

Aleutians East Borough Minutes
March 3, 2015

CALL TO ORDER

Assembly Member Osterback called the Regular Assembly meeting to order on March 3, 2015 at 3:00 p.m. at the Anchorage office building and by teleconference in each community.

ROLL CALL

Mayor Stanley Mack	Absent-excused.
Paul Gronholdt	Present
Carol Foster	Present
Warren Wilson	Present
Alvin D. Osterback	Present
Ken McHugh	Present
Joe Bereskin, Sr.	Present
Brenda Wilson	Present

Advisory Members:

Nikki Hoblet, False Pass	Present
Paul Schaack, Cold Bay	Present
Justine Gundersen, Nelson Lagoon	Absent-excused

A quorum was present.

Staff Present:

- Rick Gifford, Administrator
- Roxann Newman, Finance Director
- Tina Anderson, Clerk
- Laura Tanis, Communications Manager
- Anne Bailey, Administrator Assistant
- Jacki Brandell, Finance Assistant
- Ernie Weiss, Resource Director

Mayor Mack is unable to attend due to medical. The Assembly may appoint a Mayor pro tempore to serve until the Mayor resumes his official duties.

MOTION

Carol moved to appoint Assembly Member Alvin Osterback as acting chairman in the absence of Mayor Mack. Second by Ken.

ROLL CALL

Warren-yes, Ken-yes, Paul-yes, Joe-yes, Alvin-yes, Carol-yes, Brenda-yes. Advisory: Nikki-yes, Paul-yes. MOTION PASSED.

Adoption of Agenda:

MOTION

Paul moved to approve the agenda with the additions below and second by Ken:

- King Cove School repairs.
- Sale of hovercraft.
- King Cove/Cold Bay road.
- Akun Island breakwater.

Hearing no objections MOTION PASSED.

Community Roll Call and Public Comments on Agenda Items:

The communities of Sand Point, Akutan, King Cove, False Pass, Cold Bay were present including the Anchorage office.

City of King Cove Mayor Henry Mack commented on the subject of alternatives to the King Cove road project. He said the access project first started in 1998, seven alternatives were discussed and we believe we chose the right alternative. Congressional representatives, State Legislature representatives and the Governor are supportive of present alternative. To discuss other alternatives at this time, might send a wrong message to those who make the decisions and he does not support going through another process.

Minutes, February 12, 2015:

MOTION

Brenda moved to approve the February 12, 2015 Minutes and second by Ken. Hearing no objections, MOTION PASSED.

Brenda noted that the audit was presented at the workshop and thanked the Finance Director, Roxann Newman and her staff member for keeping the Borough on the right track.

Acting Chairman Osterback said during the workshop the Alaska Permanent Management Co. gave an annual report on the Borough investments and the auditor's management letter showed no defects in any department and a favorable management report. He added that APICDA also presented a Borough land lease development plan at the workshop.

Investment Report, January, 2015: In packet.

RESOLUTION

Resolution 15-20, authorizing the Mayor to negotiate and a long-term lease with APICDA Joint Venture and to bring back to the Assembly:

MOTION

Brenda moved to approve Resolution 15-20 and second by Ken.

DISCUSSION

The Administrator said APICDA has requested to expand their leases on Sandy River and increase the length of those leases. The Assembly has authority to do that, this resolution authorizes the Mayor to negotiate a lease to bring back to the Assembly.

Paul said the proposed lease has some complicated issues. If approved, he would like to see a range of options to choose from. The land also has not been surveyed yet.

Warren asked about the air strip ownership within the proposed leased lands. The Administrator said if they lease the land, it encompasses the airstrip. He recommended leasing the land and let APICDA be responsible for the air strip.

Paul suggested the resolution title include, bring lease back to the Assembly.

Alvin recommended the lease to include acreage and lessee responsible for the survey costs.

ROLL CALL

Paul-yes, Joe-yes, Brenda-yes, Alvin-yes, Warren-yes, Ken-yes Carol-yes. Advisory: Paul-yes, Nikki-yes. MOTION PASSED.

King Cove School Repairs:

The Administrator said a lawsuit has been filed against the architect. There was a mediation with the architect and contractor, neither willing to take the blame so will continue forward on the lawsuit. In the meantime, King Cove School is leaking and repairs are necessary. The estimate for repairs out to bid is \$1.5-1.6M. The contract will be brought back to the Assembly for approval. The Assembly would have to approve the budget amendment and the contract to move forward with repairs this summer.

Paul said that money is normally dispersed to communities. Whatever money we spend in King Cove School the communities will lose out on approximately \$200,000 each. The Administrator said hopefully we will get this money or a portion of this money back in the lawsuit. Bids are due March 12.

Joe requested a review of Borough lawsuits.

The Administrator listed the lawsuits:

- Cold Bay terminal, which settled at \$600,000.
- U.S. Dept. of Interior on the Environmental Impact Statement (EIS) on proposed King Cove/Cold Bay road.
- False Pass harbor contractor has a claim against the Corps of Engineers. The decision could take another year or two.

The Administrator said further discussion of lawsuits would require an Executive Session during a future meeting. He added the Corps of Engineers feel they have a good case on False Pass harbor; for EIS on proposed road, feel we have a good claim; and we have a good claim on King Cove School and have settled on the damaged portion with AMLJIA paying approximately \$240,000.

Alvin asked if there will be a construction inspector onsite at King Cove School. The Administrator answered yes.

Sale of hovercraft:

Cruz Marine and financier which is CIRI, have requested a 30 day extension on hovercraft offer. Paul requested any other 30 days extension be brought back to the Assembly.

King Cove/Cold Bay Road:

Acting Chairman Osterback said the City of King Cove Mayor and Administrator brought up their concerns with discussing the road. If we discuss in depth, it might be hurtful to the current project and suggested a committee with Borough and King Cove City.

Paul felt there is a much better route that might only cross a portion of Izembek lands. He feels there is a way to get the road built without Dept. of Interior approval. There wouldn't be a land trade and no restriction on use with this plan or a version of this plan. Right now under the present plan there are many restrictions. If the hovercraft is sold, the Borough will have \$2M and he feels that it might be a more successful route. The Administrator noted work in wetlands would require a Corps of Engineer permit, which would require a USFWS review. His recommendation is to discuss at the Assembly meeting in King Cove.

Acting Chairman Osterback suggested the Borough choose committee members with the city of King Cove for further discussions to work out issues before it is brought to the Assembly. Paul said he has concerns with this plan since actions of previous committee meetings have not been available for review. City of King Cove Administrator Gary Hennigh said he would like to discuss the letter Mayor Henry Mack sent to Mayor Stanley Mack. Hennigh suggested that he be allowed to educate the Assembly on history starting October 1, 1998 to present reviewing how we got to where we are which he feels will shed some light on real world limits to out of box thinking.

Acting Chairman Osterback said apparently there are a lot of questions and supports a workshop.

Paul said he read the letter from Mayor Henry Mack and part of letter was requesting money. He also supports a good discussion next month.

Ken also supports a workshop to explore options. Paul suggested inviting a Dept. of Transportation & Public Facilities (DOT/PF) representative since they could be involved with

anything we do. Hennigh agreed to have DOT/PF Commissioner or in his absence Roger Healy attend. He agrees to meet in King Cove and then take the steps we need to go forward.

Akun Island Breakwater:

The Administrator said we are at the state's beckon here and is working on a contract to get the breakwater project done. They hope to have someone out there in May to do the soundings. The Borough can't continue to subsidize the helicopter and they are aware of that.

PUBLIC HEARINGS

Public Hearing Ordinance 15-01, Amending the FY15 Budget:

MOTION

Brenda moved to approve and second by Warren.

Acting Chairman Osterback opened for Public Hearing. Hearing none, Public Hearing closed.

DISCUSSION

The Administrator said Finance Director Newman does a great job. He said most of the adjustments are correcting actual revenues and expenditures. For instance, the helicopter operation costs needed to be adjusted and additional money was added under Planning Commission to complete the permitting database. Also requested FY16 Permanent Fund earnings of \$2M for the King Cove School so repair work can begin.

Finance Director said an amendment is necessary to add the Planning Commission expenditures increase of \$25,000. It does not show the increase instead of \$67,500 it should be \$92,500.

Paul reiterated his understanding that the bids will come in, contract approved by the Assembly, and the work completed this summer. Acting Chairman Osterback said contract approval is required by the Assembly prior to spending money.

AMENDMENT

Paul amended the Ordinance by adding operating costs to Planning Commission expenditures of \$25,000 bringing expenditures to \$92,500.

ROLL CALL ON AMENDMENT

Carol-yes, Warren-yes, Joe-yes, Alvin-yes, Paul-yes, Ken-yes, Brenda-yes. Advisory: Nikki-yes, Paul-yes. **MOTION PASSED.**

ROLL CALL ON MAIN MOTION

Ken-yes, Brenda-yes, Joe-yes, Paul-yes, Warren-yes, Carol-yes, Alvin-yes. Advisory: Nikki-yes, Paul-yes. MOTION PASSED.

OLD BUSINESS *None*

NEW BUSINESS *None*

REPORTS AND UPDATES *Reports in packet.*

ASSEMBLY COMMENTS *None*

PUBLIC COMMENTS

Resident of Cold Bay, Happy Kremer, said Dept. of Transportation & Public Facilities (DOT/PF) is discussing Cold Bay area going to the Southcoast Region. Currently our regional office is in Anchorage. Once in Southcoast Region, transportation needs will be handled through the Juneau office. He suggested a letter writing campaign to the State of Alaska opposing the change. If anyone has questions, they can contact him.

Happy Kremer said Bering Pacific Seafoods in False Pass sends people no longer employed to Cold Bay which is a hardship on the community of Cold Bay when their lodging is not provided prior to the individuals making arrangements to fly out. He requested AEB talk to Bering Pacific for Cold Bay.

Happy Kremer, said the Cold Bay School has been under 10 students going on the 4th year and are currently pursuing avenues to find funding to support the school.

City of King Cove Mayor, Henry Mack, supports action today made by Assembly to meet in King Cove next month regarding the access road. Administrator Hennigh will share the history at that time so will be a good learning experience for all of us to see how to pursue this.

NEXT MEETING DATE AND TIME

April 16, 2015 in King Cove.

ADJOURNMENT

MOTION

Brenda moved to adjourn and second by Ken. Hearing no more the meeting adjourned at 4:17 p.m.



Mayor Date



Clerk Date