CALL TO ORDER
Mayor Alvin D. Osterback called the Assembly meeting to order at the Anchorage office and by teleconference in each community on December 13, 2018 at 3:00 p.m.

ROLL CALL

Mayor Alvin D. Osterback	Present
Chris Babcock	Present
Carol Foster	Present
Warren Wilson	Present
Josephine Shangin	Present
Paul Gronholdt	Present
Brenda Wilson	Absent-excused
E. Ingrid Cumberlidge	Present

Advisory Members:	
Angela Simpson, Cold Bay	Present
Justine Gundersen, Nelson Lagoon	Absent
Logan Thompson	Present

A quorum was present.

Staff Present:
- Roxann Newman, Finance Director
- Tina Anderson, Clerk
- Anne Bailey, Administrator
- Laura Tanis, Communications Director
- Mary Tesche, Assistant Administrator
- Charlotte Levy, Assistant Resource Director
- Emil Mobeck, Maintenance Director
- Ernie Weiss, Resource Director

Adoption of the Agenda:
PAUL moved to adopt the agenda with the addition, Fish Work Group Discussion under New Business. Second by INGRID. Hearing no objections, the agenda is approved.

Conflict of Interests:
Mayor Osterback asked for any potential **Conflict of Interests** to discuss.
Josephine noted her Conflict of Interest as an employee of Maritime Helicopters. Mayor Osterback said it does not affect her, it is not a monetary gain, so can vote.

Community Roll Call and Public Comments on Agenda Items:
The communities of King Cove and the Anchorage office were participating by teleconference. Also broadcast on KSDP radio.

Minutes, November 8, 2018, Assembly Minutes:
MOTION
CHRIS moved to approve and second by JOSEPHINE.

Hearing no objections, **MOTION CARRIED.**

November Financial Reports:

MOTION

CAROL moved to approve the November Financial Report and second by INGRID.

DISCUSSION

The Finance Director reviewed saying nothing is out of the ordinary, budget following along at 40-50%.

ROLL CALL

YEAS: Josephine, Paul, Warren, Chris, Carol, Ingrid. Advisory: Logan, Angela.
NAY: None
MOTION CARRIED

October, Investment Report:
In packet.
Paul said investment advisors indicated that there are a couple equity change recommendations. He suggested including on the January agenda.

Consent Agenda.

- Resolution 19-28, adopting an alternative allocation method for the FY19 Shared Fisheries Business Tax Program for FMA 2.
- Resolution 19-29, adopting an alternative allocation method for the FY19 Shared Fisheries Business Tax Program for FMA 3.

MOTION

CHRIS moved to approve the Consent Agenda and second by WARREN.

DISCUSSION

The Administrator reviewed Resolutions 19-28, 19-29, Shared Fisheries Business Tax Program for FMA2, FMA3. The eligible municipalities have agreed to the alternative allocation method since the inception of the program.

Allocation for FMA2 (West of Unimak): $165,894.36
Allocation for FMA3 (East of Unimak): $8,755.86

ROLL CALL

YEAS: Carol, Warren, Paul, Josephine, Chris, Ingrid. Advisory: Angela, Logan.
NAY: None
MOTION CARRIED

Ordinances. *None*

RESOLUTIONS

Resolution 19-30, negotiate and execute a two-year helicopter services agreement with Maritime Helicopters, Inc.:

MOTION

PAUL moved to approve Resolution 19-30 and second by WARREN.

DISCUSSION
The Administrator reviewed saying, the contract is to provide helicopter services between Akun and Akutan, not to exceed $900,000. AEB entered into a co-sponsorship agreement with the State of Alaska and City of Akutan to provide transportation services for 20 years between Akun airport and Akutan community – this is the fifth year. The hovercraft operation was unsustainable so doing helicopter operation until a dock/vessel option is in place. Currently under contract with Maritime Helicopter, costing approximately $1.5M annually. USDOT, Essential Air Service (EAS) has agreed to pay 50%, and AEB will pay the rest. First year, approximately $846,000; second year, approximately $874,000.

AEB will also invoice Maritime for skiff charter services, hangar fee, and fuel for helicopter. First year, anticipate invoice to be $362,240; second year, $410,299. Overall subsidy first year, approximately $484,000; second year, approximately $464,000.

Paul said during workshop Administrator gave a discussion on the EAS. He requested updates if there is any new information.

ROLL CALL
YEAS: Ingrid, Paul, Warren, Chris, Carol, Josephine, Advisory: Angela, Logan.
MOTION CARRIED

Resolution 19-31, Approval of Alaska State Land Survey (ASLS) 2016-49, the AEB Municipal Entitlement lands in Port Moller.

MOTION
CHRIS moved to approve Resolution 19-31 and second by JOSEPHINE.

DISCUSSION
The Resource Director said in 2016, the Assembly brought back a project to start surveying municipal entitlement selections. AEB is entitled to approximately 8,000 acres of municipal entitlement land selections, and 450 were conveyed. The rest approved but need to be surveyed prior to conveyance. Started surveying the Port Moller lands, 1,300 acres. In September, the Assembly, acting as platting board recommended approval of Land Survey 2016-49. Minor revisions were made by the State, final lands survey is now before the Assembly for approval.

ROLL CALL
YEAS: Warren, Ingrid, Paul, Carol, Josephine, Chris. Advisory: Logan, Angela.
NAY: None
MOTION CARRIED

OLD BUSINESS None

NEW BUSINESS

Strategic Plan Quarter Three Update:
The Administrator reviewed the strategic planning charts for the quarter showing what has been completed, removed or moved over to the next quarter. Some projects will also roll over to the next year.

2019 Calendar Year Advisory Members Appointments:
The Clerk explained there are Advisory Members appointed each calendar year in the AEB communities that do not have an Assembly member residing. The communities of Cold Bay, False

Pass and Nelson Lagoon do not have an Assembly Member residing. A posting was sent to those communities requesting letters of interest.

The Clerk reviewed the letters of interest received:

Cold Bay:	Dailey Schaack
False Pass:	Tom Hoblet Stephen Kennedy
Nelson Lagoon:	Samantha McNeley

A paper vote was recommended to determine which person will represent False Pass. Tom Hoblet received majority of the votes cast.

MOTION
PAUL moved to approve the 2019 Advisory appointments below and second by INGRID.
False Pass-Tom Hoblet
Nelson Lagoon – Samantha McNeley
Cold Bay – Dailey Schaack

ROLL CALL
YEAS: Carol, Warren, Paul, Josephine, Chris, Ingrid.
NAY: None
MOTION CARRIED

Mayor Osterback thanked Angela Simpson and Justine Gundersen for their service as Advisory Members. He also welcomed the new Advisory Members to the Assembly.

Fish Working Group:
MOTION
PAUL moved to direct Mayor Osterback to work through staff and fishermen to assist in forming a fisheries work group with area fishermen for Board of Fisheries meeting preparation. Second by JOSEPHINE.

DISCUSSION
Paul said there was a consensus at the workshop to form a working group. He feels it will bring everyone together to form a consensus at the Board of Fisheries February meeting.

Hearing no objections, **MOTION PASSED.**

REPORTS AND UPDATES

Administrator's Report in the packet. Highlights below:
Akutan Essential Air Service: Dutch Harbor-Akun 100% fixed wing cost will be covered, Akun-Akutan 50% helicopter cost will be covered.

Akun Dock Breakwater: The Energry & Waters Appropriation Committee has signed off on the Corps of Engineers authority program list. Akun breakwater study is the Corps of Engineers number one small projects priority. Corps will pay $100,000 for feasibility study and then 50/50 cost split.

School District contribution information: Alaska Statutes establishes what AEB can contribute to the School District. After mandatory local contribution, additional contribution may be an amount up to or equal to a 2 mill tax levy on real and personal property in the district, as determined by State of Alaska, Dept of Commerce; or 23% of the school district's basic needs calculation, determined by Dept. of Commerce, whichever is greater. Using this calculation, State of Alaska Dept. of Education determined for FY20, we are required to contribute $517,841, with an allowable addition of $1,361,662. Total maximum contribution allowed, $1,879,503.

PILT Class Action Lawsuit: Judgement in favor of the Class. In approximately 90 days, money will be distributed to municipalities who participated in lawsuit.

Assistant Administrator Report in packet. Highlights below:
Akutan Harbor: Working on completing the harbor mitigation measures and harbor ground lease for city utility project has been executed.

Nelson Lagoon School: Will review the draft school assessment next week. Once finalized will be delivered to Nelson Lagoon Tribal Council for their use.

Cold Bay Clinic: In process of getting clinic design up to code for possible 2020 construction.

History of Cold Bay Clinic Project: In packet.

IT Services: Developing plan to bring equipment up to date at all three of AEB offices, and increase security.

Helicopter Operations for November: 238 passengers, 8,278 pounds mail and freight, four charters carrying 104 passengers.

New Administrative Assistant: Glennora Dushkin has been hired to fill position.

Communications Director Report in packet. Highlights below:
Pacific Marine Expo: Booth at Expo was a success. The promotional items were received well, including the new phone screen cleaners.

AEB Annual Report: Working on the 2018 annual report to include capital projects, school assessments, bond service debt owed, and fishery advocacy.

Communications Survey: Satisfaction survey sent out to community members. Residents can rate and comment on phone and internet services provided in the region. 42 completed surveys have been returned.

Resource Director Report in Packet. Highlights below:
NPFMC: AEB Resolution submitted in support of 58' vessel length limitation for WGOA Pollock fishery. There was no further action on this item. Also, GOA Pollock and Pacific cod seasonal allocations are being reviewed and modified. Final action in April. He noted there is also going to be a big push for Gulf of Alaska rationalization again.

NFWF grants: Received the kelp pilot project and electronic monitoring grants.

US Commercial Landings: Dutch Harbor is top port in the nations. However, if you added Alaska Peninsula and Aleutians, AEB might come out on top, if it wasn't for processor confidentiality.

Board of Fisheries: Eric Volk, retired fisheries scientist and previous chair of WASSIP study is contracted to help area fishermen to prepare for the February Board of Fisheries meeting.

NPFMC-Paul: Two seats opening on NPFMC. Big changes for State of Alaska Administration. John Mollor will be filling the State of Alaska seat on the Council for now.

Assistant Resource Director. Highlights below:
Board of Fish: Fishermen meeting in Seattle, with lots of fishermen participation. Participated in fishery meeting last night with fishermen. Also, compiling a lot of research and resources in preparation for testimony development.

Groundfish Plan Team: Significant discussion on the developments of the Risk Assessment Matrix, and how conflicting the matrix tool is and its purpose. Matrix lists GOA Pacific Cod at a Level 4 Concern; Pollock as a Level 2 Concern, both resulting in reductions. Testified before the Advisory Panel, expressing concerns about the Matrix.

Kelp Mariculture Project Grant: $71,000 grant, plus $75,000 match. Permitting period begins January 1 through April. Visits to Akutan, False Pass and Sand Point are planned for siting/seeding development before end of April.

Electronic Monitoring (EM) Grant-Salt Water, Inc.: Discussing with Salt Water about the possibility of having an on-call local person in communities, trained to assist with small EM tasks, since travel into the region is so expensive.

Marine Debris: Met with Natural Resource Consultants from Seattle regarding marine debris removal. Fishermen in King Cove have assisted in preliminary data collection for marine debris. Developing a marine debris removal proposal to submit for next year. The proposal may be able to pay fishermen for debris collection.

Paul asked what the electronic monitoring grant amount is with Salt Water. The Resource Director said $430,000 grant; $700,000 match for boat time/fuel and AEB in-kind match, $17,000.

Maintenance Director Report:
AEB King Cove Office: Installed outdoor lighting at King Cove office.

Cold Bay Terminal: Did walk through to determine future work needed.

Sand Pt. School Contractor Work: Contractors should be on site, working on projects by end of January.

Mayor's Report:
Limited Entry Permits Proposal: Received AML, SWAMC, and City of King Cove resolutions of support, to include additional name on limited entry permits. Presented to United Fishermen of Alaska, and plan to follow up with them. Will also contact Southeast Conference for support and distribute white paper during legislature walk through in Juneau.

PUBLIC COMMENTS

City of Sand Pt. Administrator, Jordan Keeler, thanked AEB for the work session this week. Nice to see AEB responsive to community needs. Invited Assembly and staff to the Sand Pt. Council meeting.

City of King Cove Administrator, Gary Hennigh, noted his appreciation for the strategic planning work session.

EXECUTIVE SESSION

King Cove-Cold Bay Road Litigation.
Friends of Alaska National Wildlife Refuges v. Zinke Case No. 3:18 -cv-00029-TMB.
The Assembly may move to enter into Executive Session to confer with its attorneys re: litigation tactics and strategies.

MOTION

INGRID moved to go into Executive Session to discuss the King Cove-Cold Bay Road Litigation and to allow in attendance the Advisory Members; Mayor Alvin Osterback; Tina Anderson, Clerk; Anne Bailey, Administrator; Mary Tesche, Assistant Administrator; Steve Silver, Attorney; Joe Levesque AEB Attorney; and Gary Hennigh, City of King Cove Administrator. Second by CAROL.

DISCUSSION

Paul requested if appropriate to include Hennigh. The Administrator said Hennigh is critical to be in attendance and very valuable on the road project. AEB Attorney, Levesque said yes, if Assembly invites.

Hearing no objection **MOTION PASSED**.

Recessed from Regular meeting and reconvened into Executive Session at 4:45 P.M.

The Assembly came out of Executive Session at 5:00 p.m. Executive Session was on the King Cove Road Litigation. **NO ACTION WAS TAKEN**.

False Pass Harbor Litigation.
Kelly-Ryan, Inc ASBCA No. 57168.
The Assembly may move to enter into Executive Session to confer with its attorney' re: litigation tactics and strategies.

MOTION

PAUL moved to go into Executive Session to discuss False Pass Harbor litigation and to allow in attendance the Advisory Members, Mayor Alvin Osterback, Tina Anderson, Clerk; Anne Bailey, Administrator; Mary Tesche, Assistant Administrator; and AEB Attorney, Joe Levesque. Second by JOSEPHINE. There were no objections. **MOTION PASSED.**

Recessed from Regular meeting and reconvened into Executive Session at 5:02 p.m.

The Assembly came out of Executive Session at 5:35 p.m. Executive Session was on the False Pass Harbor Litigation. **NO ACTION WAS TAKEN**.

THE ASSEMBLY TOOK A BREAK. RECORD SHOWS BACK IN SESSION AT 5:44 P.M.

Aleutians East Borough Fish Board Matter.
Fish Board Actions.
The Assembly may move to enter into Executive Session to confer with its attorney re: litigation tactics and strategies.

MOTION

CAROL moved to go into Executive Session for the AEB fish board matter to confer with attorney on litigation tactics and strategies, and to allow in attendance Advisory Members; Mayor Osterback; Tina Anderson, Clerk; Anne Bailey, Administrator; Mary Tesche, Assistant Administrator; Ernie Weiss, Resource Director; Charlotte Levy, Assistant Resource Director; Consultant, Eric Volk; and AEB Attorney, Joe Levesque. Second by INGRID.

Recessed from Regular meeting and reconvened into Executive Session at 5:45 p.m.

The Assembly came out of Executive Session at 6:27 p.m. Executive Session was on the Fish Board matter to confer with attorney on litigation tactics and strategies. **NO ACTION WAS TAKEN**.

Borough Administrator Performance Evaluation.
The Assembly may move into Executive Session to discuss and review the performance of the Borough Administrator Bailey – a subject that may prejudice the reputation and character of the Administrator.

MOTION

CHRIS moved to go into Executive Session to discuss and review the Borough Administrator Performance Evaluation to discuss and review the performance, and to include Advisory Members and Mayor Osterback, in attendance. Second by INGRID.

Recessed from Regular meeting and reconvened into Executive Session at 6:38 p.m.

The Assembly came out of Executive Session at 7:00 p.m. Executive Session was on the Borough Administrator Performance Evaluation. **NO ACTION WAS TAKEN**.

ASSEMBLY COMMENTS

Angela thanked Mayor Osterback and Assembly for giving her the opportunity to serve as an Advisory.

Ingrid thanked staff for the work throughout the week.

Warren noted his appreciation in serving on the Assembly, advocating for all of AEB, and liked the strategic plan process this week.

Carol commented that, as a group, the Assembly works well together.

Chris said he enjoyed being able to meet face-to-face. Feels a lot was accomplished this week and looks forward to what is happening in the New Year.

Paul feels we can skip a year of strategic planning. He suggested a Washington D.C. trip be scheduled soon.

Josephine said it was a good planning session. The strategic planning chart is appreciated and she suggested bringing the same process to the communities.

PUBLIC COMMENTS None

NEXT MEETING DATE
January 10, 2019.

ADJOURNMENT
PAUL moved to adjourn and second by CAROL. Hearing no more, the meeting adjourned at 7:08 p.m.

Mayor Alvin D. Osterback

Tina Anderson, Clerk

Date: 1/10/19