

Aleutians East Borough
February 24, 2010

CALL TO ORDER

Mayor Mack called the February 24, 2010 Assembly meeting to order at 6:30 p.m. at the Sand Point Borough building.

ROLL CALL

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

Advisory Members:

Tom Hoblet, False Pass	Absent-Excused
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A quorum was present.

Others Present:

Sharon Boyette, Administrator
Tina Anderson, Clerk
Roxann Newman, Finance Director
Clark Corbridge, Administrator Assistant
Laura Tanis, Public Information Officer

Agenda Additions/changes:

New Business, Cold Bay small boat harbor

Adoption of agenda:

MOTION:

Justine moved to approve the agenda with the addition and second by Paul S.

Community Roll Call and Public Comment on Agenda Items:

The communities of King Cove, False Pass, Cold Bay, and the Anchorage office were participating.

Minutes, January 14, 2010:

MOTION:

Justine moved to approve and second by Marvin. Hearing no objections motion approved.

Financial Report, January:

MOTION:

Marvin moved to approve the January Financial Report and second by Carol.

DISCUSSION

Paul G. said at the workshop we reviewed the budget revenues with last year and the year before. Since revenues are down this year he suggested the Borough be conservative in spending even if there are no red flags at this time. Marvin added that our salmon forecast for this year is 15% lower so should take that into consideration.

ROLL CALL

Marvin-yes, Paul G.-yes, Justine-yes, Paul S.-yes, Ken-yes, Carol-yes. Passed

Investment Reports, December, January:

Available in packet.

Presentation, Lori Canady, Aleutian Financial Inc. (AFI):

Lori Canady was not available to do presentation. The Administrator said AFI is a great organization that she serves on, replacing Bob Juettner. The program finances small business and home loans. There is a big pot of money available if you are certified to receive that money. However, in order to become certified and qualify for the money, you have to have six good loans being paid back. So AFI needs money in order to loan money. APICDA, APIA, AHA and Aleut Corporation are some organizations that have donated to AFI to get them started. Bob Juettner felt the Borough might also contribute. AFI has three loans approved, but no money to loan them at this time. If the Borough wanted to develop new fisheries requiring new gear type, this program could provide those types of loans. At this time, AFI can't do any more loans until they receive more money. If the Borough is not willing to give AFI money, they are also interested in getting a \$50,000 loan from the Borough to be paid back in five years.

Marvin said these programs are great, however, revenues are down at this time. The Administrator said that AFI serves more than just our area, it includes the Pribilof Islands and out to Atka.

CONSENT AGENDA

None.

PUBLIC HEARING

Public Hearing Ordinance 10-02, budget revision for FY10:

MOTION

Carol moved to approve and second by Marvin.

Mayor Mack opened for public hearing, hearing none public hearing closed.

DISCUSSION

Paul G. said he is not sensing from the assembly wanting to amend the budget. He felt administration costs are high and suggested the option of a cut back on Anchorage costs by 20%. He stressed the importance of all department heads to save money due to the revenue

decline. He believes next fiscal year we will have potential liabilities that will far outrun our revenues.

Carol asked why, under administration, rent went from \$13,100 to \$36,980. The Finance Director said rent has increased for the office space for Sharon, Clark, Jeanie and the shared common spaces. Laura's office rent comes out of her budget as well as Ted's. The Administrator explained that city of Akutan, AEB and city of King Cove all have some ownership in the building in which money does come back to.

ROLL CALL

Paul S.-yes, Marvin-yes, Justine-yes, Ken-yes, Paul G.-yes, Carol-yes. Passed.

RESOLUTIONS

Resolution 10-09, Approving a revised Akutan Airport Co-Sponsorship Agreement:

MOTION

Paul G. moved to rescind Resolution 10-08, which previously approved the Agreement.
Second by Justine.

DISCUSSION

Paul G. said it is appropriate to rescind. Paul S. said as we get further down the road on this project he wants more information being provided to the Assembly and wants to know ahead of time if the AEB is considering getting involved in fuel transporting.

ROLL CALL

Marvin-yes, Justine-yes, Paul S.-yes, Paul G.-yes, Carol-yes, Ken-yes. Passed.

MOTION

Marvin moved to approve Resolution 10-09 and second by Ken.

DISCUSSION

Paul G. said he voted against the agreement previously because he does not believe the hovercraft is going to perform the duties and meet the requirements of the agreement. He feels it has not been thought out well. Marvin said we have been dealt a bad deck of cards, however with all the work we've done is in support of this agreement.

ROLL CALL

Carol-yes, Marvin-yes, Ken-yes, Justine-yes, Paul S.-yes, Paul G.-no. Passed.

OLD BUSINESS

Choose AEB's strategic initiatives (carryover from Assembly retreat):

Mayor Mack said after discussing at the workshop the Assembly needs more time to review.

NEW BUSINESS

King Cove Road/Land Exchange Environmental Impact Statement (EIS):

Paul G. thanked Henry Mack, City of King Cove Mayor, for clarifying some of the points on the EIS at workshop as well as the funding issues that we need to address and update on the potential senate action. He asked about the public hearings. Mayor Henry Mack said the public scoping meetings are March 4 in Anchorage and March 11 in Washington D.C. Paul S. would like to see them get through the process quicker and capture more revenue to do EIS. Mayor Henry Mack said we are attempting to do that. Marvin pointed out that there will be public hearings in Sand Pt., Cold Bay, King Cove, False Pass and Nelson Lagoon also.

The Administrator noted that the city of King Cove pays Dan Rowley for his work on the EIS and the Borough pays Dan Rowley for work on NE corner road project.

Cold Bay Terminal Repairs Discussion:

Paul G. said we discussed the terminal repairs thoroughly at the workshop with the attorneys. He noted that at the next meeting we will have a presentation by the attorney with a possible executive session to discuss legal issues if needed.

New hovercraft expenses and passenger history discussion:

The Assembly thoroughly reviewed hovercraft operation data included in the packet at the workshop.

Carol proposes to have hovercraft operating for two more months, see if we can get mail contract and decrease insurance costs. Justine requested as much detail that can be provided to assist us with our decision. Mayor Mack explained that operation costs have been high due to a lot of repairs needed.

Bond information for next bond sale:

Postponed until next meeting.

Sand Point School gym floor discussion:

Paul G. said on behalf of students thanked Mayor Mack for adding the Sand Point School gym floor replacement project. Mayor Mack said the project will begin in May and then the Borough will submit to the state for reimbursement.

Cold Bay small boat harbor:

Mayor Mack will meet with Cold Bay Mayor Lopez. At this time there are a lot of unanswered questions.

REPORTS AND UPDATES

Mel Gillis is now appealing to the Alaska Supreme Court on the land issue. He has paid the Borough the attorney fees of \$21,000 ordered by the judge. He is also pursuing a bill that is being introduced by Senator Lesil McGuire regarding how lease holders are treated by the state, however, won't help Mr. Gillis on this issue. She discussed with Mr. Gillis and his lobbyist that the Borough will not sell him the land nor pay him for his improvements. A long term lease will

be offered to Mr. Gillis for the land and before Mayor Mack signs the lease it will be presented to the Assembly. Paul G. asked if this is new land or the same land being discussed. The Administrator said Mr. Gillis also uses land that extends beyond his boundaries and we charge him \$800 a year for use of that land. She added that a survey should be considered. Justine noted that a surveyor is coming out to Nelson Lagoon this summer. Sharon said she has talked to the surveyor.

Priority Projects: For the Sand Pt harbor float system, funding has been requested through the harbor grant program. If we don't receive the funding, then asking for direct appropriation. Cold Bay NE corner road project, we requested stimulus money and if we don't receive it, then requesting through direct appropriation. The Cold Bay apron funding request is for direct appropriation -- made a direct request for \$1M. We also made same request for a federal appropriation through Murkowski's office.

ASSEMBLY COMMENTS

none

PUBLIC COMMENTS

Allan Hill, Sand Point Public Works Director, said there is a growing accumulation of metal in our landfills. He suggested that the Borough fund someone to come into the communities, crush the scrap metal and remove it. The Administrator said she had previously written three mini-grants for removal in Cold Bay, Sand Point and False Pass. The grant was for \$90,000 and a lot of scrap metal. She couldn't find a barge company to do the project for that price. Mr. Hill suggested that the Borough also mention the problem to Representative Bryce Edgmon. Mr. Hill also said that he has been clearing Red Cove Lake stream to allow fish passage annually. He suggested the Borough apply for a grant to identify the streams that have a return, pay someone to clear them and catalog the streams. He added John Nelson Lake opening has washed away and needs to be repaired.

NEXT MEETING DATE AND TIME

March 16 work session with the School Board, Assembly meeting on March 17.

ADJOURNMENT

Justine moved to adjourn and second by Marvin. Hearing no objections the meeting adjourned at 7:45 p.m.



Mayor Date

 4/29/10

Clerk Date