

Aleutians East Borough
December 13, 2011
1:00 P.M.

CALL TO ORDER

Mayor Mack called the December 13, 2011 Assembly meeting to order at 1:00 p.m. at the Hampton Inn in Anchorage.

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 Gundersen	Present

Advisory Members:

Tom Hoblet, False Pass	Present
------------------------	---------

A quorum was present.

Others Present:

Sharon Boyette, Administrator
Roxann Newman, Finance Director
Tina Anderson, Clerk
Ernie Weiss, Resource Director
Laura Tanis, Communications

Adoption of Agenda:

New Business, Akutan Marine Link
Assembly Comments, Severance Tax
MOTION

Justine moved to adopt the agenda with the additions and second by Ken.

Community Roll Call and Public Comment on Agenda Items:
Sand Point, Cold Bay, False Pass and Anchorage.

Minutes, October 27, 2011:

MOTION

Joe moved to approve the October 27, 2011 Minutes as presented and second by Bill. Hearing no objections motion approved.

Minutes, November 14, 2011:

MOTION

Justine moved to approve the November 14, 2011 Minutes as presented and second by Carol. Hearing no objections motion approved.

Financial Report, October 2011:

MOTION

Joe moved to adopt the October Financial Report and second by Marvin.

ROLL CALL

Bill-yes, Joe-yes, Paul-yes, Ken-yes, Carol-yes, Marvin-yes, Justine-yes. Advisory: Tom-yes.

MOTION PASSED.

Financial Report, November 2011:

MOTION

Marvin moved to adopt the November Financial Report and second by Justine.

ROLL CALL

Carol-yes, Justine-yes, Marvin-yes, Joe-yes, Bill-yes, Paul-yes, Ken-yes. Advisory: Tom-yes.

MOTION PASSED.

Investment Report, October:

Paul G. said during the previous day's work session APCM made a suggestion. He feels it is worth pursuing, reviewing our investments of international investments. Might be a better way to invest the 10%. Carol feels it is worth looking at also to see if there is a better place to invest those funds. She suggested a committee to discuss investment opportunities and whether to move international investments. Justine agreed. Paul and Ken volunteered to serve on committee. There were no objections.

CONSENT AGENDA

- Resolution 12-08, Adopting an alternative allocation method for the FY12 Shared Fisheries Business Tax Program for FMA 2.
- Resolution 12-09, Adopting an alternative allocation method for the FY12 Shared Fisheries Business Tax Program for FMA 3.

MOTION

Paul moved to adopt the Consent Agenda and second by Joe.

ROLL CALL

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

PUBLIC HEARING

Public Hearing Ordinance 12- 01, Amending the Permanent Fund appropriations.
Mayor Mack opened for Public Hearing. Hearing none Public Hearing closed.

Paul said 8% reasonable but if we change numbers suggests another public hearing.

MOTION

Joe moved to adopt Ordinance 12-01 and second by Bill.

ROLL CALL

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

OLD BUSINESS

None

NEW BUSINESS

Appointment of Advisory Members:

Letter of recommendation received from city of cold Bay recommending Harold Kremer III as the Advisory member for Cold Bay. False Pass will submit a letter next month after Council meets.

MOTION

Joe moved to approve Harold Kremer III and second by Bill. Hearing no objections motion approved.

Sand Point School library funding request:

The community Development Director said she worked with the Sand Point School librarian Marta Varga on the Margaret Edward Library Program. The funding is for Sand Point youth, giving those that participate books to read and keep, discuss the book and then watch the movie. The program gave \$500. And the funding request is for \$1,500 to see if the program would work to get students interested in reading. This is a pilot program so if it works in Sand Point it might then work in King Cove.

Justine supports and would like to see it extended to other communities.

MOTION

Justine moved to approve and second by Ken.

Paul said donation policy in place, does the administration recommend to approve. Mayor Mack said he supports and would like to see it move forward.

ROLL CALL

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

School District \$170,000 rollover request:

MOTION

Ken moved to approve the \$170,000 School District rollover request and second by Marvin.

Justine said we do this every year and at this time does not support. She feels our small communities do not get the support they need.

corrected at the Jan 12 Assembly Mtg.
Mayor Mack said it is part of the budget necessity and does not want to get involved in dictating their budget. Marvin supports in that the rollover comes back to us if not spent. If we force them into using that money they will spend on unnecessary things. Paul said he will support but does not agree with the School District on a lot of things. Joe agreed with Justine, they have not paid much attention to the small sites and are not addressing the small sites issues so does not support just giving them the requested rollover. Ken said he supports both points of view, but is concerned that if we don't approve the request, it might result with the School District having to do something with the small schools. He said turning it down this year, might also force the School District to spend all the

delete section, replace with
concerned that withholding the request, would not necessarily result in more service for the small schools.

revenue next year. However, do need some action done on small schools. He will support but suggested asking for more attention to the small schools. Mayor Mack said we have a good maintenance department and sometimes things aren't accomplished due to lack of communication from the sites. If it is an academic problem, then need to get with the School District and resolve the issues. Justine said she has brought her concerns to the School District, there are issues about budgeting needs for supplies at small sites. She feels we have serious problems and does not support the rollover. Bill asked what the \$170,000 is for and whether it will help the small sites. Mayor Mack said it goes into their budget to meet the budget needs. Harold supports education but when he heard the Superintendent talking about paving a parking lot when Cold Bay has been asking for special education assistance. He said children in the school today will be on the Borough tomorrow and we need to make sure students get a good education and feels education comes before paving. Marvin pointed out that we don't determine their line item spending.

ROLL CALL

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

Akutan/Akun Marine Link:

Paul said while in Seattle he met with a boat designer with the Administrator and Mayor. If another option is going to be discussed, a Coast Guard approval would be necessary. One particular vessel needs to go through Coast Guard approval and a designer is willing to walk it through the Coast Guard process, which is a five month process. We are behind now, spending several million for the hovercraft and feels \$15,000 would be a very good way to save money down the road and supports getting the process moving. Joe pointed out that the AEB is party to the co-sponsorship agreement. We all have to agree to any changes and is worried we won't have anything in place including a hovercraft. We will only have two weeks prior to being needed to see if the hovercraft is going to work. His concern is time and suggests not stopping this process to get to plan B. Mayor Mack said he has no intention to stop plan A, but agrees with Paul to have plan B in place if things fail with plan A. When facility is completed, we'll have a craft in place on first flight. Paul said his intent is not to slow down any other process, but to save time and feels \$15,000 is not much and is irresponsible not to spend it. Then there would also be additional information for the co-sponsorship agreement group. Marvin said hovercraft will be ready for operation once weather improves and training gets conducted, however, we definitely should have a plan B if the hovercraft doesn't work. Mayor Mack said if plan A doesn't work, then we will have documentation already available for a plan B.

MOTION

Paul moved that the Assembly authorize the administration to spend approximately \$15,000 for Coast Guard approved landing craft design and second by Marvin.

ROLL CALL

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

REPORTS AND UPDATES

Community Development Coordinator Grants:

Anne Bailey, Community Development Coordinator, said Cold Bay's current clinic is in the FAA restricted zone. She is working with Eastern Aleutian Tribes on a grant to replace the clinic in a new location. Phase 1 was submitted October 11, phase 2 submitted on December 8. Looking for funding sources everywhere and hoping Rasmussen Foundation will pitch in. Denali Commission will assist with the design to be completed by the end of the month. The biggest factor is the site control issue. She hopes

to have it near the tarmac possibly on the Cold Bay terminal lot. There has been discussion about vacating a road giving us another location possibility, still researching all the options. Cold Bay also wants to find funding for the dock repairs and Ernie is working on the Cold Bay ramp repairs.

Anne also noted that she is looking for a sewage pump for Nelson Lagoon, she submitted a grant proposal for fire equipment in False Pass and is working on the contract for the utilities project at the False Pass harbor. She added that URS has been contracted for the Akutan harbor floats and she is assisting Sand Point on the Robert E Galovin Harbor re-construction project.

Paul said regarding Akutan floats, he supports whatever Akutan residents want on the design.

Carol asked how much is needed still for the Cold Bay clinic. Anne said approximately \$580,000 more for clinic. Ken asked what type of service is in the present clinic. Anne answered a mid-level practitioner and a staff person that sets up travel. Cold Bay is the hub for the region and is important to have airport access directly to the clinic when coast guard lands. The new clinic will also be better designed.

Cold Bay Runway:

Mayor Mack said the proposed runway plan was to shorten the cross runway. After discussion with FAA and DOT, cross runway will be no shorter than 5,000 ft. to accommodate the 3,000 gallon fire truck storage facility for classification of runway. Also, FAA wanted to turn off certain lights on the runway. However, Pen Air said the lights are needed to add to runway landing safety and strobe lights are more easily seen during adverse weather conditions. Lobbyist Brad Gilman is working to stop the de-commission of those lights. He feels it is the Borough's job to build up the communities.

The Ernie Weiss, Resource Director, said Mayor Mack signed letter of support regarding fishermen interested in shipping live crab out of Cold Bay. Bob Barnett, ASMI crab advisory committee member, said a trade mission group visited China. China is interested in live product being shipped out of Alaska and Arni Thomson with the Alaska Crab Coalition formulated that Cold Bay would be a good location for that to happen from. He feels it is important to put everything in place to ship live crab and other fish resources. There could also be a possible opportunity for a customs position in Cold Bay. Ken asked if there are already flights to China. Answer was no.

Mayor Mack said Cold Bay is very important to the region. He saw it peek in the 60s, now it's disappearing and he hopes to get it back online again. Marvin noted that if they do shorten the runway, the Coast Guard C130 won't be able to land there.

Fisheries Resources:

Sam reviewed the December North Pacific Fisheries Management Council saying Ernie was appointed to the Advisory Panel. A group of trawlers submitted Beth Stewart's name and there was no opposition but no one wanted to remove anyone else. In regards to ROFR, if crab processors want to move out of town, Aleutia would get first opportunity to purchase processor quota shares. Council will now require notice to parties of interest prior to sale. On the Port Moller crab, the agency volunteered to help figure it out in case there were some rights not offered to Aleutia. The Council also discussed the Crab Rationalization Program 5-year review. The Council discussed whether crab fisherman that own harvest rights should be involved or can they not be on the boat. Kodiak group is going to submit another rationalization program for Gulf of Alaska again. Unsure what the Council will do, but if Council does something then need to determine how to design. There was discussion on adjustment of the cod season dates. Some people like the way it is because less pressure on crab -- to be determined possibly at April meeting.

Bob Barnett said ASMI website has interesting material available. They are also starting to look at aquaculture certification. ASMI has been expanding globally and is in 22 countries now.

ASSEMBLY COMMENTS

Corrected
at the
January 12
Assembly Mtg.

AEB Severance Tax:

Ken asked how the Severance Tax ^{will work.} ~~came about~~. Mayor Mack said we see catcher processors coming into AEB and not paying any tax on resources caught. Everyone else is subject to a tax so we considered a way to capture tax from those not paying by putting a severance tax in place. Ken asked about the notification process. AEB will notify them, the Finance Director will be sending out letters. The Administrator said, in order for it to work, it will depend on people in the region to let us know who is in the region.

Bill said SWAMC is looking for sponsors for February meeting and will also be discussing a lot of fisheries issue. Bill recommended the AEB become a sponsor for this conference. Mayor Mack recommended sponsoring \$750. If anyone wishes to attend contact the Clerk.

PUBLIC COMMENTS

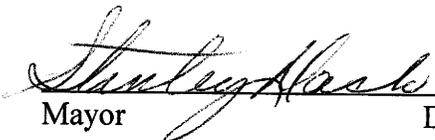
Dawn Lyons, from Cold Bay, thanked Anne for all her hard work on the clinic project.

NEXT MEETING DATE AND TIME

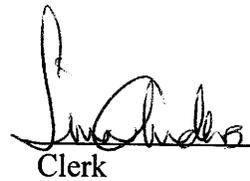
January 12 in Cold Bay.

ADJOURNMENT

Justine moved to adjourn and second by Bill. Hearing no objections the meeting adjourned at 2:44 p.m.



Mayor Date



Clerk Date

11/12/12