

Aleutians East Borough  
January 14, 2010  
3:00 P.M.

CALL TO ORDER

Mayor Mack called the January 14, 2010 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
Ken McHugh	Present
Paul Schaack	Present
Joe Bereskin, Sr.	Present
Justine Gundersen	Present

Advisory Members:

Tom Hoblet, False Pass	Absent-excused
------------------------	----------------

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:

AEBSD revenue rollover request, New Business  
Fisheries meetings discussion, New Business

Agenda Removal:

Lori Canady presentation and funding request

Adoption of the Agenda:

MOTION

Paul G. moved to approve the agenda with the changes and second by Joe. Hearing no objections motion passed.

Community Roll Call and Public Comment on Agenda Items:

Gilda Shellikoff said she supports the School District request for rollover of funds to support the small schools. She understands funding is tight and not sure how to justify two teachers for three students, but contracts had been signed earlier when there were more students enrolled. She feels we need to look at the budget and what is beneficial to the community. It is difficult to get a commitment from someone with a family to fill a job opening in False

Pass when we don't know if the school is going to be open or closed. Mayor Mack said we are planning a joint work session with the school district and these issues will be discussed. False Pass School principal/teacher, Ernest McKay, said the district has the same concern of two salaries for three students and is using him as a counselor also. Paul G. said he can't imagine not funding the school for at least another year now that we have the state formula of not losing all the funding in one year. Gilda voiced her appreciation of that.

Minutes, December 4, 2009:

MOTION

Paul S. moved to approve and second by Carol. Hearing no objections the minutes are approved.

Financial Reports, November, December 2009:

MOTION

Joe moved to approve the November and December financial reports and second by Carol.

DISCUSSION

Paul G. said the Administrator mentioned during the workshop putting bonds out in June. He requested information on what interest rates will look like in June. Joe asked if consultants are in the budget. The Administrator answered that consultants are listed as contract labor in different departments. Paul G. asked what contract is GIS mapping and what projects. The Administrator said it is for GIS mapping for Nelson Lagoon erosion, False Pass and Cold Bay and comprehensive plan updates.

ROLL CALL

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

Investment Reports:

See packet.

Consent Agenda:

- Resolution 10-08, Approving the Akutan airport co-sponsorship agreement.
- Introduction Ordinance 10-02, Budget Revision for FY10:

Paul G. requested Resolution 10-08 to be removed from the Consent Agenda. Second by Justine. Hearing no objections motion passed.

MOTION

Paul G. moved to approve the Consent Agenda and second by Justine.

ROLL CALL

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

Resolution 10-08, Approving the Akutan airport co-sponsorship agreement:

MOTION

Ken moved to approve Resolution 10-08 and second by Carol.

#### DISCUSSION

Paul G. said the hovercraft provision in the agreement deeply concerns him. It is a mandatory agreement that he believes sets the Borough up to have a failed marine link that a lot of money will be spent on. At this time, with the hovercraft mandatory provisions, with all due respect to all the effort put into this by the city of Akutan, he can not support.

#### ROLL CALL

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

#### OLD BUSINESS

##### Planning Session:

Joe said he was disappointed that some people weren't able to attend. He would have appreciated it if the School District Superintendent had attended, we would have at least been able to express our concerns. He gives the retreat a low grade. Mayor Mack felt the retreat was more productive this time than the last planning session. It did give the Assembly a chance to look at what they hoped for the future and would give it a passing grade. Marvin was also disappointed. Entities were set up for different days and not planned for everyone to be available through entire retreat. He was also disappointed that those that were available from the School District did not stay.

#### MOTION

Joe moved to table the planning session until our next regular meeting face to face and second by Paul G. Hearing no objections motion passed.

#### NEW BUSINESS

Lori Canady, Aleutian Financial Inc.- Presentation and funding request:  
Removed from agenda.

School District Request for \$400,000 Rollover:

#### MOTION

Carol moved to put the School District request on floor for discussion and second by Justine. There were no objections, motion passed.

Carol commented that she has no problem giving the School District money when they need it, but would like to have a specific purpose for a rollover request. The School District is required to return unused money to the Borough and if they need additional revenue for a specific purpose to then request it. She does not have a problem giving them money just would like to hear how it will be used. Justine said she supports the money rolled back over to the School District but would like to see the money set up for the small sites only.

Paul G. commented that he has no problem with the rollover, perhaps the School District can plan better if they know they will get the rollover money.

Joe asked if it is the same amount requested each year. Roxann said she believes the amount has been about the same in the past. Marvin said we always support our schools and has not had an issue giving funding back in the past. If it is used to keep the small school sites open, then supports giving it back to them.

Joe said when we initially started talking about funding small school sites going under ten students, we discussed holding them over only for one year. Joe said if that is still the issue I would definitely want to have that discussion again.

#### MOTION

Justine moved to return the \$400,000 back to the School District. Second by Paul G.

#### FURTHER DISCUSSION

Carol requested more clarification on what they will use the funding for.

Carl Warner, School District Business Manager, said the money is already budgeted for this school year. Carol asked if the School District budgeted for two schools under ten students. Carl said Sand Point came in under student projection and the School District budgeted \$300,000 for each of the small schools and we are not getting revenue for those two schools under ten students this year. He explained that if we don't use the money, it will revert back to the Borough.

#### ROLL CALL

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

#### Fisheries Discussion:

Mayor Mack said if anyone is interested in attending the Board of Fisheries Feb 2-6 or SWAMC Feb. 4-5 contact the Clerk.

#### REPORTS AND UPDATES

False Pass road repair and regrade design plan: The Administrator said the Borough issued a contract to URS for \$23,000 which will be used to provide funding to design a plan to repair/regrade so False Pass can do the work themselves. The plan will be for harbor road, crab pot storage surface area and the fill from harbor has to be regraded.

King Cove Access Project: Paul G. asked if there is any update on the road section to NE Corner. The Administrator said presently using funding from state to work on a design for the road between hovercraft facility now and NE corner. Dan Rowley is project leader.

Aleutia: Joe requested an update on the Aleutia Processor Quota Shares. The Administrator said the agreement between Aleutia and Peter Pan was structured poorly and that Aleutia paid too much for processor quota shares and isn't able to make the loan payment. They would like to renegotiate the term and price to make it work so that the crab quota remains in King Cove. Joe asked about the fish tax being used. The Administrator said fish tax we make from that portion of the crab that is processed by Peter Pan for Aleutia is given to Aleutia for the next five years to

pay off the loan for the crab PQS – city of King Cove does the same. However, Aleutia, is not coming close to making the loan payment to Peter Pan. Aleutia is in the process of renegotiating that agreement. Joe noted that Aleutia always comes back to the Borough for revenue requests. The Administrator will keep others updated. Paul G. said he believes Aleutia is working on it very hard as well as through the NPFMC process and should have more information next meeting.

#### ASSEMBLY COMMENTS

Justine commented that the answering machine in the Anchorage office does not direct you to extensions. The Administrator said the message was too long so removed extension list, but will change to make better.

Paul S. apologized for not being able to attend the assembly retreat, but had a vacation already planned a year in advance. He use to be able to use comp time to attend meetings, but isn't able to do that anymore.

Joe said the city of Akutan appreciates the Assembly approving the co-sponsorship agreement and thanked everyone for their support.

#### PUBLIC COMMENTS

Gary Hennigh, said in regards to Aleutia, every dollar it costs the Borough it also costs the city of King Cove. Peter Pan hopes there can be a better arrangement. Also the Environmental Impact Statement (EIS) process is finally beginning for the King Cove Access road. We believe that we are finally going to get a chance to go forward. There are scoping meetings planned in all AEB communities.

Paul G asked how the land exchange on the senate is shaping up. Mayor Mack said not sure yet, but sounds positive.

City of King Cove Mayor, Henry Mack, just signed a new contract with Gary Hennigh as manager. The Council is strongly supportive of the EIS, the King Cove Manager has secured \$2.5M. The number one priority for the King Cove Council is the road to Cold Bay so wherever we can find money for EIS we will pursue.

City of Cold Bay Mayor, George Lopez, asked if anyone had a chance to look at the pictures of the ramp erosion problem and if there is a solution yet. Mayor Mack said it was difficult to determine a plan from those pictures. Mayor Lopez said he took out culvert and put gravel in and then put culverts back in, but snow melt and rain just wash it back out. Mayor Mack requested the city assist in a design option to fix problem. Mayor Lopez will ask their maintenance worker for ideas.

#### NEXT MEETING DATE AND TIME

Thursday, February 25. Also, joint meeting with School District.

#### ADJOURNMENT

