

Aleutians East Borough
May 30, 2013
6:00 P.M.

CALL TO ORDER

Mayor Mack called the May 30, 2013 Assembly meeting to order at 6:00 p.m. by teleconference in each community.

ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Present
Bill Cumberlidge	Present
Ken McHugh	Present
Joe Bereskin, Sr.	Present
Brenda Wilson	Present

Advisory Members:

Nikki Hoblet, False Pass	Present
Harold Kremer III, Cold Bay	Present
Justine Gundersen, Nelson Lagoon	Absent

A quorum was present.

Staff Present:

Rick Gifford, Administrator
Ernie Weiss, Resource Director
Laura Tanis, Communications Manager
Roxann Newman, Finance Director
Dylan Jacobson, Acting Clerk

Adoption of Agenda:

MOTION

Brenda moved to adopt the agenda with the addition of the King Cove Head Start Program letter to AEB, Item #12. Second by Bill.

Community Roll Call and Public Comments on Agenda Items:

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

Lynnette Brandell, from the public, spoke regarding the School District decision to not renew Head Start classroom lease in the King Cove School. Ms. Brandell said the committee is asking for support from AEB. She said King Cove Head Start and concerned members of the community want King Cove Head Start to remain in the school. There are currently two classrooms available and now office space available for the new Special Education Director. Head Start has been in the school for 14 years, the King Cove staff thought it was the best location for the program. Head Start pays \$16,000 for rent each year to the School District; pays \$3.35 per lunch for each student; provides the pre-school program classroom with furniture, equipment, educational toys, books and supplies; and allows usage of gym equipment to other elementary classes. There is no appropriate space in King Cove to move Head Start due to Head Start strict regulatory requirements. She said there is no negative side in leaving Head Start where it is. The community is asking for a letter of support from the AEB to the School Board supporting what the community wants, leaving Head Start in the school.

Etta Kuzakin, from the public, appreciates the Assembly's time and support. Head Start does not have enough budget to keep it alive if additional costs occur. She feels it is a wonderful program, her two daughters have been through the program and one daughter coming up to still go through it. It is beneficial to be in the school environment and having Head Start and pre-school together prepares them for kindergarten. She hopes the AEB will support the Head Start Program by asking the School District to continue to support the program in the school.

Minutes, April 22, 2013:

MOTION

Brenda moved to adopt the April 22, 2013 Minutes and second by Ken. Hearing no more, the minutes are approved as presented.

Financial Report, April:

MOTION

Bill moved to approve the April Financial Report and second by Joe.

DISCUSSION

Paul said in the workshop we talked about the hovercraft budget item and a feasibility study on a vessel, the study is coming out June 15. He asked what line item the expenditure is under and who signed the contract. Mayor Mack said the contract was under \$100,000. The Administrator said the study is coming out of the Trident money through the Co-Sponsorship Agreement (CSA) and is under Fund 20. Paul said he is uncomfortable on the amount of money we are spending in total for the airport link. Mayor Mack noted that the money was dedicated for that project. The Administrator noted that there is \$9M between Akutan, AEB and Trident. Carol asked, if money is put aside for expenditures, will we be reimbursed for what we are spending. Mayor Mack said not on operation just on the capital expenditure side. The Administrator said through the CSA funds are set aside for the capital

expenditures for hovercraft. Those funds are in our hands or in the state hands and state will reimburse us for those costs. The hovercraft operation is in Fund 22 and at this time AEB fully funds although we have a request in to the state and Trident for assistance for next year operation. Carol asked about the amount that has been submitted for reimbursement. The Administrator said through CSA will get reimbursed for 50%, billed just under \$1M for reimbursement.

ROLL CALL

Joe-yes, Marvin-yes, Bill-yes, Carol-yes, Paul-yes, Brenda-yes, Ken-yes. Advisory: Nikki-yes, Harold-yes. MOTION PASSED.

Investment Report, April 2013:

RESOLUTIONS

Resolution 13-23, the Assembly formally submits a harbor facility grant application to the State of Alaska, Dept. of Transportation and Public Facilities in an amount not to exceed \$3.5M for the project entitled: Akutan Harbor Floats:

MOTION

Ken moved to approve Resolution 13-23 and second by Brenda.

ROLL CALL

Marvin-yes, Carol-yes, Bill-yes, Joe-yes, Ken-yes, Paul-yes, Brenda-yes. Advisory: Nikki-yes, Harold-yes. MOTION PASSED.

PUBLIC HEARINGS

Public Hearing Ordinance 13-06, Adopting the FY14 Budget:

MOTION

Brenda moved to approve Ordinance 13-06 and second by Bill.

FIRST AMENDMENT

Paul moved to amend by increasing the School District contribution by an additional \$350,000. Second by Ken.

DISCUSSION

Paul said intent is to satisfy the School District request. If we increase by \$350,000 and the School District tentatively may have \$250,000 to roll over, which would bring their budget up to \$600,000 needed. So, by adopting this amendment, it would meet the School District request for additional money.

ROLL CALL ON FIRST AMENDMENT

Joe-yes, Paul-yes, Carol-yes, Bill-yes, Brenda-yes, Marvin-yes, Ken-yes. Advisory: Harold-yes, Nikki-yes. MOTION PASSED.

SECOND AMENDMENT

Paul moved to reduce Fund 22 operations for hovercraft from \$3M down to \$1M and keep \$2M in savings for now. MOTION DIED FOR LACK OF A SECOND.

Mayor Mack opened for Public Hearing. Hearing none Public Hearing closed.

DISCUSSION

Paul is not happy about hovercraft, amendment was to get things rolling. The sooner we can realize savings the sooner we can reach a conclusion on this hovercraft and get Akutan the needed good service economically. He said he will support the budget overall regardless of failure of a second because a lot of good things in the budget, but there are a lot of other needs in the AEB. Hopefully by July we will have options on the table and help us to do other things we really need to do in the AEB.

ROLL CALL ON MAIN MOTION

Bill-yes, Paul-yes, Brenda-yes, Carol-yes, Joe-yes, Marvin-yes, Ken-yes. Advisory: Harold-yes, Nikki-yes. MOTION PASSED.

Public Hearing Ordinance 13-07, Authorizing the Mayor to negotiate and execute a tidelands lease within Alaska Tidelands Survey No. 1161 for construction, operation and maintenance of a dock at False Pass Harbor:

MOTION

Bill moved to adopt Ordinance 13-07 and second by Brenda.

DISCUSSION

The Administrator requested Ordinance Section 3(f) be amended by adding at the end, see *Appendix A, Section 9*. The amendment clarifies the language discussing the appraisal of the lease and re-evaluation of it.

AMENDMENT

Bill moved to amend the Ordinance 13-07 to include the addition below and second by Brenda.

Include at end of Section 3(f): *See Appendix A, Section 9*.

ROLL CALL ON AMENDMENT

Marvin-yes, Bill-yes, Brenda-yes, Ken-yes, Carol-yes, Paul-yes, Joe-yes. Advisory: Nikki-yes, Harold-yes. MOTION PASSED.

Mayor Mack opened for Public Hearing. Hearing none Public Hearing closed.

ROLL CALL ON MAIN MOTION

Carol-yes, Brenda-yes, Joe-yes, Marvin-yes, Bill-yes, Paul-yes, Ken-yes. Advisory: Nikki-yes, Harold-yes. MOTION PASSED.

OLD BUSINESS *None*

NEW BUSINESS

Donation Requests recommended for funding:

- Sand Point Silver Salmon Derby fund raiser - \$750.
- Cold Bay Volunteer EMS Silver Salmon Derby fund raiser - \$500.
- King Cove Volunteer Fire Dept. Scholarship fund raiser – \$1000.
- Sand Point Teen Center – \$2,000.
- Qagan Tayagungin Tribe Culture Camp - \$7,000 (paid out of FY14).
- University of Alaska Fairbanks (Bree Witteveen) - \$5,000.
- City of Sand Point, 4th of July Fund Raiser- \$500.
- City of Sand Point, Annual Community Clean-up – \$300.
- King Cove Community Center, Annual Clean-up – no specific amount - \$300.
- City of False Pass, assistance for freight cost for 980 loader - \$5,000.
- King Cove Women's Club, Alaska Charity Walk event - \$100
- City of King Cove, Biggest Loser Challenge - \$1,000.

Donation Requests not recommended funded:

- Alaska Financial Inc., loan fund program - \$40,000.
- John Gardner, III, fish stream markers and stream clearing - \$13,600.

The Administrator said recommending \$18,450 of which \$11,450 paid out of FY13 and \$7,000 to be paid out of FY14.

MOTION

Paul moved to adopt the recommended donation requests above and second by Ken.

ROLL CALL

Paul-yes, Brenda-yes, Ken-yes, Joe-yes, Marvin-yes, Carol-yes, Bill-yes. Advisory: Harold-yes, Nikki-yes.

Mayor Mack said on the donation requests there were two other requests not funded under donations. One was the Alaska Financial Inc. and Lori Canady is here to explain that and the other is from John Gardner, a request for fish stream markers and stream cleaning. The Gardner request, although quite detailed, needs a lot more work to be done. It is a good request, but a lot of loose ends at this time.

Lori Canady introduced herself saying she is the CEO of Alaska Financial Inc. (AFI), which began in 2005. Board members are AEB, Aleutian Pribilof Island Community Development Association (APICDA), Aleutian Housing Authority (AHA), Aleutian Pribilof Island Association (APIA), The Aleut Corporation (TAC) and Bill Shaishnikoff of Dutch Harbor, A small business owner. They all came together and decided that banking services is needed out in the Aleutians. They petitioned the U.S. Dept. of Treasury for certification and were awarded certification in 2011. AFI lends for home loans and businesses in Aleutian Islands. AFI has helped people that normally can't go through a bank and unable to secure a loan. We are able to get them a mortgage and reduce their payment in half making them home owners. The majority of loans done are in King Cove and Sand Point. Currently have requests for \$1.5M plus. Due to partnership with Alaska Housing Finance, have access to millions of dollars for home loans. We are asking our founding board members to finish their contribution of \$50,000 that they initially committed to. AHA put in about \$200,000, APICDA has put in their \$50,000. So, asking AEB to grant an additional \$40,000 which would bring them up to \$50,000. TAC will answer AFI funding request in August.

Paul asked where we are going with this request. Mayor Mack said we can probably find some funds in the proposed budget for next year to be used for this request.

MOTION

Bill moved to support the funding of \$40,000 for AFI if funding is available in budget and second by Ken.

DISCUSSION

Mayor Mack noted his support for the program and hopes the program can continue. No further discussion.

ROLL CALL

Carol-yes, Brenda-yes, Marvin-yes, Paul-yes, Ken-yes, Bill-yes, Joe-yes. Advisory: Harold-yes, Nikki-yes. MOTION PASSED.

REPORTS AND UPDATES (In packet)

NPFMC: The Resource Director, Ernie Weiss, Consultant, Sam Cotton and Paul will be attending the next NPFMC meetings.

Administrator said his written report update for April on hovercraft and Izembek land exchange/road project is in the packet and would be happy to answer any questions.

Future Projects: The Administrator said that he has been contacted by the Anchorage office of U.S. Army Corps of Engineers (COE) looking at some future projects under the Water Resource Development Act. We submitted to them the Cold Bay harbor breakwater project, King Cove new harbor breakwater project to address surge issue, Akun Island breakwater so can run a conventional boat. No guarantee as the projects have to be authorized by Congress and COE

has to prioritize projects. They would then agree to spend \$100,000 to do a reconnaissance study which will then determine whether they are willing to go forward with the projects. Also, the Sand Point harbor project, city of Sand Point did a quit claim deed to transfer one fifth of harbor to AEB to satisfy bond requirements to allow AEB to use the \$2M in General Obligation Bond funds the Assembly approved for the project.

Harold said Cold Bay residents have asked whether U.S. Secretary of Interior Sally Jewel will be able to visit with the people in Cold Bay also during her visit in June because the road does connect the two communities and affects both communities. The Administrator said that the Assistant Secretary of Indian Affairs, Kevin Washburn, is the one visiting in June at the request of the Secretary of Interior to have government-to-government visits with the native tribes and corporations. U.S. Secretary of Interior Sally Jewel visit is still being scheduled possibly late August early September. He is fairly certain that she will make Cold Bay part of her visit since she will want to meet with USFWS in Cold Bay.

King Cove Head Start Committee Letter:

Mayor Mack said AEB received a letter from the King Cove Head Start/Parent Committee and concerned members of the community regarding the recent action by the School Board to remove the Head Start Program from the King Cove School and they have requested a letter of support to have King Cove Head Start remain in the King Cove School.

MOTION

Paul moved that the Assembly support the Mayor to contact the School Board and Superintendent supporting King Cove Head Start Program. Second by Brenda.

DISCUSSION

Paul said the School Board meets on June 3 and it is on their agenda to discuss, so timing of letter is necessary to get it to the School Board prior to their meeting. Marvin requested that the Mayor get a reason for the whole decision. Brenda said APIA Director, Demetri Philimonoff and his staff, has been asked to attend as well. Mayor Mack feels that it is in a good location and supports King Cove wishes.

Mayor Mack asked if there were any objections to the motion, hearing none MOTION PASSED.

ASSEMBLY COMMENTS

PUBLIC COMMENT

Lynette Mack On behalf on the parent/staff committee expressed gratitude and thanked the Mayor and Assembly for its support. She feels it is in a great location. She has eight children with one more to go through program.

