Aleutians East Borough Assembly Meeting

Workshop: Thursday, November 8, 2018 – 1:00 p.m.
Meeting: Thursday, November 8, 2018 – 3:00 p.m.
Roll Call & Establishment of a Quorum
OATH OF OFFICE

ALEUTIANS EAST BOROUGH ASSEMBLY

I, E. INGRID CUMBERLIDGE, do solemnly swear that I will support the Constitution of the United States and State of Alaska and the laws and ordinances of the Aleutians East Borough, State of Alaska, and that I will honestly, faithfully and impartially perform the duties of Assembly member. So help me God.

__________________________
Signature

__________________________
Date

ATTEST:

__________________________
Clerk

__________________________
Date
Adoption of Agenda
Agenda
Assembly Meeting
(packet available on website www.aleutianseast.org )

Date: Thursday, November 8, 2018
Time: Workshop: 1:00 p.m. Meeting: 3:00 p.m.

Location: By teleconference in each designated community location below:
- King Cove AEB office
- Nelson Lagoon Corp.
- False Pass-city office
- Sand Point AEB office
- Akutan -city office
- Cold Bay City Office/ Community Center
- Anchorage office – 3380 C St

All communities will be provided with conference calling information for the designated location in your community. Public comments on agenda items will take place immediately after the adoption of the agenda. The meeting will also be broadcast on KSDP Public Radio. Additional public comments can be made at the end of the meeting.

ASSEMBLY MEETING AGENDA

1. Roll Call & Establishment of Quorum.

2. Swearing in newly elected Assembly Member, E.Ingrid Cumberlidge.

3. Adoption of the Agenda.

4. Community Roll Call and Public Comment on Agenda Items.

5. Presentations:
   - GCI Presentation - Dan Boyette.

6. Minutes.
   - October 11, 2018 Assembly Meeting Minutes.
   - October 15, 2018 Special Assembly Meeting Minutes.

7. Financial Reports.
   - October Financial Reports.
   - September, Investment Report.

8. Consent Agenda. None

9. Ordinances. None
10. Resolutions.

- Resolution 19-22, authorize the mayor to negotiate and execute a ground lease with the City of Akutan for a portion of Lot 1, Akutan Harbor Subdivision, for the Akutan Harbor Utility Project at less than fair market value.

- Resolution 19-23, Assembly authorizing the mayor to negotiate and execute a contract agreement between the Aleutians East Borough and Hickey & Associates for lobbying/consulting services for FY2019.

- Resolution 19-24, Assembly urging the U.S. Department of Transportation to approve the Buy America waiver for Alaska’s M/V Tustumena Replacement Project.

- Resolution 19-25, Assembly relating to disposal of surplus, obsolete, or unneeded supplies:
  - One (1) modular unit containing one (1) 30 kW generator and one (1) 80 kW generator, located in King Cove. Approximate value: $10,000.

- Resolution 19-26, authorizing the Mayor to Negotiate and Execute a Contract with Bering Industrial Contractors Inc. for the Deferred Maintenance Mechanical and Testing and Balancing Work at the Sand Point School in an Amount Not to Exceed $167,348.

- Resolution 19-27, A resolution of the Assembly in support of a 58 foot limitation in the Federal Western Gulf of Alaska Pollock Trawl Fishery.

11. Old Business. *None*


- Appointment of Youth Advisory Representative.
- Donation Requests.

13. Reports and Updates.


15. Public Comments.

16. Next Meeting Date.

17. Adjournment.
Community Roll Call & Public Comment on Agenda Items
Minutes
CALL TO ORDER
Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on October 11, 2018 at 3:00 p.m.

ROLL CALL

Mayor Alvin D. Osterback          Present
Chris Babcock                        Present
Carol Foster                        Present
Warren Wilson                       Present
Josephine Shangin                   Absent-excused
Paul Gronholdt                      Present
Brenda Wilson                       Present
Stephen Kennedy                     Present

Advisory Members:
Angela Simpson, Cold Bay            Present
Justine Gundersen, Nelson Lagoon   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, Administrative Assistant
   Emil Mobeck, Maintenance Director
   Ernie Weiss, Resource Director

Swearing in Newly Appointed, Stephen Kennedy to the Assembly:
   Stephen Kennedy was sworn into office.

Adoption of the Agenda:
   MOTION
   BRENDA moved to approve the agenda as presented and second by CHRIS.
   Hearing no objections MOTION CARRIED.

Conflict of Interests:
   Mayor Osterback asked if there are any potential Conflict of Interests to discuss. There were none.

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

Minutes, September 13, 2018 Assembly Minutes:
   MOTION
   BRENDA moved to approve the September 13 Minutes and second by CAROL.
Hearing no objections, MOTION CARRIED.

September Financial Reports:
The Administrator said Fund 20, Cold Bay airport taxiway apron project is completed and that line item will be closed. Fund 22, operations, received $169,398 for ticket sales, due to past due Trident invoices being paid. Everything else tracking along.

MOTION
CAROL moved to approve the September Financial Report and second by WARREN.

DISCUSSION There was none

ROLL CALL
NAY: None
MOTION CARRIED

August, Investment Report:
The Administrator reviewed the August Investment Report saying, there was a bond withdrawal of $3,437,788 from Permanent Fund earnings for projects in fiscal years 2015-2017, appropriations the Assembly made. The money has been placed in a checking account and will be transferred to a money market account. Also, AEB 2010 Series B Bond/Akutan Airport, withdrew $1,045,519 to accurately reflect what is currently available in that account. Also, put into checking account and transferred into money market account.

Bailey said APCM has been invited to present at the December Assembly work session.

CONSENT AGENDA none

PUBLIC HEARINGS

Public Hearing Ordinance 19-03, amending the operating and capital budget for the Aleutians East Borough Fiscal year 2019.

MOTION
BRENDA moved to approve Ordinance 19-03 and second by WARREN.

The Administrator reviewed Ordinance 19-03 amendments below:
- Resource Dept., Assistant Director position added;
- Resource Dept., increase to Eric Volk contract from $65,000 to $85,000;
- Resource Dept., increases to travel, per diem, phone, supplies;
- Resource Dept., Board of Fish line item increase, $30,000 to $50,000, one-time increase for February Board of Fisheries meeting;
- Maintenance Dept – Maintenance Director, salary increase.


DISCUSSION None

ROLL CALL
NAY: None  
MOTION CARRIED

Public Hearing Ordinance 19-04, amending the operating and capital budget for the Aleutians East Borough Fiscal Year 2018 (FINAL).

MOTION  
BRENDA moved to approve Ordinance 19-04 and second by CHRIS.

The Administrator reviewed saying this is amending the FY18 budget. Memo in packet highlights the main changes. First column reflects what we thought the budget would look like, second column is the mid-year amendment, and the third column is the actual revenues and expenditures. Under Fund 22-helicopter, Other Income is contribution by city of Akutan of $562,500 was added, to assist in subsidy of the helicopter operation.

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

ROLL CALL  
NAY: None  
MOTION CARRIED

ORDINANCES

RESOLUTIONS

Resolution 19-16, Authorizing the Mayor to Negotiate and Execute a Contract with Bering Industrial Contractors Inc. for the Deferred Maintenance Mechanical and Testing and Balancing Work at the Sand Point School in an Amount Not to Exceed $139,063.

MOTION  
WARREN moved to approve and second by CAROL.

DISCUSSION  
The Administrator reviewed Resolutions 19-16, 19-17, and 19-21, which are similarly tied together. Schools are owned and maintained by the AEB. DOWL completed assessments of Sand Point and Akutan Schools in 2017. There were some code violations and critical items that needed immediate corrections. DOWL drafted a work plan for both schools in 2018. Issued a request for qualifications for work needed. Received proposal from Bering Industrials Contractor, Inc. for electrical, mechanical and control work. After receiving quotes for work needed in both schools, the combined cost became prohibitive. Determined enough funds to do Sand Point School. Akutan School work will come before the Assembly for funding next fiscal year. Recommend a contract be issued to Bering Industrials, not to exceed $139,063.

Paul requested the Maintenance Director, Emil Mobeck, review the separate projects.

Mobeck reviewed the three proposals for electrical, mechanical and control work:
- fans and dampers repair and control work to save on energy costs at the school;
- electrical wiring in gym;
- electrical work with plug ins and breaker boxes; and
- air handling and ventilation, addressing moisture issues.
Warren asked if they were the low bidder. The Administrator said they were the only bidder.

ROLL CALL
NAY: None
MOTION CARRIED

Resolution 19-17, Authorizing the Mayor to Negotiate and Execute a Contract with LONG for the Deferred Maintenance Control Work at the Sand Point School in an Amount Not to Exceed $56,387.
MOTION
CHRIS moved to approve and second by BRENDA.

ROLL CALL
NAY: None
MOTION CARRIED

Resolution 19-18 relating to disposal of surplus, obsolete, or unneeded supplies.
MOTION
BRENDA moved to approve Resolution 19-18 and second by CAROL.

DISCUSSION
The Administrator reviewed Resolution 19-18, saying AEB Code requires disposal of surplus come before the Assembly for approval. The following surplus items for disposal are located in the Anchorage office:

- One cream colored leather office chair.
- Two IPhone 5c.
- One IPhone 6s.
- One metal, 4-drawer filing cabinet.

Paul asked for update on last disposal sale item. The Administrator said AEB did not receive any interest on connex, and will reissue soon.

ROLL CALL
NAY: None
MOTION CARRIED

Resolution 19-19 Supporting the City of Akutan’s Request to include the Akutan Harbor Road Project in the State of Alaska’s Statewide Transportation Improvement Program.
MOTION
BRENDA moved to approve Resolution 19-19 and second by Warren.

DISCUSSION
The Administrator said Resolution 19-19 supports the city of Akutan in building a road to the harbor. At the last meeting Mayor Joe Bereskin spoke on how difficult it is to get the process moving forward. This resolution supports their efforts.

Warren said Mayor Bereskin visited Washington, D.C. to look at federal funding options.

**ROLL CALL**
NAY: None
MOTION CARRIED

Resolution 19-20, authorizing the Mayor or designee to negotiate and execute a Dock Management Agreement with the Nelson Lagoon Village Council.

**MOTION**
BRENDA moved to approve Resolution 19-20 and second by CHRIS.

**DISCUSSION**
The Administrator said the past agreement has lapsed, so this allows a new dock agreement to be negotiated. AEB owns the dock and Nelson Lagoon Village Council operates it. Next steps are tariff rates and going out to bid in March for dock repairs.

**ROLL CALL**
NAY: None
MOTION CARRIED

Resolution 19-21, Authorizing the Mayor to Negotiate and Execute a Contract with Wired AK LLC for the Deferred Maintenance Electrical Work at the Sand Point School in an Amount Not to Exceed $47,605.00.

**MOTION**
BRENDA moved to approve Resolution 19-21 and second by WARREN.

**ROLL CALL**
NAY: None
MOTION CARRIED

OLD BUSINESS none

NEW BUSINESS none

REPORTS AND UPDATES

Administrator’s Report in packet. Highlights below:
- King Cove/Cold Bay road litigation: September 20 defendant filed a brief in opposition of plaintiff’s motion to strike some language from record, language is Coast Guard expressing opinion on road. Judge Burgess recused himself from the case due to his wife’s conflict of interest. A new judge will be appointed to replace him, which will cause a delay in case. No timeframe at this time.
• Cold Bay airport terminal:
  o Working with FAA to address HVAC system issues;
  o contractor quotes are due tomorrow on bracing work needed; and
  o rate structure completed for airlines. Rates released to airlines last Friday and will begin negotiations with airlines.
• Akutan Essential Air Service (EAS): EAS will cover 100% between Dutch Harbor and Akun route to Grant Aviation, and 50% for the helicopter Akun/Akutan route. All responsibilities will be transferred to Maritime, except fuel operations. Maritime will also be charged a hangar rental fee, and boat transportation fee between community and hangar. AEB costs will now be approximately $400-500,000.
• Strategic Initiative: December 11-12 in Anchorage at APIA office building.
• Assembly work session/meeting on December 13 at AEB office building. Invited to do presentations are region seafood companies, Ravn Alaska, Grant Aviation, School District, Eastern Aleutian Tribes, APCM, BDL, and Juneau lobbyist, Mark Hickey.

Paul asked if there are plans to meet with Ravn to discuss the terminal and Borough. Administrator said she is along with the cities.

Paul asked about the verbal agreement for EAS. Bailey said nothing in writing until numbers are reviewed and resubmitted to USDOT.

Chris suggested Telalaska and GCI be invited to do presentations on what they have been doing since last year. Bailey said schedule is full, but she will try to get them to do a presentation in November.

Assistant Administrator’s Report in packet. Highlights below:
• Nelson Lagoon Dock Repairs: The hiring process for engineer/project manager to oversee project repairs will begin this quarter.
• Cold Bay Clinic: Rasmussen Foundation not interested in funding the new clinic. They are providing opportunity to reformat grant request for fixtures and medical supplies. Looking at options to fund building internally, by AEB. Once prepared will present to Assembly.

Chris asked about the location of proposed new clinic. Tesche said site selected is adjacent to airport terminal, on new apron with site-specific design. Chris requested to see the site-specific design at a future Assembly meeting. He also noted his support for a new clinic.

• Nelson lagoon School Renovation: DOWL will complete the assessment this month. Once done, the building will be transferred to Nelson Lagoon Village Council.
• IT provider: The Borough’s new IT provider, ICE Services, has scheduled visits to Borough sites.
• September Helicopter Operations: Transported 176 passengers, and 14,000 lbs. of mail/freight.
• Front office position: In search of front office position.

Resource Director Report (report in packet):
• Pink salmon disaster fund update. Application process to be in place by January 1. Representative Louise Stutes, is committee chairman.
• Board of Fisheries meetings:
Board Work Session, October 15-16. Chignik ACRs were not taken up, to change set net season openings in June, and combining Chignik escapement/harvest with SE District Mainland.

Joint NPFMC/Board, October 17.

ADF&G Advisory Committee training scheduled at Egan Center, October 17.

Board Pacific Cod meeting, October 18-19.

- Attended the False Pass and King Cove ADF&G Advisory Committee meetings.
- NPFMC:
  - Issues directly impacting the Western Gulf are tendering, observers with groundfish. Also, under 60 foot fleet restrictions considered for Bering Sea cod.
- Marine Expo – AEB Fisheries Meeting: November 19 at Silver Cloud Hotel.

Chris asked about the crab fisheries quota. Weiss said Bristol Bay Red King Crab quota has decreased, from 6.6m to 4.3M pounds. Opilio quota increased from 18M to 27M pounds. Western Bairdi quota no change. South Peninsula Bairdi crab season may remain closed.

Paul feels the cod fish meeting next week is important. There is effort by offshore processors to restrict inshore fleet in the Bering Sea state-water fishery. Any 58’ vessels that fish that area, can’t fish in our area. A couple boats from our region participate in the fishery. Also have two new processors in False Pass. That fishery has a lot of ramifications for our fishery, so very important. Feels we need to support it.

Communications Director Report in packet. Highlights below:
- Working on promotional material for Pacific Marine Expo, November 18-20.
- Held a photo contest for the 2019 calendar.
- Provided media coverage for King Cove Waterfall Creek Hydro dedication ceremony, distributed a soundbite video to the television news stations and wrote a press release.
- In the loop, working on next edition.
- Putting together slideshow for Expo, showing casing communities, showing harbors, docks infrastructure.
- Communities survey on communications -- level of satisfaction residents have for internet, cell phone.

Paul feels the slideshow is important and also feels it is important to update photos on the display boards. There is interest in update photos of Peter Pan in Port Moller and False Pass processing facilities. Tanis will get some photos from both locations to include.

Maintenance Director Report in packet. Highlights below:
- Organizing contractors for the Sand Point School projects.
- Completed maintenance on the King Cove AEB building.
- Worked with King Cove School maintenance staff, on work orders requirements.
- Inventoried wood beams at the hovercraft landing station, King Cove side.
- Working toward completing the Cold Bay Terminal projects necessary.
- Boiler Training scheduled, goal to get someone trained at each school site.

Warren asked Mobeck about the hovercraft landing concrete pad and beams in the NE Corner. Mobeck explained they are 4x12 planks on the ground, rods and pads holding in place. Concrete pads are in good condition. There are 1,520 planks, with a value of $248,000 new; six big concrete pads in the water section.
Natural Resources Assistant Director Report in packet. Highlights below:

- **Board of Fish:** Working on research and strategizing for Board of Fisheries meeting. Currently writing a white paper on Black and Chignik Lake systems, climate changes and scientific perspectives. Also working with the Aleut Corporation Fisheries Manager, reconstructing a run and escapement model based on WASSIP.
- **Kelp Mariculture Project:** NFWF grant looking good. Getting permits completed.
- **Marine Debris Project:** Working with consulting group in Seattle on marine debris removal, so more information later.

**Mayor Osterback Report:**

United Fishermen of Alaska: Attended conference September 25-27. Reviewed limited entry permit proposal of more than one name on permit. UFA plans to take the proposal to their committee so hopefully we will be involved in the committee process.

Alaska Association of Harbor Master and Port Administrator Conference: Attended conference October 8-10. Met with the new State of Alaska harbor grants person, reviewed the scoring requirements for project funding, and reviewed new harbor software. He encourages cities to send someone to these conferences. Association has a grant program to pay for someone to attend. The Harbor Master Association also has a scholarship program for marine related education.

**ASSEMBLY COMMENTS**

Chris supports Mayor Osterback’s attendance to Harbormaster Conference.

Chris said, in regards to Ravn Alaska taking over Pen Air, he supports communities meeting with Ravn and is looking forward to hearing what Ravn has to say about the service they will be providing in our region.

**PUBLIC COMMENTS**

City of King Cove Mayor, Henry Mack, thanked Mayor Osterback for attending the hydro project dedication. The city is seeking funds for a 45-50 year old septic system lift station that needs work.

City of King Cove Administrator, Gary Hennigh, thanked Laura Tanis for the best media coverage for the project. He said King Cove no longer qualifies for Power Cost Equalization (PCE) Program which is not good for King Cove. Alternative energy, has lessened the need for diesel fuel. State Senator Hoffman and Representative Edgmon are aware. If changes made to PCE Program it will affect all communities, but feels something needs to be done to make it fair for King Cove for taking on alternative energy projects.

Hennigh said the city of King Cove have been talking to Ravn Alaska and has set up a future meeting. The Essential Air Service (EAS) subsidy is in place with Grant Aviation until November next year. He hopes Grant Air services will improve.

Hennigh also has concerns about possible impacts the processors in False Pass are going to have on the revenue in King Cove. Will keep AEB in the loop, but may have to ask AEB for assistance.
Mayor Osterback said regarding the PCE Program, he suggested putting together the background information to the program. Sand Point might have issues too, they have to deduct PCE as well.

Mayor Osterback said, in regards to the new processor, there are concerns in Sand Point also. AEB is the same but could have impact on communities. Weiss added that competition may give higher price and more fish tax for all.

NEXT MEETING DATE
October 15 for Special meeting to certify the election. Next regular meeting November 8.

ADJOURNMENT
Brenda moved to adjourn. Hearing no more the meeting adjourned at 4:45 p.m.

Mayor Alvin D. Osterback    Tina Anderson, Clerk
Date:__________________________
CALL TO ORDER
Mayor Alvin D. Osterback called the Special Assembly meeting to order by teleconference in each community on October 15, 2018 at 3:00 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
Stephen Kennedy Present

Advisory Members:
Angela Simpson, Cold Bay Present
Justine Gundersen, Nelson Lagoon Present

A quorum was present.

Staff Present:
Roxann Newman, Finance Director
Tina Anderson, Clerk
Laura Tanis, Communications Director
Mary Tesche, Assistant Administrator

Adoption of the Agenda:

MOTION
CHRIS moved to approve the agenda as presented and second by CAROL.
Hearing no objections MOTION CARRIED.

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

Certification of the October 2, 2018 Regular Election:

MOTION
JOSEPHINE moved to approve the October 2, 2018 Regular Election results and second by PAUL.

The Clerk reviewed the election results below:

Assembly Seats:
Seat C, three year term – Chris Babcock
Seat D, three year term - Brenda Lee Wilson
Seat G, one year term - E. Ingrid Cumberlidge

School Board Seats:
Seat A, three year term – Rayette McGlashan
Seat F, three year term – Arlene Newman-Wilson
ROLL CALL
NAY: None.
MOTION CARRIED.

ADJOURNMENT
CAROL moved to adjourn. Hearing no more, the meeting adjourned at 3:15 p.m.

Mayor Alvin D. Osterback                              Tina Anderson, Clerk
Financial Report
## ALEUTIANS EAST BOROUGH

*Revenue Guideline*

### Current Period: OCTOBER 18-19

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DEPT 151 Planning Commission
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DEPT 200 ADMINISTRATION
$449,335.00

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### DEPARTMENT 201 ASSISTANT ADMINISTRATOR

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<th>DEPT</th>
<th>18-19 YTD Budget</th>
<th>18-19 YTD Amt</th>
<th>OCTOBER MTD Amt</th>
<th>18-19 YTD Balance</th>
<th>% of YTD Budget</th>
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**ALEUTIANS EAST BOROUGH**

*Expenditure Guideline* ©

Current Period: OCTOBER 18-19

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<th>18-19 YTD Amt</th>
<th>OCTOBER MTD Amt</th>
<th>18-19 YTD Balance</th>
<th>% of YTD Budget</th>
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<td><strong>Total DEPT 700 PUBLIC WORKS DEPARTMENT</strong></td>
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## Revenue Guideline

**Current Period:** OCTOBER 18-19

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<th>OCTOBER MTD Amt</th>
<th>18-19 YTD Balance</th>
<th>% of YTD Budget</th>
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**Total Fund 20 GRANT PROGRAMS** | $11,015,718.83 | $177,074.79 | $177,074.79 | $10,838,644.04 | 1.61% |
## ALEUTIANS EAST BOROUGH

*Expenditure Guideline*

Current Period: OCTOBER 18-19

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<th>Fund 20 GRANT PROGRAMS</th>
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<th>18-19 YTD Amt</th>
<th>OCTOBER MTD Amt</th>
<th>18-19 YTD Balance</th>
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## ALEUTIANS EAST BOROUGH
*Expenditure Guideline*

**Current Period: OCTOBER 18-19**

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### Notes
- YTD Budget: Year-to-Date Budget
- YTD Amt: Year-to-Date Amount
- MTD Amt: Month-to-Date Amount
- YTD Balance: Year-to-Date Balance
- % of YTD Budget: Percentage of Year-to-Date Budget
## Current Period: OCTOBER 18-19

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### Fund 22 OPERATIONS

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#### DEPT 845 HELICOPTER OPERATIONS

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<td><strong>SUBDEPT 300 HELICOPTER OPERATIONS</strong></td>
<td><strong>$1,897,013.00</strong></td>
<td><strong>$404,116.25</strong></td>
<td><strong>$120,008.20</strong></td>
<td><strong>$1,491,195.75</strong></td>
<td><strong>21.30%</strong></td>
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<td><strong>Total DEPT 845 HELICOPTER OPERATIONS</strong></td>
<td><strong>$1,897,013.00</strong></td>
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<td><strong>$1,491,195.75</strong></td>
<td><strong>21.30%</strong></td>
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#### DEPT 900 OTHER

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<td><strong>$39,579.52</strong></td>
<td><strong>$1,836,977.48</strong></td>
<td><strong>3.82%</strong></td>
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### ALEUTIANS EAST BOROUGH

**Expenditure Guideline©**

Current Period: OCTOBER 18-19

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<td>DEPT</td>
<td>809 Akutan Airport/Grant</td>
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<td>Active</td>
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<tr>
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<table>
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<tr>
<th>DEPT</th>
<th>817 Akutan Airport/FY 09 AEB Match</th>
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<th>DEPT</th>
<th>833 FALSE PASS HARBOR</th>
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<th>839 AKUTAN HARBOR</th>
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<th>DEPT</th>
<th>900 OTHER</th>
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<tr>
<td>Active</td>
<td>E 24-900-000-380 CONTRACT LABO</td>
</tr>
<tr>
<td>Active</td>
<td>E 24-900-000-725 BOND INTEREST</td>
</tr>
<tr>
<td>Active</td>
<td>E 24-900-000-745 Bond Sale Expense</td>
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<tr>
<td>Active</td>
<td>E 24-900-000-850 CAPITAL CONSTR</td>
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<tr>
<td>Total DEPT 900 OTHER</td>
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| Total Fund 24 BOND CONSTRUCTION | $2,248,013.39 | $7,688.38 | $3,722.63 | $2,248,013.39 | 0.34% |
### ALEUTIANS EAST BOROUGH

*Revenue Guideline*

**Current Period: OCTOBER 18-19**

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<tr>
<th>Fund</th>
<th>18-19 YTD Budget</th>
<th>18-19 YTD Amt</th>
<th>OCTOBER MTD Amt</th>
<th>18-19 YTD Balance</th>
<th>% of YTD Budget</th>
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<tbody>
<tr>
<td>30 BOND FUND</td>
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<tr>
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<td>$0.00</td>
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<tr>
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<td>R 30-203 OTHER REVENUE</td>
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<td>$0.00</td>
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<td>Active</td>
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## ALEUTIANS EAST BOROUGH

*Expenditure Guideline*

### Current Period: OCTOBER 18-19

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<th>18-19 YTD Budget</th>
<th>18-19 YTD Amt</th>
<th>OCTOBER MTD Amt</th>
<th>18-19 % of YTD Balance</th>
<th>18-19 % of YTD Budget</th>
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<tr>
<td>30 BOND FUND</td>
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<tr>
<td>DEPT 900 OTHER</td>
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<tr>
<td>Fund</td>
<td>18-19 YTD Budget</td>
<td>18-19 YTD Amt</td>
<td>OCTOBER MTD Amt</td>
<td>18-19 YTD Balance</td>
<td>% of YTD Budget</td>
</tr>
<tr>
<td>-----------------</td>
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<tr>
<td>Active R 40-201 INTEREST REVENUE</td>
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<td>$0.00</td>
<td>$0.00</td>
<td>0.00%</td>
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<td>0.00%</td>
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<td><strong>$1,272,256.62</strong></td>
<td><strong>-$1,237,256.62</strong></td>
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# Expenditure Guideline

**Current Period:** OCTOBER 18-19

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<th>18-19 YTD Amt</th>
<th>OCTOBER MTD Amt</th>
<th>18-19 YTD Balance</th>
<th>% of YTD Budget</th>
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<tbody>
<tr>
<td>DEPT 900 OTHER</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Active E 40-900-000-380 CONTRACT LABO</td>
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<td>SUBDEPT 000</td>
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<tr>
<td>Total DEPT 900 OTHER</td>
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<td>$7,688.36</td>
<td>$3,722.62</td>
<td>$27,311.64</td>
<td>21.97%</td>
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</tbody>
</table>

| Total Fund 40 PERMANENT FUND | $35,000.00 | $7,688.36 | $3,722.62 | $27,311.64 | 21.97% |
## ALEUTIANS EAST BOROUGH

*Revenue Guideline*

### Current Period: OCTOBER 18-19

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<tr>
<th>Fund 41 MAINTENANCE RESERVE FUND</th>
<th>18-19 YTD Budget</th>
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<td><strong>$409,280.46</strong></td>
<td><strong>0.00%</strong></td>
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## Current Period: OCTOBER 18-19

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<th>Fund</th>
<th>18-19 YTD Budget</th>
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<td>Active E 41-800-867-888 PROJECT CONTIN</td>
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<td>Active E 41-800-870-888 PROJECT CONTIN</td>
<td>$50,000.00</td>
<td>$42,447.88</td>
<td>$0.00</td>
<td><strong>$3,861.00</strong></td>
<td>91.66%</td>
</tr>
<tr>
<td><strong>Total DEPT 800 CAPITAL - SCHOOL</strong></td>
<td><strong>$201,297.03</strong></td>
<td><strong>$94,149.85</strong></td>
<td><strong>$954.24</strong></td>
<td><strong>$107,147.18</strong></td>
<td><strong>46.77%</strong></td>
</tr>
<tr>
<td><strong>DEPT 900 OTHER</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Active E 41-900-000-603 MAINTENANCE</td>
<td><strong>$300,000.00</strong></td>
<td>$76,711.56</td>
<td>$30,046.89</td>
<td><strong>$238,298.44</strong></td>
<td><strong>25.57%</strong></td>
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<tr>
<td>Active E 41-900-000-753 MISC EXPENSE</td>
<td>$0.00</td>
<td>$4,250.00</td>
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<tr>
<td>Active E 41-900-000-880 LAND</td>
<td>$0.00</td>
<td>$30,046.89</td>
<td>$0.00</td>
<td>-$30,046.89</td>
<td>0.00%</td>
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<tr>
<td><strong>SUBDEPT 000</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total DEPT 900 OTHER</td>
<td><strong>$300,000.00</strong></td>
<td><strong>$79,177.62</strong></td>
<td><strong>$30,834.94</strong></td>
<td><strong>$213,822.38</strong></td>
<td><strong>26.39%</strong></td>
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<tr>
<td><strong>Total Fund 41 MAINTENANCE RESERVE FUND</strong></td>
<td><strong>$501,297.03</strong></td>
<td><strong>$173,327.47</strong></td>
<td><strong>$31,189.18</strong></td>
<td><strong>$220,969.56</strong></td>
<td><strong>34.58%</strong></td>
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</table>
CLIENTS ARE ENCOURAGED TO COMPAIR THIS REPORT WITH THE OFFICIAL STATEMENT FROM THEIR CUSTODIAN.

INVESTMENT PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th>2018 Q1</th>
<th>2018 Q2</th>
<th>Latest 1 Year</th>
<th>Inception to Date</th>
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<td>6.61</td>
<td>6.48</td>
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<td>Benchmark</td>
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<td>3.21</td>
<td>7.35</td>
<td>6.24</td>
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</table>

PERCENT TOTAL RETURN (GROSS)

Performance is Annualized for Periods Greater than One Year

ACCOUNT ACTIVITY

Portfolio Value on 08-31-18: 44,349,275
Contributions: 0
Withdrawals: -1,108
Change in Market Value: -332,390
Interest: 32,483
Dividends: 146,076

Portfolio Value on 09-30-18: 44,194,336

MANAGEMENT TEAM

Client Relationship Manager: Amber Frizzell, AIF®
Amber@apcm.net

Your Portfolio Manager: Brandy Niclai, CFA®

Contact Phone Number: 907/272-7575

PORTFOLIO COMPOSITION

- US Lg Cap: 37%
- US Md Cap: 5%
- Int'l: 10%
- Emer Mkts: 5%
- Real Estate: 9%
- Fixed Income: 34%

MANAGEMENT TEAM

AMBER FRIZZELL, AIF®
Amber@apcm.net

BRANDY NICLAI, CFA®

907/272-7575

ACCOUNT ACTIVITY

Portfolio Value on 08-31-18: 44,349,275
Contributions: 0
Withdrawals: -1,108
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Dividends: 146,076

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- US Md Cap: 5%
- Int'l: 10%
- Emer Mkts: 5%
- Real Estate: 9%
- Fixed Income: 34%
<table>
<thead>
<tr>
<th>Asset Class &amp; Target</th>
<th>Market Value</th>
<th>% Assets</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED INCOME (34%)</td>
<td></td>
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<tr>
<td>US Fixed Income (34.0%)</td>
<td>14,855,971</td>
<td>33.6</td>
<td>25% to 60%</td>
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<tr>
<td>Cash (0.0%)</td>
<td>169,226</td>
<td>0.4</td>
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<td>Subtotal:</td>
<td>15,025,197</td>
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<tr>
<td>EQUITY (56%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Large Cap (36.0%)</td>
<td>16,143,734</td>
<td>36.5</td>
<td>30% to 50%</td>
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<tr>
<td>US Mid Cap (5.0%)</td>
<td>2,385,286</td>
<td>5.4</td>
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<tr>
<td>Developed International Equity (10.0%)</td>
<td>4,488,804</td>
<td>10.2</td>
<td>5% to 15%</td>
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<tr>
<td>Emerging Markets (5.0%)</td>
<td>2,253,724</td>
<td>5.1</td>
<td>0% to 10%</td>
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<tr>
<td>Subtotal:</td>
<td>25,271,549</td>
<td>57.2</td>
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<tr>
<td>ALTERNATIVE INVESTMENTS (10%)</td>
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<td></td>
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<tr>
<td>Real Estate (10.0%)</td>
<td>3,897,590</td>
<td>8.8</td>
<td>5% to 15%</td>
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<tr>
<td>Subtotal:</td>
<td>3,897,590</td>
<td>8.8</td>
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<tr>
<td>TOTAL PORTFOLIO</td>
<td>44,194,336</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
ACCOUNT ACTIVITY

Portfolio Value on 08-31-18  1,541,757

Contributions  0
Withdrawals     -94
Change in Market Value 1,552
Interest        828
Dividends       0

Portfolio Value on 09-30-18  1,544,043

MANAGEMENT TEAM

Client Relationship Manager:  Amber Frizzell, AIF®
Amber@apcm.net

Your Portfolio Manager:  Paul Hanson, CFA®

Contact Phone Number:  907/272-7575

PORTFOLIO COMPOSITION

Fixed Income Portfolio Statistics
Average Quality: AAA  Yield to Maturity: 2.16%  Average Maturity: 0.17 Yrs

Clients are encouraged to compare this report with the official statement from their custodian.
## PORTFOLIO APPRAISAL

**AEB/AKUTAN HARBOR - 2006 A**

**September 30, 2018**

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Security</th>
<th>Average Cost</th>
<th>Total Average Cost</th>
<th>Price</th>
<th>Market Value</th>
<th>Pct. Assets</th>
<th>Annual Income</th>
<th>Accrued Interest</th>
<th>Yield to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>CASH AND EQUIVALENTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>FEDERATED GOVERNMENT OBLIGATIONS</td>
<td></td>
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</tr>
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<td>37,928</td>
<td>INSTITUTIONS</td>
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<td>37,928</td>
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<tr>
<td></td>
<td><strong>U.S. TREASURY</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>400,000</td>
<td>US TREASURY NOTES</td>
<td>99.55</td>
<td>398,195</td>
<td>99.96</td>
<td>399,824</td>
<td>25.89</td>
<td>3,500</td>
<td>1,616</td>
<td>1.94</td>
</tr>
<tr>
<td>0.875% Due 10-15-18</td>
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<tr>
<td></td>
<td>Accrued Interest</td>
<td></td>
<td></td>
<td></td>
<td>1,616</td>
<td>0.10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TREASURY BILLS</strong></td>
<td></td>
<td></td>
<td></td>
<td>1,616</td>
<td>0.10</td>
<td></td>
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<tr>
<td>210,000</td>
<td>US TREASURY BILLS</td>
<td>99.36</td>
<td>208,662</td>
<td>99.74</td>
<td>209,454</td>
<td>13.57</td>
<td>NA</td>
<td>0</td>
<td>2.09</td>
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<tr>
<td>0.000% Due 11-15-18</td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>500,000</td>
<td>US TREASURY BILLS</td>
<td>99.50</td>
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<td>497,845</td>
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<tr>
<td>0.000% Due 12-13-18</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>400,000</td>
<td>US TREASURY BILLS</td>
<td>99.27</td>
<td>397,083</td>
<td>99.34</td>
<td>397,376</td>
<td>25.74</td>
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<tr>
<td>0.000% Due 01-17-19</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL PORTFOLIO</strong></td>
<td></td>
<td></td>
<td></td>
<td>3,500</td>
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<td></td>
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<tr>
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<td></td>
<td>1,133,239</td>
<td>1,104,675</td>
<td>71.54</td>
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<td></td>
<td>1,539,362</td>
<td>1,544,043</td>
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<td>3,500</td>
<td>1,616</td>
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</tbody>
</table>
AEB OPERATING FUND
Account Statement - Period Ending September 30, 2018

ACCOUNT ACTIVITY

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Value on 08-31-18</td>
<td>2,577,879</td>
</tr>
<tr>
<td>Contributions</td>
<td>536,489</td>
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<tr>
<td>Withdrawals</td>
<td>-536,636</td>
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<tr>
<td>Change in Market Value</td>
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<tr>
<td>Interest</td>
<td>1,967</td>
</tr>
<tr>
<td>Dividends</td>
<td>0</td>
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<tr>
<td>Portfolio Value on 09-30-18</td>
<td>2,581,747</td>
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</tbody>
</table>

INVESTMENT PERFORMANCE

<table>
<thead>
<tr>
<th>Period</th>
<th>Overall Percent Total Return</th>
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<tbody>
<tr>
<td>Current</td>
<td>0.16</td>
</tr>
<tr>
<td>Current Quarter</td>
<td>0.49</td>
</tr>
<tr>
<td>Year to Date</td>
<td>1.28</td>
</tr>
<tr>
<td>Latest Year</td>
<td>1.58</td>
</tr>
<tr>
<td>Inception to Date</td>
<td>1.52</td>
</tr>
</tbody>
</table>

Clients are encouraged to compare this report with the official statement from their custodian.

MANAGEMENT TEAM

Client Relationship Manager: Amber Frizzell, AIF®
Amber@apcm.net

Your Portfolio Manager: Paul Hanson, CFA®
Contact Phone Number: 907/272 -7575

PORTFOLIO COMPOSITION

Cash and T-Bills 42%
US Treas 58%

Fixed Income Portfolio Statistics
Average Quality: AAA  Yield to Maturity: 2.18%  Average Maturity: 0.17 Yrs
## PORTFOLIO APPRAISAL

### AEB OPERATING FUND

**September 30, 2018**

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Security Description</th>
<th>Average Cost</th>
<th>Total Average Cost</th>
<th>Price</th>
<th>Market Value</th>
<th>Pct. Assets</th>
<th>Annual Income</th>
<th>Accrued Interest</th>
<th>Yield to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH AND EQUIVALENTS</strong></td>
<td>FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI</td>
<td></td>
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<td></td>
<td></td>
<td>37,976</td>
<td>37,976</td>
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</tr>
<tr>
<td><strong>U.S. TREASURY</strong></td>
<td>US TREASURY NOTES 0.875% Due 10-15-18</td>
<td>99.46</td>
<td>522,149</td>
<td>99.96</td>
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<td>US TREASURY NOTES 1.250% Due 11-15-18</td>
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<td>99.89</td>
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<td>US TREASURY NOTES 1.250% Due 12-15-18</td>
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<td>22.42</td>
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<td>2.18</td>
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<tr>
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<td>6,149</td>
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</tr>
<tr>
<td><strong>TREASURY BILLS</strong></td>
<td>US TREASURY BILLS 0.000% Due 12-13-18</td>
<td>99.50</td>
<td>537,293</td>
<td>99.57</td>
<td>537,673</td>
<td>20.83</td>
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<td>540,000</td>
<td>US TREASURY BILLS 0.000% Due 01-17-19</td>
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<td>496,354</td>
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<tr>
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<td>1,033,647</td>
<td>1,034,393</td>
<td>40.07</td>
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<tr>
<td><strong>TOTAL PORTFOLIO</strong></td>
<td></td>
<td>2,570,550</td>
<td>2,581,747</td>
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<td>16,844</td>
<td>6,149</td>
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</tbody>
</table>
ALEUTIANS EAST BOROUGH SERIES E BOND
Account Statement - Period Ending September 30, 2018

ACCOUNT ACTIVITY

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Value on 08-31-18</td>
<td>2,515,715</td>
</tr>
<tr>
<td>Contributions</td>
<td>0</td>
</tr>
<tr>
<td>Withdrawals</td>
<td>0</td>
</tr>
<tr>
<td>Change in Market Value</td>
<td>2,415</td>
</tr>
<tr>
<td>Interest</td>
<td>1,454</td>
</tr>
<tr>
<td>Dividends</td>
<td>0</td>
</tr>
<tr>
<td>Portfolio Value on 09-30-18</td>
<td>2,519,584</td>
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</tbody>
</table>

INVESTMENT PERFORMANCE

<table>
<thead>
<tr>
<th>Period</th>
<th>Portfolio</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Month</td>
<td>0.15</td>
<td>0.17</td>
</tr>
<tr>
<td>Current Quarter</td>
<td>0.49</td>
<td>0.50</td>
</tr>
<tr>
<td>Year to Date</td>
<td>1.28</td>
<td>1.29</td>
</tr>
<tr>
<td>Latest 1 Year</td>
<td>1.24</td>
<td>1.27</td>
</tr>
<tr>
<td>Inception to Date</td>
<td>1.40</td>
<td>1.24</td>
</tr>
</tbody>
</table>

Portfolio Performance is Annualized for Periods Greater than One Year

MANAGEMENT TEAM

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Relationship Manager</td>
<td>Amber Frizzell, AIF®</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:Amber@apcm.net">Amber@apcm.net</a></td>
</tr>
<tr>
<td>Your Portfolio Manager</td>
<td>Paul Hanson, CFA®</td>
</tr>
<tr>
<td></td>
<td>907/272 -7575</td>
</tr>
</tbody>
</table>

PORTFOLIO COMPOSITION

Cash and T-Bills: 70%
US Treas: 30%

Fixed Income Portfolio Statistics
Average Quality: AAA  Yield to Maturity: 2.14%  Average Maturity: 0.16 Yrs

Clients are encouraged to compare this report with the official statement from their custodian.
Alaska Permanent Capital Management Co.

PORTFOLIO APPRAISAL

ALEUTIANS EAST BOROUGH SERIES E BOND

September 30, 2018

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Security</th>
<th>Average Cost</th>
<th>Total Average Cost</th>
<th>Price</th>
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<th>Accrued Interest</th>
<th>Yield to Maturity</th>
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<td><strong>TOTAL PORTFOLIO</strong></td>
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* Callable security
AEB 2010 SERIES A GO BOND/KCAP
Account Statement - Period Ending September 30, 2018

ACCOUNT ACTIVITY

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<th>Description</th>
<th>Values</th>
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INVESTMENT PERFORMANCE

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<td>Inception to Date</td>
<td>0.49</td>
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Fixed Income Portfolio Statistics
Average Quality: AAA  Yield to Maturity: 2.30%  Average Maturity: 0.49 Yrs

MANAGEMENT TEAM

Client Relationship Manager: Amber Frizzell, AIF®
Amber@apcm.net

Your Portfolio Manager: Paul Hanson, CFA®

Contact Phone Number: 907/272-7575

PORTFOLIO COMPOSITION

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Percentage</th>
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<tr>
<td>US Treas</td>
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Clients are encouraged to compare this report with the official statement from their custodian.
<table>
<thead>
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<th>Average Cost</th>
<th>Total Average Cost</th>
<th>Price</th>
<th>Market Value</th>
<th>Pct. Assets</th>
<th>Annual Income</th>
<th>Accrued Interest</th>
<th>Yield to Maturity</th>
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<td>10,812</td>
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ACCOUNT ACTIVITY

Portfolio Value on 08-31-18 1,017,439
Contributions 0
Withdrawals -117
Change in Market Value 169
Interest 1,235
Dividends 0

Portfolio Value on 09-30-18 1,018,726

INVESTMENT PERFORMANCE

Current Account Benchmark: 50% Bloomberg Barclays 1-3 Yr Gov/50% 90 Day Tbill

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<tr>
<td>Inception to Date</td>
<td>0.40</td>
<td>0.45</td>
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</tbody>
</table>

Performance is Annualized for Periods Greater than One Year

Fixed Income Portfolio Statistics

Average Quality: AAA  Yield to Maturity: 2.32%  Average Maturity: 0.55 Yrs

Clients are encouraged to compare this report with the official statement from their custodian.

MANAGEMENT TEAM

Client Relationship Manager: Amber Frizzell, AIF®
Amber@apcm.net

Your Portfolio Manager: Paul Hanson, CFA®

Contact Phone Number: 907/272-7575

ACCOUNT ACTIVITY

Portfolio Value on 08-31-18 1,017,439
Contributions 0
Withdrawals -117
Change in Market Value 169
Interest 1,235
Dividends 0

Portfolio Value on 09-30-18 1,018,726

PORTFOLIO COMPOSITION

Cash and T-Bills 4%
US Treas 96%

AEB 2010 SERIES B BOND/AKUTAN AIR
Account Statement - Period Ending September 30, 2018
Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB 2010 SERIES B BOND/AKUTAN AIR
September 30, 2018

<table>
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<th>Quantity</th>
<th>Security</th>
<th>Average Cost</th>
<th>Total Cost</th>
<th>Price</th>
<th>Market Value</th>
<th>Pct. Assets</th>
<th>Annual Income</th>
<th>Accrued Interest</th>
<th>Yield to Maturity</th>
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<td>US TREASURY NOTES 0.875% Due 10-15-18</td>
<td>100.05</td>
<td>100,047</td>
<td>99.96</td>
<td>99,956</td>
<td>9.81</td>
<td>875</td>
<td>404</td>
<td>1.94</td>
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<td>US TREASURY NOTES 0.750% Due 02-15-19</td>
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<td>123,809</td>
<td>99.40</td>
<td>124,252</td>
<td>12.20</td>
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<td>TOTAL PORTFOLIO</td>
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<td>10,275</td>
<td>3,461</td>
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Yield to Maturity
Consent Agenda

None
Ordinances

None
Resolutions
Agenda Statement

Date: November 1st, 2018
To: Mayor Osterback and Assembly
From: Mary Tesche, Assistant Administrator

Re: Resolution 19-22 authorizing the Mayor to negotiate and execute a ground lease with the City of Akutan for a portion of Lot 1, Akutan Harbor Subdivision, for the Akutan Harbor Utility Project at less than fair market value

Pursuant to the Akutan Harbor Management Agreement (“Agreement”) executed on December 22, 2016, the City of Akutan (“City”) agreed to manage and operate the breakwater and mooring basin and future docks, floats, approaches, and appurtenant marine facilities located in the Akutan Harbor.

The City is interested in installing electrical utilities at the Akutan Harbor, which includes but is not limited to: installing distribution lines connecting generators with step down transformers serving Float A and future Float B, service connections to Float A, and perimeter lighting around the rim road, installing area lighting around the perimeter rim road and Float A, and installing a bulk fuel supply at the head of the bay.

The City has identified approximately 1.59 acres of Lot 1, currently owned by the Borough, as an ideal location for its bulk fuel supply and generator plant for this utility. An image of the proposed location is below. Use of this portion of Lot 1 would be solely for the purpose of constructing and operating a power generation plant consisting of a generator building, bulk fuel supply, two fuel tanks on skids with all mechanical equipment required to connect with generator day tanks.

The Borough has historically taken the position that in cases where the transfer of land is government to government, the disposal may be accomplished by resolution. It is also the Borough’s position, per the Code, that the transfer from government to government may be of less than fair market value.
RECOMMENDATION
Administration recommends approval of Resolution 19-22 authorizing the Mayor to negotiate and execute a ground lease with the City of Akutan for a portion of Lot 1, Akutan Harbor Subdivision, for the Akutan Harbor Utility Project at less than fair market value.

Credit: City of Akutan/Google Earth
RESOLUTION 19-22

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY
AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A GROUND LEASE
WITH THE CITY OF AKUTAN FOR A PORTION OF LOT 1, AKUTAN HARBOR
SUBDIVISION, FOR THE AKUTAN HARBOR UTILITY PROJECT AT LESS THAN
FAIR MARKET VALUE

WHEREAS, the Aleutians East Borough Municipal Code (AEBMC) Chapter 50.10 titled Real
Property Acquisition and Disposal provides for the disposal of real property owned by the
Aleutians East Borough (AEB); and

WHEREAS, pursuant to AEBMC Sect. 50.10.060, disposal of real property may be conducted,
among other methods, by negotiation; and

WHEREAS, AEBMC Sec. 50.10.070 (d) and AEBMC Sec. 50.10.080 allows the Borough to
convey property to another local government at less than fair market value; and

WHEREAS, the City of Akutan is preparing to construct and operate an electric utility at the
Akutan Harbor; and

WHEREAS, the Borough owns the surface and subsurface of Lot 1, Akutan Harbor
Subdivision, which consists of approximately 34.452 acres and includes the harbor mooring
basin, rim road, and portions of the upland; and

WHEREAS, the City requires approximately 1.59 acres of Lot 1 to for the purpose of
constructing and operating its power generation plant consisting of a generator building, bulk
fuel supply, and two fuel tanks on skids with all mechanical equipment required to connect with
generator day tanks; and

WHEREAS, the Assembly has determined that disposal of a portion of this property is for the
public good.

NOW THEREFORE, BE IT RESOLVED, the Mayor is hereby authorized to negotiate and
execute a ground lease with the City of Akutan for a portion of Lot 1, Akutan Harbor
Subdivision, for the Akutan Harbor Utility Project at less than fair market value.

PASSED AND ADOPTED by the Aleutians East Borough on this ___ day of _____, 2018.

_______________________________
Alvin D. Osterback, Mayor
ATTEST:

_______________________________
Tina Anderson, Clerk
GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (the “Lease) is made and entered into and effective as of the ___ day of _________, 2018, by and between the CITY OF AKUTAN, (hereinafter “Lessee”), whose address is P.O. Box 109, Akutan, Alaska 99553, and ALEUTIANS EAST BOROUGH, a Second Class Borough (hereinafter “Lessor”), whose address is P.O. Box 349, Sand Point, Alaska 99661.

RECITALS

WHEREAS, Lessor is the owner of the surface estate of certain real property in Akutan, Alaska, which Lessee desires to lease for use to store fuel for the Akutan Harbor electric utility; and

WHEREAS, the parties have agreed to the terms and conditions of the lease;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. Demise; Description of Premises. Lessee leases from Lessor the following real property:

   Approximately 1.59 acres located on the Southeast corner of Lot 1, Akutan Bay Harbor Subdivision, recorded as Plat No. 2009-6, Aleutian Islands Recording District.

   (such real property hereinafter referred to as the “Premises”). The rights granted under this Lease are all subject to all exceptions, agreements, easements, rights-of-way, conditions, covenants, reservations, terms, conditions, and restrictions of record against the real property. Further, Lessee acknowledges that the subsurface estate is owned by Lessor. The parties acknowledge that Lessee may, at its own expense, desire to replat the Premises and the parties agree to coordinate reasonable amendments to the legal description to reflect any agreed upon replat.

2. Use of Premises. Subject to the terms and conditions of this Lease, Lessee shall use the Premises solely for the purpose of constructing and operating a power generation plant consisting of a generator building, bulk fuel supply, two fuel tanks on skids with all mechanical equipment required to connect with generator day tanks.

3. Term. The term of this Lease shall be for twenty-five (25) years, commencing on the effective date of this Lease ("Term"). Except with respect to termination by Lessor resulting from lessee defaults as provided in Section 19, this Lease may not be terminated by either or both parties during the term of the Lease without the written consent of the Lessor.
4. **Rental.** Lessee agrees to pay Lessor the following rental during the entire Term of this Lease: One Dollar ($1.00).

5. **Utilities.** All costs for utilities and other activities necessary for the operation of the Premises, improvements thereon, and Lessee’s activities thereon, including without limitation gas, heating oil, electric, water, sewer, and telephone, shall be provided by Lessee at Lessee’s sole cost and expense. Lessee shall be solely responsible, at Lessee’s sole cost and expense, for necessary utility hook-ups and connection, including without limitation, those necessary for water and sewer.

6. **Acceptance of Premises.** Lessee has inspected the Premises and Lessee accepts the same “AS IS WITH ALL FAULTS.” Lessor makes no specific warranties, expressed or implied, concerning the title or condition of the Premises, including survey, access, utility availability, or suitability for use, including those uses authorized by this Lease. Lessor shall have no liability or obligation with respect to the condition, maintenance or use of the Premises or any improvements now existing or hereinafter placed on the Premises.

7. **Indemnification.**

   (a) **General.** Lessee shall, to the extent permitted by law, save, protect, hold harmless, indemnify and defend Lessor, and Lessor’s officers, directors, employees, and shareholders, of, from and against any and all liability, damages, demands, penalties, fines, causes of action, losses, costs, or expenses, including attorneys fees, arising from any act, omission, or negligence of Lessee or the officers, contractors, subcontractors, licensees, agents, servants, employees, sublessees, guests, invitees, visitors, or trespassers of Lessee in or about the Premises or improvements located thereon, or arising from any accident, injury or damages howsoever and by whomsoever caused, to any person or property, including but not limited to damage to the Premises itself, improvements thereon, or injury to or death of persons, occurring in or about the Premises or improvements located thereon, or in any manner arising out of Lessee’s use and occupation of the Premises or improvements thereon, or as a result of the condition of the Premises or improvements thereon.

   (b) **Environmental.** Lessee shall abide by, and shall cause its employees, agents, any contractors or subcontractors it employs, and any sublessees, and its and all of their invitees and guests to abide by, all applicable rules and regulations related to fire, safety, health and environmental protection. Without limiting the duty to indemnify as provided in (a) above, Lessee shall, to the extent permitted by law, save, protect, defend, indemnify and hold harmless Lessor from and against any and all demands, claims, causes of action (whether in the nature of an action for damages, indemnity, contribution, government cost recovery or otherwise), lawsuits, settlements, actions, damages, fines, penalties, judgements, costs and expenses (including without limitation costs of defense, settlement, and reasonable attorney’s fees), charges, forfeitures, liens, liabilities or loses of any nature and kind whatsoever, which arise during or after the Term of this Lease from or in connection with the presence or suspected
presence of Hazardous Substances in the soil, groundwater, or otherwise on, above or in the Premises, or otherwise generating from the Premises, or operations or activities thereon, or from Lessee (or its employees, affiliates, parents, agents, contractors, subcontractors, sublessees, guests, invitees, or assigns, and their respective employees, agents, contractors, subcontractors, or subusers), or from any alleged or actual violation of an Environmental Law. This indemnification includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work. For purposes of this Lease, the term “Hazardous Substance” means any flammables, explosives, radioactive materials, crude or refined petroleum, pollutants, contaminants, or any hazardous, toxic, or dangerous waste, substance, or material, including asbestos, defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C.A. Sec. 9601 et. seq.), any so-called “Superfund” or “Superlien” law, or any other Environmental Law, including, but not limited to, Alaska Statutes Title 46, Chapters .03, .08 and .09, as now or at any time hereafter in effect. For purposes of this Lease, the term “Environmental Law” means any Federal, state, or local laws, ordinances, codes, regulations, rules, orders, or decrees, relating to, or imposing liability or standards of conduct concerning the treatment, storage, use or disposal of any Hazardous Substances.

(c) All of the foregoing indemnification, defense and hold harmless obligations in (a) and (b) above shall survive the expiration or early termination of this Lease.

8. **Condemnation.** If all of the Premises or such portion as may be required for the reasonable use of the Premises, are taken by eminent domain, this Lease shall automatically terminate as of the date Lessee is required to vacate the Premises, and all rent shall be paid which is due and owing through that date. In the case of a taking of less than that portion of the Premises required for the reasonable use of the Premises, then this Lease shall continue in full force and effect, and the rent shall be equitably reduced based upon the proportion of the square footage by which the Premises is reduced, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority. Lessor reserves all rights to just compensation and/or damage for any taking of the Premises, and Lessee hereby assigns to Lessor, and Lessee shall make no claim against Lessor, for damages arising out of the condemnation, provided, Lessee shall have the right to claim and recover from the condemning authority, to the extent permitted by law, compensation for any loss to which Lessee may be put for the improvements, for Lessee’s moving expenses or for the interruption of or damage to Lessee’s business, to the extent such damages may be claimed and awarded separately from the damages and/or compensation awarded to Lessor.

9. **Use, Occupancy and Care of the Leased Premises.** At all times during the Term hereof, Lessee shall, at Lessee’s sole cost and expense:

(a) keep the Premises and improvements constructed thereon clean, safe and orderly;

(b) conduct activities upon and generally maintain the Premises and improvements in such a manner and with such care that injury to persons and
damage to property does not result therefrom;

(c) not use or permit any part of the Premises or improvements to be used for any unlawful or unauthorized purpose nor perform, permit or suffer any act or omission upon or about the Premises or improvements which would result in a nuisance or a violation of any applicable laws, ordinances or regulations;

(d) comply with city, state, federal and other governmental laws, statutes, ordinances, rules, orders, and regulations of whatever type and nature, including but not limited to, zoning ordinances, health, fire, safety and environmental laws and regulations which in any manner affect the leased Premises, improvements, or activities thereon;

(e) not cause or permit any waste, damage or injury to the Premises or improvements; and

(f) not vacate or abandon the Premises at any time during the Term hereof; and

10. **Maintenance and Repair.** Lessee covenants throughout the term hereof, at Lessee’s sole cost and expense, to properly keep the Premises and improvements in good maintenance, repair, order and condition. Lessee acknowledges that Lessor has no responsibility to maintain the Premises or improvements during the Term hereof.

11. **Fixtures and Improvements.** Lessee shall pay all costs associated with locating, constructing, and maintaining all improvements and fixtures on the Premises. Upon termination or expiration of this Lease, Lessee shall remove (within sixty (60) days of the termination or expiration date) all improvements and fixtures from the Premises and restore the Premises to the condition that existed at the beginning of the Term of this Lease, provided that, Lessor and Lessee may otherwise mutually agree that all improvements and fixtures erected on or attached to the Premises by Lessee shall become the property of Lessor. In such event, the parties agree that this Lease shall constitute a quitclaim, by Lessee to Lessor, of all Lessee’s right, title, and interest in such improvements and fixtures upon such termination or expiration. Lessee further agrees, at the request of Lessor, to execute such other or further documents necessary to transfer Lessee’s interest in the improvements or fixtures should Lessor retain the improvements and fixtures.

12. **Surrender of Premises.** Lessee on the last day of the Term, or upon earlier termination of this Lease, shall peaceably and quietly leave and surrender the Premises in as good condition as on commencement of the Term, ordinary wear and tear excepted.

13. **Access.** Lessor, Lessor’s agents, employees, officers, and designees shall have the right to enter the Premises at all reasonable times to inspect the same, to post “Notices of Non-Responsibility”, and to preserve and protect the Premises.
14. **Liens.** Lessee shall keep the Premises and any part thereof free from liens for labor or materials ordered or supplied upon the express or implied request of Lessee. Should any such lien be recorded or should a lien be recorded by Lessee, Lessee shall forthwith and within ten (10) days of learning of such recording cause the same to be cancelled and discharged of record at Lessee’s sole cost and expense.

15. **Taxes and Assessments.** Lessee shall be responsible for and shall pay promptly when due any and all general, special, real property, sales, personal property, and possessory interest taxes and assessments levied against the Premises and/or the improvements thereon.

16. **Holding Over.** If Lessee shall remain in possession of said Premises after the termination of this Lease or after the expiration of said Term without a proper extension or renewal of this Lease, Lessee shall be deemed to occupy the Premises as a Lessee from month-to-month.

17. **Insurance.**

A. **Evidence of Insurance.** Evidence of the insurance required under this Section must be provided to the Lessor prior to the beginning of the Term. Such evidence shall be in a form and substance reasonably satisfactory to the Lessor, executed by the carrier’s representative and issued to the Lessor, shall consist of a certificate of insurance or the policy declaration page with required endorsements attached thereto, and must provide a thirty (30) days prior notice of cancellation, nonrenewal or material change to both the Lessor. Acceptance by the Lessor of deficient evidence does not constitute a waiver of this Agreement’s requirements. All policies shall name Lessor as additional insured.

The requirements for insurance coverages of the kinds and with the limits stated in this Section shall not be construed as a representation that such insurance coverage is adequate or limits Lessee’s liability. It is specifically agreed between the parties hereto that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof a third-party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

B. **Insurance.** Without limiting Lessee’s indemnity obligations under this Agreement, Lessee shall purchase at its own cost and expense and maintain in full force and effect at all times during the Term, the following policies of insurance, with responsible insurance companies acceptable to the Lessor.

1. **Commercial General Liability.** Such policy to include a combined single limit of not less than Five Million Dollars ($5,000,000) per occurrence and Two Million Dollars ($2,000,000) annual aggregate, which shall include, but not be limited to:
a) Premises and Operations
b) Independent Contractors
c) Products/Completed Operations
d) Owners and Contractors Protective
e) Contractual (including coverage with respect to the indemnity requirements in this Agreement)

This insurance shall protect against claims which may arise out of, or result from operations on or away from the Premises, whether such operations be conducted by Lessee or by its contractors, subcontractors, or agent, or by anyone directly or indirectly employed by either of them, or by anyone for whose acts any of them may be liable.

2. Comprehensive Automobile Liability Insurance. Such policy to cover all owned, hired, and non-owned vehicles with coverage limits not less than Two Million Dollars ($2,000,000) Combined Single Limit per occurrence and Two Million Dollars ($2,000,000) annual aggregate.

3. Workers’ Compensation and Employers’ Liability Insurance. Lessee shall provide and maintain, for all employees engaged in work under this lease, coverage as required by Alaska Statute 23.30.045, and where applicable, any other statutory obligations, including but not limited, to Federal U.S.L. & H and Jones Act requirements. Employers’ liability insurance shall be in the amount no less than $1,000,000 each accident for bodily injury, $1,000,000 policy limit for bodily injury by disease and $1,000,000 each employee for bodily injury by disease. The policy must waive subrogation against Lessor.

4. Pollution Liability Insurance. Lessee shall procure and maintain pollution liability coverage with combined single limits of not less than Five Million Dollars ($5,000,000) per occurrence for any claim arising out of or related to any event or happening directly caused by or resulting from the dispersal, discharge, escape, release, removal, or saturation of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, gasses, contaminants or pollutants into the atmosphere, or in, onto, upon, or into the surface or subsurface of soil, water or watercourses, object, or any tangible or intangible matter, whether sudden or not.

5. All insurance procured and maintained by the Lessee shall be considered to be primary of any insurance carried by the Lessor. Lessee’s insurance shall also contain a “cross liability” or “severability of interest” clause or endorsement. All Lessee’s insurance policies shall name the Lessor as additional insured.

6. Lessee will submit certificates of insurance demonstrating that all insurance coverage required by this Agreement is in force with a company or companies
rated by A.M. Best at a minimum rating of A-VII. If a company is not rated by A.M. Best, the company must have a comparable rating by a recognized insurance rating agency. If a company is not rated at all, it must be of sound recognized financial strength. If Lessee neglects or refuses to comply with any of the insurance provisions of this Agreement within ten (10) business days after Lessor provides written notice upon Lessee, then Lessor may terminate this Agreement. Lessor shall be furnished with at least thirty (30) days advance written notice of any change in, or cancellation of Lessee’s required liability insurance coverage. In addition to the foregoing specified minimum amounts of liability insurance, Lessee shall carry additional amounts of liability insurance from time to time in such amounts as are generally regarded as necessary or advisable in connection with the operation of the business of Lessee. The failure of Lessor at any time or from time to time, to enforce the foregoing provisions, nor in any respect reduce the obligation of Lessee to indemnify, defend and hold Lessor harmless with respect to any items or injury or damages covered by this Section.

18. Notices. Any and all notices required or permitted under this Lease, unless otherwise specified in writing by the party whose address is changed, shall be as follows:

**Lessor:**
ALEUTIANS EAST BOROUGH  
PO Box 349  
Sand Point, Alaska 99661  
Attn: Administrator

**Lessee:**
CITY OF AKUTAN  
PO Box 109  
Akutan, Alaska 99553  
Attn: Administrator

19. Default.

A. The occurrence of one or more of the following events shall constitute a default and breach of this Lease by Lessee:

(a) Violation or breach or failure to keep or perform any covenant, agreement, term or condition of this Lease which shall continue or not be remedied within fifteen (15) days (or if no default in payment of rent is involved within thirty (30) days) after notice thereof is given by Lessor to Lessee specifying the matter or matters claimed to be in default.

(b) Filing by the Lessee in any court pursuant to any statute, either of the United States or any state, a petition in bankruptcy or insolvency, or
for reorganization or for the appointment of a receiver or trustee of all or a portion of the Lessee’s property, or an assignment by the Lessee for the benefit of creditors.

(c) The taking possession of the property of Lessee by any governmental office or agency pursuant to statutory authority for the dissolution or liquidation of the Lessee.

(d) An abandonment or vacation of the Premises by Lessee prior to the expiration of the Term of this Lease.

(e) The use of the Premises for any purpose other than those specified in Section 2.

B. Upon the occurrence of a default as defined in “A” above, Lessor may at Lessor’s option, declare Lessee’s rights terminated and may re-enter the Premises and improvements, using such force as is necessary, and without further notice, remove all persons and property from the Premises and repossess Lessor of Lessor’s former estate. In such case, Lessor shall be deemed to have an immediate right to possession of the Premises and improvements (if Lessor so desires) and Lessee shall peacefully surrender the same. No judicial action shall be necessary to effect such termination.

C. Such re-entry and termination notwithstanding, the liability of Lessee for payment of all amounts required to be paid by Lessee under this Lease, including payment of the full rental provided herein for what would otherwise have constituted the balance of the Term of this Lease shall not be extinguished and Lessee shall make good to Lessor the expenses and damages suffered by Lessor as a result of the default, repossession and reletting, including without limitation, legal expenses, renovation expense, alteration expense, and any rental deficiency resulting from the inability to relet the Premises or reletting at a lesser rate.

Lessor may, but shall not be obligated to, relet the Premises or any part thereof in the name of the Lessor, or otherwise, for such term (which may be greater or less than the period which would otherwise have constituted the balance of the Term of this Lease) and on such conditions as Lessor may determine appropriate, and may collect and receive the rent therefrom; Lessor shall not be responsible or liable for any failure to relet the Premises, or any part thereof, or for any failure to collect any rent due upon any such reletting.

D. In the event of default, as defined in subparagraph A, Lessor shall have such further and additional rights as are provided by law or equity.

20. Cure of Default by Lessor. Lessor may, at the expense of Lessee, cure any default by Lessee hereunder, but shall not be required to do so. Lessee shall reimburse Lessor for all amounts expended in connection therewith, including attorney’s fees and other incidental expenses. Such amounts, together with interest at the maximum lawful rate of interest, shall be
deemed additional rent payable within thirty (30) days of notification that such amount is due.

21. **Costs Upon Default.** In the event a party shall be in default in the performance of any of its obligations under this Lease and an action shall be brought for the enforcement thereof, the losing party shall pay to the prevailing party all the expenses incurred therefor, including reasonable attorney’s fees.

22. **Attorneys’ Fees, Costs and Expenses.** In the event either party brings or commences legal proceedings to enforce any of the terms of this Lease, the prevailing party in such action shall receive from the other, in every action commenced, a reasonable sum for attorneys’ fees and costs to be fixed by the court in the same action.

23. **Rights and Remedies.** No right or remedy herein conferred upon or reserved to a party hereunder is intended to be exclusive of any other right or remedy, and such and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

24. **Assignment and Subletting.** Lessee shall not sublet, mortgage, pledge or assign its rights under this Lease without the prior written consent of Lessor, which consent may be withheld in Lessor’s sole and absolute discretion, and any purported sublease, mortgage, pledge or assignment without such consent shall be null and void and of no force or effect.

25. **Waiver and Forbearance.** No waiver by a party hereto of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by a party to seek a remedy for any breach of the other party be deemed a waiver by the first party of its rights or remedies with respect to such breach.

26. **Successors in Interest.** This Lease shall be binding upon and inure to the benefit of the respective heirs, successors and permitted sublessees and assigns of the parties hereto.

27. **Applicable Law.** This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Alaska.

28. **Authority.** Lessee covenants and acknowledges that it has the full, complete and absolute authority to enter into this Lease; this Lease has been duly authorized by its governing body; this Lease is a binding and enforceable agreement of and against Lessee; and the person executing the Lease on Lessee’s behalf is duly and properly authorized to do so.

29. **Share of Benefit From Lease.** No member of Congress or any delegate thereto or any resident Commissioner shall be admitted to any share or part of this Lease or to any benefit that may arise herefrom.

30. **No Partnership, Joint Venture, Etc.** Nothing in this Lease shall be
intended or deemed to create a partnership, joint venture, association, or other similar relationship between the parties hereto.

31. **No Third Party Beneficiaries.** This Lease does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Lease.

32. **Severability.** If any provision of this Lease or any application thereof shall be held invalid, illegal or unenforceable, the remainder of this Lease or any other application of such provision shall not be affected thereby.

33. **Miscellaneous Provisions.**

   (a) This Lease constitutes all of the agreements and conditions made between the parties and may not be modified orally or in any manner other than by an agreement in writing signed by both parties or their respective successors in interest.

   (b) Each term and such provision of this Lease shall be construed to be both a covenant and a condition of this Lease.

   (c) Time is of the essence in each term and provision of this Lease.

   (d) This Lease may be executed in any number of counterparts, including by facsimile signature, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

   **IN WITNESS WHEREOF,** the undersigned have caused this Ground Lease Agreement to be executed effective as of the date and year hereinabove first written.

**LESSEE:**

**CITY OF AKUTAN**

By:____________________________

Its:___________________________
LESSOR:

ALEUTIANS EAST BOROUGH

By:__________________________________

Its:_________________________________
Agenda Statement

Date: October 30, 2018
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Resolution 19-23 authorizing the Mayor to negotiate and execute a contract agreement between the Aleutians East Borough and Hickey & Associates for lobbying/consulting services for fiscal year 2019

The Aleutians East Borough is involved in numerous projects and issues that requires assistance from a State lobbyist. Mark Hickey with Hickey & Associates has provided lobbying/consulting services for the Borough with the Alaska legislative and executive branches since 1998. The FY2018 contract with Hickey & Associates ends on December 31, 2018 and can be renewed by agreement of both parties.

The proposed FY2019 contract would commence on January 1, 2019 and end December 31, 2019. The Borough would pay Hickey & Associates a retainer of $3,500 a month and reimburse them for pre-approved extraordinary out-of-pocket and travel expenses. Hickey & Associates would pay the annual APOC registration fee and normal office overhead expenses.

RECOMMENDATION
Administration recommends approval of Resolution 19-23 authorizing the Mayor to negotiate and execute a contract agreement between the Borough and Hickey & Associates for lobbying/consulting services for FY2019.
RESOLUTION 19-23

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY
AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A CONTRACT
AGREEMENT BETWEEN THE ALEUTIANS EAST BOROUGH AND HICKEY &
ASSOCIATES FOR LOBBYING/CONSULTING SERVICES FOR FISCAL YEAR 2019

WHEREAS, the Aleutians East Borough (Borough) is involved in numerous State
projects and issues that requires assistance from a State lobbyist; and

WHEREAS, Hickey & Associates has provided lobbying/consulting services for the
Borough with the Alaska legislative and executive branches since 1998; and

WHEREAS, Hickey & Associates FY2017 contract ends December 31, 2018 and can be
renewed by agreement of both parties for FY2019; and

WHEREAS, the Borough will pay Hickey & Associates a retainer of $3,500 a month
and reimburse Hickey & Associates for pre-approved extraordinary out-of-pocket and travel
expenses.

NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly
authorizes the mayor to negotiate and execute a contract agreement between the Aleutians East
Borough and Hickey & Associates for lobbying/consulting services for FY2019.

PASSED AND ADOPTED by the Aleutians East Borough on this 8th day of November,
2018.

_______________________________
Alvin D. Osterback, Mayor

ATTEST:

_______________________________
Tina Anderson, Clerk
2019 CONTRACT AGREEMENT BETWEEN
THE ALEUTIANS EAST BOROUGH
AND HICKEY & ASSOCIATES

This is a contract for professional services by and between Hickey & Associates, hereinafter "Contractor", and the Aleutians East Borough, hereinafter "AEB", for lobbying/consulting services.

Terms & Conditions

1. The Contractor will provide lobbying/consulting services for AEB with the Alaska legislative and executive branches. This will include monitoring and reporting on matters of concern to AEB, including capital budget and municipal government issues. The Contractor will perform other lobbying or consulting services as directed by Mayor Alvin D. Osterback, or Ms. Anne Bailey, Borough Administrator, who will serve as the Contractor's contact person.

2. The Contractor will be paid a retainer of $3,500 a month to perform these services. Payment will be made on a monthly basis.

3. The term of this contract commences on January 1, 2019 and ends December 31, 2019. The contract is subject to renewal by agreement of both parties.

4. The Contractor will be reimbursed extraordinary out-of-pocket and travel expenses, all of which are to be included in the Contractor's monthly billings. The Contractor will pay the annual APOC registration fee and normal office overhead expenses. All extraordinary expenses must have the prior approval of the Contractor’s contact person.

This agreement constitutes the full agreement between the parties.

AEB

Contractor

Date

10/29/18

Date
Agenda Statement

Date: November 1, 2018
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Resolution 19-24 Urging the U.S. Department of Transportation to Approve the Buy America Waiver for Alaska’s M/V Tustumena Replacement Project

Ferry service provided by the Alaska Marine Highway System (AMHS), primarily by the 54-year-old M/V Tustumena, is vitally important to the continued well-being of the communities of the Aleutians East Borough (“Borough”) and other Alaska coastal communities. The seasonal twice a month ferry that runs to southwest Alaska is a lifeline for travelers in our region including students, teachers, family relative, fisherman, health workers and others. The ferry is also a critical link for the transport of vehicles, equipment and goods.

Unfortunately, the Tustumena has outlived its useful life and needs to be replaced to ensure continued safe and reliable ferry service to the region. The Borough understands the State of Alaska has requested Buy America Act waivers for limited components of the Tustumena’s replacement vessel and we believe this request meets the criteria for the granting of this waiver. The Borough understands the need to protect American manufacturing jobs, but it believes the waiver process is the remedy to address the unintended consequences of strictly applying the Buy America Act when it impedes a major U.S.-based construction project or proves to damage other parts of the U.S. economy and jobs reliant on reliable renewable resource gathering, processing, and transportation.

Replacing the Tustumena as soon as possible is a top priority for the Borough and it respectfully urges the U.S Department of Transportation to approve the requested waiver expeditiously so that the new ship can go out to bid as soon as possible. Unwarranted delay will needlessly damage the economy and quality of life for the communities served by the AMHS.

RECOMMENDATION
Administration recommends approval of Resolution 19-24 Urging the U.S. Department of Transportation to Approve the Buy America Waiver for Alaska’s M/V Tustumena Replacement Project.
RESOLUTION 19-24

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY URGING THE U.S. DEPARTMENT OF TRANSPORTATION TO APPROVE THE BUY AMERICA WAIVER FOR ALAKSA’S M/V TUSTUMENA REPLACEMENT PROJECT

WHEREAS, ferry service provided by the Alaska Marine Highway System (AMHS), primarily by the 54-year-old M/V Tustumena, is vitally important to the continued well-being of the communities of the Aleutians East Borough (“Borough”) and other Alaska coastal communities; and

WHEREAS, the seasonal twice a month ferry that runs to southwest Alaska is a lifeline for travelers in our region including students, teachers, family relative, fisherman, health workers and others; and

WHEREAS, the ferry is also a critical link for the transport of vehicles, equipment and goods; and

WHEREAS, the Tustumena has outlived its useful life and needs to be replaced to ensure continued safe and reliable ferry service to the region; and

WHEREAS, the Borough understands the State of Alaska has requested Buy America Act waivers for limited components of the Tustumena’s replacement vessel and we believe this request meets the criteria for the granting of this waiver; and

WHEREAS, the Borough understands the need to protect American manufacturing jobs, but it believes the waiver process is the remedy to address the unintended consequences of strictly applying the Buy America Act when it impedes a major U.S.-based construction project or proves to damage other parts of the U.S. economy and jobs reliant on reliable renewable resource gathering, processing, and transportation; and

WHEREAS, replacing the Tustumena as soon as possible is a top priority for the Borough and it respectfully urges the U.S Department of Transportation to approve the requested waiver expeditiously so that the new ship can go out to bid as soon as possible; and

WHEREAS, unwarranted delay will needlessly damage the economy and quality of life for the communities served by the AMHS.
NOW THEREFORE BE IT RESOLVED by the Aleutians East Borough Assembly that the Aleutians East Borough urges the U.S. Department of Transportation to approve the Buy America waiver for Alaska’s M/V Tustumena Replacement Project.

PASSED AND APPROVED by the Aleutians East Borough on this day 8th day of November 2018.

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk
Agenda Statement

Date: November 1st, 2018

To: Mayor Osterback and Assembly

From: Mary Tesche, Assistant Administrator

Re: Resolution 19-25 relating to disposal of surplus, obsolete, or unneeded supplies

The Aleutians East Borough has acquired certain personal property for the purpose of carrying out services in the public interest. Some of these items have become worn out, obsolete, or are no longer needed by the Borough. The Borough has deemed it unnecessary to maintain ownership of surplus personal property of the Borough.

Section 3.02.031(b) of the Borough code reads, “Supplies which are deemed by the Purchasing Officer to be sold as surplus, obsolete, or unneeded, may be sold or otherwise disposed of by the Purchasing Officer upon approval by the Assembly by resolution.”

The Borough desires to dispose of the following items:

a) One (1) modular unit containing one (1) 30 kW generator and one (1) 80 kW generator, located in King Cove
   Approximate value: $10,000

Resolution 19-25 authorizes the Borough to conduct surplus auction by sealed bid for the purpose of selling these items to the highest bidder after public notice.

RECOMMENDATION

Administration recommends approval of Resolution 19-25 relating to the disposal of surplus, obsolete, or unneeded supplies.
RESOLUTION 19-25

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY RELATING TO DISPOSAL OF SURPLUS, OBSOLETE, OR UNNEEDED SUPPLIES

WHEREAS, the Aleutians East Borough (“Borough”) has acquired certain personal property for the purpose of carrying out services in the public interest; and

WHEREAS, certain items of personal property of the Borough have become worn out, obsolete, or are no longer needed by the Borough; and

WHEREAS, the Borough has deemed it unnecessary to maintain ownership of the surplus personal property of the Borough; and

WHEREAS, the Borough desires to dispose of the following surplus property:

One (1) modular unit containing one (1) 30 kW generator and one (1) 80 kW generator, located in King Cove
Approximate value: $10,000

NOW THEREFORE, BE IT RESOLVED, by the Aleutians East Borough Assembly as follows:

Section 1. The Borough Assembly finds and declares that the Borough no longer has use for the surplus property listed above

Section 2. The Purchasing Officer is authorized and directed to conduct a surplus auction by sealed bid for the purpose of selling the surplus property to the highest bidder for cash after public notice.

Section 3. In case of a tie, the successful bidder shall be determined by publicly drawing lots at a time and place specified by the Purchasing Officer, always selling to the highest responsible bidder or bidders for cash.

Section 4. The Purchasing Officer is authorized to repeatedly reject all bids and advertise and give notice again.

Section 5. If there are no bidders, the Purchasing Officer is authorized to sell such supplies, materials, equipment, or other personal property for the minimum value established prior to sealed bidding.

PASSED AND ADOPTED by the Aleutians East Borough on this ___ day of ______, 2018.
Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk
Agenda Statement

Date: November 2, 2018
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Resolution 19-26 Authorizing the Mayor to Negotiate and Execute a Contract with Bering Industrial Contractors Inc. for the Deferred Maintenance Mechanical and Testing and Balancing Work at the Sand Point School in an Amount Not to Exceed $167,348

At the October 11, 2018 Assembly Meeting the Assembly approved resolution 19-16 authorizing the Mayor to negotiate and execute a contract with Bering Industrial Contractor Inc. for the deferred maintenance mechanical and testing and balancing work at the Sand Point School in an amount not to exceed $139,063. During the negotiation process, it was determined that an additional $28,285 worth of work is needed to complete the project. Resolution 19-25 authorizing the Mayor to negotiate and execute a contract with Bering Industrial Contractor Inc. for the deferred maintenance mechanical and testing and balancing work at the Sand Point School in an amount not to exceed $167,348 will supersede resolution 19-16.

Funds for this deferred maintenance electrical work are available in Dept 900 OTHER account number E 41-900-000-603 Maintenance and Dept 866 AEB PROJECTS account number E 20-866-209-888 Project Contingency. Administration recommends approval of Resolution 19-25 due to the nature of the work needing to be completed.

RECOMMENDATION
Administration recommends approval of Resolution 19-26 authorizing the Mayor to Negotiate and Execute a Contract with Bering Industrial Contractors Inc. for the Deferred Maintenance Mechanical and Testing and Balancing Work at the Sand Point School in an Amount Not to Exceed $167,348.
RESOLUTION 19-26

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY
AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A CONTRACT
WITH BERING INDUSTRIAL CONTRACTORS INC. FOR THE DEFERRED
MAINTENANCE MECHANICAL AND TESTING AND BALANCING WORK AT THE
SAND POINT SCHOOL IN AN AMOUNT NOT TO EXCEED $167,348

WHEREAS, the Sand Point is owned and maintained by the Aleutians East Borough (Borough); and

WHEREAS, on-site condition assessments were completed in 2017 for the Sand Point School; and

WHEREAS, in general, the school has been well-maintained; however, there are code violations and other critical items that need immediate correction; and

WHEREAS, it was determined that the mechanical and testing/balancing items required attention; and

WHEREAS, in 2018 DOWL drafted a 2018 Work Plan for the Sand Point School, which included architectural, electrical, mechanical and control work; and

WHEREAS, the Borough, with the assistance of DOWL, issued a Request for Qualifications (RFQ) for the deferred maintenance mechanical work; and

WHEREAS, the Borough received a proposal from Bering Industrial Contractors Inc. (Bering); and

WHEREAS, after receiving quotes for the electrical, mechanical and control work for the Sand Point and Akutan schools it was determined that the Borough would only conduct electrical, mechanical and control work at the Sand Point School this year; and

WHEREAS, it is suggested that the Akutan school work be deferred to FY20 and monies be appropriated by the Assembly for the Akutan School in the FY20 budget; and

WHEREAS, the Assembly approved Resolution 19-16 authorizing the Mayor to negotiate and execute a contract with Bering Industrial Contractors for the deferred maintenance control work at the Sand Point and Akutan Schools in an amount not to exceed $139,063; and

WHEREAS, during the negotiation process it was determined that an additional $28,285 of work is required to complete the project; and

WHEREAS, Resolution 19-26 would supersede Resolution 19-16; and
WHEREAS, the selection committee recommends the Borough issue a contract to Bering Industrial Contractors to perform mechanical and testing and balancing work at the Sand Point School in an amount not to exceed $167,348; and

WHEREAS, funds for the deferred maintenance mechanical work are available in Dept 900 OTHER account number E 41-900-000-603 and Dept 866 AEB PROJECTS account number E 20-866-209-888 Project Contingency.

NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the Mayor to negotiate and execute a contract with Bering Industrial Contractors for the deferred maintenance control work at the Sand Point and Akutan Schools in an amount not to exceed $167,348.

PASSED AND ADOPTED by the Aleutians East Borough on this 8th day of November, 2018.

_____________________________
Alvin D. Osterback, Mayor

ATTEST:

_____________________________
Tina Anderson, Clerk
Aleutians East Borough  
Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon, Sand Point  

Short Form Contract for Supplies or Services  

This contract, entered into by the Aleutians East Borough and the Contractor name below, documents the entire understanding of the parties regarding the services to be provided. This agreement becomes effective only when signed by the contractor, and an Aleutians East Borough official.  

<table>
<thead>
<tr>
<th>Project Manager:</th>
<th>Anne Bailey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email:</td>
<td><a href="mailto:abailey@aeboro.org">abailey@aeboro.org</a></td>
</tr>
<tr>
<td>Phone Number:</td>
<td>(907) 274-7580</td>
</tr>
</tbody>
</table>


1. **Parties.** The parties to this agreement are the Aleutians East Borough (“Borough”) and the following named Contractor:  

   Contractor: Bering Industrial Contractor’s Inc.  
   Street Address: 9515 232nd Street SW, Edmonds, Washington 98020  
   Contact Person: John Marker  
   Email: johnm@beringinc.com  
   Telephone/Fax: (425) 774-1000  

Business License No. (if applicable):  

2. **General Conditions.** This Contract is subject to the General Conditions and Special Conditions (if applicable), which are attached hereto and are incorporated herein by this reference.  

3. **Scope of Services:** Contractor/Supplier (“Contractor”) shall perform all services outlined in Attachment A. Scope of Services for the compensation indicated in Section 3 (Complete all that apply):  

   Name of Project: Deferred Maintenance Mechanical Work at the Sand Point School  
   Location: Sand Point, AK  
   Date(s)/Time(s):  

   Contractor agrees to provide the following equipment/items for this agreement (if any):  

   Borough agrees to provide the following equipment/items for this agreement (if any): Not applicable.  

4. **Bonds, Certifications & Other Requirements.** This project requires a performance bond and a payment bond as described in Attachment B Request for Qualifications.
5. **Billings and Evidence of Work Completion Requirements.** Contractor to be completely transparent in its billing for the work. All billings will be delivered with time cards, certified payrolls, material receipts, daily reports and other documentation necessary to validate cost of the work.

6. **Payment.** Borough’s total payment to Contractor under this Agreement shall not exceed $167,348 for total payment for all services rendered.

---

**THIS AGREEMENT TAKES EFFECT THE LAST DATE SHOWN BELOW**

<table>
<thead>
<tr>
<th>Aleutians East Borough</th>
<th>Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature of Certifying Officer</td>
<td>Signature of Contractor</td>
</tr>
<tr>
<td>Anne Bailey, Borough Administrator</td>
<td>John Marker, President</td>
</tr>
<tr>
<td>Printed Name and Title</td>
<td>Printed Name and Title</td>
</tr>
<tr>
<td>Date: _____________________</td>
<td>Date: __________________________</td>
</tr>
</tbody>
</table>
GENERAL CONDITIONS

1. **Independent Contractor.** The Contractor shall provide services as an independent contractor to the Borough. Except as this contract provides, otherwise, the Borough shall not supervise or direct the Contractor. The Borough may administer this contract and monitor the Contractor’s performance.

2. **Compliance with Laws.** The Contractor shall comply with all statutes, ordinances, and regulations governing its performance, post all required notices, and obtain all permits, licenses, and other entitlements necessary to its performance. The Contractor shall pay all taxes related to its performance and shall be current on all borough taxes at the time of entering this contract.

3. **Insurance.** During the term of this contract, the Contractor shall maintain a policy of workers’ compensation and employers’ liability insurance as required by law. Contractor shall also be required to carry additional insurance if so indicated on this form. Any such insurance shall be primary and exclusive of Borough insurance. If liability insurance is required, the Borough and school district, as applicable, shall be named as an additional insured on such policy with respect to the performance or failure to perform under this contract.

4. **Indemnification.** The consultant shall indemnify, defend, and hold harmless the contracting agency from and against any claim of, or liability for, negligent acts, errors, and omissions of the consultant under this agreement. The consultant is not required to indemnify, defend or hold harmless the contracting agency for a claim of, or liability for, the independent negligent acts, errors, and omissions of the contracting agency. If there is a claim of, or liability for, a joint negligent act, error, or mission of the consultant and the contracting agency, the indemnification, defense, and hold harmless obligation of this provision shall be apportioned on a comparative fault basis. In this provision, “consultant” and “contracting agency” include the employees, agents, and contractors who are directly responsible, respectively, to each. In this provision, “independent negligent acts, errors, and omissions” means negligence other than in the contracting agency’s selection, administration, monitoring, or controlling of the consultant, or in approving or accepting the consultant’s work.

5. **Termination.** This contract may be terminated (A) for cause immediately; (B) By the Borough for its convenience upon fifteen (15) days written notice to the Contractor. Upon termination and the Contractor’s furnishing to the Borough all finished and unfinished data, documents or other materials prepared under the contract, the Borough shall pay the Contractor for all satisfactory work performed before termination.

6. **Nonwaiver.** Either party failing to enforce a provision of this contract does not waive the provision or affect the validity of the contract or a party’s right to enforce any provisions of the contract.

7. **Jurisdiction and choice of law.** Any civil action arising from this contract shall be brought in the trial courts for the Third Judicial District of the State of Alaska at Anchorage, Alaska. The laws of the state of Alaska govern this contract.

8. **Integration.** This document and all documents incorporated in it by reference are the entire agreement of the parties and supersede all previous communications, representations or agreements regarding this subject, whether oral or written, between the parties.
PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: that

______________________________________________________________________________
(Name of Company)

______________________________________________________________________________
(Name of Corporation)

a _________________________, hereinafter called Principal and

______________________________________________________________________________
(Name of Surety)

Hereinafter called Surety, are held and firmly bound unto

______________________________________________________________________________
(Name of Grantor)

______________________________________________________________________________
(Address of Grantor)

Hereinafter called Owner, in the penal sum of ______________ Dollars,
$(_________________________), in lawful money of the United States, for the payment of which
sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally,
firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the Principal entered into a
certain contract with the OWNER, dated the ___________ day of __________________, 2018, a
copy of which is hereto attached and made a part hereof for the procurement of:

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

NOW, THEREFORE, if the Principal shall well, truly, and faithfully perform its duties, all the
undertakings, covenants, terms, conditions, and agreements of said contract during the original
term there of, and any extensions thereof which may be granted by the Owner, with or without
notice to the Surety, and if he shall satisfy all claims and demands incurred under such contract,
and shall fully indemnify and save harmless the Owner from all costs and damages which it may
suffer by reason of failure to do so, and shall reimburse and repay the Owner all outlay and expense
which the Owner may incur in making good and default, then this obligation shall be void;
otherwise to remain in full force and effect.
PROVIDED, FURTHER, that the said surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any way affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDED, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in _________ counterparts, each one of which shall be deemed an original, this the _____ day of ____________, 2018.

__________________________________
Principal

ATTEST:
__________________________________  By ___________________________
(Principal’s Secretary)  ______________________________

__________________________________  ______________________________
(Witness as to Surety)  (Address)

__________________________________  ______________________________
(Address)

__________________________________
(Address)

NOTE: Date of BOND must not be prior to date of Contract. If CONTRACTOR is Partnership, all partners should execute the BOND.

IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department’s most current list (Circular 570, as amended) and be authorized to transact business in the state where the PROJECT is located.
PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: that

______________________________________________________________________________
(Name of Company)

______________________________________________________________________________
(Name of Corporation)

a ___________________________________, hereinafter called Principal and

______________________________________________________________________________
(Name of Surety)

hereinafter called Surety, are held and firmly bound unto

______________________________________________________________________________
(Name of Grantor)

______________________________________________________________________________
(Address of Grantor)

hereinafter called Owner, in the penal sum of _____________________________________ Dollars, %(_______________________________) in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas, the Principal entered into a certain contract with the OWNER, dated the _______________ day of __________________, 2018, a copy of which is hereto attached and made a part hereof for the procurement of:

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

NOW, THEREFORE, if the Principal shall well, truly, and faithfully perform its duties, all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term there of, and any extensions thereof which may be granted by the Owner, with or without notice to the Surety, and if he shall satisfy all claims and demands incurred under such contract, and shall fully indemnify and save harmless the Owner from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the Owner all outlay and expense which the Owner may incur in making good and default, then this obligation shall be void; otherwise to remain in full force and effect.
PROVIDED, FURTHER, that the said surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to WORK to be performed thereunder or the SPECIFICATIONS accompanying the same shall in any way affect its obligation on this BOND, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the WORK or to the SPECIFICATIONS.

PROVIDED, FURTHER, that no final settlement between the OWNER and the CONTRACTOR shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in _______ counterparts, each (Numbers) On of which shall be deemed an original, this the _______ day of ___________, 2018.

______________________________  Principal

ATTEST:

__________________________________   By ___________________________
(Principal’s Secretary)                   (Address)
(SEAL)

__________________________________   By ___________________________
(Witness as to Surety)                  Attorney in Fact

__________________________________       ______________________________
(Address)                                (Address)

NOTE: Date of BOND must not be prior to date of Contract. If CONTRACTOR is Partnership, all partners should execute the BOND.

IMPORTANT: Surety companies executing BONDS must appear on the Treasury Department’s most current list (Circular 570, as amended) and be authorized to transact business in the state where the PROJECT is located.
Sand Point School

- Job Mobilization – Project Management/Tools/Travel/Freight

- Task #1 – Replace central domestic hot water tempering valve in boiler room. Set outlet to no more than 120 degrees F.

- Task #2 – Remove toilet exhaust fan EF-4 (staff toilet) duct from the toilet exhaust fan EF-3 (Nurse toilet) system, and provide new ductwork routed to exterior wall immediately adjacent to the toilet room. Provide E/A wall cap.

- Task #3 – 140 degrees F hot water is needed for the kitchen dishwasher. Provide a separate HW / HWC system from the boiler room to the kitchen, with piping routed in the building crawl space. Grundfos HWC pump, copper piping, pipe insulation. Pipe this system to avoid the central domestic hot water tempering valve and take HW directly from the water heaters.

- Task #4 – Replace heating pump at fan F-3 heating coil with similar pump.

- Task #5 - Pool Mechanical Room: Replace copper piping & fittings within the room. Insulate pipes & seal insulation vapor tight. Seal all pipe penetrations into the room vapor tight. Replace corroded Unistrut with fiberglass Unistrut. Repair/replace leaking flange joint on pool PVC pipe. Hook up and verify proper operation of the chlorine flow meter.

- Task #6 - Install a ventilation system for the Pool Mechanical Room. Provide 500 CFM Small Cabinet Fan (SCF) with mixing box and control dampers, MERV-8 filters, heating coil. Locate SCF within this room, with O/A duct routed to exterior wall, with louver & plenum. Insulate O/A plenum and ductwork with 2” insulation and canvas jacketing, sealed vapor tight. Route rectangular S/A ductwork from unit and discharge using a duct mounted diffuser. Provide S/A diffuser and balance damper. Provide 4 wall mounted thermostat to cycle dampers and heating coil. SCF to operate continuously. Provide wall penetration with 2 grilles to relief air out of room and into natatorium.

- Task #7 - Add ductwork to the boiler room combustion air duct to form a “cold trap”, with the opening approximately 12 inches from the ceiling of the room.

- Task #8 - Install range hood over the Teachers’ Lounge cook stove, route duct to outdoors with E/A wall cap and verify proper operation.

- Task #9 - Replace birdscreen on Family Consumer Science classroom range hood outlet.

- Task #10 - Replace 2 malfunctioning HWR thermometers in the boiler room.
• Task #11 - Repair / replace bubbler in 4th grade classroom.

• Task #12 - Repair / replace bubbler in 1st grade classroom.

• Task #13 - Repair / replace drinking fountain in boy’s pool locker room.

• Task #14 - Testing and Balancing Work – Alaska Air Balancing will be a subcontractor under Bering Industrial Contractors to conduct the work.
Aleutians East Borough  
C/O Erick Voorhees  
DOWL, 4041 B St.  
Anchorage, AK 99503

RE: Aleutians East Borough – Sand Point and Akutan School: Deferred Maintenance  
Mechanical Work Proposal

Bering Industrial Contractors is a small business formed in 2000 to focus on niche mechanical piping projects in Washington, Alaska, and Hawaii. Since that time, our firm has completed hundreds of unique and challenging projects. Many projects were similar in scope and logistics to this project. We are currently up to date on all pertinent licenses, have the bonding capacity, insurance coverage, supply chain and Alaska based manpower and subcontractors to complete this project. We currently have employed 8 Journeyman Plumbers with State of Alaska Fitness Cards. Our team has thoroughly reviewed the bid and contract documents, and is offering a responsible, responsive proposal.

Sincerely,

[Signature]

John Marker  
President  
Contact No. 425-774-1000
Bering Industrial Contractors was founded in 2000 to focus on niche mechanical projects. Since 2000, our firm has completed challenging remote projects in Hawaii, Washington and Alaska. Our Seattle office handles Project Administration and logistics. Our Kodiak office handles manpower and with Alaska logistics.

Rural Alaska projects include the upgrade of the water system Adak, boiler repairs and heating system upgrades for National Parks in Kotzebue. Installation of new backflow prevention assemblies and potable water upgrades at all City of Unalaska Buildings, heating system repairs for Department of Public Safety, City of Unalaska, and numerous design/build projects for the Coast Guard, Kodiak.

These entire projects required extensive logistical planning to be successful. As a majority of our work is remote, we are uniquely qualified. We have relationships with all Alaskan freight companies and airlines. For this project our presence in Dutch Harbor will be helpful as we have housing, tools and material that could be utilized at Akutan and Sandpoint. Our craftsmen are accustomed to traveling and adapt to new locations and housing situations. These craftsmen are skilled at problem solving and communication. We will work closely with the site representatives and engineers for the most cost effective and efficient solutions.
<table>
<thead>
<tr>
<th>Contract Amount</th>
<th>Project Name &amp; Type</th>
<th>Date Completed</th>
<th>Contact Information for Owner or Prime Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>$167,995.00</td>
<td>AKDOT – South Channel Bridge #1386, Dutch Harbor, AK</td>
<td>Oct - 2007</td>
<td>Pacific Pile &amp; Marine, LLC Attn: Brian Gablein 620 B East Whitney Rd, Anchorage, AK 99501 (206) 763-1230</td>
</tr>
<tr>
<td>$467,897.02</td>
<td>Aleutians East Borough City of False Pass – False Pass Harbor Utility Ext.</td>
<td>Aug - 2012</td>
<td>Puffin Electric Attn: Bruce Hess PO Box 1724 Homer, AK 99603 (907) 235-8160</td>
</tr>
<tr>
<td>$727,968.49</td>
<td>City of Unalaska – Backflow Prevention Project</td>
<td>June - 2016</td>
<td>City of Unalaska Attn: Robert Lund PO Box 610 Unalaska, AK 99885 (907) 581-12360</td>
</tr>
<tr>
<td>$844,542.00</td>
<td>USCG – Repair Aging Utility piping Hill Housing Area Base, Kodiak, AK</td>
<td>Dec – 2017</td>
<td>CCI Alliance of Companies Attn: Jeff Fryberger PO Box 35028 Walton, AK 99703 (907) 386-6144</td>
</tr>
<tr>
<td>$33,605.00</td>
<td>City of Unalaska – Modify existing water service for installation of 2” water meter and 2” backflow preventer, piping for 3 wash-downs</td>
<td>Dec - 2017</td>
<td>City of Unalaska Attn: Robert Lund PO Box 610 Unalaska, AK 99885 (907) 581-12360</td>
</tr>
<tr>
<td>$68,585.00</td>
<td>City of Unalaska – DPS Heating System Upgrades</td>
<td>Nov - 2017</td>
<td>City of Unalaska Attn: Robert Lund PO Box 610 Unalaska, AK 99885 (907) 581-12360</td>
</tr>
<tr>
<td>$2,653,986.42</td>
<td>USCG – Design/Build – Air Station Reconfiguration of Spaces - USCG Kodiak</td>
<td>June - 2017</td>
<td>Jay-Brant General Contractors, LLC – Attn: Shelby Sims 460 Grubstake Avenue Homer, AK 99603 (907) 235-8400 X 153</td>
</tr>
<tr>
<td>$843,510.00</td>
<td>UMC Dock Position III &amp; IV Replacement, Unalaska, AK – Removal and installation of water system, Fuel Piping and Components</td>
<td>Jan - 2018</td>
<td>Turnagain Marine Construction Attn: Jason Davis 8241 Dimond Hook Drive, Unit A Anchorage, AK 99507 (907) 261-8967</td>
</tr>
</tbody>
</table>
Qualifications

Key Personnel

John Marker
PROJECT SPONSOR: John Marker, Founder and President will act as Project Sponsor for this job. John has been in the mechanical piping industry for over 30 years, 15 years as President of Bering Industrial. Over that period John and Bering Industrial completed numerous challenging piping projects ranging from $100,000.00 to over $3,000,000.00. John has estimated and managed a majority of these projects. Similar projects include Adak, Dutch Harbor, False Pass, Kotzebue, Kodiak as well as numerous locations in Southern Alaska.

Maurice (Bob) Johnson
PROJECT MANAGER/MECHANICAL ADMINISTRATOR, ALASKA: Bob Johnson has lived in Alaska since 1974. He has been a licensed plumber in Alaska since 1976. Bob was the owner of Tundra Plumbing since 1983 and retired from ownership in 2010. He also holds a Mechanical Administrator State of Alaska License #586. During his ownership of Tundra, his firm completed hundreds of projects in the Kodiak area as well as Sand Point Harbor domestic water and fire line to new dock $250,000.00, King Cove Harbor, new water and fire lines $175,000.00 and other remote areas. Bob joined Bering Industrial Contractor’s, Inc. in 2015 as an Estimator/Project Manager and supervises Kodiak operations.

Dustin Krug
SUPERINTENDENT, ALASKA: Dustin has been a Journeyman Plumber over 15 years, 5 of those years were on remote areas of Alaska. Some of the villages are as follows: Kobuk – 5 residential houses, Shugnak – 4 residential houses, Hooper Bay – 19 unit town home complex, Emmonak – AC store remodel, Mountain Village – 8 unit teach housing, Quinhagak – New Post Office, Nunapitchuk – New Airport Maintenance Facility, Kwigillingok – New Post Office. He currently manages all craftsmen and work performed.

Lead Plumber
LEAD PLUMBER: Bering Industrial has over 12 full time qualified plumbers based in Kodiak, Alaska. These craftsmen have relevant experience from 5 to 30 years in Alaska plumbing projects.

Sheet Metal Worker
Sheet Metal Worker will be determined as needed. We have relationships with all major sheet metal firms in Alaska to acquire craftsmen.
PRICE INFORMATION

1) Hourly Labor Rate for:
   - Project Manager (office) $125.00
   - Project Engineer (office) $100.00
   - Field Staff (on-site) $200.00

2) Sheetrock Repair $500.00 Per Sq. Ft. Note: 10 sqft. Would be the same as 1 sqft.

3) Bonding Rates: 1.5% of Total Project
4) Insurance Rates: 2.5% of Total Project

General Contractor's Fee:

Sand Point School
Profit: 15%
General Office Overhead: 10%

Akutan School
Profit: 15%
General Office Overhead: 10%
Schedule Summary

We acknowledge the aggressive schedule. We have plumbers prepared to start this project immediately. We plan on a site visit to both schools upon award for a detailed material and tool list. This project would be expedited from Seattle, Kodiak and Dutch Harbor to best meet the schedule. We plan to work both schools concurrently, seven days a week. Our goal is to complete the majority of work with minimal impact to the schools.

Bob Johnson in Kodiak would manage the daily work, order and track material.
BERING INDUSTRIAL CONTRACTORS
PO BOX 628 • Edmonds, WA • 98020 • 425-774-1000 • 425-774-1100
• Alaska Business License #90650 • Alaska Contractors License #33259

SCOPE LETTER/QUOTE

To: Aleutians East Borough
Project: Sandpoint School
Bid Date: 9/20/18

Bering Industrial Contractors is pleased to quote the following project. We recognize 0 addenda

SCOPE: Bering will support, provide room and board for Alaska Air Balancing and provide access to area's needing balancing, ladders, remove replace ceiling tiles. Remove; replace baseboard covers necessary to balance each system complete.

TOTAL $20,130.00

Bob Johnson
Project Manager
907-486-8300
Subject: Sand Point School - Aleutians East School District  
Sand Point, Alaska

This is our quotation for the testing, adjusting & balancing on the air & hydronic systems of subject job. **Balancing will be performed per NEBB standards.**  
Excluded from quote is any cost associated with having support from the controls contractor. Also excluded is any cost or coordination for ladders or lifts.  
Quote is assuming all scheduled work will be ready when technicians arrive on jobsite.  
Installation of additional balancing devices (if needed), repairing non-functioning equipment, removing baseboard covers, repairs from leaky balancing valves, lubricating or aligning equipment or changing of filters or bearings is the responsibility of others.

For any projects requiring pre-demolition readings, progress site visits or additional balancing after TAB is completed; it is the responsibility of the contractor to contact us for scheduling those activities in a timely manner.

Repairing, patching or replacing of ductwork, insulation, piping or vapor barrier and testing for leaks is excluded and the responsibility of others.

Quote is assuming balancing will be scheduled and can be completed before owner occupies project space. Balancing after occupation may incur additional costs.

In the amount of...$27,000.00 (Twenty Seven Thousand Dollars)  
***Quote is based on an assortment as-built drawings.  
***Not included in quote is approximately 15 camp days  
***Quote is assuming all work can be completed in one trip.

If we can be of assistance in answering any questions or giving further information, please feel free to contact our estimator, Todd Stafford at 907-746-1090 or email at AKAir_Todd@MTAonline.net.

Sincerely,

Ronald D. Neffendorf, President
RESOLUTION 19-27

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY IN SUPPORT OF A 58 FOOT LIMITATION IN THE FEDERAL WESTERN GULF OF ALASKA POLLOCK TRAWL FISHERY.

WHEREAS, the local fishing fleet that homeport in Aleutians East Borough communities and employ captains and crew that live in the communities, is made up predominately of 58 foot limit seiners and smaller vessels that participate in local salmon fisheries, and

WHEREAS, many of these vessels have diversified by necessity to participate in other local fisheries over the years, including using trawl gear for pollock in the Western Gulf of Alaska, and

WHEREAS, the local 58 foot and under vessels that pioneered the local pollock trawl fishery could easily be eclipsed by larger vessels moving into the fishery, and

WHEREAS, the Aleutians East Borough wishes to advantage local vessels that employ local residents, contribute to local economies and deliver pollock to our local shore-based plants, and

WHEREAS, the North Pacific Fishery Management Council is considering the impacts of an option to limit pollock trawl vessels in the Western Gulf of Alaska fishery to 58 feet, and

WHEREAS, a 58 foot limit in the WGOA pollock trawl fishery would benefit the local vessels that have historically participated in this fishery, and

WHEREAS, protections for our local vessels also protect jobs, families and local economies.

NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly supports an option currently under consideration by the North Pacific Fishery Management Council for a 58 foot vessel limitation in the Western Gulf of Alaska pollock trawl fishery, and

BE IT FURTHER RESOLVED, that the Aleutians East Borough Assembly requests the North Pacific Council to also consider other options to protect the local WGOA trawl fleet, including an option to reduce the trip limit and an option to cap the over 58 foot vessel group to their historical average of the pollock harvest.

PASSED AND APPROVED by the Aleutians East Borough on this __ day of November, 2018.

__________________________________________  ATTEST: _______________________
Alvin D. Osterback, Mayor                  Tina Anderson, Clerk
OLD BUSINESS

None
New Business
MEMO

To: Mayor Osterback and Assembly
From: Tina Anderson, Clerk
Date: November 8, 2018
Re: Student Representative

The Assembly approved Ordinance 18-09, to include a student representative as an advisory on the Assembly.

All schools were contacted and given the instructions on how to nominate a student advisory for the Assembly to consider. We received one application.

Following is Logan Thompson’s application, approved by the Sand Point School Principal, Hilary Seifert.
APPLICATION FOR APPOINTMENT TO AEB ASSEMBLY – STUDENT ADVISORY REPRESENTATIVE

Name: Logan Thompson
Mailing Address: P.O. Box 116
Residence Address: 10 Johnson Ave, Sand Point, AK, 99661
E-Mail Address: lthompson@aebsd.org

Home Phone: 383-5845
Cell Phone: 907-952-9685

Grade Level: 11th

- Do you reside within Aleutians East Borough? ☐ Yes ☐ No
- Are you a Student in good standing at an AEBSD High School? ☐ Yes ☐ No
- Does your schedule permit you to attend required meetings? ☐ Yes ☐ No

Please provide a brief statement describing your interest in Borough Government.

I have always been amused by politics on a local, borough, state, and even on a federal level. I have attended numerous assembly meetings across the borough, and even in the Anchorage office. I find this level of government fascinating. It shows the interaction between communities on several issues, such as fishing regulations, funding, and education. Borough government shows the strength communities can have when they come together to fight on issues pertaining to each other. If there’s one thing I have learned from being on the Student Council, it’s that no matter your age, location, or even your significance, you can better the world by working together. This is the reason I would like to serve as the Student Representative for the Aleutians East Borough Assembly.
I understand that this is a voluntary, appointed position to be confirmed by the Aleutians East Borough Assembly, and requires regular attendance at official meetings. I further understand that this application is public information and the merits of my appointment may be discussed at a public meeting. In addition, my name may be published in a newsletter or other media outlet.

I have provided a letter from the Student Council Adult Administrator confirming the Student Council election results or recommendation by the Sand Point High School Student Council.

I certify that the information in this application is true and accurate.

Signature of Applicant: [Signature]  Date: 11/5/2018

I confirm that the applicant is a student in good standing at Sand Point High School, was recommended by the High School Student Council for appointment to the Assembly as a Student Representative and that the High School Administration fully supports this recommendation.

Signature of Principal: [Signature]  Date: 11/05/2018

Return completed applications to the Aleutians East Borough Clerk.

Student Representative Application
Memorandum

Date: November 2, 2018
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Donation Requests

The Aleutians East Borough has an established Donation Policy that allows entities within the Borough communities to request charitable donations. Requests for donations must be completed and submitted by November 1 or May 1.

The Assembly appropriated $23,500 for FY19 donations. At the May 2018 meeting, the Assembly approved $9,800 in FY 19 donations leaving a balance of $13,700 to be used at a later date. The Borough has received two donation requests for consideration at the November meeting. Below are the recommendations for donation requests. All donations will be taken out of the FY19 budget.

- Agdaagux Tribe Culture Camp $3,500.00
- QTT Earth Day Fair $200.00

Total $3,700.00

If approved, a balance of $10,000 will be available in the donation line item for requests made on May 1, 2019 for items that qualify for the 2019 fiscal year.
Aleutians East Borough
Donation Requests
November 2018

FY19 (May 2018)

Amount Approved

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Akutan Traditional Council</td>
<td>$3,500.00</td>
</tr>
<tr>
<td>Qagan TayaguninTribe (QTT)-Culture Camp</td>
<td></td>
</tr>
<tr>
<td>APIA-Reclaim Alaska Summit</td>
<td>$0.00</td>
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<tr>
<td>KSDP</td>
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<tr>
<td>Sand Point Teen Center</td>
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<tr>
<td>Sand Point Salmon Derby</td>
<td>$900.00</td>
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<tr>
<td>Sand Point Community Clean Up</td>
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<tr>
<td>Akutan Traditional Council</td>
<td></td>
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<tr>
<td>King Cove Fire &amp; Rescue</td>
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<tr>
<td>QTT Graveyard Clean Up</td>
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<tr>
<td>QTT Fall Clean Up</td>
<td>$200.00</td>
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<tr>
<td>Sarah Curwen-King Cove Clinic Health Fair</td>
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<tr>
<td>Cold Bay EMS Equipment</td>
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<tr>
<td>City of Sand Point Spring Clean-up</td>
<td></td>
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<tr>
<td>False Pass Tribe - Community Halibut Derby</td>
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<tr>
<td>Agdaagux Tribe Culture Camp</td>
<td></td>
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<tr>
<td>Boys &amp; Girls Club</td>
<td></td>
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<tr>
<td>Aleut International Association</td>
<td></td>
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<tr>
<td>QTT Earth Day Fair</td>
<td></td>
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</tbody>
</table>

$9,800.00

<p>| FY19 Donation Request Amount Appropriated          | $23,500  |
| FY19 May Donation Requests Approved                | ($9,800) |
| FY19 November Donation Requests Recommended        | ($3,700) |
| FY19 Remaining Donation Request Funds              | $10,000.00|</p>
<table>
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<tr>
<th>FY 19 (November 2018)</th>
<th>Amount Requested</th>
<th>Amount Approved</th>
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<tr>
<td></td>
<td>No specific amount requested.</td>
<td>$3,500.00</td>
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<td></td>
<td>$3,500.00</td>
<td>$3,500.00</td>
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<tr>
<td></td>
<td>$200.00</td>
<td>$3,700.00</td>
</tr>
</tbody>
</table>
REQUEST FOR CONTRIBUTION

THIS FORM MUST BE COMPLETED AND SUBMITTED BY NOVEMBER 1 OR MAY 1 TO BE CONSIDERED BY THE AEB ASSEMBLY FOR FUNDING.

ORGANIZATION NAME: Agdaagux Tribe Culture Camp
PERSON COMPLETING THIS FORM: Etta Kuzak
AMOUNT REQUESTED: $3500 (An amount range is acceptable)

1. Who will benefit from this donation?
   - 100 Estimated number of AEB Residents
   - 20 Estimated number of Non-AEB Residents
   - ALL Ages
   Is this activity open to all AEB residents? /Yes /No If not, please explain.

2. How does this contribution promote the best interests of the AEB? For example, tell us if this project/activity is related to the safety, health or well-being of residents. Specifically perhaps, it offers an alternative (to alcohol or drug abuse) recreation opportunity. Or supports the preservation of the Aleut culture or reinforces the subsistence life-style. Why should this activity receive AEB funds? Please limit your answer to no more than one page. See attached

3. What is your estimated budget? Where does the AEB contribution fit into the budget? Who are, if any, the other donors? Please limit your answer to no more than one page. See attached

4. Are you willing to report back, without a reminder, to the Mayor and Assembly describing your project/activity within two months of the activity? /Yes /No
   Please let me know if you would like me to come and report.
October 29, 2018

1. Thank you for taking the time to consider my request. I am the Agdaagux Tribe Camp Coordinator. For the past few years we have held a Culture Camp in the summer months. This year we plan to hold our camp the same time as the ferry so more people from out of town can also attend.

We use local and non-local artist and Elders for instruction. Last year we averaged around 100 people each day during camp.

This years plans are to bring in Aleut mask carvers, Aleut language specialist, Aleut Hat maker and designer, and more Elders to teach and tell stories with our Youth.

2. Our Budget this year will be around $20,000 +. I have not received any funding for this years camp yet but hope to get the same as last year. From APIA $5000.00 and Aleut Corporation $5000.00. I will ask all local and non-local organizations for help, as I always do.

Thank you for your help.

Etta Kuzakin
Camp Coordinator
October 25, 2018

Dear Mayor Osterback and Assembly Members;

I am writing on behalf of the Qagan Tayagungin Tribe, and would like to ask if you would provide a donation for our annual Earth Day Fair.

Earth Day is on April 22nd and it is a nationally celebrated holiday all around the world. We are planning to have our Earth Day Fair on April 20, 2019. This will be Sand Point’s 12th Annual Earth Day Fair, and our previous fairs have been very successful.

All proceeds will go to the Earth Day Fair for supplies and prizes for both youth and adult activities. Some of the activities are; relay races, face painting, planting, and much more. The Environmental Department also holds a raffle each year of various items bought and donated. Children are our future and having activities for both youth and adults will help our community better understand our environment and keep it clean for future generations. With putting on the Earth Day Fair, the Environmental Department hopes to educate the community to be aware of environmental issues impacting our land.

PLEASE CONSIDER DONATING TO THIS VERY GOOD CAUSE, IT WOULD BE MOST APPRECIATED.

Thank you for your time.

Sincerely,

Karis Porcincula
Environmental Coordinator
REQUEST FOR CONTRIBUTION

THIS FORM MUST BE COMPLETED AND SUBMITTED BY NOVEMBER 1 OR MAY 1 TO BE CONSIDERED BY THE AEB ASSEMBLY FOR FUNDING.

ORGANIZATION NAME: Qagan Tayagungin Tribe, Environmental Department

PERSON COMPLETING THIS FORM: Katis Porcincola

AMOUNT REQUESTED: $200 (An amount range is acceptable)

1. Who will benefit from this donation?
   
   990 Estimated number of AEB Residents
   
   20 Estimated number of Non-AEB Residents

   0-Adult Ages

   Is this activity open to all AEB residents? / Yes / No If not, please explain.

2. How does this contribution promote the best interests of the AEB? For example, tell us if this project/activity is related to the safety, health or well-being of residents. Specifically perhaps, it offers an alternative (to alcohol or drug abuse) recreation opportunity. Or supports the preservation of the Aleut culture or reinforces the subsistence life-style. Why should this activity receive AEB funds? Please limit your answer to no more than one page.

   This project is related to the Health & Safety of our people and our environment. The Earth Day Fair should receive funds because it better serves our community. It’s an healthy activity for all ages.

3. What is your estimated budget? Where does the AEB contribution fit into the budget? Who are, if any, the other donors? Please limit your answer to no more than one page.

   Our estimated budget is $1000. AEB would be a great contribution to help better serve our community. Also asked Pauloff Harbor, Unal, Aleut Corporation, APIA, City of Sand Point & Shumagin Corporation.

4. Are you willing to report back, without a reminder, to the Mayor and Assembly describing your project/activity within two months of the activity? / Yes / No
REPORTS AND UPDATES
To: Honorable Mayor Osterback and AEB Assembly  
From: Anne Bailey, Borough Administrator  
Subject: Assembly Report  
Date: November 2, 2018

King Cove/Cold Bay Road Litigation Update

Below is an update on the current status of the litigation:

The King Cove Land Exchange Agreement was signed on January 22, 2018. On January 30, 2018, nine environmental groups (Plaintiffs) filed litigation to invalidate the Agreement. Per the authorization of the Borough, our attorneys for the King Cove-Cold Bay Group (Aleutians East Borough, King Cove Corporation, Agdaagux Tribe, Native Village of Belkofski, City of King Cove and City of Cold Bay), have filed our Brief in Opposition to the environmental groups Motion to Vacate the Agreement. Our attorneys have worked closely with the Department of Justice (DOJ) representing Secretary of Interior Ryan Zinke, the Department of Interior and the State of Alaska to coordinate a defense of the Agreement. The case is before Chief Judge Timothy Burgess in Alaska Federal District Court - Anchorage.

The case has been proceeding. Briefing in the case is now completed.

On September 20, 2018, the Defendant/DOJ filed a Brief in Opposition to Plaintiffs' Motion to Strike. The Plaintiffs moved to strike the following from the record:

Furthermore, the Department explained its rationale to the public at the time the Agreement was announced. The Secretary stated: 'Above all, the federal government's job is to keep our people safe and respect our treaty commitments with Native Americans and Alaska Natives. . . . Previous administrations prioritized birds over human lives, and that's just wrong. The people of King Cove have been stewarding the land and wildlife for thousands of years and I am confident that working together we will be able to continue responsible stewardship while also saving precious lives.' January 22, 2018 Department of the Interior Press Release, available at https://www.doi.gov/pressreleases/secretary-zinke-approves-initial-plan-build-life-savingroad-alaska-native-village. The U.S. Coast Guard also expressed the view that a road would 'significantly reduce the risk . . . U.S. Coast Guard aircrews are exposed to while operating in one of the U.S. Coast Guard's most unforgiving environments - Alaska.' Id. Fed. Defs.' Br. in Opp. to Pls.' Mot. for Summ. J. 17.

The Plaintiffs claim that this paragraph was improperly included in the Administrative Record.
On October 4, 2018, Judge Burgess recused himself from the case because his wife is a senior supervisory attorney in the Alaska Department of Law and the State of Alaska recently filed an amicus brief in support of the King Cove Land Exchange. Judge Holland was appointed to take his place; however, he has recused himself. Since his recusal, Judge Gleason has now been assigned to the case.

Cold Bay Terminal
- **Maintenance Work:** The Borough is still working with FAA to address the HVAC systems and the pop outs located in the FAA leased space.
  - HVAC: FAA was onsite during the week of October 22nd and installed a temporary cooling unit in the FAA equipment room in the Cold Bay Terminal. The Borough is now working with FAA on a permanent system.
  - Pop Outs: The Borough issued a Request for Quotes to three contractors for the bracing work and we received one response by October 12, 2018. The cost estimate was cost prohibitive. We have since met with the contractor and are working on ways to reduce the cost.
- **Lease:** On October 19, 2018, the Borough began discussions with the airlines regarding the Cold Bay Terminal Lease. This was an opportunity for the airlines to tell us what their anticipated operations at the Terminal are; what will be needed for exclusive use space; what tenant improvement will be needed for them to conduct their operations and the draft rental rate structure. We are revising the draft and will have further discussions with the airlines prior to finalizing the lease and rental rate structure.

Akutan Essential Air Service
As mentioned earlier, USDOT has verbally stated that they will cover 100% of the fixed wing portion between Dutch and Akun and pay 50% of the helicopter portion between Akun and Akutan for the Essential Air Service Route. Therefore, the Borough would be responsible for 50% of the helicopter cost. While in DC, Mayor Osterback, Brad Gilman and I met with USDOT. They confirmed their commitment and stated that they have provide Maritime with additional information, so, they can finalize their costs. I will provide additional information when I am able.

Akun Dock/Breakwater
The Energy & Water Appropriations Committees have finally signed off on the Corps’ Continuing Authorities Program list. As expected, the Akun Breakwater Study is included on the list for a proposed start in FY18. Mayor Osterback, Brad Gilman and I met with the US Army Corps while in DC and they confirmed that the Akun Project is proposed as a new start and funds should trickle down the Alaska District soon. Mary and I had a brief discussion with the Alaska District project manager on November 1st to define the process. I hope to have an agreement before the Assembly soon for consideration and approval.

Strategic Initiatives
We are preparing for the Planning Work Session scheduled for December 11th and 12th in Anchorage. Mayor Osterback and staff met with PGS on October 18th and November 2nd to prepare for the session. Additional meetings may be necessary between now and December to
prepare.

**Other Items**
- I have also been working on numerous items for the school repairs, working on items for the Cold Bay Clinic and many other items.
- Mayor Osterback, Mayor Gardner and I travelled to D.C during the week of October 22\textsuperscript{nd} to attend an Alaska, California and Hawaii White House Conference with Local Leaders. The meeting was extremely informative. The Secretary of Interior, Secretary of Transportation, and Secretary of Veterans Affairs, Kellyanne Conway and many others presented information on topics that affect our State. President Trump also made a guest appearance and spent 30 minutes addressing the group. AML’s press release is attached for your reference. Mayor Osterback and I also had meetings with USDOT, US Army Corps and staff from the Alaska Delegation.
- Final reminder that the Alaska Municipal League Annual Conference will be held at the Hotel Captain Cook in Anchorage November 12-16, 2018. The Newly Elected Officials Training will be on November 12\textsuperscript{th} and 13\textsuperscript{th} and the Annual Local Conference will be held on November 14-16, 2018. For more information you can go to [www.akml.org](http://www.akml.org).
- I am also continuously conducting other day to day operations.

If you have any questions, comments or concerns please contact me at (907) 274-7580 or abailey@aeboro.org.

President Trump Speaking at the Alaska, California and Hawaii White House Conference

Borough Mayor Alvin Osterback, Borough Administrator Anne Bailey and City of Sand Point Mayor Glen Gardner
For release: October 26, 2018
Contact: Nils Andreassen, nils@akml.org, 907-790-5305

Alaska’s local leaders speak with White House officials

Alaska’s local government officials traveled to Washington, D.C. this week at the invitation of the White House. Alaska Municipal League members met with administration officials on Tuesday, October 23, as part of the last round of “State Days,” which have been convened for the first time under President Trump. With this visit by Alaska, Hawai’i and California, more than 3,000 local government leaders from all 50 states have participated.

Alaska leaders heard from four cabinet members, other White House officials, and the President. This was one of the strongest programs of any of the state days, with a robust group of speakers, the majority of whom were very familiar with Alaska and Alaska issues. As the President noted, this opportunity gave the administration a chance to hear from and respond to community officials.

Secretary Ryan Zinke, Department of the Interior, focused his remarks on restructuring within DOI, and aligning between agencies the coordination of recreation, conservation and permitting. Secretary Zinke highlighted energy development, active forest management, as well as support for the Restore Our Parks and Public Lands Act.

Department of Transportation Secretary Elaine Chao similarly focused on the need to streamline and speed up permitting, which would be helped by accurate cost estimates up front, including for life cycle and local share amounts. Secretary Chao mentioned asset recycling, new ways of funding projects, one federal decision, and the interest in rural America.

On the opioid response, Kellyanne Conway noted that opioid legislation had passed with bipartisan support, that investment was increasing and that focus will also be needed on prevention education.

Andrew Wheeler, Administrator of the EPA, reviewed some of the numbers that the U.S. has been able to achieve, both to increase economic development and reduce pollution. Striking the balance between the two was clearly a priority. One of the ways that states can have more of a role and say is through converting FIPS to SIPS – air quality implementation plans from federal to state. EPA is working on a new WOTUS definition, which should be available for comment soon, and they’ll be working on guidance for partnership with regions.

Finally, Secretary Robert Wilkie, Department of Veterans Affairs, had just returned from AFN, which he considered a very special occasion. Secretary Wilkie discussed reforms within VA, which is the second largest federal department. He mentioned testing electronic records in Alaska, a focus on suicide prevention, and the importance of VA housing vouchers.

AML President Pat Branson, Mayor, City of Kodiak, noted that “contacts and information made during this DC visit were invaluable for getting informed about a possible new infrastructure bill favorable to municipalities, a huge contact list of federal administration officials making it easier to get questions answered and issues known, and even President Trump telling the group to contact him directly.”
Overall, the tone was collaborative, with a consistent theme of searching for efficiency, system reform and outcomes that are responsive to local interests. Alaskans were able to ask questions, reference outstanding issues, and voice appreciation for decisions that had benefits to local government. This was an important opportunity to ensure that Alaskans are heard at the highest level, and a great way to learn more about meaningful engagement with federal agencies and officials.
To: The Honorable Mayor Osterback, AEB Assembly  
From: Mary Tesche, Assistant Administrator  
Subject: Assembly Report  
Date: November 2nd, 2018  

Strategic Plan Update

- **Akutan Harbor** – This month I will continue work on updating the Marine Facilities Management Handbook. This is a USACE mitigation measure requirement for this project, and a Q3 task. I will also be providing assistance as needed to the City of Akutan for their work on updating the City’s Harbor Development and Operations Plan, and Harbor Local Area Plan. The City has informed me that they are actively working on these two Q3 tasks.

- **Cold Bay Clinic** – Anne and I will be meeting with the City of Cold Bay and Eastern Aleutian Tribes to discuss project next steps on November 6th. The goal of the meeting is to discuss a project strategy (including funding options and a possible project timeline) that will coincide with our proposed strategic plan for 2019-2020. I will be able to provide a better report on the status of this initiative during the Assembly meeting.

  I am also drafting a white paper for the project that will be added to the packet for the December meeting. Hopefully this will provide useful information to the Assembly about the history of the project and where we are today.

- **Nelson Lagoon School Renovations** – ECI will be going to Nelson Lagoon November 6th-8th to conduct the school assessment. After the assessment is completed the Borough will deliver the findings to the Nelson Lagoon Tribal Council and this initiative will be completed.

- **Office Technology & Connectivity** – ICE Services has made their trip to the Borough offices in King Cove and Sand Point. This visit will help with the overall task of creating a technology improvement plan for the three Borough offices.

- **Staff** has met with PGS several times this past month to discuss the strategic plan for 2019-2020. These meetings will be ongoing until the workshops in December.

Helicopter Operations

- In October the helicopter transported 265 passengers and 12,800 pounds of mail and freight, and flew 4 charters carrying 70 passengers.

- I continue to work with our Akutan staff on helicopter logistics, which has included Jet A fuel purchases, supply orders, and personnel issues during the month of October.

Other Items

- I attended the Aleutian and Pribilof Island Opioid and Substance Misuse Task Force Meeting on October 16th. The meeting was well attended and provided excellent
information that will be used to form a strategic plan for EAT and APIA to combat the opioid epidemic. If you would like me to send more information on what was discussed at the meeting, please let me know.

- I am working with Anne on the Cold Bay Terminal, which has included the Airline terminal lease and the FAA facility improvement projects.
- I will be attending the Alaska Municipal League conference the week of November 12th.
- I plan to travel to Akutan the week of November 29th to meet with our employees and check on the helicopter operation.

Please contact me at (907) 274-7559 or mtesche@aeboro.org with any questions or comments.
Vacation: I was on vacation Oct. 26th – Nov. 3rd.

Pacific Marine Expo:
Flyers: In addition to updated flyers for Sand Point and Akutan, I also made some last-minute changes to the False Pass flyer. After speaking to Rob Zuanich with Silver Bay Seafoods – False Pass, LLC, we added info about that seafood plant, how it will be operational in May of 2019, the species that will be processed there, the capacity it will handle, and the size of the building. Silver Bay Seafood’s plant was also added to the map on the back.

Photo enlargements:
I enlarged a few new photos for display, including Silver Bay Seafoods partially completed plant building in False Pass as well as the latest pictures from Peter Pan Seafoods’ Port Moller plant of the rebuilding efforts there.

Promo items: ordered additional AEB pens for handing out at Expo.

Packed up items & shipped to warehouse in Seattle.

Slide show: I put together a slide show of the Borough communities along with harbors and other infrastructure to display at the booth.

Fish News: (Oct. 23rd) –

Ernie wrote a summary of what occurred during the Alaska Board of Fisheries
meeting in Anchorage Oct. 15 – 19th, which I included in the last Fish News. That was sent out on Oct. 23rd.

**In the Loop:** - (Oct. 16th) – headlines include:

- State, Local Officials Celebrate Success of Waterfall Creek, King Cove’s Second Hydroelectric Facility, during Dedication Ceremony
- Update on Reconstruction of PPSF’s Port Moller Plant
- New CEO Keja Whiteman Takes the Helm at Eastern Aleutian Tribes
- Charlotte Levy Promoted as AEB’s Assistant Natural Resources Director
- Sand Point Students Travel to Skagway for the Alaska Association of Student Governments Conference
- 2018 Fall AASG (King Cove students)
- Six King Cove Student Athletes Compete at State Cross Country Running Championships
- King Cove Sends Jr. High Basketball Team to Sand Point
- Sand Point Celebrates Cultural Diversity at the Schools ‘Cultural Sampler’ Event
- Robert Christensen Wins AEB Photo Calendar Contest

**Upcoming Projects:**

Working on:
- the annual report for the Borough
- Satisfaction survey for the communities, as part of the strategic plan, regarding the communication infrastructure (i.e. internet, cell, local and long-distance service)
- Putting together a schedule for those who will “man” the booth at the Pacific Marine Expo.

As always, I’m happy to help get the word out about an event or issue in your community. Please call or email me any time with information.

ltanis@aeboro.org.
To: The Honorable Mayor Osterback, Aleutians East Borough Assembly  
From: Ernie Weiss, Natural Resources Director  
Subj: Report to the Assembly  
Date: November 2, 2018

North Pacific Fishery Management Council

For the upcoming December NPFMC meeting, there are several issues of local AEB interest:

The groundfish specifications for the BSAI and GOA were reviewed in October and will be finalized in December: The BSAI pollock ABC (allowable biological catch) is expected to drop 5%, while the BSAI Pacific cod ABC is slated to drop 15%. The WGOA pollock ABC is expected to decrease by 33% and WGOA Pacific Cod ABC is expected to drop 5% from 8082 metric tons to 7633 MT (16,827,864 lbs).

The Council will take an Initial Review of an action widely supported by GOA trawl groups, to amend the seasonal structure of the pollock fishery in the GOA, and to change the Pacific cod allocation between the A & B cod fishery seasons. These actions are expected to help fishermen to more efficiently avoid bycatch. Adopting these regulations could trigger a Stellar sea lion consultation with the Protected Resources Division of NMFS.

A less widely supported Council motion, but favored by our local trawlers initiates a discussion paper for December to explore implementing a 58 ft vessel limitation on the WGOA pollock trawl fishery. Resolution 19-27 included in your packet is intended to be submitted as public comment if adopted.

The Trawl EM (electronic monitoring) cooperative research plan for 2019 is of particular AEB interest, due to our submission of a NFWF EM grant proposal on behalf of the local trawl group, Peninsula Fishermen’s Coalition. All those items plus the Bering Sea Fishery Ecosystem plan, the salmon FMP amendment, and final action on the AI Peod set aside for Adak… and more! A packed December agenda.

Board of Fisheries

My review of the Board of Fisheries meetings in October at the Egan Center can be found in the most recent edition of Fish News. The Board ended up supporting an action similar to Proposal 14 that I had submitted, increasing the area of the Dutch Harbor Subdistrict Pacific cod fishery up to Moffet Point, and increasing the GHL from 6.4% to 8% of the federal ABC. Additionally the Board included language that will grant an increase of 1% in the GHL each year that the GHL is fully harvested, up to a total of 15% of the ABC. I was extremely happy to have representatives of each of the local Advisory Committees attend an effective AC training with the Board’s Executive Director. The week was successful, if only for the interaction by myself, Eric Volk and the AC reps with Board members.

I am hopeful I will have the opportunity to represent the Anchorage AC (that I am a member of) and present our minutes, at the next Board meeting in Dillingham, the hometown of Board Member Fritz Johnson at the end of November. All other Board meetings this year are set to be held in Anchorage.

The major focus of our work in the Natural Resources Department continues to be preparing for the upcoming AI/AK Pen/Chignik finfish meeting in February 2019.

The State of Our Salmon

I attended a field hearing of the Senate Commerce, Science & Transportation Committee, Subcommittee on Oceans, Atmosphere, Fisheries, and the Coast Guard, held by Senator Sullivan Saturday October 20th at the Dena’ina Center. I am eager for the transcript of the question and answer period to be released: when Senator Sullivan asked panel members about the discrepancies in salmon runs this past year, very good in Bristol Bay vs very poor in the GOA, the common answer was that ocean conditions were to blame. I was reminded of the ‘Long-term Challenges to Alaska’s Salmon and Salmon-Dependent Communities’ workshop I attended with Mayor Osterback back in November 2016. One of the conclusions at that conference was that salmon habitat loss has been the main driver to poor salmon runs worldwide. Food for thought.
Marine Transportation Advisory Board

I was recently appointed to the MTAB. My first meeting with the group is scheduled for December 18th. The following info about the Tustumena replacement vessel was shared at the October 4th meeting.

**Tustumena Replacement Vessel Project**

The 100% Plans Specifications and Estimate) package is complete.

The TRV project was in the FY 18 Capital Budget which has been approved, therefore the state now has the authority to spend project related federal and state matching funds from the vessel replacement fund. Currently the Buy America Waiver Request is with the Federal Highway Administration in Washington D.C. undergoing a review process. Pending initial approval, the waiver will then be posted for public comment. After completion of the public comment period, the waiver request will next be reviewed for final approval or rejection.

Of note, very few waivers have been approved under the current Administration in Washington D.C. AMHS management is actively working with the offices of Senators Sullivan and Murkowski along with FHWA in an effort to get the needed waivers approved.

Dependent upon the Buy America Act waiver request approval progress, AMHS continues to plan on delivering the ship for revenue service by December 2022, or early 2023.

**Tustumena Replacement Vessel Characteristics**

- Length Over All (LOA) | 330 Feet
- Depth | 24.5 Feet
- Breadth Over All (BOA) | 71 Feet
- Design Draft | 15’ – 10” to 16’ – 6” (End of Service Life)
- Air Draft | 90 Feet
- Cruise / Service Speed | 15 Knots
- Vans & Cars | 12 Vans & 27 Cars
- Cars Only | 54
- Vehicle Loading Ability | Stern & Side (Port & Starboard)
- Vehicle Lane Length | 1,180 Feet
- Passengers | 250 (Berths for 104)
- Officer & Crew | Minimum Manning IAW Regulatory Requirement

SWAMC has drafted a letter urging the administration to expedite approval of the requested Buy America Act waiver so that the new ship can go out to bid as soon as possible.

**Recent meetings attended**

<table>
<thead>
<tr>
<th>Event</th>
<th>Location</th>
<th>Date</th>
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<tbody>
<tr>
<td>North Pacific Fishery Management Council (AP Chair)</td>
<td>Anchorage Hilton</td>
<td>10/1-10/9/18</td>
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<tr>
<td>Alaska Board of Fisheries Work Session</td>
<td>Egan Center</td>
<td>10/15-10/16/18</td>
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<tr>
<td>NPFMC/BOF Joint Protocol meeting</td>
<td>Egan Center</td>
<td>10/17/18</td>
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<tr>
<td>AEB ADFG ACs training</td>
<td>Egan Center</td>
<td>10/17/18</td>
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<tr>
<td>Alaska Board of Fisheries Pacific Cod meeting</td>
<td>Egan Center</td>
<td>10/18-10/19/18</td>
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<tr>
<td>State of the Salmon US Senate Field Hearing</td>
<td>Dena’ina Center</td>
<td>10/20/18</td>
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**Upcoming meetings/planning to attend**

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<tr>
<th>Event</th>
<th>Location</th>
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<tbody>
<tr>
<td>Aleutian Islands Waterways Safety Committee</td>
<td>Anchorage</td>
<td>11/8/18</td>
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<tr>
<td>Alaska Municipal League</td>
<td>Anchorage</td>
<td>11/14-11/15/18</td>
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<tr>
<td>Pacific Marine Expo</td>
<td>Seattle</td>
<td>11/18-11/20/18</td>
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<tr>
<td>AEB Fishermen’s meeting 10AM Silver Cloud 1st Ave</td>
<td>Seattle</td>
<td>11/19/18</td>
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<tr>
<td>Board of Fisheries Bristol Bay finfish meeting –webcast</td>
<td>Dillingham</td>
<td>11/28 -12/3/18</td>
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<tr>
<td>North Pacific Fishery Management Council (AP Chair)</td>
<td>Anchorage Hilton</td>
<td>12/4-12/11/18</td>
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<tr>
<td>Aleutians East Borough Strategic Planning days 2&amp;3</td>
<td>APIA</td>
<td>12/12-12/13</td>
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</tbody>
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Please call if you have any questions or concerns.

www.aebfish.org  www.facebook.com/AEBfish  eweiss@aeboro.org  907-274-7557  11/2/18
To: The Honorable Mayor Osterback, Aleutians East Borough Assembly
From: Charlotte Levy, Natural Resources Assistant Director
Re: Report to the Assembly
Date: November 8th, 2018

Board of Fish
● On 11/1 the Mayor, Ernie, Eric and I had a teleconference to discuss strategy, AEB position on relevant proposals, and next steps. My primary focus has been research, developing a document that will serve as a comprehensive resource for staff and testimony/RC preparation, and a proposed timeline.

Projects
● Kelp Mariculture: I am working through the permitting process and planning site visits within the next few months. I am also researching the potential of multi-trophic integrated system to include other species. NFWF notice of award is scheduled for November.

● Marine Debris: I have a meeting scheduled with NRC Inc. in Seattle during the trip to Fish Expo to discuss funding and proposal development. A few fishermen have come forward with interest in participating and collecting preliminary data on marine debris - one the main hurdles to getting federal funding in our region for marine debris is the lack of baseline data.

Meetings
● 10/30 - I met with Willow Hetrick of Chugach Regional Resource Commission and Aluutiq Pride Shellfish Hatchery. They are interested in expanding to include kelp, and have old hatchery facilities that could be repurposed into nurseries - a statewide concern, as capacity for kelp seeding is currently lacking.
● 10/31 - I met with Justin Sternberg of Blue Pipeline Alaska, who specializes in Small Business and Community Development in the Ocean Technology and Clean Energy sectors. We discussed how to develop infrastructure for kelp mariculture, and what strategy will produce the highest return directly to communities.
● 11/2 - the Natural Resources (NR) and Administration departments met with PGS to discuss the NR strategic plan.

Other
● OTIS 2018: I was accepted into the Alaska Ocean Cluster’s 2018 Ocean Technology Innovation Sprint workshop. This is an intensive 4-week workshop that assembles scientists, engineers, natural resource managers, industry professionals, and others to solve Blue Economy challenges. I am currently designing prototypes for a turnkey integrated multi-trophic aquaculture “kit” for new entrants.

● 2020 Partners for Fisheries Monitoring Program: We were contacted by the fisheries manager at the Aleut Corporation regarding our interest in participation. This grant is a cooperative agreement with the USFWS Office of Subsistence Management to fund a fisheries biologist, social scientist and/or outreach position within selected educational organizations, non-profits or tribal governments to increase their involvement in subsistence management. Additionally, the program must create an avenue for youth involvement via camps or internships. Assembly comment on Borough involvement is welcome. Submission deadline is January 31, 2019, there will be a resolution to follow if we proceed.
Memo To: Mayor Osterback, Aleutians East Borough Assembly
Through: Anne Bailey, Administrator
From: Ernie Weiss, Natural Resources Director
       Charlotte Levy, Natural Resources Assistant Director
Date: November 2, 2018
Re: Sports hunting and fishing records for municipalities that tax those activities; HB 267

HB 267, now law, allows the State to release records of big game hunts, guided hunts and sportfishing activities to municipalities that tax those activities. The bill adds the following language to AS 16.05.815:

- “The department and the Alaska Commercial Fisheries Entry Commission may release records or reports ... of guided sport fishing activities filed by a guide to a municipality that levies a tax on those activities if the (A) municipality requests the records for the purpose of verifying taxes payable; and (B) activities occurred within the four calendar years preceding the date of the request;”
- “The department shall make hunt records and activity reports available .... (2) to a municipality that levies a tax on those activities, if the (A) information concerns hunts or activities occurring within the four calendar years preceding the date of the request; and (B) municipality (i) requests the records for the purpose of verifying taxes payable; and (ii) agrees to maintain the confidentiality of the records.”

AS 16.05.815 is the same statute that allows municipalities that charge a raw fish tax, to receive reports of the total value purchased by each buyer or processor.

Records requests of big game hunting and guiding are under the purview of DCCED Div. of Corporations, Business and Professional Licensing, and the Big Game Commercial Services Board. The proposed regulations of these agencies would charge $500.00 per report, including records within a requested time period and area (ex.: all of 2017, lands within the AEB).

Records requests of sportfishing activities would go through ADFG Div. of Sport Fish Research & Technical Services. This agency has been reluctant to adapt to the new law and has not promulgated new regulations, but they expect their charge per report to be $1000.00.

Since inception of the AEB Land Use Permitting system, there has been a steady decline in permits from 14 in 2015 to 6 in 2018. Now with the HB 267, the AEB may have the means to verify guide land-use and better enforce the AEB permitting system. The AEB’s Commercial Recreation Land Use permit fee is NOT considered a tax under HB 267, (opinion Sara Chambers, DCCED & Tim Clark, Rep. Edgmon’s office) however Lake & Peninsula Borough’s “Imposition of an Annual Permit Fee on Lodge Operators and Professional Guides” DOES qualify as a tax, apparently because the terms ‘fee’ and ‘tax’ are used interchangeably in their Municipal Code 6.50 & 6.90. Yakutat also qualifies to make the request under their Code 6.52 Transient Accommodations and Vehicle Rental Tax. However, as the AEB permitting system stands, if we did change the AEBBMC it may not be cost-effective to enforce permitting due to the high costs of record requests compared to the low cost of AEB permitting fees.

An alternative solution would be to restructure our current “fee” schedule. For example, LPB assesses a guide “tax” using the formula: $3 per # visitors + guides x # days, in addition to a $25 application fee and $250 campsite fee or for guides operating out of lodges, there it is $1 per # visitors + guides x # days in addition to a hotel-motel tax; non-compliance fees are assessed in excess of $500. This may be a more
appropriate way of assessing fees according to usage as opposed to a flat rate fee, and could ensure guides and non-local visitors are contributing back to the communities.

If the AEB wanted to pursue requests of hunting or sportfishing records from the State to verify usage for tax purposes, potential options might include:

- Making a minor change to AEBMC to clarify that the AEB Land Use permit system qualifies as a tax for the purposes of HB 267
- Restructuring the current AEB permitting “fee” – updating AEBMC to reflect the AEB Land Use permit as a “tax” may warrant bringing this decision to voters.

The AEB Attorney would need to look at these options. Staff is available to answer any questions.
Chapter 6.50 ANNUAL PERMIT FEE FOR PROFESSIONAL GUIDES

Sections:
6.50.010 Permit Required
6.50.020 Procedure for Obtaining Permit--Fee Established
6.50.030 Estimated Fees / Forced Filing
6.50.040 Confidentiality
6.50.050 Record Keeping Required
6.50.060 Appeals
6.50.070 Borough's Duty to Issue Permit
6.50.080 Civil Penalties and Enforcement
6.50.090 Permit not Transferable
6.50.100 No Exclusive Right or Privilege
6.50.110 Compliance with Other Laws Required
6.50.120 Disposition of Permit Fees Collected
6.50.130 Severability
6.50.140 Definitions

Section 6.50.010 Permit Required.

Professional guides must procure a permit from the borough and pay the fees provided for in Section 6.50.020 of this chapter for each year they conduct business within the borough. The permit shall be valid for a period of one year commencing on January 1st and expiring on December 31st of the year for which the permit is procured. A permit is required:

1. Hunting guides registered in guide use areas and/or game management units within borough boundaries.
2. Guiding businesses registered with any National Park or Preserve within borough boundaries.
3. Lodge Operators who provide professional guide services as defined herein in addition to lodging services or as part of a tour package shall be required to procure a professional guide permit.
4. Air taxi operators and air taxi operators who provide guiding services in addition to air taxi service within the borough.

(Amended by Ordinance 15-03; 5/11/15)

Section 6.50.020 Procedure for Obtaining Permit

A. In order to obtain a permit as required by this chapter, the professional guide must accurately and completely fill out an application form, available through the Borough, and submit within 30 days of guiding activity in the borough. The application shall be accompanied by a check payable to the Borough for twenty five dollars ($25.00) annual Application Processing Fee. The application fee is non-refundable. (Amended by Ordinance 09-09; 11/14/09 & Ordinance 15-03; 5/11/15, & Ordinance 17-03; 3/24/2017)

B. The Borough Tax Administrator may require that the applicant submit documentation supporting the tax filing including, but not limited to: copies of all activity reports provided to the National Park Service, US Fish and Wildlife Service, or other Federal land management agencies, copies of fish and game harvest reports submitted to the Alaska Department of Fish and Game, copies of any occupational or business licenses required by the Alaska Department of
Fish and Game, Department of Commerce, or other State or Federal Agency, and copies of any leases or land use permits obtained from the Department of Natural Resources or other State or Federal Agency or affected private landowner in cases where the Tax Administrator has reason to believe that the professional guide has not complied with the requirements of this Chapter.  
(Amended by Ordinance 17-03; 3/24/2017)

C. The following permit fees are established:

1. Professional Guides who provide guiding services only and do not provide any overnight accommodations or who provide guide services for lodges, when those services are not part of an inclusive Lodge package: $3.00 per visitor-day. Professional Guides who provide guide services for lodges that are registered to pay the Hotel-Motel Room Tax under Chapter 6.90 shall pay $1.00 per visitor day.  
(Amended by Ordinance 09-09; 11/14/09 & Ordinance 17-04; 3/24/2017)

2. Professional Guides who provide guiding services and primitive overnight accommodations.

   (a) Primitive overnight accommodations include:
   1. Cabins without indoor plumbing, running water, or restroom facilities. They also include established, permanent, or semi-permanent camps that have wall tents, framed huts, or other semi-permanent shelter. Camps qualify as "established" or permanent if they contain improvements such as cooking facilities, storage facilities for equipment, food, or fuel, and improvements to provide for solid waste disposal, human waste disposal, and drinking water. These overnight accommodations must be for the exclusive use of the guide’s clients and used as part of the guiding package or tour.
   2. Lodge or cabin accommodations with indoor plumbing, running water, and/or restroom facilities that are for the exclusive use of the guide operator’s clients and is used as part of the guiding package price.

   (b) If these facilities are available for rent by the general public or if they do not qualify as primitive as defined herein, they are subject to the Borough’s Hotel - Motel Room Tax (Chapter 6.90 of the Municipal Code).

   (c) $3.00 per visitor-day, and

   (d) $250.00 per year for each established camp, cabin site, cabin, or lodge providing primitive overnight accommodations as defined herein.  
(Amended by Ordinance 09-09; 11/14/09; Ordinance 15-03; 5/11/2015 & Ordinance 17-04; 3/24/2017)

3. Professional guides who carry tents, sleeping bags, stoves, and other camping gear with them and camp in the field and carry this equipment out again; taking all such equipment with them when they leave, are subject to the guiding fee established above but are exempt from the overnight accommodation fees established above.  
(Amended by Ordinance 09-09; 11/14/09)

4. A professional guide who fails to obtain a permit and submit the proper fees by December 31st of a year in which he/she conducted business in the borough is prohibited from conducting business in the
6.50.020 ~ Required Permits

(a) Each professional guide shall be required to obtain and maintain a permit to guide visitors to the Borough in any succeeding years until he/she has come into compliance with the requirements of this Chapter. The Borough reserves the right to exercise any and all of the remedies contained in Sections 6.50.020 (B), 6.50.030, 6.50.070 and any other applicable sections of this Chapter and State law in order to enforce the provisions herein. (Amended by Ordinance 09-09; 11/14/09)

(Section 6.50.020 (C) Amended by Ordinance 17-05 on 1/17/2017)

6.50.030 Estimated Fees / Forced Filing

If the Borough is unable to ascertain the amount of fees due from a professional guide for any given year because the guide has failed to apply for a permit, file the required application form, provide required supplemental information, filed a false, inaccurate or incomplete application, failed to keep accurate books and records as required, or has falsified records, the Borough may make an estimate of the amount of permit fees due based upon any evidence in its possession.

The Borough shall mail by certified mail or deliver to the guide written notice of the amount of the estimate. This amount shall be presumed to correctly state the amount of permit fees due unless the guide files an accurate return with supporting documentation and transmits the amount due to the Borough not later than thirty (30) days after the date on which the Borough mails or delivers the notice. A notice is sufficient under this section if it is either actually delivered to the guide, or if it is mailed by certified mail return receipt requested, at the guide’s most current address as contained in the Borough’s permit records. If the guide has not filed a correct return satisfactory to the administrator, along with the taxes due, within thirty (30) days of the date of mailing of the forced filing, the amount of any deficiency remaining unpaid on the forced filing is presumed correct and is delinquent from the date originally due; provided, if upon a subsequent audit or inspection of the records of the guide, it is determined that a greater amount was due, the guide shall be liable for payment of such additional amount. A forced filing may be made if the Borough is unable to ascertain the tax due to be remitted by a guide by reason of the failure of the guide to keep accurate records or to allow inspections of the guide’s records, or of the guide’s falsification of records. (Amended by Ordinance 17-05 on 1/17/2017)

6.50.040 Confidentiality.

A. Except as provided below, all permit applications and supporting documentation filed with the Borough for the purpose of complying with the requirements of this ordinance and all associated data obtained from professional guides are confidential and shall be kept from inspection of all persons except officers, agents, and employees of the Borough. Provided however, that such applications and data obtained therefrom may be discussed by the Assembly in public session if the guide affected consents or makes a request for such discussion in writing.

B. Information in the possession of the Borough which was obtained by the Borough from a professional guide in the administration or enforcement of the provisions of this chapter which discloses the particulars of the business or affairs of the owner that is not otherwise public information is not a matter of public record. The information shall be kept confidential except when its production is required in an official Borough, State, or Federal investigation, law enforcement action, or court proceeding. These restrictions do not prohibit the publication
of tax lists showing the names of taxpayers or delinquent taxes. Information otherwise protected by this chapter may be furnished on a reciprocal basis to other agencies of the State or Federal government concerned with the enforcement of tax laws or land use regulations.

C. In the course of a criminal or civil action to enforce any provision of this ordinance, the Borough may allege, prove, publish, and produce for any purpose any documents and/or information previously filed with the Borough. The Borough may deliver to a professional guide or his/her authorized representative a copy of any return filed by him or on his behalf. The Borough may also publish statistics concerning the information contained in returns if the publication is done in such a manner that the information contained in a particular return cannot be identified.

6.50.050 Record Keeping Required.

A. Every professional guide shall keep and preserve for a period of three years all records of business activities within the Lake and Peninsula Borough. Professional guides shall permit the Borough or its agent to examine, inspect, and copy said records, books, and accounts at any reasonable time. If the Borough initiates an enforcement proceeding against the professional guide under this Chapter, the professional guide must keep and preserve all records, even if that may exceed three (3) years, until said enforcement proceeding(s) are completed.

B. For the purpose of ascertaining the correctness of any return, or determining the amount of permit fees due, the Borough Manager or his/her agents may hold audits, investigations, and hearings concerning any matters covered by this ordinance, and may examine any relevant books, papers, records, accounts, or memoranda of any such professional guide, and may require the attendance of any person through the issuance of a subpoena which shall be enforced under the Alaska Rules of Civil Procedure in the same manner as subpoenas issued by an officer or agency of the State.

6.50.060 Appeals.

A. If a professional guide believes that he/she is exempt or otherwise not subject to the fees and requirements imposed by this chapter or believes that a penalty, interest, or other charge is not owing, but has been informed by the Borough that he/she is subject to the provisions of this ordinance or such penalty, interest, or charge is owing, the guide may protest the charge by paying the amount owed to the Borough on or before the due date and filing with the Borough at the time of payment a statement of protest setting out all relevant facts and clearly explaining why the guide is exempt or not subject to the provisions of this chapter. The payment and statement must be received not later than the 30th day following the date upon which a forced filing or other notice of violation or delinquency was mailed or delivered. Failure to file a statement of protest and to pay the amount claimed by the Borough as owing within the time permitted within this subsection or other section of this chapter constitutes a waiver of the right to protest administratively.

B. The tax administrator shall issue a written ruling on each collector protest within thirty (30) days of receipt of the protest or on such later date as may be required to insure full consideration of the issues raised in the protest. The
guide has the burden of proof. The tax administrator may permit or require the
guide to provide additional information relevant to the protest. The tax
administrator may seek the advice of the Borough attorney on any protest. The
ruling on the protest must set forth the specific reasons for the grant or denial of
the protest. The ruling will be sent to the guide at the address given on the
protest documents.

C. If a protest is granted, the tax administrator shall refund to the guide the
penalty, interest, or charge levied or the fee collected and paid to the Borough
that was exempt or otherwise not subject to the provisions of this chapter.

D. In the event a protest is denied, the guide may, within thirty (30) days of the
date of denial, appeal the denial to the Borough Manager if the Manager was not
acting as the tax administrator on the protest. The Manager shall receive such
additional information whether written or oral as the guide may desire to present.
The Manager may also receive such additional testimony and material as the
tax administrator may present. The Manager shall render a decision in writing
and give notice of the decision to the guide within a reasonable amount of time.
The decision of the Manager, whether acting as the tax administrator or Manager,
is final and is subject to judicial review by an appeal to the superior court under
applicable appellate court rules.

E. Failure to file an appeal or protest as authorized under this section within the
time permitted constitutes a waiver of the appeal or protest and any other rights
of the guide to challenge the fees, penalties, interest, or other charge directly or
collaterally.

6.50.070 Civil Penalties and Enforcement

To enforce payment of the required fees and any penalties, interest, and administrative
costs of collection, the Borough may institute a civil action against the violator in the
appropriate court for the State of Alaska and seek an injunction prohibiting the violator
from operating without a permit until all required fees and other charges have been
paid. The Borough reserves the right to exercise any and all additional lawful remedies
available to it against violators of this chapter, including, but not limited to, the imposition
of tax lien against the property and other assets of the guide or corporate officers of the
company responsible for payment of the fees.

The Borough may also, in addition to any penalties or other fees, levy a charge to cover
its administrative costs associated with collection actions including, but not limited
to, actual and reasonable lawyer’s fees.

A. A person who fails to file a return as required under this chapter or who fails
to remit all the taxes due the Borough by that person shall pay a penalty of five
percent (5%) of the taxes due with a minimum penalty of $500.00 if no return is
filed. The penalty is imposed for each month or part of a month during which the
delinquency of failure to file exists up to a maximum total penalty for a single
calendar quarter shall not exceed three thousand dollars ($3000). The filing of an
incomplete return shall be treated as the filing of no return.

B. Interest at the rate of twelve (12%) per annum shall be paid on all amounts
due the Borough that are not received by the Borough as required under this
chapter except interest does not accrue on penalties.
C. A person who fails to apply for a certificate of registration as required by this chapter shall pay a penalty of five hundred dollars ($500.00). Such penalty must be paid before the license is issued or, if the original license was issued before the determination that a penalty was due or before a renewal or amended license is issued if the original license was issued before the determination that a penalty was due. A person who fails to apply for a certificate of registration, who engages in taxable transactions after being informed in writing that a certificate of registration is required, shall pay a penalty of one thousand dollars ($1,000) before the license is issued or before a renewal or amended license is issued if the original license was issued before the determination that a penalty was due.

D. A failure of or refusal of a person required to collect a tax under this chapter to produce records or allow inspection at such reasonable times as requested or demanded by the sales tax administrator shall pay to the Borough a penalty equal to three times any deficiency found or estimated to have occurred by the sales tax administrator; provided, the minimum penalty payment is three thousand dollars ($3000).

E. A person required to maintain records under the provisions of this chapter shall immediately notify the Borough of any fire, theft or other casualty that would prevent the person from complying with the provisions of this chapter. Such casualty is a defense to a civil penalty levied under subsection E. of this section, but does not excuse the person from the liability for payment to the Borough of taxes required to be collected. Accidental or unexplained loss of funds or records does not excuse a person from the performance of any of the requirements under this chapter.

F. The Borough shall apply payments received on a delinquency first to the payment of penalties, then to the payment of administrative costs of collection, then to the payment of interest, and then to the payment of delinquent taxes.

(Section 6.50.070 was amended in entirety by Ordinance 17-06 on 1/17/2017)

**Section 6.50.080  Borough’s Duty to Issue Permit.**

Upon receipt of an accurate and complete permit application and payment of the required fees, the Clerk or Finance Officer shall issue the applicant a permit listing the type of permit, the person’s name and address, and the dates for which the permit is issued.

**Section 6.50.090 Permit Not Transferable.**

A permit issued pursuant to this chapter may not be assigned or otherwise transferred to any other person, business, or corporation.

**Section 6.50.100 No Exclusive Right or Privilege.**

A permit issued pursuant to this chapter confers no exclusive right or privilege upon the permittee.

**Section 6.50.110  Compliance With Other Laws Required.**
Procuring a permit pursuant to this chapter does not relieve the permittee from complying with any other applicable laws or regulations.

Section 6.50.120 Disposition of Permit Fees Collected.

All permit fees collected by the Borough pursuant to this chapter shall be deposited in the general fund and appropriated by the Borough Assembly.

Section 6.50.130 Severability.

If a court of competent jurisdiction determines that any provision of this ordinance or any application thereof to any person or circumstance is invalid, the remainder of this ordinance and its application to other persons or circumstances shall not be affected thereby.

Section 6.50.140 Definitions.

For the purposes of this Chapter, the following definitions apply:

1. "Person" means natural persons and includes partnerships, corporations, associations, and other business or non-profit organizations.

2. "Professional Guide" means a person who contracts to guide, lead, direct, or accompany others on hunting, fishing, sightseeing, rafting, camping, hiking or other recreational trips within the Borough. Exemptions include, 1) Lodge operators who do not engage in guiding as defined herein, 2) lodge employees who provide guide services to lodge customers pursuant to their employment by the lodge provided that the lodge itself has a valid guiding permit, 3) professional guide employees who do not directly contract with members of the public to provide guiding services, and 4) air taxi operators unless such operators provide one or more of the services listed above in addition to providing air transportation.

3. "Lodge Operator" means a person who, for compensation, operates a lodge, hotel, bed and breakfast, house or cabin within the Borough providing overnight accommodations primarily to the general public, including, but not limited to, hunters, sport fishers, hikers, rafters, sightseers, other recreational visitors, business travelers, and seasonal construction workers. It does not include persons who operate company-owned facilities used primarily to house seasonal workers employed by the company in commercial fishing or fish processing activities.

4. "Tax Administrator" means the Borough Manager or the person designated by the Manager as Tax Administrator, or the authorized agent of the Administrator.

5. "Visitor-day" means one calendar day (24 hrs.), or portion thereof, for each person who visits the Borough and participates in guided activities as described herein including guides and any other individuals associated with such visits for any part of one day (24 hrs. from midnight to midnight). For example, one guide, one assistant guide, and four clients visiting the Borough on September
1st at 8AM, spending 3 nights, and leaving on September 4th, equals 24 visitor days. (6 people x 4 days = 24 visitor-days).

(Original Ordinance 92-14 3/17/92, Repealed and replaced by Ordinance 97-05, 11/18/97)
Chapter 6.90 HOTEL MOTEL ROOM TAX

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Article I. In General

6.90.010 Definitions

A. For the purposes of this chapter, unless the context otherwise requires, any word or term not interpreted or defined by this section shall be used with a meaning of common or standard utilization.

B. The following words and phrases shall have the meanings ascribed to them by this section:

1. "Administrative costs of collection" means the actual amount of attorney's fees, litigation costs, costs of appeal, and other expenses incurred by the Borough in collecting any taxes, interest, and/or penalties due under this ordinance or in otherwise enforcing any provisions of this ordinance.
2. "Guest" means an individual, corporation, partnership, association, or other entity which pay monetary or other consideration for the right to occupy an overnight accommodation. The guest is the taxpayer.
3. "Guest-night" means one guest who rents or occupies an overnight accommodation for one night. In other words, one guest who rents an overnight accommodation for three nights equals three guest-nights; four guests who rent an overnight accommodation for one night equals four guest nights; six guests
who occupy an overnight accommodation for ten nights equals sixty (60) guest nights; and so on. *(Amended by Ordinance 97-06, 11/18/97)*

4. "Merchant" means an individual, corporation, partnership, association, cooperative, joint venture, estate trust, business receivership, or any combination thereof, or any other entity which operates an overnight accommodation and any person who performs, or is under a duty to perform, any of the following actions on behalf of an operator:

   a. Exercise custody and control of taxes collected under this ordinance; or
   b. Pay such taxes to the Borough; or
   c. File a tax return with the Borough; or
   d. Keep records required by this ordinance.

An owner of an overnight accommodation who contracts with a third party to operate the overnight accommodation for the benefit of the owner is also a merchant. However, an owner of an overnight accommodation who leases his facility to a third party for it's (the third party) benefit is not a merchant.

5. "Overnight accommodation" means a structure, portion of a structure, room, or area which is occupied or available for occupancy for compensation for dwelling, lodging, or sleeping purposes and includes any hotel, motel, inn, bed and breakfast, lodge, cabin, campground, or similar facility. *(Amended by Ordinance 97-06, 11/18/97)*

6. "Rent" means the consideration received by a merchant for the right to occupy an overnight accommodation valued in money, whether received in money or otherwise, including all receipts, cash, credits, property or other services of any kind or nature, and any amount for which credit is allowed by a merchant to a guest. "Rent" does not include the cost of food or entertainment, nor does it include the cost of banquet, conference, or other similar facilities not occupied for dwelling, lodging, or sleeping purposes.

7. "Rental" means the act of purchasing the right to occupy an overnight accommodation. A rental is complete and tax is due thereon when:

   1. A guest has registered or "checked in" with a merchant and paid rent in cash, by credit card, or otherwise, regardless of whether the rent is paid in advance, at the time of registration, or at a later date; or

   2. A guest who has paid rent in advance fails to register or "check in" with a merchant at the appointed time, and the merchant retains all or any part of the prepaid rent. Tax is due on the amount of prepaid rent retained by the merchant; or

   3. A tour operator pays rent on behalf of a guest whether or not the guest has registered or "checked in", and regardless of whether the rent is paid in advance, at the time of registration, or at a later date. Rent paid by a tour operator on behalf of a guest shall be deemed paid by the guest; or

   4. A tour operator who has purchased the right to occupy an overnight accommodation for use by a guest who is a member of the tour operated by the tour operator, pays rent even though the overnight accommodation is not in fact occupied by such a guest. Rent paid by the tour operator in such circumstances shall be deemed paid by a guest.
Tax may be due under 1, 2, 3, and/or 4 for rental of the same overnight accommodation to more than one guest for the same period of time.

The act of making a reservation to occupy an overnight accommodation in the future is not a completed rental for which tax is due.

8. "Rent Package Plan" means the consideration charged for food, drinks, rent, guided tours, guided hunting or fishing, air taxis, and other services provided by the merchant either directly or indirectly where a single rate is made and charged for the combination of all services.

9. "Tour Operator" means an individual, corporation, partnership, association, or other entity which purchases the right to occupy one or more overnight accommodations for the purposes of re-selling the right to occupy the overnight accommodation to one or more guests who will participate in a vacation travel package or other similar tour operated by the tour operator. When paying rent as provided under subparagraphs 3 and 4 above, a tour operator is a guest.

10. "Transient" means a guest who occupies or has the right to occupy an overnight accommodation for fewer than thirty (30) consecutive days. A guest who purchases the right to occupy an overnight accommodation for use by employees of the guest on a rotating basis is not a transient, if the total period of occupancy of all employees of the guest exceeds thirty (30) consecutive days, even though the occupancy of any particular employee may be less than thirty (30) consecutive days.

Article II. Imposition of Tax - Procedures - Regulations

6.90.020 Imposition of Tax

A. There is levied on the rental of overnight accommodations to transients within the Borough a tax on the rent for each overnight accommodation. The amount of the tax shall be six percent (6%) of the rent received by the merchant for the rental of the overnight accommodation. The guest shall pay the tax.

B. When a guest pays for overnight accommodation as part of a rent or tour package:
   1. The amount applicable and apportioned to room rent for determination of the Hotel-Motel Room Tax shall be the same charge made for rent when rent is not part of a package plan or in other words, the established or published rate a room would rent for absent a package plan. (Amended by Ordinance 10-03, 3/12/10)
   2. The minimum amount of tax paid shall not be less than ten dollars ($10.00) per person, per night. (Added by Ordinance 97-06, 11/18/97; Amended by Ordinance 09-09; 11/14/09; Amended by Ordinance 17-07, 4/13/2017)
   3. The minimum amount of tax paid for campgrounds shall be one dollar ($1.00) per person, per night. (Amended by Ordinance 10-03, 3/12/10)
C. Exemptions. No tax shall be imposed:

1. When a person rents a private single family dwelling unit, vacation cabin, or like facility from any owner who rents the structure or facility incidental to his own use thereof and on a casual and isolated basis not done in the regular course of business.

2. When overnight accommodation is provided as part of employment in the Borough including, but not limited to, bunkhouses operated by fish processors for their employees.

6.90.030 Collection of Tax

A. Every merchant making a rental subject to taxation under this ordinance shall collect the tax imposed by this ordinance from the guest not later than the time at which the rental is complete. Taxes not collected when due are delinquent.

B. Every merchant shall state the amount of tax due under this ordinance separately from all rent and other charges on any invoice or receipt given to a guest.

C. A merchant shall not advertise or hold out or state to the public or to any guest, directly or indirectly, that the tax or any part thereof imposed by this ordinance will be assumed or absorbed by the merchant, or that it will not be added to the rent, or that it will be refunded. A merchant shall not assume, absorb or fail to add the tax or any part thereof to the rent, or refund the tax or fail to separately state the tax to the guest.

6.90.040 Registration Required

A. Every merchant shall file with the Borough an application for a certificate of registration on a form provided by the Borough not later than ten days after the date of commencing operation of an overnight accommodation or opening an additional place of business as an overnight accommodation. The application shall include at a minimum, the name and mailing address of the applicant, the location or locations at which the applicant will conduct business, the location at which transactions subject of this tax will occur, a statement certifying the owner of record of the overnight accommodation facility to be registered, a statement signed by the owner of the overnight accommodation acknowledging that he/she understands that the facility at which the taxes are generated is subject to tax lien in the event of tax delinquency, and other information with respect to description, location, and value of property owned by the merchant within borough boundaries which the manager may require in the best interest of the Borough. The completed application shall be accompanied by a check payable to the Borough for a twenty five dollar ($25.00) annual Application Processing Fee and the merchant’s Accommodation Rate Schedule for the Application Year. After initial registration with the Borough, merchants shall submit a renewal form supplied by the Borough, the operator’s rate schedule, and the $25.00 registration fee. The application fee is non-refundable. The $25.00 application fee shall be applied to the Hotel/Motel tax remittances. (Amended by Ordinance 09-09, November 14, 2009; Ordinance 15-03, May 11, 2015)

B. Upon receipt of a properly executed application, the Borough shall issue a certificate of registration stating the address of the overnight accommodation to which it is applicable and authorizing such merchant to collect the tax. The
6.90.050  Title to Taxes / Taxes Held in Trust

Upon collection by a merchant of taxes imposed by this ordinance, title to and ownership of the collected taxes shall vest in the Borough. Pending transmittal to the Borough, every merchant shall hold the tax funds in trust for the use and benefit of the Borough. Every merchant shall segregate and identify the tax funds on its books and records as being held in trust for the Borough.

6.90.060 Duty to File Tax Return and Transmit Taxes to the Borough

A. Every merchant making a rental of an overnight accommodation in the Borough in any month shall make out a return for that month and file the return with the Borough on or before the fifteenth (15th) day of the following month. A return not timely filed is delinquent. The return shall be made out upon forms furnished by the Borough and shall contain the following information:

1. The amount of all rents received from rentals of overnight accommodations completed during the preceding month.
2. The amount of tax due thereon under this ordinance.
3. The amount of tax actually collected thereon.
4. Such other information and documentation as may be required by the Borough Manager.

A merchant who makes no taxable rentals in a given month shall, if the merchant made a taxable rental in the preceding month, nonetheless file a return with the Borough establishing that no taxable rentals were made.

Businesses which are only open seasonally may inform the borough of the months of operation as part of their annual registration, and will be sent tax forms for those months only. [Replaced by Ordinance 97-06, 11/18/97; Amended by Ordinance 15-03, 05/11/2015]

B. On or before the due date of the return for each month, every merchant shall transmit the taxes due on rentals completed during that month to the Borough. Regardless of whether a return has been filed, taxes due for a given month which are not transmitted to the Borough on or before the due date of the return for that month are delinquent.

C. As compensation for collecting the tax, a merchant may deduct and retain each month two percent (2%) of the amount of taxes due to be transmitted to the Borough for that month if the merchant has: [Amended by Ordinance 10-03; 3/12/2010]

1. Timely transmitted all returns and taxes due under this ordinance during the previous month in which there was taxable activity provided that the
merchant does not have any prior tax debts or late returns outstanding or pending. Merchants collecting the tax for the first time may retain this compensation for the first month provided that they are properly registered under this code. (Amended by Ordinance 10-03; 3/12/2010)

2. Complied with all other provisions of this code during the previous month for which taxable activity occurred. (Amended by Ordinance 10-03; 3/12/2010)

The amount deducted and retained by the merchant under this subsection shall not exceed three hundred dollars ($300.00) for any month. (Amended by Ordinance 10-03; 3/12/2010)

D. For the purposes of this section, taxes and returns are timely transmitted and/or filed only when the taxes and/or returns are actually received in the offices of the Borough, or placed in the US Mail properly addressed to the Borough, with proper postage affixed and postmarked, on or before the date on which the taxes are due to be transmitted and/or the return is due to be filed.

**6.90.070 Estimated Taxes / Forced Filing**

If the Borough is unable to ascertain the amount of tax due from a merchant in any month because the merchant has failed to file a return as required, or has filed a false, inaccurate, or incomplete return, or because the merchant has failed to keep accurate books and records as required, or has falsified records, the Borough may make an estimate of the amount of tax due based upon any evidence in its possession.

The Borough shall mail or deliver to the merchant written notice of the amount of the estimate, and this amount shall be presumed to correctly state the amount of tax due from the merchant to the Borough unless the merchant files an accurate return and transmits the taxes due as shown thereon to the Borough, not later than thirty days after the date on which the Borough mails or delivers the notice. A notice is sufficient under this section if it is either actually delivered to the merchant, or if it is mailed to the merchant by certified mail, return receipt requested, at the merchant's most current address as contained in the Borough's tax records.

**6.90.080 Confidentiality**

A. Except as provided below, all returns filed with the Borough for the purpose of complying with the terms of this ordinance and all data obtained from such returns are confidential and shall be kept from inspection of all persons except officers, agents, and employees of the Borough. Provided however, that such returns and/or information obtained therefrom may be discussed by the Assembly in public session, if the merchant affected consents in writing.

B. Information in the possession of the Borough which was obtained by the Borough from a merchant in the administration or enforcement of the provisions of this chapter which discloses the particulars of the business or affairs of the merchant or other person that is not otherwise public information is not a matter of public record. The information shall be kept confidential except when its production is required in an official borough, state, or federal investigation, law enforcement action, or court proceeding. These restrictions do not prohibit the publication of tax lists showing the names of taxpayers or delinquent taxes. Information otherwise protected by this section may be furnished on a reciprocal
basis to other agencies of the state or federal government concerned with the enforcement of tax laws.

C. In the course of a criminal or civil action to enforce any provision of this ordinance, the Borough may allege, prove, publish, and produce for any purpose any return and/or information previously filed with the Borough. The Borough may deliver to a merchant or his/her authorized representative a copy of any return filed by him or on his behalf. The Borough may also publish statistics concerning the information contained in returns, if the publication is done in such a manner that the information contained in a particular return cannot be identified.

6.90.090 Record Keeping Required

A. Every merchant shall keep and preserve for a period of three years records of all rentals completed, the amount of rent received, the amount of taxes collected, and such other books or accounts as may be necessary to determine the amount of tax for which the merchant is liable hereunder. Each merchant shall permit the Borough or its agent to examine, inspect, and copy said records, books, and accounts at any reasonable time.

B. For the purpose of ascertaining the correctness of any return, or determining the amount of tax collected or which should have been collected by any merchant, the Borough manager or his/her agents may hold audits, investigations, and hearings concerning any matters covered by this ordinance, and may examine any relevant books, papers, records, accounts, or memoranda of any such merchant, and may require the attendance of any person through the issuance of a subpoena which shall be enforced under the Alaska Rules of Civil Procedure in the same manner as subpoenas issued by an officer or agency of the state.

6.90.100 Special Provisions for Pre-Existing Contracts

A. This section (6.90.100) applies only to taxes levied on rentals occurring during calendar year 1998 under a contract between a merchant and tour operator which was fully executed on or before October 1, 1996. If such a contract covers more than one year, this section applies only to rentals occurring under said contract during 1998, and not to rentals occurring in subsequent years. This section only applies if a merchant has registered in the manner prescribed in this section.

B. Upon request by a merchant, the manager may permit the merchant to register to transmit to the Borough, in the manner prescribed in the section, taxes levied on rentals occurring under pre-existing contracts to which this section applies. Such registration shall be separate and in addition to the registration otherwise required by this ordinance. The merchant shall apply for registration under this section on a form provided by the Borough. The application shall contain the following information:

1. The name and address of the parties to the pre-existing contract and the dates on which each party signed the contract.
2. The number of motel rooms, campground spaces, or other overnight accommodations covered by the contract during 1998.
3. The number of days for which each overnight accommodation is rented under the terms of the contract for 1998.
4. The dollar amount of the daily rent to be received by the merchant under the contract during 1998 for each such overnight accommodation.
5. Proof satisfactory to the manager that the information contained in items 1-4 is accurate including, but not limited to, a copy of the contract.
6. Any other information required by the manager.

In addition, the manager is authorized to impose as conditions of registration, such other requirements as he/she deems necessary to protect the legal interests of the Borough. The provisions of Section 6.90.080 shall apply to the information required by this subsection.

C. Section 6.90.030 (C) shall not apply to taxes levied on rentals occurring under pre-existing contracts to which this section applies.

D. Every merchant registered under this section shall file a monthly tax return in the manner provided for in Section 6.90.060. The tax return shall include both taxes levied on rentals occurring under pre-existing contracts, and all other taxes. In addition to the information required by Section 6.90.060, the tax return shall also contain the following:

1. The amount of all rents received from rentals completed during the month which occurred under pre-existing contracts.
2. The amount of tax due on those rentals.

Notwithstanding any other contrary provision of this ordinance, every merchant registered under this section shall transmit to the Borough the taxes levied on rentals occurring under a pre-existing contract to which this section applies, not later than December 31, 1998. If taxes are not timely transmitted to the Borough by that date, in the manner required by this ordinance, they are delinquent.

E. The provisions of Section 6.90.060 (C) shall not apply to taxes levied on rentals occurring under pre-existing contracts to which this section applies. The amount of said taxes shall not be included when calculating the credit due to a merchant under 6.90.060 (C).

F. Except as otherwise provided in this section, all other provisions of this ordinance, including but not limited to, those sections which impose liability for penalties, interest, and the Borough's administrative costs of collection, as well as those sections authorizing the Borough to enforce this ordinance, apply to merchants registered under this section and to the taxes levied on rentals occurring under pre-existing contracts to which this section applies.

Article III. - Penalties - Enforcement - Appeals

6.90.110 Penalties and Interest

A. A merchant who fails to file a return as required under this chapter or who fails to remit all the taxes due the Borough by that person shall pay a penalty of five percent (5%) of the taxes due with a minimum penalty of $500.00 if no return is filed. The penalty is imposed for each month or part of a month during which the delinquency of failure to file exists up to a maximum total penalty for a single calendar quarter shall not exceed three thousand dollars ($3000). The filing of an incomplete return shall be treated as the filing of no return. (Replaced by
B. Interest at the rate of eighteen (18%) per annum shall be paid on all amounts due the Borough that are not received by the Borough as required under this chapter except interest does not accrue on penalties. *(Replaced by Ordinance 17-08; 1/17/2017)*

C. A Merchant who fails to apply for a certificate of registration as required by this chapter shall pay a penalty of five hundred dollars ($500.00). Such penalty must be paid before the license is issued or, if the original license was issued before the determination that a penalty was due or before a renewal or amended license is issued if the original license was issued before the determination that a penalty was due. A person who fails to apply for a certificate of registration, who engages in taxable transactions after being informed in writing that a certificate of registration is required, shall pay a penalty of one thousand dollars ($1,000) before the license is issued or before a renewal or amended license is issued if the original license was issued before the determination that a penalty was due. *(Replaced by Ordinance 17-08; 1/17/2017)*

D. A failure of or refusal of a person required to collect a tax under this chapter to produce records or allow inspection at such reasonable times as requested or demanded by the sales tax administrator shall pay to the Borough a penalty equal to three times any deficiency found or estimated to have occurred by the sales tax administrator; provided, the minimum penalty payment is three thousand dollars ($3000). *(Replaced by Ordinance 17-08; 1/17/2017)*

E. A person required to maintain records under the provisions of this chapter shall immediately notify the Borough of any fire, theft or other casualty that would prevent the person from complying with the provisions of this chapter. Such casualty is a defense to a civil penalty levied under subsection E. of this section, but does not excuse the person from the liability for payment to the Borough of taxes required to be collected. Accidental or unexplained loss of funds or records does not excuse a person from the performance of any of the requirements under this chapter. *(Ordinance 17-08, 1/17/2017)*

F. The Borough shall apply payments received on a delinquency first to the payment of penalties, then to the payment of administrative costs of collection, then to the payment of interest, and then to the payment of delinquent taxes. *(Ordinance 17-08; 1/17/2017)*

**6.90.120 Civil Action Authorized**

A. The Borough may institute a civil action against a guest to collect taxes due but not paid, the Borough’s administrative costs of collection, and the civil penalty provided below. The Borough may institute a civil action against a merchant to recover taxes which the merchant failed to collect, or which the merchant collected and failed to transmit to the Borough, together with the penalties, interest, and administrative costs of collection. In any such action, a tax return or estimated tax under section 6.90.070 shall constitute prima facie evidence of the amount of tax which was, or should have been collected.

B. The Borough may institute a civil action against a merchant who fails to file a return in a timely manner to recover the penalties and administrative costs of collection.
C. The Borough may institute a civil action against any person who violates a provision of this ordinance. In addition to injunctive relief and compensatory relief, the Borough may recover its administrative costs of collection and a civil penalty not to exceed one thousand five hundred dollars ($1,500.00) for each violation. Each act of violation and every day upon which said violation shall occur shall constitute a separate offense. The Borough may bring an action to enjoin a violation or to recover a civil penalty notwithstanding the availability of any other remedy. Nothing in this section precludes the Borough from taking any other lawful actions to recover delinquent taxes, penalties, interest, and administrative costs. (amended by Ordinance 17-08; 1/17/2017)

6.90.130 Tax Lien

A. The tax, penalties, interest, administrative costs of collection, and other costs due and owing under this chapter shall constitute a lien in favor of the Borough upon the property and other assets of the merchant and taxpayers liable for the payment of the tax, penalties, interests, and other costs.

B. The lien imposed by this section arises and attaches at the time payment of the tax to the merchant is made and continues until the entire amount due has been paid to the Borough.

C. If delinquent taxes, including interest and penalties, are not paid within ten (10) days from the mailing of notice and demand for payment thereof, a notice of lien may be recorded in the appropriate district recorder’s office, and upon recording, a lien arising under this section has priority over any other liens except those for special assessments or those granted priority by state or federal law.

D. Any corporate officer or other person having control or supervision of tax funds collected and held in trust or who is charged with the responsibility for the filing of returns or the payment of the tax funds collected, segregated, and held in trust, shall be personally liable for any unpaid taxes, interest and penalties due from the corporation or business at the moment the taxes become delinquent. The officer or other person shall be liable only for taxes collected or required to be collected or which became due and payable to the Borough during the period he or she had the control, supervision, responsibility, or duty to act for the corporation or business. Personal liability shall include interest, penalties, and the administrative costs of collection.

This section does not relieve the corporation of its liability for payment of the tax due under this chapter or otherwise impair other tax collection remedies afforded by law. Collection authority and procedures prescribed in this chapter apply to collections under this section.

E. An action to foreclose the lien created by this section shall be commenced and pursued in the manner provided for the foreclosure of liens in AS 09.45.170-09.45.220.

F. The remedy provided in this section is not exclusive and shall be in addition to all other remedies available to collect the taxes, penalties, interests, and cost due under this chapter.

G. The failure to record a lien does not constitute a waiver or abrogation of any priorities, rights, or interests of the Borough at law and in equity.
H. Fees for the administrative costs of filing notices of liens and releasing of liens shall be:
1. Filing of notices of lien: twenty five dollars ($25), plus recorder's office filing fee.
2. Release of liens: twenty five dollars ($25), plus recorder's office fee.

6.90.140 Prohibition of Making Rentals without Registering.

A. A merchant who is required to register shall not engage in the rental of overnight accommodations within the Borough if the merchant has not previously registered in the manner required by section 6.90.040.

B. The Borough may institute a civil action to enjoin a merchant from engaging in the rental of overnight accommodations in the Borough until the merchant has registered. The Borough may also recover from the merchant any civil penalty imposed and the Borough administrative costs of collection incurred in enforcing this section.

C. A person who fails to apply for a certificate of registration as required by this chapter shall pay a penalty of five hundred dollars ($500). Such penalty must be paid before the license is issued. A person who fails to apply for a certificate of registration, who engages in taxable transactions after being informed in writing that a certificate of registration is required, shall pay a penalty of one thousand dollars ($1,000) before the license is issued or before a renewal or amended license is issued. (amended by Ordinance 17-08; 1/17/2017)

6.90.150 Sale of Business

If any merchant sells his overnight accommodations business to another person or entity, the merchant shall file a final tax return within fifteen days after the closing date of the sale. The purchaser shall withhold a sufficient portion of the purchase money to pay the taxes due on the final return, and any other taxes, penalties, interest, and administrative costs of collection which may be due or past due from the merchant, and shall pay this amount to the Borough on or before the due date of the final return. If the purchaser of an overnight accommodation business fails to withhold and pay these amounts as provided above, the purchaser shall be personally liable to the Borough for the payment of these amounts as if the purchaser had been a merchant at the time the amounts initially became due. The Borough may collect these amounts in the manner provided in this ordinance for the collection of taxes, penalties, interest, and administrative costs of collection.

6.90.160 Appeals

A. If a tax collector (merchant) believes that a transaction is exempt or otherwise not subject to the tax imposed under this chapter or believes that a penalty, interest, or other charge is not owing, but has been informed by the Borough that such transaction is subject to the tax imposed under this chapter or such penalty, interest, or charge is owing, the collector may protest the tax by paying the tax owed to the Borough on or before the due date and filing with the Borough at the time of payment a statement of protest setting out all relevant facts and clearly explaining why the transaction taxed or the penalty, interest, or charge made is exempt, not otherwise subject to the tax levied by this chapter or not owing. The payment and statement of protest must be received not later...
than the forty fifth (45th) day following the date the tax was required to be collected from the taxpayer; or, if no tax was collected, the later of the occurrence of the challenged transaction or the date of the notice from the Borough that the transaction is taxable; or, if the protest is of a disallowance, charge levied, or similar action by the Borough, the date of the notice to the collector of the Borough determination. Failure to file a statement of protest and to pay the amount claimed by the Borough as owing within the time permitted under this subsection or other section of this chapter constitutes a waiver of the right to protest to the Manager or to appeal or otherwise challenge the tax, charge, or determination in any judicial or other proceeding.

B. The tax administrator shall issue a written ruling on each collector protest within thirty (30) days of receipt of the protest or on such later date as may be required to insure full consideration of the issues raised in the protest. The collector has the burden of proof. The sales tax administrator may permit or require the collector to provide additional information relevant to the protest. The sales tax administrator may seek the advice of the Borough attorney on any protest. The ruling on the protest must set forth the reason for the grant or denial of the protest. The ruling will be sent to the collector at the address given on the protest documents.

C. If a protest is granted, the tax administrator shall refund to the collector the penalty, interest, or charge levied or the tax collected and paid over to the Borough that was on an exempt transaction or otherwise not subject to the tax levied or the interest, penalty or charge under this chapter. The collector shall immediately refund to each taxpayer from whom the tax was collected the amount of the tax improperly collected; provided, if the collector has failed to directly or indirectly collect the tax but has paid the tax to the Borough from its own account, the collector may retain the tax refund.

D. In the event a protest is denied, the collector may, within thirty (30) days of the date of the notice of denial, appeal the denial to the Manager if the Manager was not acting as the tax administrator on the protest. The Manager shall receive such additional information whether written or oral, as the collector may desire to present. The Manager may also receive such additional testimony and material as the tax administrator may present. The Manager shall render a decision in writing and give notice of the decision to the collector. The decision of the Manager, whether acting as the Manager or the tax administrator, is final and is subject to judicial review by an appeal to the superior court under applicable appellate court rules.

E. Failure to file an appeal or protest as authorized under this section within the time permitted constitutes a waiver of the appeal or protest and any other rights of the collector to challenge the tax, interest, penalty, or other charge directly or collaterally.

6.90.170 Severability

If a court of competent jurisdiction determines that any provision of this ordinance or any application thereof to any person or circumstance is invalid, the remainder of this ordinance and its application to other persons or circumstances shall not be affected thereby.

(Chapter 6.90 Added 8/20/96 by Ordinance 96-04)
Chapter 6.52

TRANSIENT ACCOMMODATION AND VEHICLE RENTAL TAX

Sections:

6.52.010  Definitions
6.52.020  Levy and Amount of Tax
6.52.030  Payment and Collection of Tax
6.52.040  Exemptions
6.52.050  Remittance of Tax and Returns
6.52.060  Sale or Transfer of Business
6.52.070  Delinquencies
6.52.080  Protest of Tax
6.52.090  Refund of Excess Payment
6.52.100  Period of Limitation
6.52.110  Rules and Regulations
6.52.120  Record Keeping
6.52.130  Tax as Lien
6.52.140  Oaths
6.52.150  Confidentiality of Records.
6.52.160  Tourism Enhancement Account.

6.52.010  Definitions.
A.  (repealed)
B.  "Borough" means the City and Borough of Yakutat.
C.  "Guest" means a person who rents a lodging for use for a term of less than 30 consecutive days.
D.  "Lodging" means a structure or part of a structure offered for dwelling or sleeping for a monetary consideration. This includes but is not limited to any hotel, motel, hostel, inn, resort, cabin, tent-cabin, bed and breakfast or boarding house. This is specifically intended to include any guest who has overnight lodging as part of a combined-price package. This excludes any hospital or other clinic or facility operated solely for the purpose of providing medical services.
E.  "Operator" means a person who offers a lodging or vehicle for rent and to whom rent for same is payable, either directly or through an agent or employee.
F.  "Renter" means a person who rents a vehicle from an operator.
G.  "Vehicle Rental" means the renting, or offering for rental, of an automobile, truck, van, pickup, or other passenger vehicle.
H.  "Combined-price package" means 1) a combination of services, or services and goods, provided by an operator for a
single, flat rate, or rate which otherwise combines the cost of services and goods provided, or 2) where overnight lodging is only made available by the operator on condition that the guest purchase other services or goods in connection therewith.

6.52.020 Levy and Amount of Tax.
A. A tax, in an amount equal to 8% of the charge made by the operator, is hereby levied on a guest occupying lodging for each day, or portion thereof, for which a charge is made by the operator. For combined price packages, the tax shall be computed as follows:
1. Where all or any part of the lodging utilized in the package is located within the service area defined in CCBY 1.16.010, the tax shall be either i) a flat rate of $8.00 per person per day, or ii) the amount derived by charging the tax on thirty percent of the total cost of the combined price package, whichever is greater; and
2. Where all of the lodging utilized in the package is located outside of the service area defined in CCBY 1.16.010, the tax shall be either i) a flat rate of $4.00 per person per day, or ii) the amount derived by charging the tax on fifteen percent of the total cost of the combined price package, whichever is greater.
B. A tax, in an amount equal to 8% of the rental charge made by the operator, is levied upon a renter of a vehicle for each day, or portion thereof, for which a charge is made by the operator.
C. The taxes levied under paragraphs A and B of this section are in addition to the sales tax levied under Chapter 6.40 of the Code of the City and Borough of Yakutat.
D. The operator shall state the tax as a separate item on the guest’s invoice.

6.52.030 Payment and Collection of Tax.
A. The Operator shall add the tax to the rental payment. The tax is a debt from the Guest or Renter to the Operator and the Borough and from the Operator to the Borough until paid and is recoverable at law in the same manner as other debts. The Guest or Renter is liable to the Borough for the tax notwithstanding the Operator's duty to collect.
B. Any director, officer, employee, agent or member of a corporation or limited liability company having control over or supervision of, or charged with the responsibility for, the collection or remittance of transient accommodation and vehicle rental tax, or the filing of transient accommodation and vehicle rental tax returns, on behalf of the corporation or company is

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personally liable for any uncollected and/or unpaid taxes, penalties and interest due the Borough. Dissolution, sale or other transfer of the corporation or company does not discharge this liability.

6.52.040 Exemptions. There are no exemptions except those, if any, required by state or federal law.

6.52.050 Remittance of Tax and Returns.
A. Taxes required to be paid under this Chapter during a quarter are due and payable to the Borough from the Operator or person upon whom the tax is imposed on the last day of each quarter. Every Operator or person liable for the tax shall file with the Borough on forms furnished by the Borough a return containing the following information.
   1. Number of persons from whom rents were collected per day, for rental of lodging or a vehicle within the Borough;
   2. The amount of tax collected.
   3. Interest, penalties, and such other information as may be required.
Additionally, the Operator shall submit such other information and supporting documentation as may be required by regulations issued by the Borough under Section .110 of this Chapter.

B. The return shall be signed and its completeness and accuracy sworn to by the Operator or person upon whom the tax is imposed under penalty of perjury.

C. The completed return, together with remittance of the tax due during the quarter, must be received by the Borough on or before the last day of the month following the end of each quarter year ending March thirty-first, June thirtieth, September thirtieth and December thirty-first. In the event the last day of the month falls on a Saturday, Sunday or legal holiday, the return may be filed and payment made on the first business day following.

D. Any Operator or other person who was required to pay a tax during a quarter shall file a return for the next following quarter even though no tax may be due during the following quarter. A return filed for such a quarter in which no tax was required to be collected must show why no tax was due. If the lodging, or vehicle or business operating said rental of vehicle, is sold or transferred to another, whether voluntarily or involuntarily, the person filing the return shall provide on the form the name of the person to whom the business was sold or transferred. A person who files a return for a quarter in which no tax was required to be paid is not required to file
additional returns until the person is required to pay a tax under this Chapter.

E. Amounts received with the return shall be applied in the following order:
   1. Penalties due, beginning with the oldest penalty;
   2. Interest due, beginning with the interest due on the oldest quarter; and
   3. Tax due, beginning with the tax due from the oldest quarter.

F. If an Operator fails to file or is late in filing a return or in paying tax due, the Borough Manager shall require the Operator to submit returns and payment each month for a minimum of nine (9) months.

6.52.060 Sale or Transfer of Business. If any Operator or other person required to pay a tax under this Chapter sells, leases or in any other manner disposes of the lodging or vehicle or business operating said rental of the vehicle, or if the lodging or vehicle or business operating said rental of the vehicle, is transferred voluntarily or involuntarily, the person selling, leasing or otherwise transferring shall make or deliver to the Borough within fifteen (15) days of the date of the sale, lease or other transfer a final tax return. The purchaser, lessee or other transferee or successor-in-interest of a business required to pay a tax under this Chapter shall be liable for all taxes required to have been paid by the former owner but not paid over to the Borough and shall be liable for all penalties and interest on such unpaid taxes and on late, improper or unfiled returns.

6.52.070 Delinquencies.
A. Penalty and interest. A penalty equal to five percent of the delinquent tax shall be added to the tax for the first month, or any part thereof, and an additional five percent shall be added to the tax due for each month, or fraction thereof, of delinquency until a total penalty of fifteen percent has accrued. The penalty shall be assessed and collected in the same manner as the tax is assessed and collected.

In addition to the penalty provided above, interest at the rate of fifteen percent per year on the delinquent tax from the date of delinquency until paid shall accrue and be collected in the same manner as the delinquent tax is collected.

B. Written demand and additional procedures. If a person fails to file a return or make payment in accordance with this Chapter, the finance director of the Borough may do any or all of the following things:
1. Criminal action. File a criminal complaint against the person in the proper court for violation of this Chapter;

2. Estimated Assessment. Make an estimated assessment against the person or business, with the assessment based upon an estimate of the tax. The tax estimate shall be derived from past returns of the operator, information obtained from an audit, the general economic level of the community and, if available, returns of comparable businesses. Notice of the estimated assessment shall be sent to the last known address of the operator by certified mail. The estimated assessment shall be deemed to be admitted by the operator to be the amount due and owing to the Borough unless the Finance Director receives, within twenty (20) days of the date of the mailing of the notice of the estimated assessment, an accurate and complete tax return for the delinquent periods, together with the full remittance of all taxes, interest, penalty and other costs due, or the operator remits the amount due under protest. Failure to file a written statement of protest and to remit in full the amount claimed by the Borough as owing within the time permitted under this subsection constitutes a waiver of the right to protest, appeal or otherwise challenge the amount due. The Finance Director shall issue a written ruling on an operator’s protest within thirty (30) days of receipt of the protest and remittance if timely filed. The operator has the burden of proof;

3. Hearing. Notify the person in writing by certified mail, sent to the person’s last known address, that a hearing will be held to determine the tax liability at a specified time and place not less than fifteen days after the date of the notice. The person shall present himself or herself at the hearing and make available for inspection his or her books, papers, records, tickets, invoices and other memoranda sufficient to enable the Borough to make a determination of the amount of tax due;

4. Publish. Publish in a newspaper of general circulation within the Borough, or if there is no such newspaper, post in three separate places in the Borough, the name and amount of tax, interest and penalty due from a person who is delinquent under this Chapter.

5. Demand. Make written demand upon the person, mailed to his or her last known address, for submission of a return and/or payment.

6. Civil Enforcement. Collect the amount due by any method available in law, including but not limited to the filing and/or foreclosure of a lien or the institution of a civil action.

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6.52.080 Protest of Tax.

A. If a person from whom tax is due believes that a transaction is exempt or otherwise not subject to the tax imposed under this Chapter or believes that a penalty, interest, or other charge is not owing but has been informed by the Borough that such transaction is subject to the tax imposed under this Chapter or such penalty, interest, or other charge is owing, the person may protest the tax by paying the tax owed to the Borough and filing with the Borough at the time of payment a statement of protest setting out all relevant facts and clearly explaining why the transaction taxed or charge made is exempt, not otherwise subject to the tax levied or not owing. The payment and statement of protest must be received by the Borough on or by the date the tax or charge is otherwise due under 6.52.050 or within ten days of the date of notice by the Borough, in the case of inquiry under 6.52.110(B). Failure to file a statement of protest and to pay the amount claimed by the Borough as owing within the time permitted under this subsection constitutes a waiver of the right to protest the tax, charge or Borough determination under this Chapter and is a waiver of the right to appeal the protest, or to appeal or otherwise challenge the tax, charge or determination in any judicial or other proceeding.

B. The Borough Manager or his designee shall issue a written ruling on each protest within thirty (30) days of receipt of the protest by the Borough. The person from whom the tax is due has the burden of proof. The Borough Manager or his designee may permit or require the protestor to provide additional information relevant to the protest. The ruling must set forth the reason for the grant or denial of the protest. The ruling will be sent to the protestor at the address given on the protest, and shall be effective upon mailing.

C. If a protest is granted, the Borough Manager or his designee shall cause to the refunded to the person the tax or other charge paid to the Borough that was not subject to the tax or charge levied.

D. If a protest is denied, the protestor may, within thirty (30) days of the date of the notice of denial, request that the protest be referred to the Borough Assembly. The Assembly shall receive such additional information, whether written or oral, as the protestor may desire to present. The Borough shall render a decision in writing to the protestor. The decision of the Assembly is final.

6.52.090 Refund of Excess Payment.
A. A person who paid a tax or other charge under this Chapter that exceeded the amount actually due may receive a refund of the excess payment upon meeting the conditions set out below:

1. The person notifies the Borough in writing of the excess payment and provides written documentation demonstrating the excess payment; and

2. Such notice is received by the Borough not later than the last day upon which the person may file a tax return under this Chapter for the month following the month for which the claimed excess payment was made.

B. Upon approval of a refund, the Borough may pay the refund to the person, credit the refund against subsequent taxes and other charges due and payable from the person under this Chapter, or, at the person's request, credit against future, but not yet due and payable, tax payments.

C. A claim for a refund of an excess payment to which this section applies is forever barred if notice and proof of the excess payment is not given within the time prescribed.

6.52.100 Period of Limitation. (repealed)

6.52.110 Rules and Regulations.
A. The Borough Manager or his designee shall from time to time cause to be promulgated rules and regulations as are necessary and advisable to provide for the application and interpretation of this Chapter and to submit them to the Assembly for its adoption or rejection, and to cause to be provided methods and forms for reporting and collecting the tax in accordance with this Chapter and regulations.

B. If any person who is or may be required to pay a tax under this Chapter questions the application of this Chapter to a transaction or other situation in which that person is involved or may become involved, the person may apply to the Borough Manager or his designee for a ruling on the question. The Borough Manager or his designee may rule on the question and may seek the service of the Borough Assembly on the question.

6.52.120 Record Keeping.
A. A person or entity shall retain for a period of seven years all reports, returns, forms, records and supporting schedules as may be required by the Borough.

B. For the purpose of ascertaining the correctness of a return or the amount of taxes owed when a return has not been filed, the Borough Manager or his designee may conduct investigations, hearings and audits and to that end may examine...
any relevant books, papers, memoranda, records or other writings
of any person from whom tax is due or believed to be due, and
may require the attendance and sworn testimony of any person at
a hearing. Upon written demand by the Borough Manager or his
designee, the person from whom tax is or may be due, shall
produce at the office of the Mayor or his designee, such books,
papers, memoranda, records and other written material as may be
set out in the demand, unless the Mayor or his designee, and the
person upon whom the demand is made, agree to presentation of
such materials at a different place.

6.52.130 Tax as Lien. The tax, interest and any penalties
imposed under this Chapter, and any administrative costs,
including attorney fees and litigation costs, incurred by the
Borough to collect the tax, shall constitute a lien in favor of
the Borough upon all the real and personal property of the
person owing the tax. The lien arises upon delinquency and
continues until the liability is satisfied or the lien is
foreclosed. A notice of lien may be filed in the office of the
recorder for the Juneau Recording District. The Borough may
also, at its discretion, file a notice of lien in any other
recording district. When recorded, the tax has priority over all
other liens except (1) liens for property taxes and special
assessments; (2) liens that were perfected before the recording
of the tax lien for amounts actually advanced before the
recording of the tax lien; (3) mechanics' and materialman's
liens for which claims of lien under AS 34.35.070 or notices of
right to lien under AS 34.35.064 have been recorded before the
recording of the tax lien.

6.52.140 Oaths. The Finance Director or Borough Manager
is authorized and empowered to administer any oath necessary for
the purpose of administering and enforcing the provisions of
this Chapter.

6.52.150 Confidentiality of Records. All tax returns filed
under this Chapter, all data obtained from such tax returns, and
all financial information obtained from an inspection of records
conducted under this Chapter are confidential and may not be
released by the Borough except upon court order or when
necessary to enforce the provisions of or to collect the taxes
due under this Chapter. The Borough may publish at any time the
names of delinquent taxpayers and the amounts and periods of
delinquency.
6.52.160 Tourism Enhancement Account. This section governs discretionary grants made from the Tourism Enhancement Account, established under Assembly Ordinance 10-520.

A. The use of grant funds is limited to initial support of new projects, or the expansion of existing programs, that will contribute to the growth and promotion of tourism within the Borough by attracting and/or serving visitors to the Borough. A grant proposal must demonstrate how the requested funds will meet the above-stated purpose, and must include the projected budget for the project, and, for existing programs, the applicant’s balance sheet and income/expense statement for the last fiscal year. Successful applicants will be required to execute, prior to receipt of funds, a contract with the Borough, setting forth terms and conditions deemed necessary to enable the Borough to assure compliance with the purposes of this section and the proper expenditure of funds.

B. A written proposal for a Tourism Enhancement Account discretionary grant shall be submitted on forms provided by the Borough. Any Borough resident or qualified organization, either for- or not-for-profit, is eligible to submit a grant proposal. An organization is considered qualified if a majority of its members, shareholders or partners are Borough residents. Proposals must be submitted by September 30th of a given year, for disbursement of grant funds in the next calendar year.

C. The Assembly shall review submittals and by motion approve grant proposals, in whole or in part, on or before its last meeting in January. Distribution of funds is at the discretion of the Assembly. Any funds in the Account not approved for grant disbursement by the Assembly, or any funds approved but not disbursed, may be retained in the Account for disbursement in the following calendar year.

D. Recipients of grant funds will be required to report to the Borough on how the funds were spent, on forms established by the Borough, with backup financial documents demonstrating such expenditures as required by the Borough.
Mr. Mayor, and Assembly members,

- We have C & R Enterprises in this month with Chinook Fire for our annual fire, and sprinkler systems in our schools.
- There is a new system going into the False Pass school since it would not of passed this year. They were having false alarms.
- The terminal building will have its Annual inspection and sprinkler system inspected as well.
- I went to the meeting with Ernie at the Egan center to get geared up for this coming Fish Board meetings.
- Working on the time frames for the contractors to come to Sand Point, and get the work done.
- I had to go out for Medical, and everything is now better.
To: The Honorable Alvin Osterback  
The Aleutians East Borough Assembly  
Anne Bailey, Borough Administrator

From: Brad Gilman & Sebastian O’Kelly

Re: Washington Update

Date: October 10, 2018

1. **Akutan Access Initiative**: We are continuing to work with the Army Corps and U.S. DOT to achieve a permanent resolution regarding the transportation link between the Akun Island Airport and the City of Akutan. The Borough has a pending request with the Army Corps to study the cost and feasibility of building a small breakwater or wave barrier on Akun to enable a marine ferry link between the airport and the community. The study is part of a larger list of new start projects which are pending approval from the House and Senate Appropriations Committees.

   The Essential Air Service division of U.S. DOT has also indicated a willingness to partially subsidize the existing helicopter service, pending the initiation of a marine ferry link. It is our understanding that discussions of the details of such an arrangement are ongoing between the Borough and U.S. DOT.

2. **FY 2019 Appropriations**: Congress has now enacted 5 of the 12 appropriations bills for Fiscal Year 2019. Agencies and programs under the remaining 7 bills have been funded until December 7 pursuant to a short-term Continuing Resolution. The appropriations process has proceeded more smoothly and in a timely way than in recent years. Congress has adjourned for the election but will return in mid-November for a lame duck session to consider the remaining appropriations bills as well as other unfinished legislative business.

3. **Congressional Elections** – This November is shaping up to be a close election with a number of key House and Senate races being tightly contested and control of both bodies at stake.

   - **Senate**: Non-partisan analysts’ predictions on Senate races are variable, with some analysts believing that the Senate will shift control from the Republicans to the Democrats, while others predict that the Republicans could pick up 1-3 seats. The current ratio is 51 Republicans to 47 Democrats, with 2 Independents who caucus with the Democrats. The Republicans have the advantage of defending fewer seats (9 to 26). Of those Republican seats, 5 are considered safe bets for re-election, while 4 are “in play” (Arizona, Nevada, Texas, and Tennessee). Of the 26 seats held by Democrats, 6 are considered in play (West Virginia, Montana, Missouri, Florida, Indiana, and North Dakota). Of the total 10 States in play, 9 are States President Trump won in 2016 (Nevada is the exception). In Alaska, neither Senator Murkowski nor Senator Sullivan is on the ballot.
**House of Representatives:** Most non-partisan political analysts forecast that the Democrats will gain seats in the House but opinions vary on whether it will be a sufficient number for them to secure control of the body. Historically, during the mid-term elections, the party that does not control the White House tends to gain seats (this has been the case in 36 of the 39 House mid-term elections since the Civil War. Since 1950, the average mid-term loss has been 24 seats). In years considered “major wave elections” that resulted in changes in party control (1994, 2006 and 2010) those gains can be large. Many non-partisan analysts are still hedging their bets on whether this year represents a “major wave election” or more of a “mini-wave.” Of the 435 seats, the Republicans hold 235, the Democrats 193, with 7 vacancies. There have been several retirements of senior Republicans in blue House districts that are expected to switch hands. Also, the number of Republicans (25) defending districts which were won by Hillary Clinton in 2016 out-numbers those held by Democrats (13) where Donald Trump was victorious. Whichever party assumes control of the next Congress, we expect they will be operating with only a narrow majority. In Alaska, Rep. Young is favored to win re-election.

4. **Seafood Tariffs:** Seafood has now been caught up in an escalating trade dispute between the U.S. and China. In retaliation for raising tariffs on steel and other imports from China, the Chinese government has announced, effective July 6th, that there will be a 25 percent duty on U.S. seafood exports along with autos and some agricultural products. As the largest seafood exporter to China with annual value approaching $1 billion, Alaska’s fishing economy will bear the brunt of the increase. All three Members of the Delegation have raised concerns about the tariff and are urging the Trump Administration to find a solution to the trade dispute that protects U.S. seafood from the tariffs. In the latest announcement, the U.S. exempted “Alaska Pollock” being processed in China from the new tariff requirements. The U.S. Trade Representative did not understand, however, that the vast majority of “Alaska Pollock” being processed in China is actually harvested by the Russians. This exemption is currently being re-evaluated by the USTR after this fact was brought to its attention. The USTR has also exempted Alaska pink and chum salmon fillets re-processed in China and brought back into the U.S. from the new tariff schedule. Pinks and chums are sent to China to have the pin bones removed. Imposing a higher U.S. tariff on these products would have hurt U.S. producers and resulted in lower prices offered to the Alaska salmon fleet. The trade dispute continues to unfold as of the date of this report.

5. **Pink Salmon Disaster Relief:** The Alaska Dept. of Fish & Game has developed a draft plan for the distribution of $56 million in Federal disaster relief funding for the 2016 pink salmon disaster. The draft plan (see the State’s allocation recommendations below) received public comment through Sept 18th. We anticipate there will be some changes based on those comments between the draft and final plan. The Pacific States Marine Fisheries Commission will be responsible for processing aid applications from fishermen, processors and local governments and is already compiling baseline data from each group so that applications can be processed in a timely way once the final plan is approved. We will update the Borough as we learn more on the timing of final plan approval and the process for affected individuals and entities to apply.
• **Fishermen:** ($32 million). The draft plan uses a baseline for aid calculation of 82.5% of ex-vessel landings value of the annual average for 5 even year harvests for those years prior to 2016 and the difference between that amount and the ex-vessel landings value in 2016.

• **Processors:** ($17.7 million). Disaster funds are proposed to be distributed pro rata to the difference between the 2016 pink salmon gross revenue first wholesale value and each processor’s 5 even year average gross first wholesale value for pink salmon. The draft plan would release the funds in two phases, 25 percent in the first phase and 75 percent in the second phase provided that the processor has developed a plan for relief to be distributed to its processing workers affected by the disaster.

• **Research:** ($4.2 million). The draft plan would provide funding for the following 3 research projects to better understand the abundance and ecology of pink salmon – Prince William Sound juvenile salmon survey ($1 million); Alaska Hatchery Research Program ($2.5 million); and Southeast Alaska Coastal Monitoring Survey ($680,000).

• **Local Governments:** ($2.4 million). Communities that recorded pink salmon landings in 2016 would be eligible for funding equal to 1.5% of the 5 even year average ex-vessel landings value of pink salmon landed in the community.

6. **FAA Reauthorization/Essential Air Service (EAS):** Congress has passed legislation to reauthorize Federal aviation programs for 5 years, the longest reauthorization in over 30 years. The bill includes a 5 year reauthorization for EAS, with funding increased incrementally each year over the period. It also includes regulatory relief for small airports receiving funding through the Airport Improvement Program as well as greater local uses in rural areas of designated airport access roads. It has a provision that encourages the FAA to give greater consideration of timing in project decisions affecting communities with shorter construction seasons such as in Alaska. It includes provisions encouraging continuance of contract weather observers and control towers, which are used by a number of rural Alaska airports. It does not include privatization of the Air Traffic Control system that had been a part of earlier House legislation.

7. **Water Resources Development Act (WRDA):** The House has passed the “America’s Water Infrastructure Act of 2018”, legislation to reauthorize Army Corp civil works programs for two years. The bill extends EPA water infrastructure programs and assistance, including a water loan program called WIFIA that was established as a pilot program in the 2014 WRDA. It raises the authorization of annual appropriations for its Continuing Authorities Programs from $50 million to $62.5 million (the per project cap on Federal dollars for Section 107 Small Navigation harbor projects remains unchanged at $10 million). The bill reauthorizes the National Dam Safety Program through 2023. Additionally, the bill authorizes a study about whether to move the Army Corps out of the Department of Defense and into a civilian agency. As of press time, the Senate is debating the bill and is expected to pass it shortly.

8. **Fisheries and Oceans**

• **North Pacific Groundfish Surveys:** The National Marine Fisheries Service is reviewing budget options for the North Pacific region which could result in a reduction in the groundfish surveys traditionally performed off the coast of Alaska. Five charter
vessels been traditionally used to conduct two annual surveys on the Bering Sea shelf and three Gulf surveys during odd numbered years. During even numbered years those three surveys are shifted to the Aleutian Island and the Bering Sea slope. NMFS is considering reducing those surveys to 3 or 4 vessels. Additionally, the NOAA survey ship R/V OSCAR DYSON is down for emergency repairs. NMFS is having internal discussions about whether to shift the R/V SHIMADA to the North Pacific to replace the DYSON.

- **Pacific Salmon Treaty**: The Pacific Salmon Commission has recommended to the governments of Canada and the United States a 10-year conservation and harvest sharing agreement under the Pacific Salmon Treaty. The proposed agreement covers the 5 Pacific salmon species from the Pacific Northwest, Canada, and Alaska and will go into effect January 1 if approved by U.S. and Canada diplomatic officials. The new agreement calls for a 7.5 percent reduction in Alaska king salmon harvest, a 12.5 percent reduction for Canada and 5 to 15 percent reductions for Washington and Oregon depending on species abundance. Senator Murkowski issued a press release with positive comments about the agreement and a pledge to make sure its implementation, research, monitoring, and data collection measures are fully funded in the Federal appropriations process.

- **Saltonstall-Kennedy Grants Advisory Committee**: The Senate has passed legislation authored by Senator Sullivan to establish an outside advisory committee to provide greater oversight over NMFS’ awarding of funding from the Saltonstall-Kennedy grants program.

- **Aleutian Island Pollock**: The FY 2019 Senate Commerce-Justice-Science Appropriations Bill includes report language that directs NMFS, in coordination with Adak, the Aleut Corporation, and the North Pacific Fishery Management Council, to issue an Exempted Fishing Permit [EFP] for a pollock test fishery. Depending on the results of that EFP, NMFS is instructed to consider additional regulatory changes to the management of Aleutian Islands pollock. The issue is pending in the House-Senate conference on the legislation.

- **Marine Debris**: Congress has passed legislation (The Save Our Seas Act) authored by Senator Sullivan and Rep. Young to reauthorize NOAA’s marine debris program. It emphasizes marine debris clean-up, promotes greater inter-agency coordination on debris prevention and removal, and more concerted international action on reducing marine debris. The bill includes a separate section on safety recommendations made by the National Transportation Safety Board and Coast Guard following the sinking of the *El Faro* cargo ship. These are aimed at larger vessels.

9. **Earthquake Legislation**: The Senate has passed a bill, the National Earthquake Hazards Reduction Program Reauthorization Act, to strengthen earthquake preparedness and update earthquake-safety programs. Senator Murkowski is a co-author of the bill. Separately, she has restored funding in the FY 2019 Senate Interior Appropriations Bill to Federal earthquake preparedness, monitoring and research programs that the Trump Administration proposed reducing in its FY 2019 budget request.
Assembly Comments
Public Comments
Date & Location of Next Meeting
Adjournment