

King Cove

What's new in

**KING
COVE?**



King Cove



Arriving Into King Cove

King Cove



Winter in King Cove

King Cove



Downtown

King Cove



King Cove Waterfront

King Cove



King Cove Harbor

King Cove



Ram Creek Subdivisions

King Cove



King Cove School

King Cove



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

	FY18	FY19	FY20	FY21
Salmon	\$659,000	255,000	135,000	90,000
Bottom-Fish	\$354,000	305,000	230,000	210,000
Crab	<u>\$354,000</u>	<u>280,000</u>	<u>275,000</u>	<u>175,000</u>
	\$1,367,000	\$840,000	\$640,000	\$475,000
State Shared Fisheries Tax	550,000	608,000	470,000	325,000
TOTAL	\$1,867,000	1,448,000	1,110,000	800,000

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 Cost	City 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 about 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

- 1) 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

