CALL TO ORDER
Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on March 14, 2019 at 3:03 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	Present
E. Ingrid Cumberlidge	Present

Advisory Members:	
Dailey Schaack, Cold Bay	Present
Samantha McNeley, Nelson Lagoon	Present
Tom Hoblet, False Pass	Present
Logan Thompson, Student Representative	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
Ernie Weiss, Resource Director
Glennora Dushkin, Administrative Assistant

Adoption of the Agenda:
PAUL moved to adopt the agenda with the additions and amendments below.
- Addition: Consent Agenda: Resolution 19-55, opposing reductions in educational funding.
- Addition: Consent Agenda: Resolution 19-56, Assembly in support of the appointment of Cora Campbell for NPFMC.
- Amendment: Move Resolutions 19-53 and Resolution 19-54 from RESOLUTIONS to CONSENT AGENDA.

Second by INGRID

Hearing no objections, the agenda is approved as amended.

Community Roll Call and Public Comments on Agenda Items:
The communities of King Cove, Sand Point, Akutan, Cold Bay, False Pass, Nelson Lagoon and the Anchorage office were participating by teleconference. Also broadcast on KSDP radio.

Conflict of Interests:

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. Ingrid noted she does work in education. Mayor Osterback said she is fine. There were no conflict of interests.

Minutes, February 14, 2019, Assembly Minutes and February 20, 2019 Special Assembly Meeting:

MOTION

BRENDA moved to approve the February 14, 2019 Assembly Meeting Minutes and February 20, 2019 Special Assembly Meeting Minutes and second by CHRIS.

Hearing no objections, **MOTION CARRIED.**

February Financial Reports:

MOTION

CAROL moved to approve the February Financial Report and second by BRENDA.

DISCUSSION

In reviewing, the Administrator said everything is tracking along like it is supposed to. Other Revenue, received $11,000 extra for leases.

The Administrator reviewed the impacts the State FY20 proposed budget cuts will have on AEB:

- School bond reimbursement $650,000, which is 8.42% of AEB budget.
- Harbor bond debt reimbursement, $381,000, which is 4.9% of AEB budget.
- Local required education contribution, currently $517,840 with cap $1.8M. FY19 we gave $900,000 and an additional $40,000 in scholarships and travel. This will be reduced by approximately 20%.
- Residents in all AEB communities, except King Cove, receive Power Cost Equalization (PCE). PCE funding will be cut.
- Shared Fisheries Business Tax is approximately $2M, Landing Tax, approximately $5,000; Extraterritorial Shared Fisheries Business Tax, approximately $100,000. Approximately, 28% of our budget proposed to be cut.

All proposed cuts combined is approximately 40% of the AEB annual operating budget.

Mayor Osterback said in talking to legislatures and experts in Juneau, it may be early fall before they come up with an approved budget. AEB is putting together a worse-case scenario budget, a middle-of-the-road budget and a status quo budget. We are preparing the best we can. Staff will be available to travel to Juneau to talk with representatives.

ROLL CALL

YEAS: Warren, Josephine, Carol, Ingrid, Brenda, Chris, Paul. Advisory: Dailey, Samantha, Logan, Tom.
NAY: None

January Investment Report. In packet.
The Administrator said period ending January 31, 2019, Permanent Fund balance is $43,206,941.

CONSENT AGENDA

- Resolution 19-46, supporting the Reappointment of Robert Ruffner to the Alaska Board of Fisheries.
- Resolution 19-47, requesting No Further Cuts to ADF&G, and a Plan for Full Staffing and Management of the 2019 Summer Commercial Salmon Season Not Contingent on a Timely State Budget Process.
- Resolution 19-48, supporting Continuation of Shared Fisheries Tax Programs and Opposing Legislation Introduced by the Governor Repealing the Sharing of Fisheries Tax Program Taxes with Qualifying Municipalities.
- Resolution 19-49, Opposing the Proposed FY20 State Subsidy Reduction for the University of Alaska.
- Resolution 19-50, supporting the funding of the Alaska Marine Highway System operating budget at sustainable levels until reform recommendations are enacted and maintaining funding replacement of the M/V Tustemena.
- Resolution 19-51, to Preserve the Power Cost Equalization Endowment Fund for its Intended Purpose of Assisting Alaskans and Alaskan Communities with the High Cost of Electricity.
- Resolution 19-52, supporting continued Sustainable Funding for the Alaska Public Broadcasting Commission and Public Broadcasting in Alaska.
- Resolution 19-53, supporting a Progressive Graduated Statewide Income Tax as Part of a Sustainable Budget for the State of Alaska (amended, SWAMC version).
- Resolution 19-54, approving a grant to the City of Akutan for the Akutan Harbor Utility Project in an amount not to exceed $81,500.
- Resolution 19-55, Assembly opposing reductions in educational funding and supports crafting a budget that reflects the true cost of educating students.
- Resolution 19-56, supporting the appointment of Cora Campbell to the NPFMC.

MOTION
INGRID moved to approve the Consent Agenda and second by CHRIS.

DISCUSSION
The Administrator reviewed the resolutions under the Consent Agenda.

ROLL CALL
YEAS: Brenda, Ingrid, Chris, Josephine, Carol, Warren, Paul. Advisory: Dailey, Tom, Logan, Samantha.
NAY: None.

ORDINANCES

Introduction Ordinance 19-07, amending Title 6, Chapter 6.04, Section 6.04.041, Subsection (E) (2) Investments, of the Aleutians East Borough Code of Ordinances.

MOTION
CAROL moved to accept Ordinance 19-06 and set for Public Hearing. Second by JOSEPHINE.

DISCUSSION
The Administrator said Ordinance 19-07 is amending Section 6.04.041, Subsection E(2) Investments. There was an error on Ordinance 19-06, approved in February, and this ordinance corrects that. Ordinance 19-07 amends the asset allocation, international equity, instead of 10 equity, will be 12, with a range of 6-18.

PAUL said this is just a minor change. There was no further discussion.

ROLL CALL
YEAS: Paul, Brenda, Carol, Ingrid, Warren, Chris, Josephine. Advisory: Tom, Dailey, Samantha, Logan.
NAY: None

RESOLUTIONS
Moved to Consent Agenda.

OLD BUSINESS *None*

NEW BUSINESS

Quarter Four, AEB Strategic Plan:
The Administrator said before you is quarter four of Strategic Plan, a brief overview of what is accomplished. Mayor Osterback said there are so many things going on in the AEB and the strategic plan in place has the main projects. Nothing but good having the Strategic Plan in place.

Gulf of Alaska Rationalization:
The Natural Resource Director said his 3-page memo in the packet was reviewed at the workshop. There is a push for rationalization in the Bering Sea and stakeholders asking for Gulf of Alaska rationalization. The State has no position at this time, but are looking for stakeholder input. A fishermen meeting was held. There is not full agreement, but there is agreement to have a control date set and on Bering Sea rationalization, sideboard limits on fishing in the Western Gulf. He hopes to put together a ground fish working group. There was a comment on having more quota in state water cod fishery. If rationalization moves forward, the Gulf needs to be treated differently than the Bering Sea.

Paul recapped discussion, saying that there is a consensus in sideboards on Bering Sea vessels, to protect the Gulf as much as possible; a control date on Gulf of Alaska; ground fish work group formed, and onshore protection.

Mayor Osterback said short term priority is the control in sideboards; a ground fish work group, getting all issues ironed out, doing what is best for fishermen and processors that have a stake in the fishery; and bringing as much as we can to be processed onshore.

Tom, for the record, said, as a small boat fisherman, he supports more federal quota moved into the state cod fishery.

Ingrid said, rationalization isn't a foregone conclusion, and hopes we continue the discussion more and also supports the efforts to get fishermen together.

Mayor Osterback said we are not pushing to have rationalization. Communities and fishermen need to meet in a working group, to determine what is best. He feels it is good to be prepared for rationalization, rather than scrambling at the last minute. After discussions, he supports having control dates in place, in case rationalization happens, to make sure everyone won't be rolling in from everywhere to qualify.

Warren said he remembers the past Gulf rationalization discussions. He has reservations on rationalization and with the cod decline might not be anything to rationalize. He feels rationalization should not be rushed into.

Ernie Weiss said Council not trying to push through on the Gulf side, but there are stakeholders that want rationalization, so supports discussions occurring.

Mayor Osterback said we're not trying to make decisions as an Assembly, but trying to set up the vehicle to have discussions with fishermen. Everyone supports sideboards and a control date set, but besides putting a working group together, we are not supporting either way.

Kelp Mariculture:
Assistant Resource Director, Charlotte Levy, said there is a memo in the packet, which was discussed at the workshop, essentially providing options for the Assembly to consider and to help determine how AEB would like to move forward with the kelp project.

Option One: Develop a community-driven cooperative business model, and pursue two NOAA Sea Grant funding opportunities.

Option Two: Collaborate with Trident Seafoods on a limited basis, assisting them with siting and permitting for a Trident farm, in exchange for some benefits.

Levy said she feels there is a unanimous support from the Assembly to keep moving forward with the project.

Mayor Osterback said there was a good discussion at the workshop, so we will continue to move forward on the kelp mariculture project.

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

- Akun Dock Breakwater Project: Federal Interest Determination for the Akun dock project will be on hold for a short time. Other projects took precedence over this project.
- Nelson Lagoon Dock Repairs Project. Engineers and project managers, Moffatt & Nichols, timeline 35% designed by April, 65% by May, 95% late May, and bid ready by June. Will try to complete the project this year. If not, next year.
- National Association of Counties Conference-Washington D.C.: Over 2,000 different counties represented. Payment in Lieu of Taxes and Secure Rural School Program were the biggest discussions at the conference.
- Lobbyist, Brad Gilman said the Senate and House Appropriations Committees will not be accepting earmarks this year. We will still submit important appropriations and capital projects requests to Congressman Young.
- Governor's proposed budget cuts: There have been a lot of unique relationships developing with other municipalities, with the same dire situation and issues. A document is being developed by multiple municipalities, to submit to the governor.
- Aleutians East Borough FY20 budget will be before the Assembly at the May meeting.
- G.O. Bonds white paper, from 1990 to present, will be before the Assembly at the April meeting.

Assistant Administrator report in packet. Highlights below:

- Akutan harbor: mitigation measure work continues, with assistance from City of Akutan and AEB employees.
- Cold Bay Clinic: Met with architect on re-design current floor plan, construction cost and operations savings. Also met with EAT and visited clinic in Whittier to gather ideas from the new clinic there.
- Sand Point School: State of Alaska Capital Improvement Project Grant is still available and will continue pursuing it. DOWL provided a scope and budget for preliminary work necessary for application process.

Communications Director Report, in packet. Highlights below:

- Board of Fish meeting: Set up meeting room to provide area for fishermen to discuss strategy, receive assistance with testimonies and printed hard copies.
- Provided corrections to Alaska Journal of Commerce, reporter's article.
- Board of Fish press release has been drafted, regarding results of Board of Fish, in case one is necessary to be released.
- In-the-Loop e-news: Provided highlights from SWAMC conference.

Natural Resources Director Report in packet. Highlights below:

- NPFMC, April 1-9, 2019: Will submit comments in support of BSAI Trawl CV Pacific Cod Mothership Adjustments, to limit amount of cod delivered offshore.
- NPFMC, 3-11, 2019: There will be final action on Gulf of Alaska, Pollock and Pacific cod seasonal allocations.
- Alaska Board of Fisheries. The consensus is total success for meeting. Process of setting up a workgroup really worked well.
- Statewide finfish meeting: Proposals to change the Statewide Salmon Goals; Management of Sustainable Salmon Fisheries; and to modify the criteria for the allocation of fishery resources among personal use, sport and commercial fisheries, all failed.
- Joint Board of Fisheries, March 21-25: Proposal 28, to be considered, would allow Advisory Committee representatives to sit at the table during deliberations for the proposals they submitted.
- Pebble Mine: Environmental Impact Statement comment period is open until May 30. There has been requests from some fishermen and Assembly Members to discuss, so will submit a memo at the next Assembly meeting.
- AMHS Committee Meeting: Attend meeting in Juneau. Without Buy America Waivers, replacement ferry will take longer, so will be difficult to keep the $22M state match safe, for the $220M M/V Tustemena replacement.

Natural Resources Assistant Director Report in packet. Highlights below:

- Board of Fisheries: Detailed memo on Board of Fish outcome is in the packet. Big part of strategy was making sure everyone was on the same page, keeping everyone fully informed on everything going on.
  Also, worked with Pat Martin analyzing and attempting to re-write the South East District Mainland (SEDM) Management Plan. Proposal did not pass, but was able to bring our concerns forward.
- Trawl Electronic Monitoring (EM) Project: Attended EM Committee meeting in Seattle March 4-5, to provide updates. Committee developed an ad-hoc subcommittee to develop a coordination plan in the different Gulf areas, which she will also serve on. In the future, Salt Water and Peninsula Fishermen's Coalition (PFC), will work together on another proposal, to continue work in the Gulf on trawl EM.

- Kelp Mariculture Project: Project discussion in packet. Will submit Letters of Intent for the two NOAA grants, due soon.
- Climate change: Met with SWAMC speaker, and climatologist, Dr. Nicholas Bond, to discuss climate change on a community level. Discussed outreach in our region for discussions on climate change in AEB.

Maintenance Director Report in packet. Highlights below:

- Sand Pt. School Projects: Maintenance completed. Wired Alaska completed all their tasks. The shocking hazard in gym lighting was repaired, installed separate circuits in metal and wood shop to prevent overload on breakers. Wired Alaska will submit a report on recommendations. Long Technologies, completed their scope of work. Completed all the controls work necessary, for valves, dampers and actuators. Long Technologies will submit a report on energy and efficiency requirements.
  Bering Industrial completed their work. They added plumbing to elementary, installed new fan in the pool area, and re-did plumbing to the pool area.

- OSHA: Getting everything completed to be in compliance with OSHA laws and regulations.
- Upcoming project: Sand Pt. AEB office, installing two circulating systems, and thermometers.

Mayor's Comments:
Mayor Osterback thanked all the staff that worked hard on the Board of Fisheries meeting including CAMF; the consultants, Eric Volk, Denby Lloyd, and Mike Stanley; all the fishermen that participated; the processors; and all those that donated funds to the effort. In the future, he suggested keeping this type of meeting going forward even during off-cycle, and meeting each year with Kodiak ADF&G staff.

ASSEMBLY COMMENTS None

PUBLIC COMMENTS None

NEXT MEETING DATE
April 11, 2019.

ADJOURNMENT
CAROL moved to adjourn and second by JOSEPHINE. Hearing no more, the meeting adjourned at 4:50 p.m.

Alvin D. Osterback, Mayor

Tina Anderson, Clerk

Date: 4/11/19