



Arriving Into King Cove



Winter in King Cove



Downtown



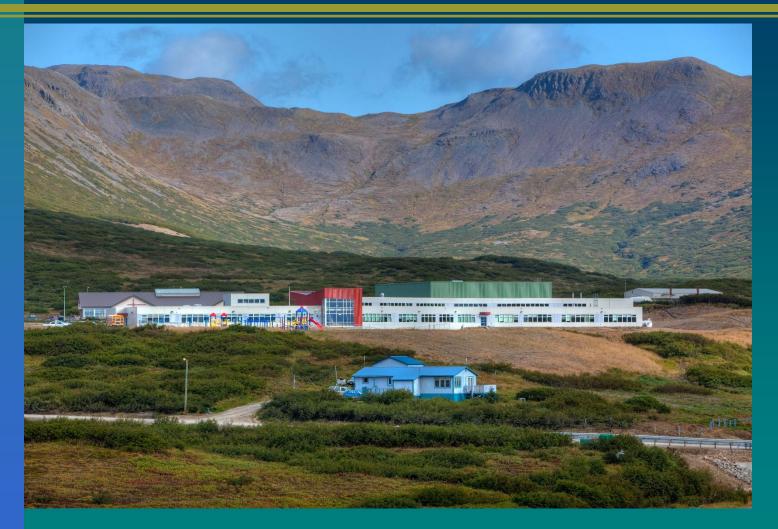
King Cove Waterfront



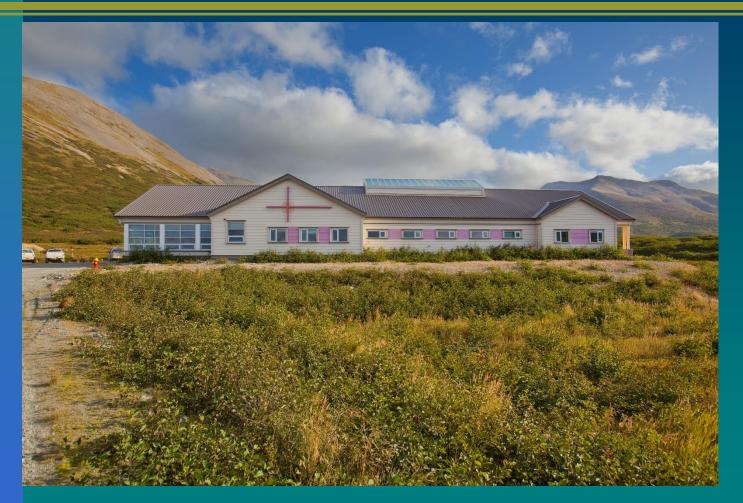
King Cove Harbor



Ram Creek Subdivisions



King Cove School



King Cove Clinic

2019 & Beyond – The City's Financial Situation

Right Now – Looks pretty scary Lowest City General Fund Revenue in 15 years Peter Pan – "Says Worse Next Year"

What Happened – The Perfect Storm? Market Competition Environmental/Ocean/Decreasing Quotas One Local Processor Too Many?

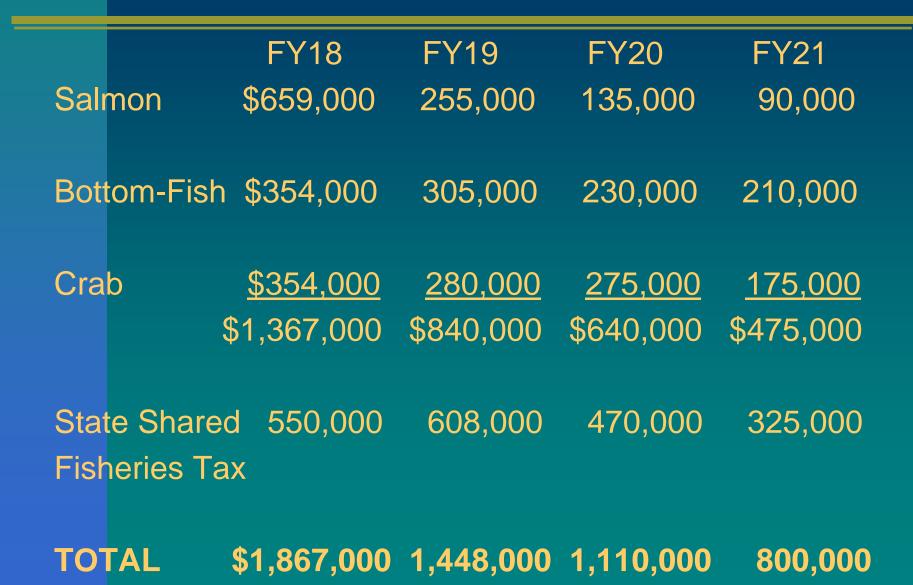
2019 & Beyond – The City's Financial Situation

Contrast of Two "Records" – Local 2% Fish Taxes AEB-FY19 – "Best Ever" – around \$4 million \$1.06 million "more than anticipated"

> City-FY19 Lowest in Last 15 Years FY18 - \$1.36 million (highest ever) FY19 - \$840,000 (lowest in last 15 years) FY20 - \$640,000 (24% lower than FY19) FY21 - \$475,000 (26% lower than FY20) (65% lower than FY18)

> > WOW

City & State Raw Fish Tax Revenues



City Budget Cuts – What will they look like? (all proposed cuts still pending Mayor/Council Approval at this point)

- No further Aleutia support
- Decrease Senior Subsidy Program (25-50%)
- Reduce hours for Recreation Department and Teen Center (maybe 1 or 2 days/week)
- Employee Reductions reduce hours, hiring freeze, limit summer/temp hires
- Increase Employee contribution for Health Insurance
- Reduce annual harbor subsidy
- Significant Reduction for ANY/ALL capital projects, vehicle/equipment/machinery and facility upgrades

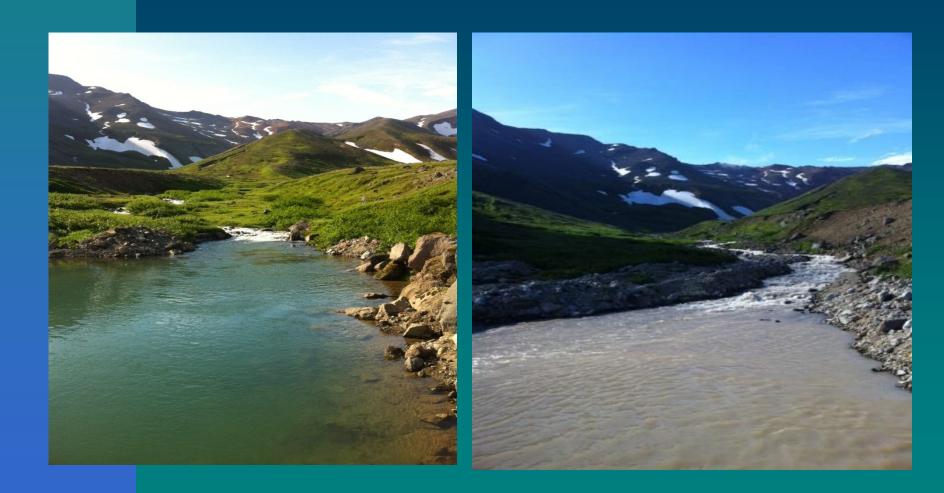
2020 – Capital Projects

	Capital	City
	Cost	Debt
Landfill Expansion & Incinerators	\$3.2 mil	\$600,000
Lift Station	\$750,000	\$375,000
Glacier Creek Rebuild	\$300,000	\$275,000
Delta Creek Turbine Runner	<u>\$250.000</u>	<u>\$225,000</u>
	\$4.5 mil	\$1.48 mil

Not an ideal time for the City to be committing to another \$1.48 million in long term debt

City was disappointed not receiving any AEB Community Grants in 2019 to assist with these projects.

Delta Creek – Clear & Glacier Creek Tributaries



Glacier Creek Sluiceway

Silt laden waters



Exposed Rebar



Concrete Structure Eroding



King Cove Hydro Power House



SCADA controls, generators & turbines

Delta Creek Turbine Runner



CITY HIGHLIGHTS

New Playground – a great community & grass roots effort!

Renewable Energy – maintaining abut 85% renewable energy for annual production of about 5MW; used "only" 48,000 gallons of diesel to supplement hydro

Recoverable Heat – saving AEB School, King Cove Clinic and AHA Apartments – together – about 30,000 gallons of diesel fuel for space heating. Sharing the cost savings with these organizations - total savings for each user group many \$100,00's over the last 8 years!

Cost of energy in King Cove has saved the Aleutians East Borough School District well over \$1 million in the last 25 years.

THE ROAD & Izembek Land Exchange

- THANK YOU, AEB, for promptly agreeing to fund the current litigation and the appraisal process
- Current focus/legal strategy is on the Land Exchange using ANILCA & ANSCA provisions
- Status of Lawsuit all pleadings to be final (including State intervention) to Alaska District Court Judge Sedwick in early March – his decision expected in early summer 2020
- Other ongoing work Appraisal and Cultural & Contaminated Soils

DOT/PF ready and standing by to do the necessary field work, final design, permits and prepare construction bid documents in 2020/2021

City ASKS for AEB

- Continue the ongoing financial support for THE ROAD and Land Exchange Process (including federal & state lobbying efforts),
- 2) Prepare a viable & quantifiable assessment of the major Fish Tax Revenue impacts now occurring, and expected to continue, from the new False Pass processors, and
- 3) Revisit AEB's Current Capital Project Funding allocations & timing, and prepare a Long Term (3-5 years) AEB Fiscal Plan to Guide the AEB Communities on reasonable financial expectations, including policy commitments, for future community capital grants.

King Cove's Future is Still Bright But Many Challenges Lie Ahead



