrated familiarity with the environmental management aspects of the service area including: wildlife recognition and documentation procedures.
- Other duties as assigned, which may include but are not necessarily limited to cleaning and maintenance of the hovercraft and hovercraft-related facilities and vehicles, and other ancillary duties as assigned.

Qualifications and Skills

- Qualified as to sight, hearing, and physical condition to perform the duties of a Hovercraft Deckhand.
- Physically able to perform all duties associated with the protection and evacuation of hovercraft passengers during any emergency situation occurring aboard the hovercraft.
- Training, experience and demonstrated ability to fulfill all responsibilities of a Hovercraft Deckhand as contemplated by the United States Coast Guard (see 46 CFR Part 15) and the Company's *Hovercraft Safety Management System*, most current revision (see especially Sections A2, A3, A4 and D3 of the *Safety Management System*).
- Demonstrated ability to operate a small vessel proficiently in the waters of Akutan Bay, Alaska³.
- Computer skills, including e-mail and ability to use Microsoft Office are an asset.
- Pass a Pre-Employment Physical Examination including a drug/alcohol screening.
- Current US Coast Guard merchant mariner documents.
- US citizenship.

³ See 46 CFR Part 15 (particularly 46 CFR 15.103, which makes the employment and training of qualified deckhands the responsibility of the marine employer, which in this case is HoverLink, LLC); the U.S. Coast Guard's Navigation and Vessel Inspection Circular No. 1-91 (known as NVIC 1-91); and Enclosure (1) to NVIC 1-91. In the case of HoverLink's Deckhands, that ability is demonstrated by obtaining a designation as High Speed Deckhand from a Hovercraft Instructor duly appointed by the Company.

Work Environment

The work requires employees to serve on an equal *time on and time off* basis (3 weeks). The Company's operations serve the isolated Alaskan community of Akutan – meals & quarters are shared while 'on cycle' with crew-members sharing meal preparation duties with the Deckhand position.

Some work is performed in an office environment. This consists of desk work utilizing a computer, phone and other office equipment. The majority of the work is performed on or in the vicinity of the hovercraft, while en-route, at the hovercraft terminals in Akutan, Surf Bay or at the maintenance facility on Akutan Island.

Requires standing, walking, climbing, fine motor skills, good eyesight, adequate hearing, ability to perform heavy lifting repeatedly, and exposure to extreme (and rapidly variable) weather, blowing dust and debris, and loud noises.

Supervisory Control

The Hovercraft Senior Deckhand reports to the Hovercraft Captain on Duty at all times at sea and during all pre-departure and arrival situations. When the Hovercraft is ashore and the Captain does not have immediate requirements, the Deckhand position will report to the Engineer. Any conflicts as to work priorities are resolved at the discretion of the Captain.

Salary

This is an exempt, salaried position. The starting salary for a Hovercraft High Speed Deckhand⁴ is \$XX,XXX per year.

APPROVED:

 HoverLink, LLC

 Date

⁴ This is for an individual who has progressed beyond the basic Deckhand stage, and who has received official written designation as a Senior High Speed Deckhand, which designation has been signed by a Hovercraft Instructor/Examiner, duly appointed by the Company.

APPENDIX E

SUNA-X BHT 130

BLOCK: 4 CHECK: 1

DATE:

CRAFT HOURS:

TASK #	INSPECTION TO PERFORM Fire System	CHECK DUE				ENGINEERS SIGNATURE
		1	2	3	4	

1	Grease all Bow Thruster Bearings RP2	*	*	*	*	
2	Remove all deck hatches & check for water/liquid.	*	*	*	*	
3	Check condition of fuel supply lines, fire system pipe work and signs of oil leaks.	*	*	*	*	
4	Check Drive Belt tension by spring balance & adjust as required	*	*	*	*	
5	Fire System , Check wiring and detectors in engine bays for security, corrosion and serviceability. Perform system test	*	*	*	*	
6	Check all fire bottles, clean secure and correct pressure.	*	*	*	*	
7	Check operation of cabin and electrical bay smoke detectors	*	*	*	*	
8	Check Halon Fire Dampers, condition and operation.	*	*	*	*	

Comments

APPENDIX G

Akutan - Akun Hovercraft Ferry Service Organizational Chart

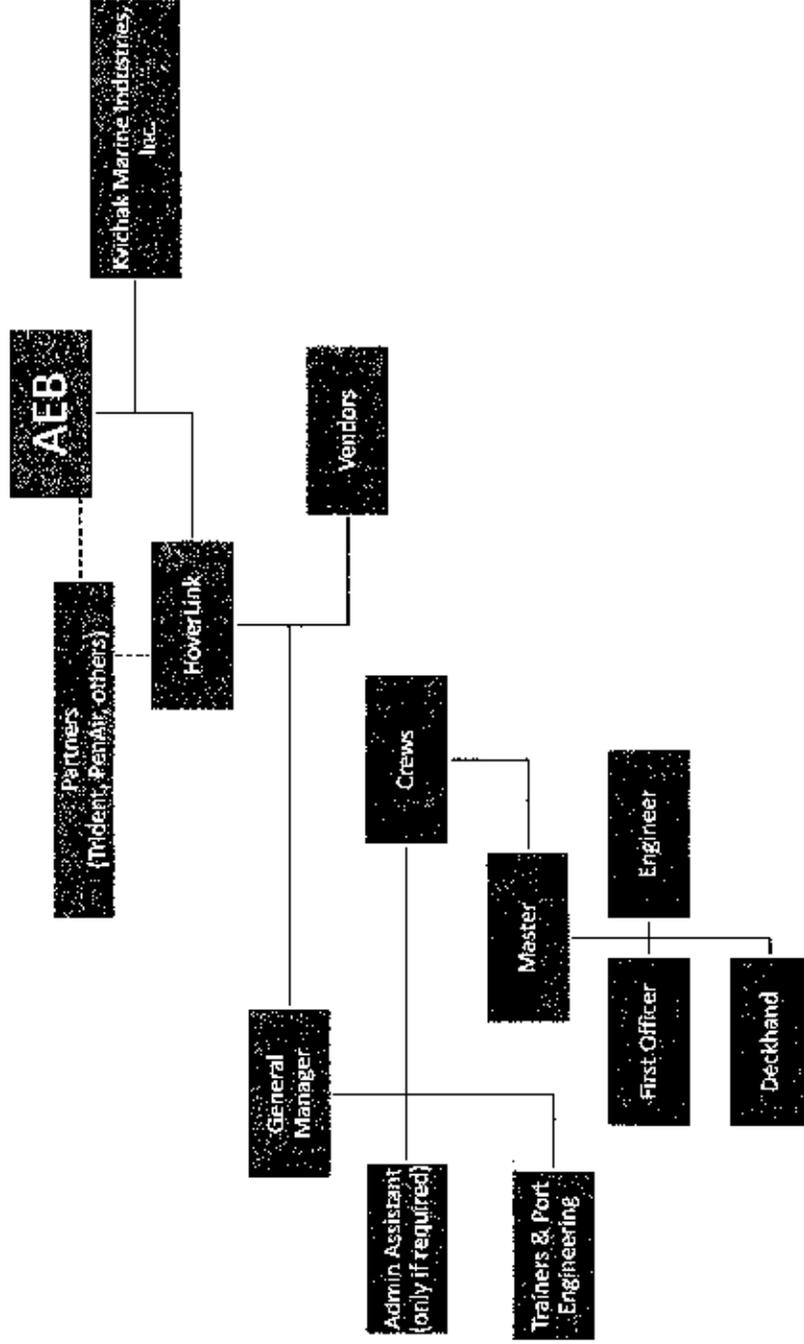


EXHIBIT D
REPORTS

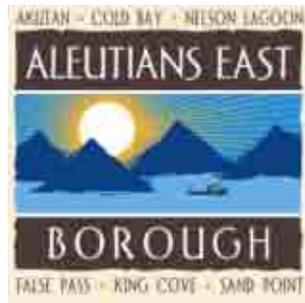
(See Attached)

EXHIBIT D
REPORTS

The following reports will be prepared by HoverLink and submitted to AEB, content and format is subject to mutual agreement.

1. **Monthly Ridership and Freight Data**
2. **Monthly Fuel Consumption**
3. **Monthly Budget Update (submitted with the Monthly Invoice)**
4. **Quarterly Vessel and Machinery Hour Summary**
5. **Annual Drug & Alcohol Testing Results (as provided to the United States Coast Guard)**
6. **Summary of Emergent Repair Activity for Repairs Exceeding \$5,000**
7. **Any Form 835's, or any other inspection reports received from the United States Coast Guard**
8. **Any complaints received from ferry customers or service partners, along with HoverLink's resolution of same**
9. **Any Form 2692's sent to the United States Coast Guard for reportable marine casualties**

New Business



Agenda Statement

Date of Meeting: November 13, 2012

To: Mayor Mack and Assembly

From: Rick Gifford, Administrator
Anne Bailey, Community Development Coordinator

Re: Resolution - Adopting a State Legislative Priority List for the 2013 Legislative Session by Selecting and Promoting Capital Projects for the Health, Safety and Welfare of Its Residents

The Aleutians East Borough is dedicated to bringing to its communities opportunities for responsible and appropriate economic development and growth and to develop its transportation infrastructure. The Borough continuously sees opportunities to plan, advance and construct basic and essential community projects.

The following legislative priorities are before the Assembly for consideration:

1. Cold Bay Clinic Building Construction

A new Cold Bay Health Clinic is needed in Cold Bay. The existing building has exceeded its useful life and is located in the restricted visibility zone, which makes external repairs extremely difficult. The new facility will cost approximately \$4.17 million to construct. Funding may also be needed to demolish the existing clinic. The City has secured \$186,000 for design, which is site specific and is currently being worked on by ANTHC. The City, Borough and Eastern Aleutian Tribes are continuously searching for construction funds.

State Funding Requested: \$1.5 million

2. Akutan Hovercraft Subsidy or Travel Alternative Research

STATE LEGISLATIVE PRIORITIES

Assembly Meeting November 13, 2012

Page 2

Hovercraft operations for the Akutan Airport are extremely expensive and will be difficult for the Borough to maintain for an extensive period of time. The Borough is interested in asking the State and/or Federal Government to help subsidize the cost of running the Hovercraft. Possible sources include Essential Air Service (EAS), the postal service through a mail contract and/or direct appropriations from the State and/or Federal government.

Travel alternatives for the transport of passengers between Akun and Akutan are also another project worth considering. These alternatives may include researching a landing craft and/or expanding on the existing helicopter study.

State Funding Requested: \$

3. King Cove – Cold Bay Access Project

This project is on-going and requires Borough support. The final Environmental Impact Statement (FEIS) with a recommended alternative is expected as early as November 14, 2012. It is not known when the Secretary of Interior will make his public interest finding about the proposed land exchange.

4. Akutan Harbor Floats Installation

The Borough has submitted an application to the State Harbor Facility Grant Program requesting \$3.1 million for construction of floats in the new Akutan Harbor. The Borough has obtained the necessary \$3.1 million dollar match, which consists of Borough, APICDA and City of Akutan funds. However, if the Borough does not receive the \$3.1 million other funding sources will need to be researched and applied for, including a legislative appropriation.

State Funding Requested: \$3.1 million

5. Cold Bay New Airport Tarmac and Taxiway Construction

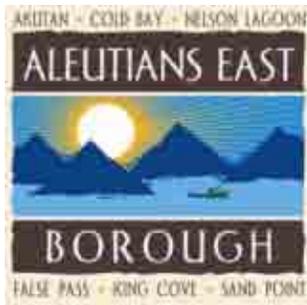
The Cold Bay Apron and Taxiway Project will cost approximately \$5,000,000 to complete. The Borough has designated \$225,000 for apron and taxiway design and received \$2,000,000 from the State of Alaska FY2013 Designated Legislative Grant for Apron and Taxiway construction. It is hoped that DOT will be able to provide the

STATE LEGISLATIVE PRIORITIES

Assembly Meeting November 13, 2012

Page 3

additional \$3 million to complete this project. Once the new apron and taxiway are in place air carriers will be able to utilize the Terminal building and support the region's thriving seafood industry.



RESOLUTION

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY SELECTING AND PROMOTING CAPITAL PROJECTS FOR THE HEALTH, SAFETY AND WELFARE OF ITS RESIDENTS

WHEREAS, the Aleutians East Borough is dedicated to bringing to its communities opportunities for responsible and appropriate economic development and growth and to develop its transportation infrastructure; and

WHEREAS, the Aleutians East Borough sees opportunities to plan, advance and construct basic and essential community projects; and

WHEREAS, the following projects reflect the basic needs, rather than non-essential desires, of the communities.

NOW THEREFORE BE IT RESOLVED by the Aleutians East Borough Assembly has selected capital projects to promote within the available funding opportunities at both the State of Alaska and federal levels. This list includes but is not necessarily limited to:

1. Cold Bay Clinic Building Construction
2. Akutan Hovercraft Subsidy or Travel Alternative Research
3. King Cove – Cold Bay Access Project
4. Akutan Harbor Floats Installation
5. Cold Bay New Airport Tarmac and Taxiway

PASSED AND APPROVED by the Aleutians East Borough on this day November 13, 2013.

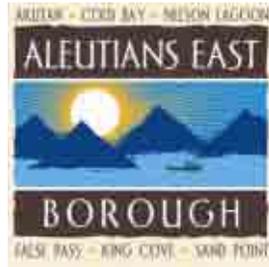
Stanley Mack, Mayor

ATTEST:

Tina Anderson, Clerk

Transportation Link

Discussion only



To: Assembly and Mayor
From: Tina Anderson, Clerk
Date: November 13, 2012
Re: Nelson Lagoon Advisory Member

Nelson Lagoon no longer has a voting seat on the Assembly. Nelson Lagoon Tribal Council has submitted a letter recommending that Justine Gundersen be appointed as an Advisory Member to serve the remainder of the year and the new annual year.

The AEB Code Section 2.04.060 says there shall be an advisory member for each community without an assembly member residing. Following is the section of the code and the letter.

CLERK/PLANNER
P.O. BOX 349
SAND POINT, ALASKA 99661
(907) 383-2699
(907) 383-3496 FAX
e-mail: AEBCLERK@aol.com

BOROUGH ADMINISTRATOR
3380 "C" STREET, SUITE 205
ANCHORAGE, ALASKA 99503
(907) 274-7555
(907) 276-7569 FAX
e-mail: RJuett0869@aol.com

FINANCE DIRECTOR
P.O. BOX 49
KING COVE, ALASKA 99612
(907) 497-2588
(907) 497-2386 FAX
e-mail: AEBFINANCE@aol.com

Nelson Lagoon Tribal Council

P.O. Box 13
Nelson Lagoon, Alaska 99571

Mayor Stanley Mack
Aleutians East Borough
P.O. Box 349
Sand Point, Alaska
99661

Dear Mayor Mack:

The Tribal Council held a meeting on November 1, Thursday, to consider the advisory seat for the borough assembly. At present and for this annual year, Justine Gundersen will continue to be our representative. For the new annual year, the Council would again like to submit Justine Gundersen as our representative.

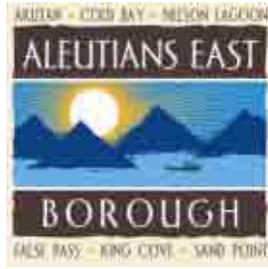
Sincerely,


Paul E. Gundersen
President

2.04.060 Advisory Members.

- (a) There shall be advisory members appointed on the assembly with the rights and responsibilities a set out in this section.
- (b) There shall be one for each of the communities in the borough, which are without an assembly member residing in its respective community.
- (c) The term of an advisory member is one year and begins on January 1st of each year. A person appointed holds office until a successor has been appointed and seated.
- (d) Advisory members may attend all assembly meetings, work sessions, committee of the whole meeting and sub committee meetings; except, an advisory member may not attend executive sessions except upon adoption by the assembly or committee of the motion to permit the advisory members to attend the executive session.
- (e) Advisory members may participate in the discussion of any matter that comes before the assembly or committee but may not make motions, vote or otherwise participate except to discuss matters before the body.
- (f) Only a person appointed under this section may participate in assembly meetings as an advisory member. An advisory member may not serve as a proxy or substitute for a regular member of the assembly unless appointed or elected to fill an assembly vacancy. Upon such election or appointment to a vacancy, the advisory seat held by that person becomes vacant.
- (g) If an advisory member clearly expresses a position for or against a proposition, the minutes of the meeting shall reflect the position expressed.
- (h) Advisory members will receive per diem, reimbursement and payments in lieu as may be provided for assembly members.
- (i) The presence or absence of an advisor member at an assembly meeting, the existence of a vacancy in an advisory member seat, and an act or admission of an advisory member shall have no effect on any action of the Borough. An advisory member has no authority to act on behalf of the Borough and the meeting of advisory members does not constitute a meeting of the assembly or any other body of the Borough for any purpose.
- (k) Advisory members shall be governed by the same rules as elected members concerning meeting attendance as provided for in 2.20 and other applicable ordinances.

(Ord. 08-04 (Amended Ord. 88-5), Sec. 2.04.060, part, 1987)



To: Assembly and Mayor
 From: Tina Anderson, Clerk
 Date: November 13, 2012
 Re: Donation Requests

Attached is a donation request from the city of Sand Point to go towards a community playground.

The AEB donation policy says that the Assembly will consider donation requests twice a year, in November and May. All donation requests must be submitted in writing to the Mayor. The Mayor will pass requests, which comply with our funding criteria to the Assembly as part of the meeting packet for the November and May Assembly meetings.

A report showing the amount budgeted for donations for the year, and the amount spent year-to-date on donations is also required to be in the packet. Below is that report:

Aleutians East Borough			
Donations			
FY13			
01-900-000-757			
Vendor	Budget	Amount of Donation	Balance
	\$ 23,500.00		
QTC-Culture Camp		\$ 7,000.00	\$ 16,500.00

City of Sand Point



Aleutians East Borough
P.O. Box 349
Sand Point, AK 99661

November 6, 2012

RE: Community Playground Donation Request

Dear Mayor and Board of Directors:

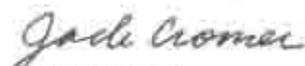
This past summer, my office staff and I have taken it upon ourselves to improve our community playground. One unit of the playground is rusty and damaged and we have found a replacement for it. (See Attachment A and B) In addition to replacing this section, we also will be putting wood chips on the surface to make the playground safer for the children. At the August City Council Meeting, Council approved the purchase of a new playground system and wood chips with the pursuit of donations.

We have received a 25% off deal. Therefore, the total cost of the new playground system and wood chips is \$25,379.53. (See Attachment C) So far, we have received \$5,250.00 in donations and will be receiving assistance in shipping the supplies from Coastal Transportation. (See Attachment D) We are aiming towards \$10,000 between donations and fundraising, and hope that the Aleutians East Borough will consider donating \$1,000.00.

Please consider our request to assist us in improving our playground and making it safer. Our playground is highly used by the local community and visitors alike and we appreciate your help in keeping it that way.

Thank you for your time.

Sincerely,


Jade Cromer
City Clerk



REQUEST FOR CONTRIBUTION

THIS FORM MUST BE COMPLETED AND SUBMITTED BY **NOVEMBER 1 OR MAY 1** TO BE CONSIDERED BY THE AEB ASSEMBLY FOR FUNDING.

ORGANIZATION NAME: City of Sand Point

PERSON COMPLETING THIS FORM: Jade Cromer

AMOUNT REQUESTED: \$ 1000.00 (An amount range is acceptable)

1. Who will benefit from this donation?

1020 Estimated number of AEB Residents

50 Estimated number of Non-AEB Residents

1- Ages

Is this activity open to all AEB residents? Yes / No If not, please explain.

2. How does this contribution promote the best interests of the AEB? For example, tell us if this project/activity is related to the safety, health or well-being of residents. Specifically perhaps, it offers an alternative (to alcohol or drug abuse) recreation opportunity. Or supports the preservation of the Aleut culture or reinforces the subsistence life-style. Why should this activity receive AEB funds? Please limit your answer to no more than one page.

Having a safe playground and place for children to play keeps them active and provides a healthy alternative to drugs and alcohol.

3. What is your estimated budget? Where does the AEB contribution fit into the budget? Who are, if any, the other donors? Please limit your answer to no more than one page. *Please see donation request and attachments.*

4. Are you willing to report back, without a reminder, to the Mayor and Assembly describing your project/activity within two months of the activity? Yes / No

With completion of projects, I will be more than happy to report back. Thank you.

Aleutians East Borough Donation Policy

The Aleutians East Borough's intention, demonstrated within this policy, is to be a responsible and supportive member of the AEB communities and to provide assistance, as it is able, to worthy projects and activities.

Requests for charitable donations from the Aleutians East Borough will be considered and evaluated in the manner set out below:

- 1) Protection of the Borough financial resources must be a high priority. This requires that the AEB set and adhere to an annual budget for charitable donations for each fiscal year:
 - a. The donation amount budgeted will be determined each fiscal year. The Assembly will consider requests in November and May of each year.
 - b. When the donations budget for a fiscal year has been expended, no further requests will be entertained although the mayor and assembly may increase the budget in the mid-year budget revision.

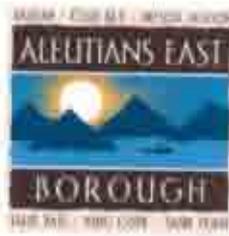
- 2) In order to provide the greatest benefit possible for the maximum number of people within the limits of our available resources for charitable donations, the following policies will be adopted:
 - a. The AEB will not make donations to benefit individuals or small groups.
 - b. The AEB will consider requests for donations that benefit non-profit organizations and civic organizations so long as the project otherwise meets the criteria for charitable donations.
 - c. The AEB will consider requests to join together with other donor organizations within the communities to combine our resources to fund needs greater than those that can be met by a single organization if the project otherwise meets the criteria for charitable donations.

- 3) In considering requests for charitable donations, the AEB will evaluate requests based on the responses provided on the attached form.

- 4) Assembly members need to have an adequate opportunity to review requests for charitable donations well in advance of meetings. To accomplish this, the following procedures are established:
 - a. Requests must be submitted in writing to the Mayor on the attached form.
 - The Mayor will pass requests, which comply with our funding criteria to the Assembly as part of the meeting packet for the November and May Assembly meetings.
 - A report showing the amount budgeted for donations for the year, and the amount spent year-to-date on donations will be included in the packet.

- 5) Requests for non-monetary donations of goods or services from the Borough with a value of less than \$100, and which meets the other criteria for funding charitable donations, will be handled by the Mayor in his sole discretion:
 - a. The Mayor will report to the Assembly at the next regular Assembly meeting on any requests, which has been handled in this manner.

REPORTS AND UPDATES



Memorandum

Date: November 7, 2012

To: The Honorable Mayor Mack and Borough Assembly

From: Rick Gifford, Administrator

Re: **Akutan Hovercraft Operations**

This memo attempts to answer some questions that have been asked of me by Assembly members and others concerning the operations of the marine link portion of the new Akutan Airport that is the responsibility of the Borough per the Co-Sponsorship Agreement (CSA) between the City of Akutan, the AEB and the State of Alaska Department of Transportation and Public Facilities approved by the Assembly on January 14, 2010.

The AEB hovercraft, operated by HoverLink, LLC, has been in Akutan since August 17. The first few weeks were spent doing sea trial runs, training wildlife observers, and certifying the vessel and crew with the US Coast Guard. HoverLink is now open for business and is awaiting a scheduled air service into the new airport. In the meantime, HoverLink has been providing service to air charters that have been using the new airport.

There were no revenue runs made during September as PenAir was still flying into Akutan with the Goose. However, there have been 8 revenue runs during October carrying 80 passengers, freight and fuel for customers for a total gross revenue of \$41,692. Net revenue, after deducting the cost of fuel purchased by AEB and then passed onto customers plus a delivery charge, was \$19,955. Passenger fare is \$100 per person one way. See attached Akutan Airport Hovercraft Fare Schedule. Customers to date include Trident, City of Akutan, Kiewit, Marsh Creek Construction, Grant Aviation (mail), Satellite Alaska, Akutan Native Corp, and USACOE. Accounts have been or will be established for the above customers and billed on a monthly basis by AEB. Once Grant Aviation begins regular scheduled flights into the new airport, we hope to have Grant collect the passenger fee and remit to AEB. Until such time that scheduled air service is established, passenger fares will continue to be \$100 per passenger for the charter flights. Once there is scheduled air service, the charter rates will come into force for any trips arranged to occur outside of scheduled air service. Additionally, the City of Akutan has requested a 750 gallon fuel delivery on every mission to Akun. Going forward, HoverLink is planning to add another 1,500 fuel delivery tank to the vessel in order to make fuel deliveries more efficient.

MEMORANDUM

Akutan Hovercraft Operations

Page 2

Attached is the HoverLink's annual budget and expenses for September, 2012. The HoverLink budget does not include fuel, AEB's insurance costs, utilities and housing. Fuel is estimated to be 80,000 gallons per year. The current rate for fuel being purchased from Trident is \$4.05 per gallon for an estimated annual total of \$324,000. AEB's marine related insurance costs are estimated at an annual cost of \$253,040. However, the P&I insurance will renew in February, 2013 and is expected to be lower than the current rate. I do not have an estimate for utilities at this time, however the current AEB FY13 budget includes \$5,000 for utilities and \$5,000 for gas. Current housing is costing \$1,000 per month plus utilities.

The Borough's current FY13 budget for the hovercraft operation is estimated at \$2,180,000 for expenditures and \$585,000 in revenues. Based on the above, the Borough's FY13 budget for hovercraft operations will need to be increased to over \$3 million per year. Once we have scheduled air service and a few months of experience, we should be able to revise the revenue estimates.

Akutan Airport Hovercraft Fare Schedule

One-Way Fare Schedule for Scheduled Air Service

Passenger *	\$ 100.00	per passenger (includes personal items)
Freight/Cargo	\$ 0.50	per pound, or
	\$ 12.50	per cubic foot, whichever is greater
Construction Equipment **	\$ 500.00	vehicle + driver
Vehicle **	\$ 200.00	vehicle + driver
ATV **	\$ 125.00	vehicle + driver
Medical Evacuation	\$ 5,000.00	per trip
Fuel Delivery ***	fuel cost + \$ 0.50	per gallon
Mail	\$ 0.50	per pound

Charter & Other Rates (will apply once scheduled airline service begins)

Hovercraft Charter - one way	\$ 1,600.00	minimum
Hovercraft Charter - same day round trip	\$ 2,500.00	minimum
(cover up to the first 16 passengers and their personal items)		
Additional Charter Passengers	\$ 100.00	per passenger

Notes:

- Maximum Passenger Capacity 49
- Maximum Payload (passengers + freight) 20,000 pounds, excluding fuel
- * Personal Items is defined as two pieces of luggage
- ** Vehicle capacity subject to weight/dimensional restrictions, freight in vehicle charged separately
- *** Fuel delivery is 750 gallons maximum per delivery, #2 Diesel pumped to your truck from hovercraft

Method of Payment: It is preferred that all organizations with travel needs set up an open purchase order account directly with Aleutians East Borough to facilitate monthly invoice billings. Contact Roxann Newman at (907) 497-2588 or rnewman@aeboro.org. Cash payments will NOT be accepted.

Coming Soon: Soon we will be able to accept VISA or MASTERCARD payments for travel. We will not be able to accept AMERICAN EXPRESS.

Making Reservations: Contact Martin Robbins at (206) 778-9616 for ALL reservation requests, or send an email to sales@hoverlink.us.com. Do not contact the hovercraft directly for reservations.

Schedules: Until such time that Grant Aviation announces flight schedules, service is being provided on an as-needed, as-arranged basis. Once flight schedules have been published, a corresponding hovercraft service schedule will be promulgated.

For More Information: Contact Martin Robbins at the phone number shown above.

To Contact the Hovercraft: The On-Duty Captain carries cell phone (907) 532-7003 and can be called if you have any questions on the day of travel, or to get any updates on weather and hovercraft operations.

HOVERLINK BUDGET

<u>Item</u>	<u>Annual Budget</u>	<i>SEPT 12</i>		<u>Variance</u>
		<u>Actual YTD</u>	<u>Pro Rated Budget</u>	
Labor	1,281,558	108,353	106,797	(1,557)
Travel & Per Diem	438,740	24,932	36,562	11,630
Maintenance & Repair	191,839	18,135	15,987	(2,148)
Consumables	47,090	2,812	3,924	1,112
Vendors	135,000	29,985	11,250	(18,735)
Legal/Insurance	16,000	-	1,333	1,333
Subtotal Direct Costs	2,110,227	184,217	175,852	(8,365)
General & Administrative	144,000	12,000	12,000	-
Taxes	49,931	72	4,161	4,089
Subtotal with Fixed Fees & Taxes	2,304,158	196,289	192,013	(4,276)
Profit	255,842	21,810	21,320	(490)
Total Operating Budget	2,560,000	218,099	213,333	(4,766)

October-12	<u>This Month</u>		<u>Since Inception</u>	
Total Days	31		31	
Days Vessel Operational	28	90%	28	90%
Days Out of Service	3	10%	3	10%
Mission Days Completed	16		16	
Mission Days Missed	2	6%	2	6%
Good Weather Days	22	71%	22	71%
Bad Weather Days	9	29%	9	29%
Service Reliability		89%		89%

To: Honorable Mayor Mack and AEB Assembly
From: Anne Bailey, Community Development Coordinator
Subject: Assembly Report
Date: November 6, 2012

Akutan Harbor

I completed a Spill Prevention and Response Plan for the uplands area near the Harbor. This plan is relatively generic but will be updated as development occurs in the area.

I am still working on the Conservation Easement for the harbor, which is a mitigation measure requirement. I hired McClintock Land Associates to do the survey of this area and entered into a contract agreement with Horan & Company, LLC to do a fee simple appraisal for the conservation area. Mayor Mack, Rick and I met with the Aleut Corporation to begin discussions of the appraisal and easement agreement. The appraisal should be completed by January 2013.

Photo of the completed harbor:



Photo courtesy of the Army Corps of Engineers

Akutan Airport

The Airport Operations Group met on October 24, 2012. DOT airport staff, City staff and the hovercraft crew are out there and we are now awaiting a scheduled airline. The next meeting is scheduled for November 7, 2012.

On October 19, 2012, I met with US Fish and Wildlife, FAA, the State and HDR to discuss environmental concerns of running the hovercraft. Topics of concern are rat infestation and transferring fuel.



Hovercraft at the Akutan Ramp (Photos Courtesy of HDR)



Wildlife in Akutan (Photos Courtesy of HDR)

Cold Bay Clinic

I met with the Clinic Design Team in Anchorage on November 5, 2012. The City, EAT and Borough had an opportunity to discuss the conceptual design layout and make more suggested changes. It was an extremely productive work session. We are still waiting to hear back from DOT and the FAA on the proposed Cold Bay Clinic site.

I am still searching for clinic construction funds. I have drafted a Cold Bay Clinic Document requesting funds from the Governor's budget and the Borough will be requesting legislative funds for this project.

Community Impact Assistance Program Land Use Permitting Grant

The Aleutians East Borough received grant funds to create a resource development land use permitting system to protect coastal resources in the Aleutians East Borough Resource Development District. On September 25, 2012, I issued a Request for Proposal for a consultant to help with this project. We received two proposals on October 15, 2012 and a review committee met and selected Harvey Consulting, LLC. Resolution 13-13 is before the Assembly to approve the contract. Community meetings will be arranged in January/February 2013.

False Pass Generator Replacement Project

The City of False Pass is submitting a Community Development Block Grant application entitled: False Pass Generator Replacement to the State of Alaska. I am writing this grant on the City's behalf with the help of Chris Emrich. The grant deadline is December 7, 2012.

Currently, False Pass Electric has three generators. One of the generators cannot handle the community's load requirements and has not been used since 2005. The City of False Pass wishes to purchase and install a new generator to accommodate the existing service demands and allow for community expansion. This project is critical to the City of False Pass because it will allow the electric company to provide reliable service while improving the safety, health and welfare of the residents and the community's economy.

“Read a Book – Watch a Movie” Program

The first event was held on September 29th and was successful. The kids met again on November 3, 2012 and discussed Eragon. This is a great opportunity for the kids and hopefully it will encourage them to read more. Another event will be scheduled in March. At this time the participants will have a chance to win a kindle.

Other projects include the Cold Bay Dock Agreement, Capital Improvement Projects, the EDA Akutan Harbor Floats grant, as well as every day functions.

I will be out of the office the week of November 19, 2012 for medical reasons but you can still contact me at (907) 274-7580 or abailey@aeboro.org if you have any questions, concerns, or comments.

To: The Honorable Mayor Mack, Aleutians East Borough Assembly
From: Ernie Weiss, Natural Resources Director
Subj: Report to the Assembly
Date: November 7, 2012

North Pacific Fishery Management Council

Rights of First Refusal (ROFRs) are the main protections for communities in the BSAI Crab Rationalization Program, but those regulations have been inadequate since inception of the program. A ROFR recommendations package was scheduled for Initial Review in October and Final Action in December, but the timing has changed. During public testimony at the October Council meeting, representatives of Aleutia presented a compelling case that crab processing quota earned in Port Moller by Sno-Pac, and subject to the ROFR, was sold to APICDA without notification to the ROFR holder Aleutia. Council member Sam Cotten was able to add an [alternative](#) to the package that would gift an equal amount of quota back to Aleutia. Final action on BSAI Crab ROFRs is now scheduled for February.

The October [Council Motion](#) (D-1a) stating a Purpose and Need for a program to develop bycatch tools for the CGOA trawl sector also set a control date of December 31 2012, and outlines goals and objectives for the program. The Council *did not* follow the [Advisory Panel](#) example by also addressing some concerns of the WGOA. Aleutians East Borough fishermen need to stay vigilant at the Council to assure that the WGOA is not left vulnerable by the central gulf actions. Protection for WGOA fisheries is a top priority for this office. The [NPFMC December agenda](#) includes an Initial Review of GOA Chinook Bycatch in all Trawl Fisheries. A CGOA Trawl Catch Shares discussion paper is on for February.

The Steller Sea Lion Mitigation Committee met October 18-19th and reviewed proposals for possible consideration by the Council as alternatives for the court-ordered SSL EIS. Three proposals submitted by the AEB that propose changes to fishery management measures in the WGOA were accepted, but the focus of the Council is currently on the central and western Aleutians, and measures imposed as a result of the 2010 BiOp. A fourth AEB proposal that would increase vessel safety by reducing transit minimums near AEB SSL critical habitat areas may also be considered. The committee will meet again November 7-9th preparing recommendations for SSL EIS alternatives to present to the Council at the December meeting. My Steller Sea Lion Update was recently published in the latest [SWAMC email newsletter](#).

At the October meeting, the Council also received a report on the 2013 North Pacific Groundfish Observer Program deployment, and a presentation of electronic monitoring (EM) innovations. Registered vessel owners should have received a letter from NMFS to notify if the vessel has been selected for the Trip Selection pool or the Vessel Selection pool, and to unveil the [Observer Declare and Deploy System \(ODDs\)](#) website. The EM pilot program is not currently available for AEB vessels.

Board of Fisheries Work Session & WASSIP Presentation, October 9 - 11.

At their October 2012 work session, the Board of Fish considered [Agenda Change Requests](#) (ACRs) for the upcoming meeting cycle. The Board took action related to an AEB fishermen proposal ACR #5, and put the issue on the Area M meeting agenda in February. AEB ACR #15 was proposed to change the meeting schedule to accommodate a conflict with the local Pacific cod fishery openings, and through a separate action the Board decided to defer all Pacific cod proposals to a Statewide Pacific cod meeting in October 2013. The Board should be announcing a new call for Pacific cod proposals soon.

On October 11th, the Board received a presentation on the WASSIP genetic study reporting. The [WASSIP Reports](#) should be available online by November 19th. An AEB funded study, the Southeastern District Mainland (SEDM) genetic stock study composition report is scheduled for release in December. Both of these genetic studies are key to informing the discussion at the Alaska Peninsula/Aleutian Island Finfish Board of Fisheries (Area M Salmon) meeting, beginning February 26th through March 4th, 2013. That agenda will now focus just on salmon proposals and the genetic identification studies information interpretation and analysis. The next Board meeting is to consider Bristol Bay finfish proposals, held in Naknek beginning December 4.

Transportation Hub

Mayor Stanley Mack and I recently met with representatives of Evergreen International about the viability of using Cold Bay as a hub for transporting live crab to China. Evergreen Intl. flies Boeing 747 cargo jets to the Far East, has facilities in China, and Evergreen Helicopters Inc, part of the same family of companies, owns a hanger in Cold Bay. Alaska Bering Sea Crabbers also met with Evergreen in Seattle. In another positive step forward, the State DOTPF is [soliciting comments](#) on the proposed project to improve the Cold Bay Airport, including construction of a new apron/taxiway to the AEB terminal building. This project will fulfill our greatest infrastructure need for the Cold Bay Transportation Hub. Comments on the proposed project will be accepted through November 24th, should be emailed to brian.englund@alaska.gov and reference: Cold Bay Airport Main Runway Rehabilitation Project.

US Coast Guard inspections

The Coast Guard Authorization Act of 2010 went into effect October 16 and stipulates that any commercial fishing vessel that operates 3 or more miles from shore must be inspected every two years. Some dockside inspections were completed in King Cove during the October King Crab season opening. USCG dockside inspections in Sand Point will occur sometime in January if there are at least 10 or more vessels that want an inspection. Fishermen should contact the Sand Point harbormaster, 907-383-2331 for more info and to get on the list for a January 2013 USCG vessel inspection opportunity in Sand Point. Fishermen can find the Commercial Fishing Vessel Checklist Generator at www.fishsafe.info.

Meetings

I attended the last day of the AFN Annual Conference meeting Saturday October 20th to note all of the fisheries resolutions passed by the Conference. I also attended the ADF&G Alaska Chinook Salmon Symposium October 22 & 23. You may have seen my report on these meetings in the recent November 6th 2012 edition of the AEB newsletter [Fish News](#).

We will hold another AEB Fishermen meeting near the Pacific Marine Expo this year at the Silver Cloud Hotel in Seattle on November 27th 9AM PST, and this year we plan to offer teleconference participation at the meeting to each AEB harbor/community. The tentative agenda for the Silver Cloud AEB Fishermen meeting includes

Board of Fisheries upcoming meetings

- Area M salmon
- Pacific cod
- Board of Fish participation
- WASSIP and SEDM genetic studies

NPFMC upcoming meetings & agenda items

- CGOA trawl bycatch tools
- WGOA groundfish fisheries objectives

Updates

- Crab season
- Observer program
- SSL case

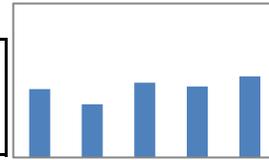
Fishermen Discussion

Teleconference info for the 11/27 AEB Fishermen meeting will be emailed to communities, harbors and assembly members before the day of the meeting.

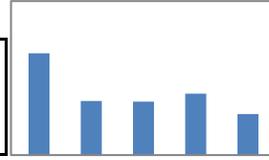
Please call or email me anytime with your comments, questions or concerns.

5 year perspective by month (July - September)

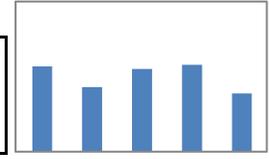
Jul-08	Jul-09	Jul-10	Jul-11	Jul-12
\$ 444,476	\$ 345,945	\$ 486,362	\$ 460,143	\$ 527,401



Aug-08	Aug-09	Aug-10	Aug-11	Aug-12
\$ 660,777	\$ 351,614	\$ 348,047	\$ 399,787	\$ 265,810

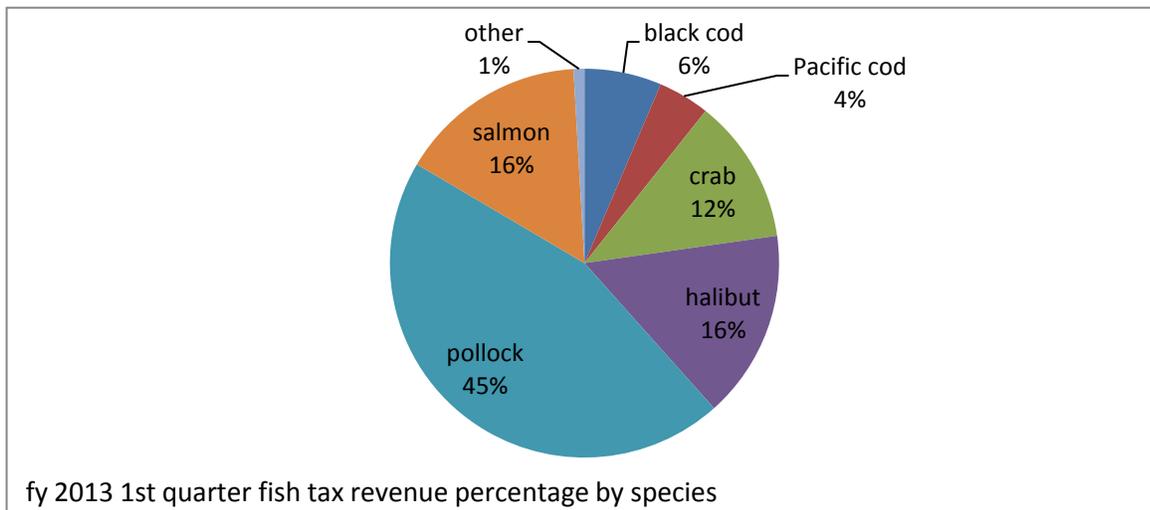
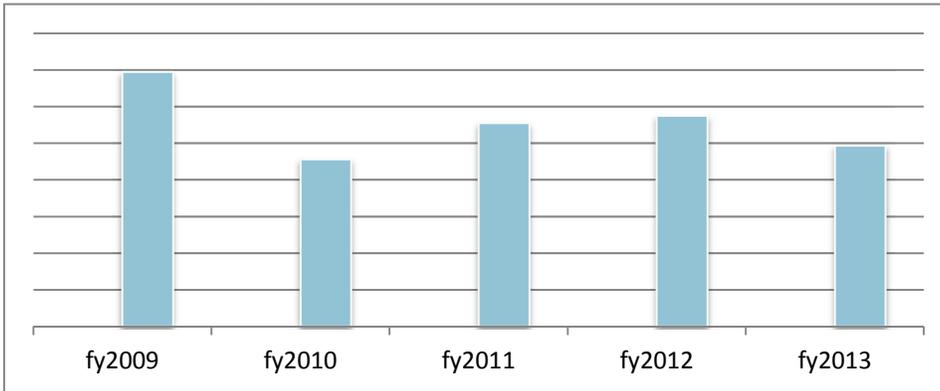


Sep-08	Sep-09	Sep-10	Sep-11	Sep-12
\$ 283,746	\$ 215,194	\$ 275,642	\$ 289,164	\$ 194,196



1st quarter fish tax revenue, fy's '09 - '13				
fy2009	fy2010	fy2011	fy2012	fy2013
\$ 1,388,999	\$ 912,753	\$ 1,110,051	\$ 1,149,094	\$ 987,408

1st quarter fish tax revenues



Nov. 7, 2012
AEB Fisheries Report
Sam Cotton, AEB Fisheries Consultant

Gulf of Alaska rationalization, also known as catch share program; or limited access program (LAP); or privatization; or IFQs and other less politically correct terms.

The Central Gulf of Alaska (Kodiak) trawl fleet is asking the North Pacific Fisheries Management Council to create a new management system for the harvesting and processing of all species of trawl caught fish including Pollock, cod and flat fish (arrowtooth flounder, rex sole, etc.) and other ground fish.

The issue that gave rise to the request this time (gulf rationalization was considered a few years ago and dropped) was Bycatch limits on Halibut and Chinook Salmon. There are strict limits (hard caps) on the amount of halibut and Chinook salmon that can be taken during their directed effort on Pollock and ground fish. Once those limits are reached fishing must stop.

The current limit on Halibut is 2000 metric tons (about 4.4 million lbs.). Recent Action by the Council reduced these limits by 15%, phased in over the next four years. Chinook salmon Bycatch, which had no limits until this year, is capped at 25,000 fish for the Gulf of Alaska Pollock fisheries. The salmon limit is divided between the Western and Central Gulf with about 18,000 going to the Central and about 7,000 to the Western. The council is still considering Chinook salmon limits for the non Pollock trawl fisheries.

The Kodiak trawlers suggest they will have difficulty harvesting their allowable catch of target species as a result of these limits and therefore need a new management system.

The system being promoted would give ownership rights to vessel owners based on their catch history.

The Gulf of Alaska is divided (see map) into management areas. Area 620 and 630 are the Central Gulf (CG) and area 610 is the Western Gulf (WG). The current proposal is for the Central Gulf.

There is considerable concern about the consequences of rationalizing one

part of the gulf and not the other. One benefit of a rationalized fishery is the ability to fish your quota whenever (within the season) you choose. Should the CG be rationalized and the WG not, CG quota holders could fish the WG open access fishery until that total allowable catch (TAC) was taken and then return to the CG to fish their individual quota. This would be a major disadvantage to WG fishermen as they would have to compete with fishermen who normally would be in the CG at that time.

Sideboards on the CG fleet could mitigate the problem but would also have complications. The fleet would theoretically be limited to their history in the WG. If the CG fleet had historically caught 20% of the WG TAC, then once that 20% was caught the CG fleet would have to stop fishing in the WG. However, boats that have both WG and CG permits (LLP s) would likely face choices that may not work well. For example a fisherman with history in both the CG and WG may be required to either give up their CG quota or be restricted to the sideboard limit. An alternative may allow those with small amounts of CG history to be exempted from the sideboard limits. Other options may also be considered and may come to light as the process moves on. If the WG were to be rationalized at a later date, some of the decisions made may not be reversible.

Processor considerations also come into play and could be different for the CG and WG.

The case for processors in the CG is that all fish come to the same port and if the fish are controlled by a co-op the fishermen are in a position to receive all or almost all of the margins. The CG fleet is approx. 75% non resident while the processors have invested in plants, hire employees, pay taxes and contribute to the local economy. There is probably more processor capacity in Kodiak than is needed to handle the ground fish and without some protections, some plants may fail and those that survive would receive just enough to stay alive.

The case for the fishermen is competitive markets are fair and beneficial to fishermen who have often felt they were not being treated fairly when it comes to price. It's not the fishermen's fault the processing industry is overcapitalized and this would cause a natural restructuring.

In the WG the situation is quite different, as the communities of Sand Point and King Cove each have one processor with the possibility of a new entrant

in Sand Point. Some of the same issues seen in the CG may apply but there are also some major differences. The WG is home to a local fleet with 3-5 trawl vessels from King Cove and 10-15 from Sand Point.

From a statistical perspective, there are 98 trawl LLPs eligible to fish in the Western Gulf. Recent activity shows an average of about 18 vessels under 60' and 3-8 vessels over 60' and one vessel over 125' (2008 only).

The big difference between the CG and WG on this point is the majority of the participating vessels are locally owned or at least home ported in WG communities.

If a Limited access program is put into place, there are many forms it could take. It may or may not include areas beyond the Central Gulf.

Features of a program include:

1) Duration. How long will the program last? In the case of crab rationalization, the program will continue unless changed or ended by the council. Limited access privileges can be taken away as they do not confer any rights of compensation and do not create any ownership of a fish before it is harvested. In the case of the Kodiak rockfish program the program will end after a ten year period. The council may extend the program but unless there is positive action it will expire.

It is difficult to change a program as people may have gone into debt to participate. If there is set date for expiration people can plan around that date and the council could make changes, if needed, without as much disruption.

2) Which species are included. It is assumed that Pollock, cod and other ground fish will be included, however that doesn't have to be the case. Like other programs, quota would probably be issued as a percentage of the TAC of whatever species are included.

3) Eligibility to acquire/hold privileges. The law constrains shares to be acquired or held by persons who substantially participate in the fishery. The definition of "substantially participate" will be left to the council. Also the term "person" may include corporations, fishing communities, regional fishing associations, partnerships, CQEs, as well as individuals and must be defined. Another question to be resolved is whether to allow processors to

hold privileges.

4) Transferability. To whom can you transfer and what is transferable must be decided. Will leasing be allowed? Decisions regarding any limits on transferability will be made after evaluating input from stakeholders and what goals and objectives are established. Some economists suggest no limits as that would allow maximum flexibility resulting in maximum economic performance of the fishery. Others suggest no transferability should be allowed as that would result in gains to individuals rather than to the general public. A middle ground may be some limits that prevent major changes to community structure, excessive consolidation, or other social disruptions.

5) Initial allocations. As with all other aspects of rationalization, initial allocations are subject to legal restrictions. Federal law, specifically the Magnuson-Stevens Act (MSA) set out standards for fair and equitable initial allocations. Consideration of ;

- a) Current and historical harvests
- b) Employment in the harvesting and processing sectors
- c) Investments in, and dependence upon the fishery
- d) The current and historical participation of fishing communities
- e) Cultural and social framework of the fishery
 - 1) promote sustained participation of small owner-operated vessels and Fishing communities that depend on the fisheries.
- f) Assist, where appropriate, entry level opportunities
- g) Prevent excessive share holdings

There are many other considerations that must be addressed as this process (which could take a few years) moves forward including:

State waters. Currently a large % of Pollock is taken inside 3 miles and is subject to State of Alaska jurisdiction. (10 year avg. in CG is 29%, 10 year avg. in WG is 56%) likewise with pacific cod (10 yr. av. CG 34%, 10 yr av. WG 56.5%). The question that will arise is whether Alaska will assert their jurisdiction.

Community quotas. There is some interest in allocation of quota to

communities similar to the CDQ program. Opponents suggest there is too little quota to achieve the desired results and it would take away from the local fishermen who have historically caught the fish. Proponents suggest that some communities have no other way to survive and deserve consideration when awarding fishing rights.

The council is just getting started on this proposal and will welcome ideas and input from all interested parties.

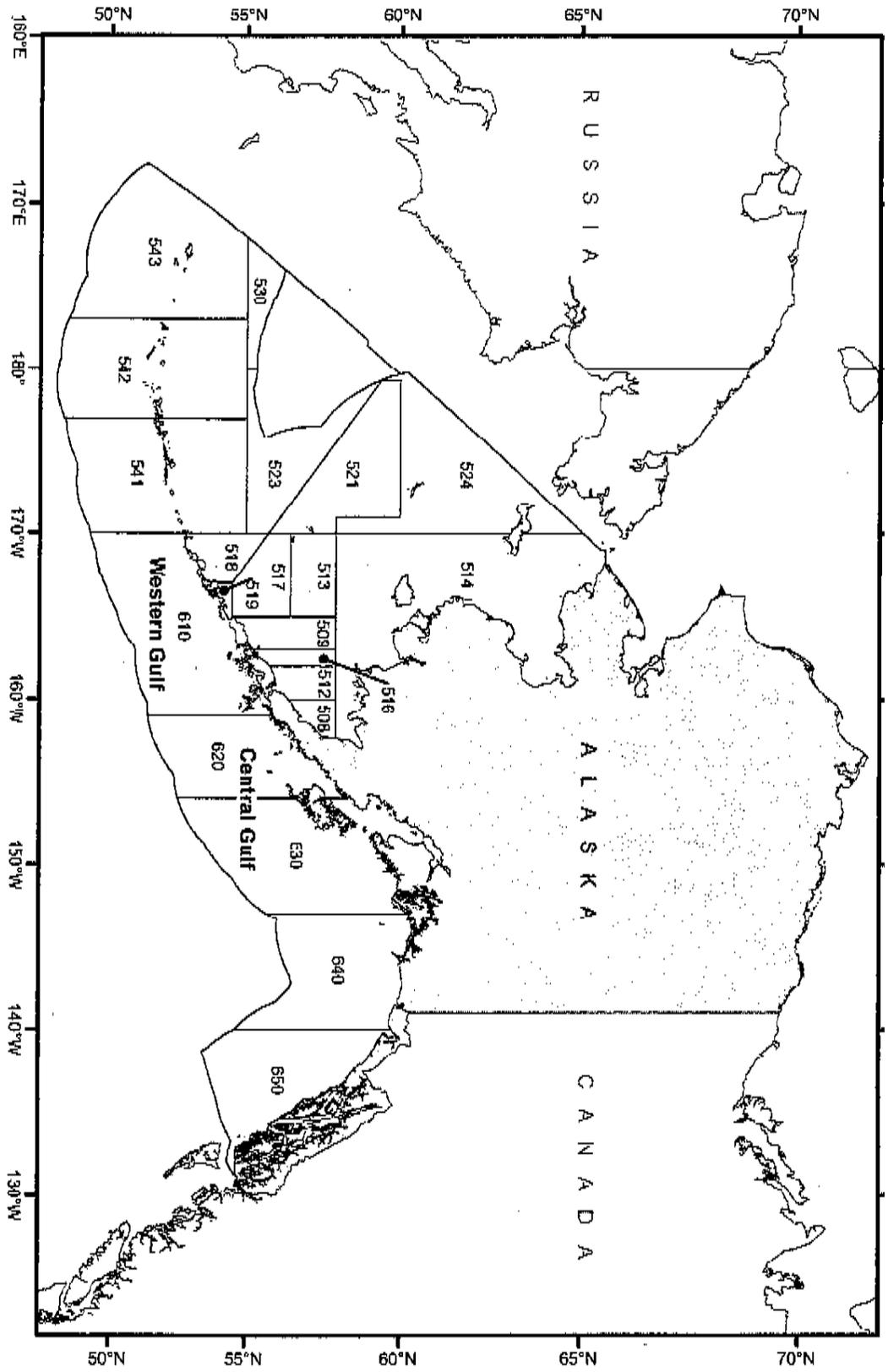


Figure 1 - National Marine Fisheries Service statistical and reporting areas.

To: Honorable Mayor Mack and Aleutians East Borough Assembly

From: Laura Tanis, AEB Communications Manager

Through: Rick Gifford

Subject: Communications Manager's Report to the Assembly

Date: Nov. 7, 2012

Since the last Assembly meeting, I've drafted and distributed 5 newsletters (3 Fish News and 2 In the Loop) and worked on a variety of other projects.

Headlines from recent *In the Loop* and *Fish News* editions included:

- Special Election to be Held in Sand Point for Small Boat Harbor Rehabilitation Project
- Agencies Solicit Comments from Public on Proposed Airport Improvement Project
- Cold Bay and King Cove Become Tsunami-Ready and Storm-Ready
- King Cove's Recoverable Heat Project Provides Tremendous Savings
- Nelson Lagoon Launches Integrated Solid Waste/Recycling Program
- Crews Repair Nelson Lagoon's Safe Water Transmission Line
- Crews Complete Weatherization Project, Structural Repairs to Home of Nelson Lagoon Elder
- Sand Point's Police Chief Shoemaker Moves On
- Update from AEB Natural Resources Department
- SWAMC Works with Schools to Bring STEM Education Programs to Southwest Alaska
- AEB Communities Celebrate Halloween
- King Cove Struggles Through Poor Fishing Season
- Summary of Votes at the Board of Fisheries - work session – ACRs
- WASSIP Provides Presentation to Board of Fish; Five Additional Reports To Be Completed by Nov. 19th
- News from NPFMC: CGOA Trawl PSC; Observer Program; Halibut Fisheries Issue; Steller Sea Lion Issues

Meetings Attended:

- North Pacific Fishery Management Council – Oct. 3 – 9, 2012

- Alaska Board of Fisheries – work session – Oct. 10, 2012
- WASSIP presentation at the BOF – Oct. 11, 2012

Miscellaneous Projects:

- Proofread three documents for Anne (Draft Criterion 1 – 3: False Pass Community Development Block Grant – Generator Replacement Project.
- Proofread a white paper for Anne to submit to EAT.
- Researched airline freight prices in the Aleutians for Stanley
- Worked on design for Borough’s 2013 calendar.
- Wrote an “About the Artist” piece for the City of King Cove – bent wood visor purchased from Sand Point Artist Peter Devine.
- Corresponded with freelance writer Mike Coppock. He’s working on a story for Sea Classics Magazine on the Alaska Marine Highway’s ports of call. Pitched ideas to him about AEB communities and projects in our region.
- Served on a review committee with Anne and Ernie for the Resource Development Land Use Permitting RFP.
- Worked on securing a meeting - board room at the Anchorage Sheraton during the BOF meetings Feb. 26 – March 3rd
- Reserved hotel rooms at the Crowne Plaza and Arctic Club Seattle for those attending AEB Fishermen’s meeting, Fish Expo and meetings with Trident, PPSF.
- Contacted organization, Make Alaska Competitive, and requested that they remove Borough’s name from their supporters’ list since the AEB never endorsed them. They took care of that.
- Worked with media on a couple of Akutan Airport stories and responded to inaccurate information that was published.
- Made several updates to the Borough Website and AEB’s Facebook page.

Future Projects:

- Press Release for King Cove about final EIS for proposed road to Cold Bay Airport.
- Press Release for Akutan about latest with Airport – possible scheduled air service with Grant.
- Prepare for/promote AEB Fishermen’s meeting in Seattle
- In the Loop
- Fish News
- Updates to Facebook, Blog and website

As always, I’m happy to help get the word out about an event or issue in your community. Please call any time. My direct phone number is (907) 274-7579, and my email is ltanis@aeboro.org.

To: The Honorable Stanley Mack
The Aleutians East Borough Assembly
Rick Gifford, Borough Administrator

From: Brad Gilman & Sebastian O'Kelly

Re: Washington Update

Date: Oct 18, 2012

1. Cold Bay Coast Guard Hangar: The President's FY 2013 budget request seeks \$5 million in Coast Guard funding for upgrades to the existing Evergreen helicopter hangar. Mostly, the funds will go for interior renovations, new doors and a new environmental control system. The funding will cover both design and construction. There are no plans to build a new hangar at this time. This project will not move forward until Congress enacts the FY 2013 appropriations bills, currently delayed while the Federal government operates under a Continuing Resolution.

2. Assistance To Firefighters – False Pass & Nelson Lagoon: We have informed the Alaska Delegation that the Borough has submitted grant applications for the purchase of fire sleds to FEMA's Assistance To Firefighters Program for False Pass and Nelson Lagoon. Senator Begich has written a letter of support to FEMA for each project.

3. Izembek Land Exchange: Work continues on the proposed Izembek Land Exchange environmental impact statement. Top Fish and Wildlife Service officials traveled to the Region with Mayor Mack and Borough Administrator Gifford in late August. This was followed up with meetings in Washington, D.C. in September with the Alaska Delegation, the Fish and Wildlife Service, and high ranking officials for Indian Affairs within the Interior Department on issues relating to the EIS. The final EIS is scheduled to be issued on November 9. Following the publication of the EIS, the Secretary of the Interior will decide whether adoption of the land exchange is in the public interest.

4. Fishing Vessel Discharge Legislation: The House has passed legislation to extend permanently the current moratorium on Clean Water Act permits for fishing vessels for all discharges (ballast and bilge water, deck runoff, fish hold effluent, etc). The exemption would cover all commercial fishing vessels. In the Senate, Senators Begich and Murkowski continue to push to extend the moratorium, but were unable to include an extension in the Senate counterpart bill. There will be further negotiations on this issue between the House and Senate during the Lame Duck session. Absent action by Congress, the EPA will publish the new discharge permit requirements in December 2012 and provide for a one-year delay in implementation. The EPA is required by law to have the new discharge permits implemented by December 2013, which is when the current permit moratorium is set to expire. This rule will have a significant impact on commercial fishing vessels in Alaska.

5. OCS Oil & Gas Legislation – North Aleutian Basin: Senators Murkowski and Begich have introduced S. 3438 – The Offshore Petroleum Expansion Now Act of 2012. The bill requires execution of oil and gas leases sales proposed in the Dept of Interior 2012-2017 lease plan. This includes lease sales in the Beaufort and Chukchi Seas and Cook Inlet but does not include the North Aleutian Basin (nor has it been included in the Administration proposed lease sales plan). The bill reauthorizes coastal state revenue sharing through an extension of the Coastal Impact Assistance Program (“CIAP”). The Congress last authorized the CIAP in 2005. The Alaska Legislature engaged in a process to allocate CIAP funding throughout coastal Alaska during the 2006-2010 timeframe. We anticipate a similar process should the legislation be enacted in the next Congress, with possibly significant increases in funding flowing to the State and its communities depending on the revenues generated from the lease sales in the new areas. The House has passed counterpart legislation that adds the North Aleutian Basin as a lease sale by 2015 to go with the Chukchi, Beaufort and Cook Inlet sales.

While the Borough does not qualify as a coastal political subdivision due to its distance from the Chukchi and Beaufort lease areas and therefore does not qualify for funding directly from the Department of Interior, it has been the recipient of project funding from the allocation that goes directly to the State. Should the North Aleutian Basin be included in the final bill, the Borough would meet the criteria to qualify as a coastal political subdivision for the North Aleutian sale.

6. Fishery Disasters: The Secretary of Commerce has issued a disaster declaration for the Yukon River, Kuskokwim River and Upper Cook Inlet Chinook salmon fisheries – making Federal resources and disaster aid possible. The Congress will still need to appropriate funds for disaster relief nationally before any Federal assistance is forthcoming. All three Members of the Delegation advocated for the declaration.

We have briefed the Alaska Delegation on the economic and social impacts of the poor salmon runs for Nelson Lagoon, and about the Borough’s efforts to get Nelson Lagoon identified as a disaster area by the Governor and the Secretary of Commerce.

7. EPA Emission Control Area Rule: The EPA is implementing a new rule that would require West Coast vessels to use low sulfur (1 percent content) diesel fuel starting August 1, 2012, then switching to ultra low sulfur diesel (0.1 percent) by 2015. Some of the tug-barge companies in Southeast Alaska have already switched to the cleaner fuel, but we do not know whether the cargo companies serving the Aleutians have converted to the lower sulfur fuel. It is our understanding that containership operators serving the Aleutians have raised concerns about the costs of conversion.

The new rule may also have a major impact on Alaska’s cruise ship industry. The cruise ships currently operate on 3 percent bunker fuel. The new rule would result in higher fuel costs as well as engine retrofits. The cruise lines may reduce the number of trips or drop certain ports-of-call in response, as well as levy a per head passenger

surcharge. The Cruise Line Industry Association estimates a total of \$427 million in economic losses to Alaska and its communities.

The House FY 2013 Interior & Environment Appropriations authorizes a 4 year pilot program that would demonstrate the viability of weighted averaging as an alternative to the current ECA rule. This alternative would permit cruise ships to use higher sulfur content fuel while underway but switch to low sulfur fuel when approaching ports or populated areas. The industry supports this less costly alternative method of compliance and is seeking its inclusion in Senate counterpart legislation.

8. The Federal Budget: The Congress is currently involved in a historic struggle over the Federal budget. The recession of 2008 and 2009 caused the Federal debt to grow exponentially. The Congress authorized a special committee in 2011 to come up with a compromise involving spending cuts and revenue raising measures to slow the growth of the Federal debt and move the country toward a balanced budget. Default measures involving across-the-board spending cuts (called sequestration) were included in subsequent debt relief legislation to try and force a compromise. The special committee nonetheless failed to achieve a consensus and sequestration is scheduled to be implemented in 2013.

The Washington D.C. wags have named the budget impasse the “Fiscal Cliff.” The term not only includes the across-the-board cuts in Federal spending but expiration of the Bush-era tax cuts, and expiration of Social Security payroll tax relief. The across-the-board spending cuts include \$55 billion from the National Defense programs (a nearly 10 percent reduction from current spending levels), \$38 billion in non-defense discretionary programs (just over an 8 percent cut), and \$17 billion in non-defense entitlement programs. Taxes for all income levels are scheduled to increase, as well as tax rates on dividend income and capital gains income. Social Security taxes for individuals will revert back to 6.2% of income up to \$100,000 (the current payroll tax relief reduces this amount to 4.2%). There are also a series of business tax credits set to expire.

Economists are warning that the combination of significantly reduced Federal spending and higher taxes will plunge the economy back into recession and increase unemployment by as much as one percentage point. Both President Obama and Governor Romney have pledged to avoid the across-the-board reductions and to not allow the tax cuts to expire (in part or whole), while also addressing tax and entitlement reform. The political parties are nonetheless far apart on the details of a budget framework. We anticipate an effort during the Lame Duck session to try and craft a compromise framework, but the issue could spill into 2013. The appropriations bills for Fiscal Year 2013 have stalled due to the budget impasse, and the Federal Government is operating under a stop-gap spending measure which funds operations slightly above Fiscal Year 2012 levels through March of next year.

9. Miscellaneous.

- **Farm Bill:** The recently passed Senate Farm Bill includes provisions that permit commercial fishermen to apply for disaster loans under the Emergency Disaster loan program at the USDA's Farm Service Agency when hurt by natural disasters, declines in stock abundance, or climate change. The House has yet to act on its version of the Farm Bill.
- **Arctic Deepwater Port Study:** The Senate-passed Coast Guard Reauthorization Bill includes a provision requiring the Coast Guard to conduct a one year study on the feasibility and potential of establishing a deep water sea port in the Arctic to promote strategic U.S. interests in the region.
- **Walk-In Freezers:** The Senate has passed legislation that would exempt walk-in freezers from new Federal energy efficiency standards.
- **Marine Debris Clean Up:** The Marine Debris Act Amendments of 2012 passed the House by voice vote in September. The legislation authorizes \$4.9 million annually to the National Oceanic and Atmospheric Administration for marine debris reduction activities through FY 2015. Separately, the Japanese Government has pledged \$5 million to the U.S. for cleanup of debris washing up on Alaska and West Coast shores from last year's tsunami.
- **Polar Icebreakers:** The Senate-passed Coast Reauthorization Bill includes a prohibition on retirement or transfer of existing polar ice breaking vessels until new vessels are ready for service. There is also a prohibition on changing any existing homeport.
- **Sportsmen's Legislation:** The Senate began debate on legislation to reauthorize multiple inland Federal fish and wildlife management and conservation programs. This bill will receive a final vote in the Lame Duck. At that time, Senator Murkowski is planning to offer a complementary amendment that, among other provisions, protects hunting and fishing rights on certain Federal lands. The House has passed counterpart legislation.
- **Lacey Act Relief For Plant Products:** The House has passed legislation that would hold harmless businesses and consumers who unknowingly purchase imported plant products (including wood products) that might be subject to Lacey Act violations and fines because the overseas maker of the product violated its country's or international natural resource protection laws.

September 17, 2012

Sharon Boyette, Administrator
Aleutians East Borough
3380 C Street, Suite 205
Anchorage, AK 99503

RECEIVED
OCT 4 2012

Aleutians East Borough

RE: Akutan Qigiiġun Camp 2012

Aang Ms. Boyette:

With the help of your generous donation, we successfully held the first annual Akutan Qigiiġun Camp from August 6th – 15th, 2012. We had a total of 16 children participate in the camp. Eight children from ages 4 – 10 years and eight kids from ages 11 – 18 years.

Sally Swetzof of Atka taught regalia and headdresses. Seven regalia were started and nearly all were completed. Nine headdresses were started with five completed.

Tatiana Petticrew of Atka taught five traditional dance and songs.

Tim Shangin of Akutan taught how to make bentwood visors. 11 were started and 7 completed.

Karen Vincler of Akutan taught basket weaving; 10 baskets were started.

Lydia Vincler of Akutan taught drum making; 15 drums were started with 13 completed.

Tom Bereskin, Antone Shelikoff and John M. Borenin (all of Akutan) taught how to hunt seal (2 caught) and puffins (4 caught). The children also had the opportunity to learn how to clean and prep fish for drying with the 122 humpies caught via beach seining. Once dried, the fish were given to all community members. While hand-lining they caught 2 cod and 3 halibut.

Zenia Borenin was the camp cook and made breakfast, lunch and snacks daily. Kelly Fox was the Little Camp Coordinator and helped with the younger children. In addition to coordinating the camp, I also taught Unangam Tunuu.

On the last day of camp, we held a community potluck and showcased all that was learned during camp. The children sang and danced in their completed regalia and headdresses and showed off all of their Unangam Artwork. The community was very impressed with all that was accomplished during the 9 day camp, many of which were brought to tears while watching the children perform.

The community of Akutan is very thankful and we hope to have your support in the future.

As a small token of our appreciation, please see the enclosed CD which has a power point presentation of all of the activities we accomplished.

Qaġaasakung!

Sincerely,



Josephine Shangin
Camp Coordinator



UNITED STATES DEPARTMENT OF COMMERCE
The Secretary of Commerce
Washington, D.C. 20230

October 22, 2012

RECEIVED
OCT 29 2012

The Honorable Stanley Mack
Mayor of Aleutians East Borough
3380 C Street
Anchorage, AK 99504

Aleutians East Borough

Dear Mayor Mack:

Thank you for your letter requesting a determination of a commercial fishery failure due to a fishery resource disaster. Your request relates to the impacts to the sockeye salmon fishery in the Nelson Lagoon area caused from the poor run of sockeye salmon returning for the 2010–2012 fishing years.

I know that the affected fisheries and coastal communities in your region have faced challenges from the volatility in numbers of returning salmon over the past few years. I have asked the National Oceanic and Atmospheric Administration's National Marine Fisheries Service (NMFS) to review the information that was submitted with your request to evaluate whether such a determination is appropriate. We will work with you and the State of Alaska to assess whether a commercial fishery failure occurred under Section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act and Sections 308(b) and (d) of the Interjurisdictional Fisheries Act, and the extent of any relief that would be needed.

If I find that a commercial fishery failure under the Acts has occurred, that determination could provide a basis for Congress to appropriate disaster relief funding in the future. With such a determination and specific disaster relief appropriations from Congress, NMFS stands ready to provide appropriate assistance to the fishermen and affected communities. If Congress were to appropriate funds, the Acts require at least a 25 percent state match of funds.

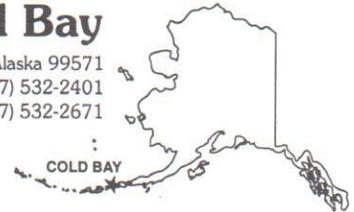
We will do our best to evaluate your request quickly. If you have any questions, please contact Jim Stowers, Acting Assistant Secretary for Legislative and Intergovernmental Affairs, at (202) 482-3663.

Sincerely,

Rebecca M. Blank
Acting Secretary of Commerce

City of Cold Bay

P.O. Box 10 • Cold Bay, Alaska 99571
(907) 532-2401
Fax (907) 532-2671



October 9, 2012

Aleutians East Borough
Mayor Stanley Mack
PO Box 349
Sand Point, AK 99661

Mayor Mack,

I am writing in response to the action taken by the Borough Assembly Members at their last meeting. I was not able to attend the meeting but from what I am hearing second hand it sounded like there was a breakdown in communication among the members and that members were unclear about the motion in which they voted to terminate the Communications Manager position. I believe that terminating this position is a huge mistake. By eliminating this position you remove our ability to have communications between our Cities. Good communication is vital in any type of relationship, this is a proven fact. This was also our link to what was happening within the Borough; the "eyes and ears" so to speak. How will this communication happen now? I sincerely hope that the Borough will seriously reconsider their action on this matter. Furthermore, I would like to give high praises to Laura Tanis. I think she has done an excellent job at producing the newsletter; it is well written, interesting and informative. Laura is always professional, curious and polite when speaking to her over the phone. If you do eliminate her position I hope that you will find her another position within the Borough as she seems to be a true asset.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Jorge Lopez', written over a horizontal line.

Mayor Jorge Lopez
City Of Cold bay

cc: Assembly Members

Rick Gifford
Anne Bailey
Laura Tanis

Date & Location of Next Meeting

Adjournment