

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Assembly meeting to order at the Anchorage office and by teleconference in each community on December 12, 2019 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
Denise Mobeck	Present

Advisory Members:

Dailey Schaack, Cold Bay	Present
Samantha McNeley, Nelson Lagoon	Present
Tom Hoblet, False Pass	Present
Justin Mobeck, Student Representative	Absent

A quorum was present.

Staff Present:

Roxann Newman, Finance Director
Jacki Brandell, Assistant Finance Director
Tina Anderson, Clerk
Anne Bailey, Administrator
Mary Tesche, Assistant Administrator
Ernie Weiss, Resource Director
Charlotte Levy, Assistant Resource Director
Glennora Dushkin, Administrative Assistant
Laura Tanis, Communications Director
Emil Mobeck, Maintenance Director

Adoption of the Agenda:

Hearing no changes, the agenda is approved as presented.

Conflict of Interests:

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. There were none.

Community Roll Call and Public Comments on Agenda Items:

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

Public Comments: None

Minutes, November 14, 2019 Assembly Meeting Minutes:

MOTION

WARREN moved to approve the November 14, 2019 Assembly Meeting Minutes and second by JOSEPHINE.

Hearing no objections, **MOTION CARRIED.**

Minutes, November 18, 2019 Special Assembly Meeting:

MOTION

BRENDA moved to approve the November 18, 2019 Special Assembly Meeting Minutes and second by CHRIS.

Hearing no objections, **MOTION CARRIED.**

Financial Report – October:

MOTION

DENISE moved to approve the October Financial Report and second by BRENDA.

Administrator said everything is tracking along as it should be.

ROLL CALL

YEAS: Warren, Denise, Brenda, Carol, Paul, Josephine, Chris. Advisory: Tom, Samantha, Dailey.

NAY: None

MOTION CARRIED

October Investment Report: In packet.

Chris requested a report on what the permanent fund was set up at, why it was set up and the value of the dollar.

Mayor Osterback said once we finalize the AEB monies, better financial information will be available.

CONSENT AGENDA

- Resolution 20-37, adopting an alternative allocation method for the FY19 Shared Fisheries Business Tax Program for FMA 2.
- Resolution 20-39, disposal of surplus, obsolete, or unneeded supplies – One hundred sixty (160) 12.5' x 8'x8' cement plates.
- Resolution 20-40, authorizing the mayor to approve a change order with Bering Industrial Contractor's Inc. for deferred maintenance work at the Akutan School, increasing to not to exceed \$371,386.
- Resolution 19-43, adopting an alternative allocation method for the FY19 Shared Fisheries Business Tax Program for FMA 3.

MOTION

PAUL moved to approve the Consent Agenda and second by BRENDA.

Administrator reviewed the Consent Agenda.

Resolution 20-37, adopts FY20 FMA2. Required annually for Shared Fisheries Business Tax, FMA2, area West of Unimak. 60% per community and 40% allocated per capita (except AEB).

Resolution 20-39, if approved, 160 cement plates located in King Cove, no longer needed, will go out to sealed bid.

Resolution 20-40, authorizes the Mayor to approve a change order, increasing contract total to \$371,386, to do additional work identified, zone valves and fan replacement. The additional amount is an additional \$35,500.

Resolution 19-43, Shared Fisheries Business Tax, FMA3, communities east of Unimak. Communities will share 40% equally and 60% allocated per capita. Resolution is a requirement in order to receive funding.

ROLL CALL

YEAS: Carol, Warren, Chris, Denise, Josephine, Brenda, Paul. Advisory: Dailey, Samantha, Tom.

NAY: None

MOTION CARRIED

PUBLIC HEARINGS

Public Hearing Ordinance 20-05, amending the operating and capital budget for FY19 (FINAL):

MOTION

BRENDA moved to adopt Ordinance 20-05 and second by JOSEPHINE.

DISCUSSION

Administrator reviewed the spreadsheet saying, first column is anticipated budget, second column reflects mid-year amendment, and third column is actual revenues and expenditures.

Mayor Osterback opened PUBLIC HEARING. Hearing none, PUBLIC HEARING closed.

ROLL CALL

YEAS: Paul, Warren, Denise, Josephine, Brenda, Carol, Chris. Advisory: Samantha, Tom, Dailey.

NAY: None

MOTION CARRIED

Public Hearing Ordinance 20-06, amending the operating and capital budget for FY20:

MOTION

BRENDA moved to adopt Ordinance 20-06 and second by DENISE.

DISCUSSION

Administrator said May 23 AEB passed Ordinance 19-09, a worse case scenario operating budget. Governor Dunleavy reduced bond debt reimbursement and kept Shared Fish

Business Tax programs. Fund 22-terminal is amended, increasing salary to \$50,000, for janitorial and manager. Expected revenues, \$7,455,488; and expected expenditures, \$6,719,952. Transfer done for helicopter operation.

PAUL asked, since we have Essential Air Service between Akun/Akutan, what the AEB share of operation costs will be. Administrator said the AEB is obligated to pay 50%, \$860,000. Federal government pays other half.

PAUL said monthly budget process is now delayed a month. Once we have better internet in King Cove, suggests going back to how previously done with less delay to review budget.

ROLL CALL

YEAS: Josephine, Brenda, Carol, Chris, Denise, Paul, Warren. Advisory: Dailey, Samantha, Tom.

NAY: None

MOTION CARRIED

RESOLUTIONS

Resolution 20-38, authorizing the mayor to negotiate and execute a contract agreement between the AEB and Stantec for King Cove Access Road Record Survey ADL 228613, in an amount not to exceed \$40,000:

MOTION

BRENDA moved to approve Resolution 20-38 and second by JOSEPHINE.

DISCUSSION

Administrator said, June 2004 Dept of Natural Resources issued easements to approve installation of two hovercraft landing terminals over state tidelands. South Regional office amended in 2018 to exclude one terminal site. One requirement by state is to complete an as-built survey. In May, 2015 the AEB entered into a contract with Stantec. Completion date was September, 2015. AEB only paid Stantec \$62,200 for 80% of work and the project was not completed. Unclear why project was not completed. Stantec will provide a proposal to complete the survey in the amount not to exceed \$40,000.

JOSEPHINE asked if Stantec knew why project wasn't completed. Administrator said all new people at Stantec, so is unclear to them also.

ROLL CALL

YEAS: Chris, Brenda, Paul, Carol, Warren, Josephine, Denise. Advisory: Tom, Samantha, Dailey.

NAY: None

MOTION CARRIED

Resolution 20-41, authorizing the mayor to appropriate \$600,000 from the AEB's AMLIP to Fund 20, to fund and implement an AEB FY20 Community Assistance Grant Program.

MOTION

JOSEPHINE moved to approve Resolution 20-41 and second by BRENDA.

Resolutions 20-41 authorizes the funds to come out of AMLIP. Resolution 20-42 authorizes the \$100,000 community grants. AEB communities have been impacted by budget restraints and in an effort to assist the communities, the resolution will authorize the \$100,000 community grants. AEB Code allows funds to be used for projects each fiscal year. If approved, deadline will be February 18, 2020. Administrator will review to determine if they meet criteria. Communities will be required to acknowledge this is a one-time grant to be used for fuel, electricity, insurance (not health), water, sewer, public safety, roads and other operational needs. Will accept for invoices already paid, for instance, insurance premiums already paid. Communities will be required to maintain a record for at least three years. Grant request form and agreement is in the packet. Recommend approval.

Mayor Osterback said he considered the one-time grants because communities could use assistance. We will have a workshop once all the AEB finances are determined and administration is comfortable. For now, the grant is to help the communities, not to make their budget whole.

PAUL supports.

BRENDA said the grants will be helpful and supports.

JOSEPHINE asked whether we want to keep "one time" in the agreement. Mayor Osterback said we have a Community Grant Program in place using Permanent Fund earnings, but this is basically a special one-time allocation. In the future, once we know how much money we have, with an understanding of our debt service, can consider other options then.

CHRIS supports the proposed grants. He feels it is a good step forward to help communities. Supports seeing where we can help further, once finances and debt services are determined.

ROLL CALL

YEAS: Carol, Warren, Josephine, Chris, Paul, Brenda, Denise. Advisory: Samantha, Dailey, Tom.

Nay: None

MOTION CARRIED

Resolution 20-42, Resolutions 20-42, authorizing the mayor to execute an AEB FY20 Community Assistance Grant in an amount not to exceed \$100,000 with each of the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point:

MOTION

BRENDA moved to approve Resolution 20-42 and second by DENISE.

ROLL CALL

Brenda, Paul, Chris, Josephine, Denise, Warren, Carol. Advisory: Tom, Dailey, Samantha.

MOTION CARRIED

NEW BUSINESS

Strategic Plan-Quarter Three Update:

Administrator said in the packet is quarter three of the strategic plan update. We spent the last two days going into great deal for the plan.

There were no questions.

Marine Transportation Advisory Board (MTAB) Discussion – Preparation for December MTAB meeting:

Resource Director, Ernie Weiss, is a member of MTAB. Memo in packet. He is soliciting for questions to bring back to the Board Chairman. MTAB is also waiting for the marine highway re-shaping report. Dept. of Transportation has had the report since October 15, but has not released it to the public. January 15 is a scheduled meeting. Continued ferry service and Tustemena replacement are very important.

Weiss said questions can also be e-mailed to him later.

PAUL suggested contacting the new SWAMC director for further input.

Mayor Osterback feels there needs to be a priority for cabins and vehicles for at least one ferry, west of Kodiak.

Advisory Appointments:

The Clerk said each community without an elected Assembly Member has an appointed Advisory Member for a one-year term beginning on January 1 of each year. In the packet are three letters of recommendations received.

MOTION

BRENDA moved to appoint Dailey Schaack-Cold Bay, Samantha McNeley–Nelson Lagoon, and Tom Hoblet–False Pass, as Advisory Members for 2020 and second by JOSEPHINE.

ROLL CALL

Denise, Josephine, Chris, Brenda, Warren, Paul, Carol. Advisory: Dailey, Tom, Samantha.

MOTION CARRIED

Raffle Drawing – fund raiser for the 2020 Alaska Young Fishermen’s Summit (AYFS) scholarships:

The Resources Director said we support the AYFS and have sent young adults, in the past. Since not budgeted this year, a raffle is being done to raise funds to send two young fishermen to the Summit. Thanked QT Tribal Council for use of their gaming permit, Peter Pan Seafood’s for case of crab, Trident Seafood’s for cod shatterpack, Silver Bay Seafood’s for four cases of canned sockeye salmon.

Tickets were drawn for the raffle items.

REPORTS AND UPDATES

Administrator’s Report in packet. Highlights below:

Sand Pt. Pool Repairs:

LONG Building Technologies will do fan replacement and repairs in early January.

Cold Bay Terminal:

Lease Agreement: Still working on terminal sublease, will have finalized lease agreement soon.

Electrical repairs: Wired AK, LLC has been contracted to do the repair work, not to exceed \$30,960.

Ticket counter arrived in Cold Bay. Seating and conveyor belt on next freighter. Next month installers and Maintenance Director will be in Cold Bay to complete work.

Strategic Meeting:

December 10-11 planning session, spent updating the strategic plan.

Assistant Administrator Report in packet. Highlights below:

False Pass harbor house: RFP went out and contractor has been chosen on behalf of City of False Pass to complete the design. Building design should be done by April.

Cold Bay Clinic: Waiting for City of Cold Bay to sign MOU.

AML Management Association Meeting: Elected to Board of Directors.

Communications Director Report in packet. Highlights below:

Ravn Aviation: Report explains recommended changes and consequences to the communities.

Governor's budget: Governor's proposed FY2021 budget has been released to the public.

Special In-the-loop: GCI fiber optic project grant updates.

White Papers: Working on a report on False Pass Airport, Power Cost Equalization program, and Shared Fisheries Business Tax.

CHRIS noted the difficulties of getting reservations with Grant Aviation, due to only one plane being sent when Ravn has more than one plane load of passengers. If there is more than one plane load, passengers have to do a charter. Tom agreed regarding Grant, saying there is sometimes a 4-5 day wait to get back to False Pass.

Natural Resources Director Report in packet. Highlights below:

NPFMC:

Resources Director, Ernie Weiss, said two Advisory Panel members have termed out from three-year terms.

Gulf of Alaska, Pacific cod stock assessment is way down and there will not be a federal P-cod season, but enough set aside for a possible state waters P-cod season. Decision in a week. Dutch Harbor fishery quota is 31M lbs.; South Peninsula, 2.4M lbs.; Aleutian Island 15M lbs.

Pollock quota increased in the Bering Sea, so may be good news for deliveries to Akutan and King Cove.

Mayor Osterback wrote a letter to ADF&G Commissioner requesting support for a State-waters Pacific Cod fishery in 2020.

Humpback Critical Habitat: Very serious issue. Recommends requesting exclusion zones, particularly for kelp mariculture farm. Deadline for public comment is January 31.

Electronic Monitoring (EM) Trawl Project: EM participants met to discuss EM Project.

Winter fishery meeting: Wednesday, December 18 at 10:00 a.m. by teleconference.

PAUL said there was a Council meeting discussion for a pilot rock fish program. Final action next meeting. Weiss said a group wanted sideboard protections, which would have impacted fishermen that haven't participated that may want to participate in the future.

Mayor Osterback asked if there are any public meetings in Anchorage regarding the humpback whale critical habitat. Weiss said two public meetings were held and one more scheduled in Wrangell.

CHRIS asked what the Bering Sea cod quota is. The Resource Director said Total Allowable Catch (TAC) this year is 166,000 mt. In 2020, TAC is 141,799 mt., a slight decrease. CHRIS asked why the Bering Sea cod is staying strong.

Natural Resources Assistant Director Report in packet. Highlights below

Groundfish:

NPFMC: Resources Assistant Director, Charlotte Levy, attended the Plan Team meeting in November. At NPFMC she testified along with Assembly Member, Paul Gronholdt, and Peninsula Fishermen's Coalition, regarding P-cod apportionment. The modeling change for apportionment impacted the Western Gulf. They all testified to do a stair step process that was accepted by the Council, which might allow a state fishery to happen, to be determined by State next week. Also, suggested to the stock assessment authors to explore alternative models to better suit new conditions we're facing.

Environmental shifting (*answering Assembly Member, Chris Babcock, questions*): A lot of unknowns as to how the environment is shifting and how the fish population is responding. Scientists agree that the ocean is warming and anticipate fish stocks shifting northward towards colder water, as waters warm.

P-Cod Tagging Study: Fishermen and Paul Gronholdt have been talking with stock assessment author, Steve Barbeaux, for industry collaborations on tagging study and genetics. A quick project that we can do to get data gaps filled in for P-cod. To determine whether stock is tied to Bering Sea or Gulf of Alaska. Could have major implications on how our stock is managed. Also, may look into new sonar technology for a separate survey in our area.

Electronic Monitoring (EM): On December 2, AEB was awarded \$530,000 to continue EM for the next two years, under an EFP to regulate a new program. Held a meeting last week to talk to fishermen participating. Also developing a plan for processing facilities, to collect data in the facilities instead of observers on vessels.

Mariculture Projects:

Wild urchin harvesting/ranching project proposal submitted to NOAA S-K grant.

Will travel to Sand Point and King Cove for kelp samples to be collected to test for spore viability. Will collect wild urchins at the same time.

Fishing-for-Energy Program: Looking at a program to collect recyclable old fishing gear in our communities to be recycled.

SeaShare Program: Program allows seafood industry to donate unwanted catch to hunger relief efforts. After discussing with AEBSA, SeaShare will be able to provide freezers and work with processors to distribute donated species to schools.

Appointed to trawl EM Committee.

CHRIS said there is an increase in black cod being processed this year in King Cove, warming oceans don't seem to affect black cod. He asked if there is any research being done on them. Levy said she is not aware of any research, but heard discussion at the Plan Team meeting on distribution.

PAUL said the SSC tried to increase black cod (Sable Fish) quota 40%, but Council only increased 20% after a big discussion about black cod increase. Weiss said there was an item about catch/release of small black cod, to allow full size growth.

TOM suggested requesting stock assessment surveys be done at a different time of the year.

Levy said there is a lot of discussion on the survey time. The stock assessment authors will not change their timing and grid patterns that might impact their long term data collection, which is used for other stocks as well. Instead of changing existing surveys suggested finding a way to supplement separate surveys with additional survey technology, to better reflect what we're seeing in our region. Also, if disaster funding is requested, and a portion is used for an emergency survey, hopes to be involved in that process.

Levy said the Chignik disaster relief request for salmon will only apply to Chignik. So, if anyone in SEDM wants to request emergency funds, it has to be done separately.

WARREN noted that is on the Strategic Plan, as Tom requested.

TOM asked about the line that separates the Western Gulf of Alaska from the Bering Sea in regards to travelling P-cod. Weiss said there has been a lot of discussion on fish travelling back and forth. Levy said, in regards to the tagging and genetic study, a lot of the fish we're catching are Bering Sea stock and not Gulf stock, and should be treated as separate populations. Need the data to back fishermen knowledge.

WARREN said fishermen have caught tagged P-cod in the past, receiving a hat for each tag sent in. He is not sure where that data is, but would be interesting to see.

Maintenance Director Report:

Cold Bay Terminal: Mobeck and temporary laborer, Calvin Mack, worked on the terminal for two weeks. Beginning of the year will go there with contractor to complete electrical project.

Sand Pt. Pool: Repairs scheduled in January. New fan system will resolve the moisture problems causing damage.

Akutan School: Project will be completed mid-January.

CHRIS asked about the Cold Bay terminal pop outs. Bailey said RFP went out again for services. Wolverine came back with a \$400,000 quote, which is too high. Will either do project using local sources or will send out RFP later to see if quotes will come in lower.

Executive Session:

- Borough Clerk Performance Evaluation. To discuss and review the performance of the Borough Clerk, Tina Anderson.

BRENDA moved to go into Executive Session to include the Assembly. Second by JOSEPHINE.

There were no objections. The Assembly went into Executive Session at 4:28 p.m.

Mayor Osterback said Assembly came out of Executive Session at 4:47 p.m. No action was taken during Executive Session.

ASSEMBLY COMMENTS

Paul said staff and everyone working hard to keep cod fishery open.

Carol supports having the Planning Session during December.

Dailey explained reasons for no additional flights to King Cove, which is due to plane going to False Pass on Monday and Wednesday. Then other days, Nelson Lagoon. Grant doesn't make up another flight to King Cove.

Warren thanked staff and Clerk for 28 years of hard work.

Brenda thanked the staff on the Strategic Plan work. She feels it was beneficial and the second day felt more hopeful.

Josephine thanked staff and also likes Planning Session in December.

DENISE also appreciated the strategic planning.

Mayor Osterback enjoys the strategic planning and noted his appreciation for everyone.

PUBLIC COMMENTS None

NEXT MEETING DATE

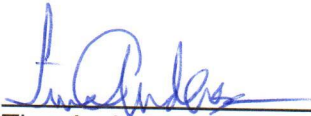
Regular meeting date is January 9, 2020.

ADJOURNMENT

BRENDA moved to adjourn. Hearing no more, the meeting adjourned at 4:53 p.m.



Mayor Alvin D. Osterback



Tina Anderson, Clerk