CALL TO ORDER
Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on May 9, 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-unexcused
Samantha McNeley, Nelson Lagoon	Present
Tom Hoblet, False Pass	Present
Logan Thompson, Student Representative	Absent-excused

A quorum was present.

Staff Present:
Roxann Newman, Finance Director
Tina Anderson, Clerk
Anne Bailey, Administrator
Mary Tesche, Assistant Administrator
Charlotte Levy, Assistant Resource Director
Ernie Weiss, Resource Director
Glennora Dushkin, Administrative Assistant
Emil Mobeck, Maintenance Director

Adoption of the Agenda:
BRENDA moved to approve the agenda and second by JOSEPHINE.

AMENDMENT TO AGENDA
CHRIS moved to amend to include New Business, Pebble Mine Discussion. Second by CAROL.

Hearing no objections, the agenda is approved as amended.

Conflict of Interests:
Mayor Osterback asked for any potential **Conflict of Interests** to discuss.

INGRID declared a conflict as the new Sand Point School principal, with the school district contribution request on the agenda, but does not affect her directly. Mayor Osterback stated, no conflict.

CHRIS said the King Cove Fire Dept. has a donation request submitted, but is not going to affect him directly. Mayor Osterback stated, no conflict.

BRENDA disclosed a Conflict of Interest, as an employee with Eastern Aleutian Tribes, with the EAT contribution on the budget ordinance. Mayor Osterback stated, no direct conflict.

WARREN disclosed a Conflict of Interest as a King Cove Corporation Board Member. Mayor Osterback asked if, as a Board Member, whether he voted on the reimbursement request. Warren answered, yes. Mayor Osterback said that he is in conflict. Warren will not be able to participate in the King Cove Reimbursement Request agenda item.

Community Roll Call and Public Comments on Agenda Items:

The communities of King Cove, Sand Point, False Pass and the Anchorage office were participating by teleconference. Also broadcast on KSDP radio.

Public Comments:

City of King Cove Mayor, Henry Mack, commented on Ordinance 19-09, Fund 20 appropriations recommendations. He said all the communities have put in grant requests. Thirteen requests were submitted and only three projects are recommended to be funded. He believes all the projects are good projects and he supports the other 10 to receive funding. He recommends the Assembly reconsider and fund the other 10 from the unencumbered general fund balance, so all can be partially funded.

King Cove Corporation Administrator, Della Trumble, said in regards to the maintenance needs at the Cold Bay terminal, in the budget. She asked if AEB is trying to get another air carrier into Cold Bay. The Administrator said currently we are trying to fill the lower level of the terminal. We have gone out looking for interest and only received interest from Pen Air and Grant.

Della Trumble said there are ongoing problems with the carriers, Pen Air and Ravn. Bailey stated, currently trying to fill the lower level of the terminal. FAA and NWS lease the upper level for $139,000. The only two showing interest are Ravn Alaska and Grant Aviation. Currently working on lease, but those are the only two that have showed interest. Trumble asked if AEB is going to try and help improve transportation to and from the region. Mayor Osterback said, the A-Team group signed a letter of concern to carrier, but not sure what else we can do. In regards to the ferry system, we've been working through the legislative offices, responding to the proposed cuts and what would happen in the region. On both, air carriers and ferry system, we've been making comments on concerns, but does not feel we have a lot of choices.

In responding to Mayor Henry Mack, Mayor Osterback said, when looking at the unencumbered funds, he said we still owe a lot of money for Corps of Engineers (COE) projects we have done. AEB is liable for 20% of costs on COE projects done, including 20% of the cost on a lost lawsuit on a COE project, and legal fees. When they request the funds the AEB will have to pay. We are being conservative due to the state budget concerns. There are projects that the AEB has to keep moving forward. Then with the money left, administration picked projects we could fully fund, to get them off the list.

Minutes, April 11, 2019, Assembly Minutes:

MOTION

WARREN moved to approve the April 11, 2019 Assembly Meeting Minutes and second by PAUL.

Hearing no objections, **MOTION CARRIED.**

March Financial Report Amendment:

MOTION
PAUL moved to reconsider the March Financial Report and second by INGRID.

DISCUSSION
The Administrator said there were discrepancies with the software system, BDS. Raw Fish Tax and other items were adjusted, due to BDS software. Software has since been updated, if approved this will replace the financials from the last meeting.

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

MOTION
PAUL moved to adopt the March Financial Report as corrected. Second by CHRIS.

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

April Financial Report:

MOTION
INGRID moved to approve the April Financial Report and second by CHRIS.

DISCUSSION
The Administrator said all tracking along. Fund 22 Revenues, there is an additional $61,000 from helicopter tickets sales from Trident and others for past due invoices.

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

MOTION CARRIED.

March Investment Report: In packet.

Tom asked about the False Pass Harbor litigation. The Administrator said $330,000 still in bond account. False Pass Harbor litigation is still ongoing and no update, at this time. Those funds can be used to help offset some of the costs for litigation. AEB will be responsible for 20% of the loss in the lawsuit, which is approximately $4M. Tom said the litigation has been ongoing for years and was hoping on a timeline, to be done.

CONSENT AGENDA None

PUBLIC HEARINGS

Public Hearing Ordinance 19-08, amending Section 2.20.080, Appointment of Officers and Chapter 2.29 of the AEB Code of Ordinances, Finance Dept., to clarify the nature of the position of Borough Finance Director:

MOTION
BRENDA moved to approve Ordinance 19-08 and second by CHRIS.

DISCUSSION
The Administrator said, if approved, in the future, the finance director position will work at the pleasure of the mayor. Revision will not affect the present finance director, who can only be terminated for cause, and a memo will be placed in present finance director file, stating that.

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

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

ORDINANCES

Introduction Ordinance 19-09, adopting the operating and capital budget for FY2020:

MOTION
CAROL moved to accept Ordinance 19-09 and set for Public Hearing at a Special Assembly Meeting May 23 in False Pass. Second by BRENDA.

DISCUSSION
The Administrator said the Governor's proposed budget removes school bond reimbursement and shared fisheries tax, and does not anticipate a state budget approved by July 1. AEB won't receive $3.2M under governor's proposed budget, which is 40% of the AEB anticipated revenues. If state revenues are included in the state budget, then will submit an amendment, at that time. In summary, the expected FY20 revenue is $5,111,621; expected expenditures, $6,719,952; FY20 helicopter transfer to Fund 22, $804,516. Fund 22 terminal, an expected surplus of $12,000. The proposed budget expected deficit is -$2,400,824.

AEB can consider a few options, doing minimum school district contribution of $517,000, instead of $800,000; not fund 3% COLA totaling $28,000. The memo in the packet shows different state funding scenarios reflected in our budget, showing impacts of state funding at 0%, 25%, 50%, 75%, and 100% fully funded.

Administration is recommending taking the deficit out of the Fund-Fund balance. FY18 audit is not completed so does not know how much is, at this time. This is a short-term fix, which is not sustainable since funds are limited. For long term, looking at long term solutions, other revenue sources, and budget cuts. The memo and spreadsheet show all the changes.

Paul requested an outline of AEB raw fish tax for last few years for the next packet.

The Administrator said the raw fish tax did increase in FY20 and will be included in the next packet.

Ingrid requested backup material for some of the community requests. The Administrator said an overview is in the present packet and will provide back-up material in the next packet.

Carol said, in looking at options being considered, she recommends AEBSD contribution remain at $800,000. Plus, COLA increase amount, $28,000 isn't a sizable savings anywhere. Supports False Pass request, supports finishing ongoing projects in Cold Bay. Supports funds for King Cove road project, supports getting property surveys completed. She feels we need to begin completing some of the projects. She supports the administration recommendations.

Brenda agrees with Carol.

Ingrid reiterates what Carol supports. The school funding request is $100,000 less than this year and supports considering any potential school district needs that may come up. She also supports the COLA and all other projects Carol mentioned.

Mayor Osterback said the school funding has never been a problem, education is at the top of our list to take care of. When we know what the state is doing, we will have a meeting to reflect that.

Carol said, City of Sand Pt. request of $87,239 for WAANT Task Force, is for a good thing that benefits all the communities and supports their request also.

Chris, supports and agrees with everyone else, that education is top priority. Agree with Carol and Brenda that we got a lot of projects that don't get done and costs continually go up when they are not completed.

Ingrid said she is not comfortable re-appropriating Nelson Lagoon erosion project monies because of the huge need. Samantha said Nelson Lagoon will be applying for an APICDA grant to finish the erosion project. She does not have a problem with re-appropriating the money towards the dock repairs.

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

RESOLUTIONS

Resolution 19-65, authorizing the Mayor to negotiate and execute a contract extension with DOWL to provide professional engineering, project management and construction management services for the Borough.

MOTION
CHRIS moved to approve Resolution 19-65 and second by JOSEPHINE.

DISCUSSION

in reviewing, the Administrator said AEB went out to Request for Proposal, July 2015 and received 11 proposals, selecting DOWL. Contract was for 2015-2017 with option to renew for an additional 3 years. Recommend approval to continue for one more year.

Paul suggested going out to bid again, after this year.

Chris feels it helps to prioritize projects and project management insures projects are done properly.

Carol asked if the full amount is used. Administrator said yes.

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

MOTION CARRIED

Resolution 19-66, authorizes the Administrator to engage in contract negotiations with McClintock Land Associates for the Bear Lake Survey project in the summer of 2019 for an amount not to exceed $140,000.00.

MOTION
INGRID moved to approve Resolution 19-66 and second by BRENDA.

DISCUSSION
Ernie Weiss said, if approved, would allow Administrator to negotiate a contract up to $140,000, to survey the Bear Lake land selections. The survey cost is $124,000 prior to receiving survey instructions, so provides a cushion. Municipal land selections require a survey before the state conveys the lands to AEB. He recommends approval.

Warren asked if the money for Port Moller lands sold was added to this account. The Finance Director said the funds received went into the general fund balance.

Paul said budget is short and it is not a priority so does not support, at this time.

Mayor Osterback said this will be the last survey to finish the section needed.

ROLL CALL
YEAS: Chris, Josephine, Warren, Carol, Ingrid, Brenda. Advisory: Dailey, Tom, Samantha.
NAY: Paul.

MOTION CARRIED

Resolution 19-67, authorizes the Mayor to negotiate and execute a contract amendment with LCG Lantech, Inc. to provide architectural and engineering services for the Cold Bay Clinic Project in an amount not to exceed $21,000.

MOTION
BRENDA moved to approve Resolution 19-67 and second by JOSEPHINE.

DISCUSSION

The Assistant Administrator said AEB entered into a contract for the Cold Bay clinic project design, to be ready for construction. LCG recommended design revised changes that were suggested by EAT, Inc. Recommends approval.

Paul supports and asked if there is a narrative from LCG on the energy efficiency changes. Mary said there is not, but will request one from LCG.

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

OLD BUSINESS

King Cove Corporation Reimbursement Request:
DISCUSSION
In reviewing, the Administrator said, at the last meeting, we discussed the King Cove Corporation reimbursement request for costs incurred for the King Cove road project. The reimbursement request is $102,409 for amounts donated to the City of King Cove and reimbursement of travel costs KCC paid to AEB. The Assembly requested additional information. She found the March, 2015 KCC letter, requesting a portion for monies paid to City of King Cove; December 6, 2010 memo from City of King Cove Mayor, Henry Mack that outlines funding anticipated from AEB and King Cove Corporation; a King Cove resolution; and January, 2015 City of King Cove letter outlining those requests. After reviewing all, the King Cove Corporation did provide funding but nothing in documents state the AEB would reimburse, so assumption is no agreement in place. To date, the AEB reimbursed $1,687,005 in expenditures to the City of King Cove and has paid for additional litigation and travel costs.

Due to the amount of the request, it is at the discretion of the Assembly. There are three options below:

1. Do not pay, lack of written agreement, and stale invoices.
2. Pay all or portion with contingencies, which could be, one time and final payment. And all other requests would requirement a pre-approved agreement.
3. Pay all or portion without contingencies.

If approved, a resolution is necessary, to be appropriated from the hovercraft fund.

Carol has no problem reimbursing the Corporation back their travel expenses paid to AEB. However, does not think AEB is responsible for an agreement between KCC and City of King Cove, to pay the City $90,000. Everyone has a lot of money invested in this project and she noted her appreciation for the work everyone has done. If the $90,000 is paid, her concern is everyone will want reimbursements for something.

Josephine agrees with Carol. She said that this amount was donated to City of King Cove and nothing was agreed upon prior.

Paul said no written agreement and invoices are old, so has a hard time supporting.

Chris feels we need to consider reimbursing. King Cove Corporation has done a lot with this project, including donation of lands. Mayor Osterback noted there will be a fair exchange of land.

City of King Cove Administrator, Gary Hennigh, said he supports what the King Cove Corporation is asking for and that it is a parallel to what the city did. He said the road wasn't King Cove's project and they expended a lot of money on the project. AEB previous administration came whole with the city for reimbursements. Now King Cove Corporation wants to be reimbursed, and he feels it is the same as the city.

King Cove Corporation Administrator, Della Trumble, said in 2015 the Corporation was told to bring back the reimbursement request after the hovercraft was sold. This request was brought back, when it was sold. The Corporation spent $210,000 and the AEB reimbursed the City 2/3 of their costs. Basically, the Corporation is giving up 500 plus acres for completion of the road. Also, gave lands for hovercraft approach area. Feels, at this point, we're asking for $105,000, which is 50%. This project has taken a lot of her time and does not feel the request is unfair.

MOTION
INGRID moved to bring back a resolution to reimburse $40,000 to be paid this fiscal year 2020 and $40,000 to be paid next fiscal year 2021 and accept no further requests without a prior written agreement, in the future. Second by CHRIS.

Ingrid said she feels the King Corporation has contributed with their time and land in the effort for the project. Chris felt what Ingrid has brought to the table is fair, and they need to get some reimbursement.

YEAS: Brenda, Chris, Carol, Ingrid. Advisory: Dailey, Samantha.
NAY: Paul, Josephine.
ABSTAIN: Advisory: Tom
(Conflict of Interest: Warren)

NEW BUSINESS

Donation Requests:
The Administrator reviewed the policy saying, donation request submittal dates are November 1 and May 1. She reviewed the donation requests and the recommendations are below:

Donation requests recommendations for FY2019 funds:

APIA Head Start-playground installation	$2,000
City of Sand Pt. Community Clean-up	$1,000
King Cove Fire/Rescue Fundraiser:	$3,000
Lost Villages Reunion	$500 (no specific amount was requested)
TOTAL	**$6,500.00**

(remaining FY19 balance $3,500)

Donation requests recommendations for FY2020 funds:

Cold Bay EMS	$3,000
EATS Cold Bay Clinic Health Fair	$250

QTT Culture Camp	$3,500
QTT Tribe Fall Clean Up	$250
QTT Tribe Graveyard Clean Up	$200
Sand Point Teen Center	$2,000
Sand Point Derby Fundraiser	$750
City of Sand Point 4th of July	$1,000
TOTAL	**$10,950.00**

(Remaining FY20 balance $12,550)

Chris said, on behalf of the King Cove Fire Dept., thanked the Assembly for the support over the last several years. The money goes towards higher education scholarships and other community events in the city. The Fire Dept. has given away $21,000 in scholarships and the events promote alcohol and drug free activities and many fishermen in the region are around to participate.

Sand Point Headstart Program Coordinator, Rayette McGlashan, said the Program used extra funds to purchase new playground equipment, but there is no funds to pay for labor the removal of old equipment and installation of the new.

MOTION
PAUL moved to approve the administrations donation requests (above) and second by JOSEPHINE.

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

MOTION CARRIED

Administrator Contract Agreement:

DISCUSSION
The Administrator said current contract began May, 2017 and expires June 30. She and Mayor Osterback negotiated a new contract, which is before the Assembly for approval. The contract is for three years, at $132,000 annually; and an additional 15 days of leave on top of what accrues.

In contract, last time, Gronholdt asked what, in the event of death means, which means any leave cash outs would go to her family.

MOTION
CHRIS moved to approve the Administrator's contract and second by INGRID.

DISCUSSION
Mayor Osterback said the contract has a small pay increase and an additional 5 days of leave. The Administrator, Anne Bailey, has done a great job and so does her staff, which reflects off her. I don't think we can find a better administrator. There is an amazing amount of work being done. The planning session laid out projects but much more being done besides that. As we are going through all of this, staff is researching everything the AEB has.

Carol is very happy that things are getting accomplished and thanked the Mayor for the regular monthly meetings.

Paul noted that the agreement doesn't overlap the elections too much. Bailey is doing a great job and supports fully.

Brenda said Bailey is doing really well and has stepped up to the plate.

Chris agrees that Bailey is doing a tremendous job, accomplishing the strategic plan jobs and all other jobs.

Ingrid noted her appreciation of Bailey's efforts to get her up to speed.

Tom thanked Bailey for her service and looking forward to seeing her in False Pass on May 23.

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

MOTION CARRIED

Pebble Mine Discussion:
Chris said he was on vacation, missing the last meeting and disappointed the Pebble Mine resolution didn't make it to the floor for discussion. He has had concerned fishermen ask why the AEB is not talking about this subject. Their concern is if something happened, it could affect fisheries in our region also. Supports discussing again.

Paul noted other mining operations. Donlin Mine is on the Kuskokwim and possible future mining operations in our region and wondering if AEB plans to take a stand on them also. He added the Pebble Mine public hearing has been extended until June 29th.

Brenda said she heard from King Cove, False Pass, and Nelson Lagoon fishers and supports the resolution to be brought back to the Assembly. Tom agrees that the AEB should take a stand on Pebble Mine.

Mayor Osterback asked, if there are any objections to put the resolution on the May 23 agenda. There were no objections.

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

- Payment-In-Lieu-of-Taxes (PILT): July 17, 2018 AEB joined a class action lawsuit for compensation for underpayment. Still tracking, should have an update at the May 23 Assembly meeting.
- School Bond Debt: The AEB School Bond debt will be paid off in 2029, $6.9M will be reimbursed, if the School Bond Debt Reimbursement Program is fully funded.
- Akun dock breakwater project: Corps of Engineers will begin work necessary for the breakwater, to be completed in a couple weeks.

- Nelson Lagoon Dock Repair: Engineers, Moffett & Nichol has completed the design and permits, bid ready plan by June 7.
- Health insurance: Up for renewal, for July 1, 2019-July 1, 2020. Opted to continue our health insurance plan for medical and dental. There is a $1,660 increase, per employee. Approximately, 8-9% increase from last year's cost.
- Levesque Law Group: Renewed contract with Levesque. Original 3-year term contract expired, which had option to renew for one year.
- Sand Point School Repairs: Work is completed, electrical contract came under budget, mechanical went over budget. After thoroughly reviewing, paid majority of overage. Projects complete.
- Budget work: Testified at state budget hearing, implemented pay schedule change, and trying to complete the FY18 audit, which should be wrapped up soon.

Administrator Assistant in packet. Highlights below:

- Cold Bay Clinic: Part of new scope was analysis of recommended changes. EAT recommended changes incorporated. Resolution19-67 authorizes the update. Changes include interior modular wall system customizable; crawl space removed, to decrease construction cost; remove external vehicle plug ins; shower added; remove the x-ray room, since x-ray machine mobile, to allow for more patient care.
- Surplus Sale Updates: modular building in King Cove will be moved by Trident to Akutan, generators in King Cove have potential buyer, surplus outboard in Akutan sold.
- APICDA Conference: Attended. APICDA is doing community grants of $300,000 for each APICDA community.

Communications Director Report in packet. (On vacation)

Resource Director Report in packet. Highlights below:

- 2019 Salmon Season: He and Charlotte travelling to Sand Point for the pre-season meeting.
- Municipal Lands Selections: Updated municipal land selections on AEB website.
- NPFMC: June meeting – Action on GOA cod and Pollock allocations and seasons. Changing Pollock from four to two seasons, and move some cod allocation.
- Pink Salmon Disaster Funds: Feds approved a plan, once spending plan in place, funds to be transferred to Pacific States Marine Fisheries Commission for distribution.
- M/V Tustemena: Left shipyard. Regarding replacement, four waivers for replacement parts still hasn't been received. All decisions are on hold while Northern Economics evaluates the state marine transportation situation.
- Alaska Young Fishermen Summit: January 20-23, in Juneau. The Director suggests fund raising to continue participation.

Natural Resource Assistant Director Report in packet. Highlights below:

- Trawl Electronic Monitor (EM): Working with Salt Water (SWI) and Peninsula Fishermen's Coalition (PFC) to apply for an exempted fishing permit, for exemption from observer coverage regulations. Exemption to be submitted by June 1, to go through the Council process for the 2020 season, for two years.
- NFWF EM Proposal: Working with SWI and PFC to develop another NFWF grant proposal to continue the EM work, to install EM on the rest of the fleet and fund a shore-based observer.
- Kelp Mariculture: Submitted the state aquaculture permit application for Sand Pt. site, process is very slow. Hope to submit more applications for other sites in 2020 cycle.

- NOAA Grant Proposal: In partnership with Alaska Sea Grant, submitted a proposal for, Exploring New Aquaculture Opportunities Grant for $99,751. If funded, work to begin in September, 2019 for a pilot farm operation.
- Met with UAA, Alaska Cooperative Development Center, to partner on an Aquaculture Cooperative Feasibility Study. It would be a market analysis for all mariculture.
- Climate Change Survey: Developing a survey to better understand the needs and perspective of the communities, and how it impacts our residents.
- Mariculture Siting Tool Map: Developing an interactive siting tool map in QGIS, for new mariculture entrants to use. A lot of data sources that need to be streamlined to help others find sites and submit permit applications.
- Wakefield Symposium by Alaska Sea Grant: Attended by Resource Dept staff. Theme was, cooperative research. A lot of cooperative research between industry and fishermen. She will provide a more thorough report later.
- Blue Economy Meeting: Will attend June meeting, in Seward.

Brenda said she got to observe the harvesting of kelp in Kodiak.

Mayor Osterback said a federal committee is starting up to deal with ocean acidification. Suggested looking into how they are making up that committee.

Maintenance Director in packet. Highlights below:
- Bridge signs necessary in King Cove and False Pass, and getting up-to-date on the reporting for them.
- Annual Inspections scheduling in the works.
- Summer Schedule: Painting project at the Sand Point School, and other summer projects getting lined up.

ASSEMBLY COMMENTS None.

PUBLIC COMMENTS None.

NEXT MEETING DATE
Special Assembly Meeting, May 23, 2019 in False Pass. No June meeting, at this time.

ADJOURNMENT
Paul moved to adjourn. Hearing no more the meeting adjourned at 5:38 p.m.

Alvin D. Osterback, Mayor

Tina Anderson, Clerk

Date: 7/2/19