

CALL TO ORDER

Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on February 8, 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 | Absent-excused |
| Brenda Wilson | Present |
| Chris Emrich | Present |

Advisory Members:

| | |
|----------------------------------|---------|
| Angela Simpson, Cold Bay | Present |
| Justine Gundersen, Nelson Lagoon | Present |

A quorum was present.

Staff Present:

- Roxann Newman, Finance Director
- Tina Anderson, Clerk
- Anne Bailey, Administrator
- Laura Tanis, Communications Director
- Mary Tesche, Administrator Assistant
- Charlotte Levy, Administrative Assistant
- Emil Mobeck, Maintenance Director

Adoption of the Agenda:

MOTION

Carol moved to adopt the agenda with the following amendment:

- Remove Introduction Ordinance 18-08 from Consent Agenda, and move to Ordinances.

Second by Josephine. Hearing no objections MOTION CARRIED.

Community Roll Call and Public Comments on Agenda Items:

The communities of King Cove, Nelson Lagoon, Akutan, Cold Bay, Sand Point and the Anchorage office were participating by teleconference. Also broadcast over KSDP radio.

Minutes, January 11, 2018 Assembly Meeting Minutes:

MOTION

Chris B. moved to approve the January 11, 2018 Minutes and second by Brenda. Hearing no objections, MOTION CARRIED.

January, Financial Report:

MOTION

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

DISCUSSION

Administrator said everything is on track as it should be for January. A financial work session is scheduled on February 28, and the budget will be reviewed line by line to explain what is coming out of the accounts.

ROLL CALL

Josephine-yes, Chris E.-yes, Brenda-yes, Carol-yes, Chris B.-yes, Warren-yes. Advisory: Angela-yes, Justine-yes. MOTION CARRIES.

December, Investment Report: In packet.

Administrator said the Permanent Fund ending December 31 has an increase of \$417,000 since the last report. At the financial planning session scheduled for February 28, APCM will review the investments in greater detail.

CONSENT AGENDA

- Introduction Ordinance 18-06, Records Management.
- Introduction Ordinance 18-07 - An Ordinance Authorizing the Mayor to negotiate and execute assignment, assumption and consent of Tidelands Lease for False Pass Seafoods, LLC, to assume the Tidelands Lease Between Bering Pacific Seafoods, LLC and the Aleutians East Borough.
- Resolution 18-24, a resolution of the Aleutians East Borough Assembly amending Section 9.05 of the Aleutians East Borough Employee Handbook.
- Resolution 18-25, a resolution of the Aleutians East Borough Assembly authorizing a salary increase for the Borough Clerk.
- Resolution 18-26, the Aleutians East Borough Assembly Authorizing a Deed of Easement to the City of Akutan for the Akutan Raw Water Transmission Line Project.
- Resolution 18-27, the Aleutians East Borough Assembly Approving the Projects and Initiatives Identified on the Borough Strategic Plan.
- Resolution 18-28, the Aleutians East Borough Assembly Requesting the Alaska Legislature Prioritize Funding for the Continued Service of the AMHS.

MOTION

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

The Administrator reviewed the Consent Agenda items:

- Ordinance 18-06, will put a records management plan in place. Before starting a records program the Assembly needs to pass an ordinance saying we will have a plan. Once adopted, a detailed retention schedule will be before the Assembly in the form of a resolution.
- Ordinance 18-07 is a housekeeping item. This is for newly formed False Pass Seafoods, LLC. Bering Pacific Seafoods has been purchased by Trident Seafoods and APICDA, forming False Pass Seafoods. The ordinance will allow the Mayor to negotiate and execute the lease for False Pass Seafoods to assume the Tidelands Lease between Bering Pacific Seafoods, LLC and the Aleutians East Borough.

- Resolution 18-24, amends Section 9.05 of the Employee Handbook. The amendment gives guidance for longevity employees providing pay increases on the 10th, 15th, 20th, and 25th years of Borough employment, above the cost-of-living allowance.
- Resolution 18-25, authorizes a salary increase for the Borough Clerk. The Borough Clerk works at the pleasure of the Assembly. The Clerk has not received a salary increase for several years. The resolution authorizes a merit based pay adjustment increase of \$10,000, based on the Resolution 18-24, the Employee Handbook amendment.
- Resolution 18-26, authorizes a deed of easement to the City of Akutan for a new water line transmission system, construction starting this summer. The water line will cross the Borough property near school, requiring an easement approval.
- Resolution 18-27, the strategic plan which was reviewed in detail at the workshop. This essentially outlines all the strategic initiatives discussed at the December Planning Session. This plans out a one year target.
- Resolution 18-28, requests the Alaska Legislature to prioritize funding, maintain the same level of service and forward fund the system to attract more ridership.

Justine asked about a salary increase for the Finance Director. Bailey said that is something Mayor Osterback can do internally, addressed in the Employee Handbook, merit based amendment, once approved.

ROLL CALL

Chris E.-yes, Chris B.-yes, Warren-yes, Josephine-yes, Carol-yes, Brenda-yes. Advisory: Justine-yes, Angela-yes. MOTION CARRIES.

PUBLIC HEARINGS

Public Hearing Ordinance 18-04, amending Title 40, Chapter 40.05 of the AEB Code of Ordinance, adding new section 40.05.105 to provide a platting board:

MOTION

Brenda moved to approve Ordinance 18-04 and second by Josephine.

DISCUSSION

The Administrator reviewed saying Ordinance 18-04 amends the AEB Code to allow the Assembly to be the platting board to approve plats. Currently, the platting board is the Planning Commission, which is currently inactive.

Mayor Osterback opened for Public Hearing. Hearing none, Public Hearing closed.

ROLL CALL

Chris B.-yes, Carol-yes, Brenda-yes, Chris E.-yes, Warren-yes, Josephine-yes. Advisory: Angela-yes, Justine-yes. MOTION CARRIES.

Public Hearing Ordinance 18-05, amending the operating and capital budget for fiscal year 2018:

MOTION

Brenda moved to approve Ordinance 18-05 and second by Carol.

DISCUSSION

The Administrator reviewed saying, Ordinance 18-05 is the mid-year operating and capital budget for Fiscal Year 2018. She reviewed the changes below:

Items to include on budget amendment:

- \$10,000 audit expenditure increase, from \$50,000 to \$60,000.
- Salary adjustment to Assistant Administrator.
- Add a vehicle line item for Dept. 900, Other, to purchase a truck in the amount of \$40,000 for the Maintenance Dept.

Three mid-year items already authorized by the Assembly in the project contingency area, not in operating budget:

- Sand Point School electrical work.
- Sand Point new harbor "A" float design and permitting.
- Cold Bay pre-school.

Mayor Osterback opened Public Hearing. Hearing none, Public Hearing closed.

ROLL CALL

Carol-yes, Brenda-yes, Chris B.-yes, Warren-yes, Josephine-yes, Chris E. Advisory: Justine-yes, Angela-yes. MOTION CARRIED.

ORDINANCES

Introduction Ordinance 18-08, authorizing the Mayor to negotiate and execute a Tidelands Lease with False Pass Seafoods, LLC for the outfall line to be used to construct a False Pass processing facility:

MOTION

Brenda moved to accept Ordinance 18-08 and set for Public Hearing at the next meeting and second by Chris E.

DISCUSSION

The Administrator said this is a housekeeping item. Bering Pacific Seafoods has been purchased by another entity and is now False Pass Seafoods. We need to bring the tidelands lease for the outfall line before the Assembly for approval. She went on to explain the first WHEREAS in the property description is not accurate, and requested an amendment to change that.

AMENDMENT

Carol moved to amend the first WHEREAS corrected as below. Second by Brenda:

*WHEREAS, False Pass Seafoods, LLC ("FPS") has requested the Aleutians East Borough ("Borough") lease approximately ~~6,720 square feet~~ **500 feet in length and 20 feet in width in the southeast corner of Section 28, T. 61 S., R 94W, Seward Meridian, USGS Quad Map False Pass D-5; latitude 54.8626 deg. N, longitude 163.4142 deg. W***

in False Pass Alaska of the Borough's tidelands within Alaska Tidelands Survey No. 1611, at False Pass Harbor, as generally depicted on the attached Exhibit "A",."

ROLL CALL ON AMENDMENT

Josephine-yes, Chris E.-yes, Chris B.-yes, Warren-yes, Carol-yes, Brenda-yes. Advisory: Angela-yes, Justine-yes. MOTION CARRIES.

ROLL CALL ON MAIN MOTION

Chris B.-yes, Brenda-yes, Carol-yes, Warren-yes, Chris E.-yes, Josephine-yes. Advisory: Angela-yes, Justine-yes. MOTION CARRIES.

OLD BUSINESS None

NEW BUSINESS None

REPORTS AND UPDATES

Administrator Report:

Washington D.C. Trip: On January 22, King Cove Corporation and Secretary of U.S. Dept. of Interior Ryan Zinke signed the land exchange that allows over land access between King Cove and Cold Bay. King Cove will now begin to select lands of equal value to exchange for the road access.

While in D.C. the Administrator, Mayor Osterback, and lobbyist, Brad Gilman, met with the U.S. Dept. of Transportation to discuss the Essential Air Service Program in Akutan; met with the Army Corps of Engineers to discuss the Akun Dock and Breakwater Feasibility Study; and with the Alaska Delegation to discuss the False Pass harbor litigation.

Juneau Trip: While in Juneau, met with Speaker of the House Edgmon, Governor Walker, Commissioner Luiken (DOTPF) and others, focusing on the King Cove/Cold Bay access road; limited entry salmon permits; Cold Bay Clinic construction project; and the Akun breakwater. Mayor Osterback also testified in front of House Fisheries committee regarding House Bill 188.

King Cove/Cold Bay Road Lawsuits: On January 31, 2018 nine environmental groups, led by Friends of Alaska Wildlife Refuges, filed a complaint in federal court naming Secretary of the Interior Ryan Zinke, his agency and U.S. Fish & Wildlife Service as defendants.

Hovercraft Update: The Borough's maritime attorney and Keith Whittmore are still working on the purchase and sale agreement with JSC "Circle Maritime Invest". Arrangements are being made to transport the hovercraft, departing Akutan February 25. Working closely with all parties involved to have it go as smooth as possible.

Borough Strategic Plan: The Administrator, Mayor and Assistant Administrator met with Professional Growth Systems (PGS) to finalize a few more items for the Strategic Plan, before presented to the Assembly.

Budget Work Session: Scheduled on February 28 in Anchorage. APCM and Newhouse & Vogler will be present to discuss the Borough's investment accounts and our FY2017 audit.

SWAMC: March 1-2.

Assistant Administrator:

Cold Bay clinic: Submitted a Letter of Intent to the Rasmussen Foundation for \$375,000, and hope to get an invite to apply for their grant. Also, submitted a funding request to the State of Alaska CAPSIS for \$500,000. The clinic is on the strategic plan, so will be looking for funding opportunities, and working with City of Cold Bay and Eastern Aleutian Tribes.

January Helicopter Operations: Transported 200 passengers, approximately 11,000 lbs. of freight, one medivac, and eight charters. Also working with the Administrator on the hangar logistics once the hovercraft is sold.

Auditor Request for Proposal (RFP): Put out an RFP for an auditing firm. Have interest from 9 companies. Will review and put a recommendation before the Assembly for approval at the next meeting.

Maintenance Memorandum of Understanding (MOU): Working on MOU between the Borough and School District for maintenance with Mayor Osterback and Maintenance Director, Emil Mobeck.

Laura Tanis Report:

DC Trip: The group that travelled to Washington D.C. for the signing of the land exchange were the mayors and administrators from the Borough, Cold Bay and King Cove. Aleut Corporation, President Thomas Mack, Governor Walker and Lt. Governor Mallot also attended. There was a signing ceremony with the U.S. Dept Secretary of Interior, Ryan Zinke. Following that was a national media press conference, and later an Alaska media press conference. Approximately 20 news articles followed. AEB put out press release in response.

Salmon Limited Entry Permits: Working on research for Mayor Osterback regarding the limited entry white paper proposal. Has been comparing Alaska and Washington State limited entry permit programs. Washington initially had multiple operators on a permit and then later changed it to two operators.

NPFMC, February 5-12, 2018: Weiss is attending NPFMC at this time.

Mayor's Report:

Limited Entry Salmon Permits: Mayor Osterback said the Assembly passed a resolution supporting mentoring a second name on the limited entry permit. While in Juneau, he discussed with Governor Walker and staff. The Governor seemed interested in working on something. Mayor Osterback testified at the Fisheries Committee on HB 188, which is a little different than what he is proposing. This is the second year for HB 188. If it doesn't go anywhere this year, the author, Representative Tomkins, would be interested in pursuing something on his idea. Bruce Schactler from Kodiak, who received the 2017 highliner award, attempted to get something

similar in the past approved. Schactler teleconferenced with Mayor Osterback, Tanis and Weiss to compare his and the mayor's proposals. Communications with Schactler will continue. Also, United Fisherman of Alaska, Executive Director and their lobbyist attended the hearing. They sent Mayor Osterback an invitation to speak to their full board, but the date conflicts with AEB budget work session and SWAMC. He requested to meet with them at a later date.

Mayor Osterback said City of King Cove also passed the same resolution for limited entry permits changes. While In Juneau, he and Mayor Henry Mack both brought up the limited entry proposed changes idea. Mayor Osterback said Tanis is working on gathering information on what the State of Washington did and why. The Fisheries Committee is also looking into what the State of Washington has done. Between Juneau lobbyist and Anchorage staff, AEB will begin to draft a bill to be introduced later. We will continue to pursue.

ASSEMBLY COMMENTS

Chris Babcock asked about Consent Agenda items on the Assembly meeting agenda. Mayor Osterback said Consent Agenda are items that we feel are noncontroversial, like introduction ordinances that are basically just scheduling. He said the Administrator reviews the Consent Agenda items, and Assembly has opportunity at the beginning to remove items, if they wish to discuss or debate further. The Assembly adopted the Consent Agenda years ago to speed up the meeting by approving in one action, rather than doing a motion and roll call on each item separately. A time saving measure on agenda items.

PUBLIC COMMENTS

City of King Cove Mayor Henry Mack thanked Mayor Osterback, Tanis and Bailey for support in Washington D.C. and Juneau. It was good to be with everyone showing great support for the signing of the land exchange. While in Juneau, he appreciated the support by Mayor Osterback and Bailey on the Akutan dock/breakwater project and Cold Bay clinic. He requested to meet to discuss a King Cove Road advisory group.

Mayor Osterback added that Della Trumble took the pen she signed the land exchange with and the other pen used will be given to Mayor Stanley Mack for his efforts. At the ceremony, recognition was given to Mayor Dick Jacobsen who started the projects and Mayor Stanley Mack who spent all his terms working on the road project.

NEXT MEETING DATE

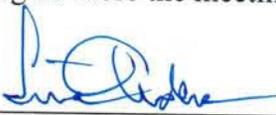
March 8, 2018.

ADJOURNMENT

Brenda moved to adjourn and second by Carol. Hearing no more the meeting adjourned at 3:59 p.m.



Mayor Alvin D. Osterback



Tina Anderson, Clerk

Date: 3/8/18