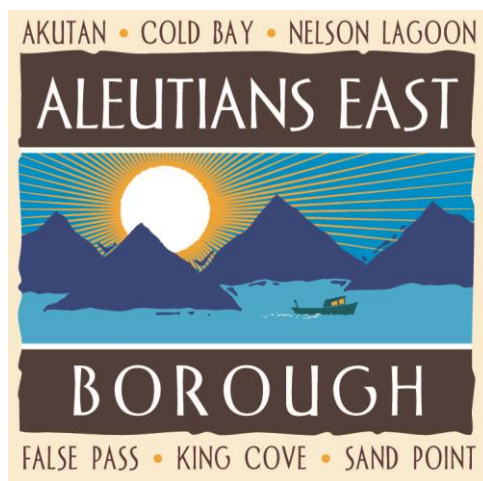


# **Aleutians East Borough Special Assembly Meeting**

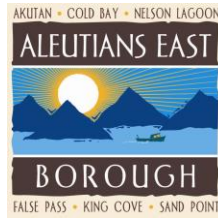


**Workshop: Thursday, May 28, 2020 – 1:00 p.m.**

**Meeting: Thursday, May 28, 2020 – 3:00 p.m.**

# Roll Call & Establishment of a Quorum

# Adoption of Agenda



Agenda  
Special Assembly Meeting  
(packet available on website [www.aleutianseast.org](http://www.aleutianseast.org) )

Date: Thursday, May 28, 2020  
Time: Workshop: 1:00 p.m. Meeting: 3:00 p.m.

**Due to Covid-19, the Assembly meeting will not have public locations. All Assembly Members will dial in from individual locations, for the purpose of following the mandates, social distancing and protecting the public health.**

**The meeting will be broadcast on KSDP Public Radio. If you do not have the radio station broadcasting in your community, you can go to KSDP website, <http://apradio.org/> to stream the meeting.**

**Prior to and during the meeting, Public Comments on Agenda items or Public Comments on THE Public Hearing can be e-mailed to [ltanis@aeboro.org](mailto:ltanis@aeboro.org), Subject: *May Special Assembly Meeting*, to be read at the appropriate time during the meeting.**

**SPECIAL ASSEMBLY MEETING AGENDA**

1. Roll Call & Establishment of Quorum.
2. Adoption of the Agenda.
3. Conflict of Interest.
4. Public Comments on Agenda Items.
5. Public Hearings.
  - Public Hearing Ordinance 20-09, adopting the operating and capital budget for the Aleutians East Borough Fiscal Year 2021.
6. Ordinances.
  - Introduction Ordinance 20-11, authorizing the mayor to negotiate and execute a sublease within the Cold Bay Terminal for air transportation services – Alaska Airlines.
7. Resolutions.
  - Resolution 20-64, authorizing the mayor to appropriate the FY21 Permanent Fund Earnings to Designated Projects.
  - Resolution 20-65, Assembly approving a plat of Hoodoo Fishing Lodge Airstrip, a re-subdivision of Interim Conveyance 167.



- Resolution 20-66, Assembly accepting Coronavirus Relief Funds in the amount of \$3,723,853.74 for costs that are for necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19), from the Alaska Dept. of Commerce, Community and Economic Development.

8. Old Business.

- City of Sand Point Anchorage Airport Interdiction Team Officer.

9. Next Meeting Date.

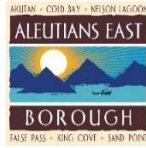
10. Adjournment.

## Conflict of Interests

# Community Roll Call & Public Comment on Agenda Items

PUBLIC COMMENTS RECEIVED BY E-MAIL  
WILL BE READ BY LAURA TANIS.

# Public Hearings



## AGENDA STATEMENT

To: Alvin D. Osterback, Mayor and Assembly

From: Anne Bailey, Borough Administrator

Date: May 21, 2020

### **Re: Ordinance 20-09, Adopting the Operating and Capital Budget for FY21**

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Ordinance 20-09 outlines the Aleutians East Borough's Operating and Capital Budget for Fiscal Year (FY) 2021. The FY21 draft budget was introduced at the May 14, 2020 Assembly Meeting and the second reading and public hearing is scheduled for May 28, 2020. Administration conducted an in-depth review of the Borough's anticipated revenues and expenditures and is recommending a conservative budget for FY21.

On April 6, 2020, the Governor of Alaska signed into law the FY21 State Budget. The Governor vetoed restoring municipal school bond debt reimbursement to 100% (versus the 50% amount received in FY20) and 100% of the harbor bond debt reimbursement and stated he would replace these funds with COVID-19 money. It is now clear that the Governor is unable to use federal funds for expenditures unrelated to the COVID-19 response; therefore, Administration recommends not including these funds in the Borough's FY21 budget. If it is determined that the Governor can use COVID-19 or other funds for these expenditures Administration will present a budget amendment to the Assembly for consideration at that time.

Due to changes within the fisheries and possible impacts due to COVID-19, Administration and the Natural Resources Department anticipate a decrease in FY21 fish tax revenues. In FY20, the Borough anticipated receiving \$4,100,000 in revenue. In FY21, we are estimating a decrease of \$750,000 totaling \$3,350,000. This estimate is based off the average fish tax revenue received over the last 20 years (\$3,697,590); a potential decrease in the price per pound (projected value) and a potential decrease in salmon, crab and groundfish deliveries. The FY21 budget can be amended if the fish tax revenues exceed Administrations expectations.

All of the Departments have reviewed their budgets and made adjustments to meet the anticipated needs for FY21.

The proposed FY21 Budget Summary is as follows:

Expected FY21 Revenue:	\$6,269,000.00
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Expected FY21 Expenditures: (Funds 01, 30 and 41)	\$6,644,332.00
Expected FY21 Helicopter Transfer:	\$766,916.00
Expected FY21 Cold Bay Terminal Transfer:	(\$16,500.00)
Expected FY21 Deficit:	(\$1,125,748.00)

This assumes 0% in School and Harbor Bond Debt Reimbursement, a 1.4% Cost of Living increase for employees and funding education at \$800,000.

On May 12, 2020, the School District requested a Borough contribution of \$900,000. Per the School District, “the FY21 AEBSD budget was developed based on a number of assumptions and considerations, namely:

1. No change in the BSA, resulting in flat funding from the state, accompanied by a slight decrease in projected student enrollment - resulting in a decreased funding estimate of \$129,200.
2. No one-time funding from the state, which was approved by the state legislature, but ultimately vetoed by the governor.
3. Estimated increase in Federal Impact Aid funding - \$95,500.
4. An increase in E-rate funding, which will be off-set by increased expenditures, due to the opportunity to increase the district's internet bandwidth.

Enhancements to the district's programs include, but are not limited to the following estimated increases:

- contracted school counselor - \$28,000;
- added educator at the King Cove School - \$72,000;
- re-introduction of district sponsored and facilitated instruction in Cold Bay - \$69,500;
- addition of a part-time instructional paraprofessional aide and a full-time instructional paraprofessional aide in Sand Point - \$69,400.

Unlike FY20, FY21 revenues are estimated to increase, but not to the same extent as the expenditures. Contractual salaries increase, based on historical trends, healthcare coverage costs increase, as do the cost of utilities.

Efforts have been made to reallocate budgeted funds in an effort to cover all estimated expenditures with anticipated revenues - but in doing so, the district has requested \$900,000 from AEB to balance the FY21 budget.”

If the Assembly, would like to increase the School District Contribution to \$900,000, a motion will need to be made to do so. This change will increase the Borough’s deficit from \$1,125,748 to \$1,225,748.

In order to compensate for the deficit, Administration is recommending that we take funds out of the General Fund Fund Balance. Please note, this is a short-term fix which is not sustainable, since these funds are limited. Throughout the next year, Administration will be looking at long term solutions (i.e. new sources of revenue and additional cuts) for the FY22 budget cycle.

For your reference, I have included a table outlining possible budget scenarios if the State funds 100% of the School and Harbor Debt Reimbursements.

### **State Budget Scenarios and Its Impacts on the Borough Budget**

	<b>0%</b>	<b>100%</b>
Interest Income	\$35,000.00	\$35,000.00
AEB Raw Fish Tax	\$3,350,000.00	\$3,350,000.00
Other Revenue	\$80,000.00	\$80,000.00
Shared Fishery Tax	\$1,880,000.00	\$1,880,000.00
Shared Fishery Tax FMA2	\$36,000.00	\$36,000.00
Shared Fishery Tax FMA3	\$4,000.00	\$4,000.00
Harbor Bond Debt Reimbursement	\$0.00	\$380,749.00
School Bond Debt Reimbursement	\$0.00	\$657,734.00
Community Assistance	\$300,000.00	\$300,000.00
Payment in Lieu of Taxes	\$559,000.00	\$559,000.00
USF&WS Lands	\$25,000.00	\$25,000.00
<b>TOTAL</b>	<b>\$6,269,000.00</b>	<b>\$7,307,483.00</b>
<b>AEB Deficit</b>	<b>(\$1,125,748.00)</b>	<b>(\$87,265.00)</b>

This memo includes an outline of the:

- FY21 Fund 01 General Fund Anticipated Revenues
- FY21 Fund 01 General Fund Expenditure Adjustment Recommendations
- FY21 Fund 22 Cold Bay Terminal Anticipated Revenues
- FY21 Fund 22 Cold Bay Terminal Expenditure Adjustment Recommendations
- FY21 Fund 22 Helicopter Operations Anticipated Revenues
- FY21 Fund 22 Helicopter Operation Expenditure Adjustment Recommendations
- FY21 Fund 30 Bond Fund Expenditure Adjustment Recommendations
- FY21 Fund 41 Maintenance Reserve Fund Expenditure Adjustment Recommendations
- FY21 Fund 20 Grant Program Overview

## **FY21 Fund 01 General Fund Anticipated Revenues**

### **Fund 1 General Fund Revenues**

**Interest Revenue:                    \$35,000**

This includes interest earned from the operating trust fund and the Alaska Municipal League Investment Pool. This amount varies every year; however, we anticipate receiving approximately \$35,000 in FY21.

**AEB Raw Fish Tax                    \$3,350,000**

Administration anticipates receiving \$3,350,000 in Raw Fish Tax in FY21. This was based off the average fish tax revenue received over the last 20 years (\$3,697,590); a potential decrease in the price per pound (projected value) and a potential decrease in salmon, crab and groundfish deliveries.

**Other Revenue:                    \$80,000**

This includes rent from the teachers for the Sand Point 4-Plex, land use permitting fees, lease funds for an operation in the Borough and tideland leases.

**Shared Fishery Tax                    \$1,880,000**

This is the FY21 shared fishery tax estimate for the Aleutians East Borough. DCCED is not informed of the fish tax distributions until November; therefore, DCCED recommends using the five-year average for budget projections.

**Shared Fishery Tax FMA2   \$36,000**

This is the shared fishery tax for the Aleutians Islands Area for the Aleutians East Borough. This is based off DCCED's FY20 allocation. Includes allocations from the Fisheries Business tax and Resource Landing Tax.

**Shared Fishery Tax FMA3   \$4,000**

This is the shared fishery tax for the Alaska Peninsula Area.

**Harbor Bond Debt                    \$0**



The Governor has vetoed 100% of the harbor bond debt reimbursement this from the State budget and stated he would replace these funds with COVID-19 money. Due to the uncertainty Administration does not recommend including it in the FY21 budget.

**School Bond Debt**                      **\$0**

The Governor vetoed restoring municipal school debt reimbursement to 100% (versus the 50% amount received in FY20) and stated he would replace these funds with COVID-19 money. Due to the uncertainty Administration does not recommend including it in the FY21 budget.

**Community Assistance:**        **\$300,000**

The Borough anticipates receiving \$300,000 from the State of Alaska through the Community Assistance Program.

**Payment in Lieu of Taxes:**   **\$559,000**

The Borough anticipates receiving \$559,000 in Payment in Lieu of Taxes from the Federal government in FY21.

**USFWS Lands:**                      **\$25,000**

The Borough anticipates receiving \$25,000 from USFWS in FY21.

**TOTAL Anticipated  
Revenues:**                      **\$6,269,000**

## **FY21 Fund 01 General Fund Expenditure Adjustment Recommendations**

### **Fund 01 General Fund Budget Adjustment Recommendations**

#### **Salaries: 1.4% COLA Adjustment**

The Anchorage Consumer Price Index for the preceding fiscal year is 1.4% as shown at the following link:

<http://live.laborstats.alaska.gov/cpi/index.cfm>.

According to Section 9.05 B. of the Employee Handbook, “Cost of Living adjustments funded by the Assembly will be given annually to regular employees and will be based on the Consumer Price Index for Anchorage as computed for the preceding year.”

Therefore, the Assembly can decide whether they fund a cost of living adjustment for FY21 or not.

#### **Mayor: \$84,354 Salaries Line Item**

Increase the existing Salaries Line Item (E 01-100-000-300 SALARIES) from \$83,189 to \$84,354. This incorporates the 1.4% COLA increase.

#### **\$40,500 Fringe Line Item**

Increase the existing Fringe Line Item (E 01-100-000-350 FRINGE BENEFITS) from \$38,000 to \$40,500. This reflects what we anticipate the fringe to be for FY21.

#### **\$38,000 Travel Line Item**

Decrease the existing Travel Line Item (E 01-100-000-400 TRAVEL AND PER DIEM) from \$40,000 to \$38,000. This better reflects what we anticipate the travel to be for FY21.

#### **\$1,000 Phone Line Item**

Decrease the existing Phone Line Item (E 01-100-000-425 TELEPHONE) from \$1,800 to \$1,000 to mirror the expenditures made in FY20.

#### **\$1,500 Supplies Line Item**

Decrease the existing Supplies Line Item (E 01-100-000-475 SUPPLIES) from \$3,800 to \$1,500. The dues & fees were

separated into its own line item and the \$1,500 reflects anticipated supply expenditures in FY21.

### **\$2,000 Dues & Fees**

Created a Dues & Fees Line Item. These funds were originally charged in the Mayor's supply and travel line items. These funds include registration fees for AML, SWAMC and the Harbor Masters Conference.

### **\$75,600 Lobbying, Federal**

This includes the fees for our Federal lobbyist in DC.

### **\$45,000 Lobbying, State**

This includes the fees for our State lobbyist in Juneau.

### **Mayor's Operating Budget Changes**

The Mayor's Office Operating Budget would increase in the amount of \$565.00, totaling **\$287,954**.

### **Assembly:**

### **\$40,000 Meeting Fee Line Item**

Increase the existing Meeting Fee Line Item (E01-105-300 SALARIES) from \$37,000 to \$40,000. This includes 12 regularly scheduled Assembly meetings and 2 Special meetings.

### **\$145,000 Fringe Line Item**

Increase the existing Fringe Line Item (E 01-105-000-350 FRINGE BENEFITS) from \$140,000 to \$145,000. This reflects what we anticipate the fringe to be for FY21.

### **\$35,000 Travel Line Item**

Decrease the existing Travel Line Item (E 01-105-000-400 TRAVEL AND PER DIEM) from \$40,000 to \$35,000. The dues and fees were separated into their own line item and the \$35,000 reflects anticipated travel expenditures in FY21.

### **\$1,000 Supplies Line Item**

Decrease the existing Fringe Line Item (E 01-105-000-475 SUPPLIES) from \$4,000 to \$1,000. This reflects what we anticipate the supply budget needs will be for FY21.

### **Assembly Operating Budget Changes**

The Assembly's Operating Budget would increase in the amount of \$5,000, totaling **\$226,000**.

### **Administration:**

#### **\$187,481 Salaries Line Item**

The existing Salaries Line Item (E 01-200-000-300 SALARIES) will remain at \$187,481. No changes are needed in FY21.

#### **\$75,000.00 Fringe Line Item**

Increase the existing Fringe Line Item (E 01-200-000-350 FRINGE BENEFITS) from \$72,500 to \$77,500. This reflects anticipated expenditures in FY21.

#### **\$25,000.00 Engineering Line Item**

The existing Engineering Line Item (E 01-200-000-381 ENGINEERING) will remain the same in FY21.

#### **\$80,000 Contract Labor Line Item**

Deduct \$10,000 from the Contract Labor Line Item (E 01-200-000-380 CONTRACT LABOR) leaving \$80,000 for contract labor needs. These funds may be used for any contract labor that is needed throughout the year including but not limited to: PGS, full-charge bookkeeper.

#### **\$11,000 Travel Line Item**

Deduct \$6,500 from the Travel Line Item (E 01-200-000-400 TRAVEL AND PER DIEM). This will reduce the travel line item from \$17,500 to \$11,000.

#### **\$5,350 Phone Line Item**

Deduct \$750 from the Phone Line Item (E 01-200-000-425 TELEPHONE) leaving \$5,350. This reflects anticipated expenditures in FY21.

#### **\$750 Postage Line Item**

Deduct \$1,250 from the Postage Line Item (E 01-200-000-450 POSTAGE/SPEED) leaving \$750. This reflects anticipated expenditures in FY21.

**\$4,500 Supplies Line Item**

Deduct \$5,500 from the Supplies Line Item (E 01-200-000-475 SUPPLIES) leaving \$4,500. Dues & fees that were previously charged here have been separated into the Dues & Fees Line Item and the \$4,500 reflects anticipated supply expenditures in FY21.

**\$10,560 Rent Line Item**

Increase the existing Rent Line Item (E 01-200-000-525 RENT/LEASE) from \$10,243 to \$10,560. The rent line item is for Anchorage offices and reflects the rent increase for FY21.

**\$4,500 Dues and Fees Line Item**

Increase the existing Administration Dues and Fees Line Item (E 01-200-000-530) from \$2,500 to \$4,500. This includes dues for the National Association of Counties, SWAMC contributions and fees to attend AML.

**Administration Operating Budget Changes**

Administration's Operating Budget would decrease in the amount of \$16,683, totaling **\$406,641**.

**Assistant Administrator: \$94,469 Salary Line Item**

Increase the existing Salary Line Item (E 01-201-000-300 SALARIES) from \$93,164 to \$94,469. This incorporates the 1.4% COLA increase.

**\$34,000 Fringe Line Item**

Increase the existing Fringe Line Item (E 01-201-000-350 FRINGE BENEFITS) from \$32,000 to \$34,000. This reflects what we anticipate the fringe to be for FY21.

**\$8,000 Travel Line Item**

Decrease the existing Travel Line Item (E 01-201-000-400 TRAVEL AND PER DIEM) from \$10,000 to \$8,000. The dues

and fees were separated into their own line item and the \$8,000 reflects anticipated travel expenditures in FY21.

#### **\$1,250 Phone Line Item**

Deduct \$500 from the Phone Line Item (E 01-201-000-425 TELEPHONE) leaving \$1,250. This reflects anticipated expenditures in FY21.

#### **\$900 Supplies Line Item**

Deduct \$1,100 from the Supplies Line Item (E 01-201-000-475 SUPPLIES) leaving \$900. The dues & fees were separated into its own line item and the \$900 reflects anticipated supply expenditures in FY21.

#### **\$10,411 Rent Line Item**

Increase the existing Rent Line Item (E 01-201-000-525 RENAL/LEASE) from \$10,108 to \$10,411. This reflects the fees and FY21 rent increase for the Assistant Administrator's office space in the Anchorage office.

#### **\$1,500 Dues & Fees**

Created a Dues & Fees Line Item. These funds were originally charged in the Assistant Administrator's supply and travel line items. These funds include registration fees for AML and SWAMC.

#### **Assistant Administrator Operating Budget Changes**

The Assistant Administrator's Operating Budget would increase by \$1,508, totaling **\$150,530**.

#### **Clerk/Planning:**

#### **\$106,000 Salary Line Item**

Decrease the existing Salary Line Item (E 01-150-000-300 SALARIES) from \$107,629 to \$106,000. This reflects the Clerks' salary and the custodian for the Sand Point Borough Office.

#### **\$45,500 Fringe Line Item**

Increase the existing Fringe Line Item (E 01-150-000-350 FRINGE) from \$43,000 to \$45,500. This reflects what we anticipate the fringe to be for FY21.

### **\$10,000 Travel & Per Diem Line Item**

Decrease the existing Travel & Per Diem Line Item (E 01-150-000-400 TRAVEL AND PER DIEM) from \$12,500 to \$10,000. This reflects anticipated travel expenditures in FY21.

### **\$9,000 Phone Line Item**

Increase the existing Phone Line Item (E 01-150-000-425 TELEPHONE) from \$7,500 to \$9,000. This reflects anticipated telephone expenditures in FY21.

### **\$1,000 Postage Line Item**

The existing Postage Line Item will remain the same in FY21.

### **\$3,500 Supplies Line Item**

Deduct \$1,500 from the Supplies Line Item (E 01-150-000-475 SUPPLIES) leaving \$3,500. This reflects anticipated supply expenditures in FY21.

### **\$18,000 Utilities Line Item**

Deduct \$2,000 from the Utilities Line Item (E 01-150-000-526) leaving \$18,000. This reflects anticipated utility expenditures for the Sand Point Office in FY21.

### **\$4,500 Dues & Fees Line Item**

Deduct \$500 from the Dues & Fees Line Item (E 01-150-000-530 DUES AND FEES) leaving \$4,500. This reflects anticipated dues and fees expenditures in FY21.

### **\$10,000 Elections Line Item**

The existing Elections Line Item will remain the same in FY21.

### **Clerk/Planning Department's Operating Budget Changes**

The Clerk/Planning Department's Operating Budget would decrease by \$4,129, totaling **\$207,500**.

### **Finance:**

### **\$148,520 Salary Line Item**

Increase the existing Salary Line Item (E 01-250-000-300 SALARIES) from \$146,594 to \$148,520. This incorporates the 1.4% COLA increase for the department.

**\$72,000 Fringe Line Item**

Increase the existing Fringe Line Item (E 01-250-000-250 FRINGE BENEFITS) from \$70,000 to \$72,000. This reflects what we anticipate the fringe to be for FY21.

**\$8,500 Travel and Per Diem Line Item**

Decrease the existing Travel & Per Diem Line Item (E 01-250-000-400 TRAVEL AND PER DIEM) from \$10,000 to \$8,500. This reflects anticipated travel expenditures in FY21.

**\$10,500 Phone Line Item**

Increase the existing Phone Line Item (E 01-250-000-425 TELEPHONE) from \$10,000 to \$10,500. This reflects anticipated telephone expenditures in FY21.

**\$1,250 Postage Line Item**

Decrease the existing Postage Line Item (E 01-250-000-450 POSTAGE/SPEED) from \$2,500 to \$1,250. This reflects anticipated postage expenditures in FY21.

**\$8,000 Supplies Line Item**

Decrease the existing Supplies Line Item (E 01-250-000-475 SUPPLIES) from \$9,000 to \$8,000. This reflects anticipated supply expenditures in FY21.

**\$4,500 Utilities Line Item**

Deduct \$500 from the Utilities Line Item (E 01-250-000-526) leaving \$4,500. This reflects anticipated utility expenditures for the King Cove Office in FY21.

**\$2,500 Dues & Fees**

Created a Dues & Fees Line Item. These funds include registration fees for AML and SWAMC.

**\$80,000 Audit Line Item**



Increase the existing Audit Line Item (E 01-250-000-550 AUDIT) from \$75,000 to \$80,000. This better reflects the BDO fees for FY21 and other fees associated with the audit.

### **Finance Department Operating Budget Changes**

The Finance Operating Budget would increase in the amount of \$7,426, totaling **\$335,520**.

### **Natural Resources:**

#### **\$172,705 Salaries Line Item**

Increase the existing Salaries Line Item (E 01-650-000-300 SALARIES) from \$167,926 to \$172,705. This incorporates the 1.4% COLA increase for the department.

#### **\$70,000 Fringe Line Item**

Increase the existing Fringe Line Item (E 01-650-000-350 FRINGE BENEFITS) from \$65,000 to \$70,000. This reflects what we anticipate the fringe to be for FY21.

#### **\$10,000 Contract Line Item**

Add \$10,000 for Contractual Services under the Contract Line Item (E 01-650-000-380 CONTRACT LABOR).

#### **\$20,000 Travel and Per Diem Line Item**

Decrease the existing Travel and Per Diem Line Item (E 01-650-000-400 TRAVEL AND PER DIEM) from \$30,000 to \$20,000. This reflects anticipated travel expenditures in FY21. A lot of the Natural Resource's Assistant Directors travel is covered under existing grants.

#### **\$3,000 Phone Line Item**

Increase the Phone Line Item (E 01-650-000-425 TELEPHONE) from \$1,500 to \$3,000. This reflects anticipated telephone expenditures in FY21.

#### **\$2,500 Supplies Line Item**

Decrease the existing Supplies Line Item (E 01-650-000-475 SUPPLIES) \$6,000 to \$2,500. This should be adequate to equip and accommodate the departments supply needs in FY21.

### **\$2,000 Dues & Fees Line Item**

Created a Dues & Fees Line Item. These funds were originally charged in the departments supply and travel line items. These funds include registration fees for AML and SWAMC.

### **\$12,500 NPFMC Line Item**

Decrease the NPFMC Line Item (E 01-650-000-402 NPFMC MEETINGS) from \$15,000 to \$12,500.

### **\$10,000 BOF Meeting Line Item**

Deduct \$5,000 from the BOF Meeting Line Item (E01-650-000-403 BOF Meetings. This will decrease the \$15,000 to \$10,000. This is not a BOF year for the Borough and \$10,000 should be sufficient to meet needs in FY21.

### **\$26,827 Rent Line Item**

Increase the existing Rent Line Item from \$26,046 to \$26,827. This reflects the fees and FY21 rent increase for the Departments office space in the Anchorage office.

### **Natural Resources Department Operating Budget Changes**

The Natural Resources Department Operating Budget would increase in the amount of \$3,060, totaling **\$329,532**.

### **Communications:**

### **\$106,487 Salaries Line Item**

Increase the existing Salaries Line Item (E 01-651-000-300 SALARIES) from \$105,013 to \$106,487. This incorporates the 1.4% COLA increase.

### **\$34,158 Fringe Line Item**

The existing Fringe Line Item will remain the same in FY21.

### **\$6,000 Travel and Per Diem Line Item**

Deduct \$3,000 from the Travel and Per Diem Line Item (E 01-651-011-400 TRAVEL AND PER DIEM). The travel line item changes from \$9,000 to \$6,000. This reflects anticipated expenditures for travel in FY21.

### **\$2,400 Phone Line Item**

The existing Phone Line Item will remain the same in FY21.

### **\$1,500 Supplies Line Item**

Decrease the existing Supplies Line Item (E 01-651-011-475 SUPPLIES) from \$2,500 to \$1,500. The dues & fees previously invoiced here were separated into its own line item and the \$1,500 reflects anticipated supply expenditures in FY21.

### **\$10,871 Rental Line Item**

Increase the existing Rent Line Item (E 01-651-011-525 RENTAL/LEASE) from \$10,502 to \$10,817. This reflects the fees and FY21 rent increase for the Communication Director's office space in the Anchorage office.

### **\$1,100 Dues & Fees Line Item**

Created a Dues & Fees Line Item. These funds were originally charged in the departments supply and travel line items. These funds include registration fees for AML and SWAMC.

### **\$10,750 Advertising/Promotions Line Items**

Decrease the existing Advertising/Promotions Line Items (E 01-651-011-532 ADVERTISING) from \$18,000 to \$10,750. The Borough will not be participating in the Fish Expo in November 2020, which accounts for the decrease.

### **Communication Department's Operating Budget Changes**

The Communication Department's Operating Budget would decrease in the amount of \$8,361, totaling **\$173,212**.

### **Maintenance:**

### **\$73,450 Salaries Line Item**

Increase the existing Salaries Line Item (E 01-700-000-300 SALARIES) from \$72,435 to \$73,450. This incorporates the 1.4% COLA increase.

### **\$32,000 Fringe Line Item**

Increase the existing Fringe Line Item (E 01-700-000-350 FRINGE BENEFITS) from \$31,024 to \$32,000. This reflects what we anticipate the fringe to be for FY21.

**\$15,000 Travel & Per Diem Line Item**

Decrease the existing Travel and Per Diem Line Item (E 01-700-000-400 TRAVEL AND PER DIEM) from \$20,000 to \$15,000. Many of our maintenance projects have been postponed due to COVID-19; therefore, this reflects the anticipated travel expenditures for FY21.

**\$0 Phone Line Item**

Decrease the Phone Line Item (E 01-700-000-425 TELEPHONE) from \$1,000 to \$0. The Maintenance phone costs are billed to the Clerk's Department.

**\$4,000 Supplies Line Item**

Decrease the existing Supplies Line Item (E 01-700-000-475 SUPPLIES) from \$5,000 to \$4,000. The dues & fees previously invoiced here were separated into its own line item and the \$4,000 reflects anticipated supply expenditures in FY21.

**\$1,250 Dues & Fees Line Item**

Created a Dues & Fees Line Item. These funds would include registration fees for AML, SWAMC and other conferences.

**Maintenance Department's Operating Budget Changes**

The Maintenance Department's Operating Budget would decrease in the amount of \$3,759, totaling **\$127,700**.

**KCAP:**

**\$2,000 Supplies Line Item**

Increased the Supplies Line Item (E 01-855-000-475 SUPPLIES) from \$1,500 to \$2,000. This reflects anticipated expenditures in FY21.

**\$125,000 Maintenance Line Item**

This line item will remain the same. This is for maintaining the existing road and better reflects what is needed to do the job in FY21.

### **\$100,000 Contract Line Item**

Added \$100,000 to the existing Contract Line Item (E 01-844-000-380 CONTRACT LABOR). These funds will be used to repair the King Cove Road near the Delta Creek Bridge.

### **KCAP Operating Budget Changes**

The KCAP Operating Budget would increase in the amount of \$100,500, totaling **\$227,000**.

### **Education:**

#### **\$800,000 Local School Line Item**

The existing Education Line Item will remain the same in FY21. Historically, the Borough has approved \$800,000 on an annual basis for education.

#### **\$35,000 Scholarships Line Item**

The existing Scholarships Line Item will remain the same in FY21.

#### **\$20,000 Student Travel Line Item**

The existing Student Travel Line Item will remain the same in FY21.

### **Education Department Operating Budget Changes**

The Education Department's Operating Budget would remain the same, totaling **\$855,000**.

### **Other Equipment:**

#### **\$25,000 Equipment Line Item**

Deduct \$10,000 from the existing Equipment Line Item (E 01-900-000-500 EQUIPMENT) reducing it from \$35,000 to \$25,000. This reflects anticipated expenditures in FY21.

### **Other AEB Vehicles:**

#### **\$750 AEB Vehicles Line Item**

Increase the existing AEB Vehicles Line Item (E 01-900-000-515 AEB VEHICLES) from \$500 to \$750. This reflects anticipated expenditures in FY21.

### **Other Utilities:**

#### **\$20,000 Utilities Line Item**

Deduct \$5,000 from the existing Utilities Line Item (E 01-900-526

UTILITIES) from \$25,000 to \$20,000. This includes fuel and utilities for the Sand Point 4-Plex.

**Other Aleutian Crab:           \$55,000 Aleutia Crab Line Item**

Deduct \$3,522 from the existing Aleutia Crab Line Item (E 01-900-527-527 ALEUTIA CRAB) from \$58,522 to \$55,000. This reflects the anticipated Borough tax rebate on Aleutia crab in FY21.

**Other Legal:                   \$85,000 Legal Line Item**

Deduct \$15,000 from the existing Legal Line Item (E01-900-000-551 LEGAL) from \$100,000 to \$85,000. The Borough used fewer legal services in FY20. This reflects the anticipated expenditures in legal fees in FY21.

**Other Insurance:           \$195,000 Insurance Line Item**

Increase the existing Insurance Line Item (E 01-900-000-552 INSURANCE) from \$185,000 to \$195,000. This reflects the anticipated expenditures for insurance in FY21.

**Other Repairs:           \$3,000 Repairs Line Item**

Deduct \$2,000 from the existing Repairs Line Item (E 01-900-000-600 REPAIRS) from \$5,000 to \$3,000. This reflects the anticipated expenditures for repairs in FY21.

**Other Bank Fees:           \$12,500 Bank Fee Line Item**

Deduct \$2,500 in the existing Bank Fee Line Item (E 01-900-000-727 BANK FEES) from \$15,000 to \$12,500. The Borough has consolidated bank accounts and have decreased the annual bank fees. This reflects the anticipated expenditures for bank fees in FY21.

**Other EATS:               \$150,000 EATS Contribution**

This line item remains unchanged. The Borough historically contributes \$150,000 to Eastern Aleutian Tribes for behavioral health services.

**Other Miscellaneous:       \$25,000 Miscellaneous Line Item**

Deduct \$15,000 from the existing Miscellaneous Line Item (E 01-900-000-753 MISC EXPENSE) reducing it from \$40,000 to \$25,000. \$25,000 will be enough to cover expenditures in FY21.

**Other Donations:                   \$23,500 Donations Line Item**

This line item remains the same. The Borough designates \$23,500 annually for donation requests. Requests for donations must be completed and submitted by May 1 or November 1 every year.

**Other KSDP:                       \$10,000 KSDP Line Item**

This line item remains the same. The Borough has been donating \$10,000 to KSDP for their operations.

**Other NLG Rev. Sharing       \$16,000 NLG Revenue Sharing Line Item**

This line item remains the same. The Borough receives Nelson Lagoon's Community Assistance from the State, which is then transferred to the community.

**Other Web Service/  
Tech Support:                 \$39,500 Web Service Line Item**

Increase the existing Web Service Line Item (E 09-900-000-043 WEB SERVICE) from \$36,552 to \$39,500. This includes help desk fees, estimated travel to the region during the contract term and other annual and monthly licensing fees.

**PERS:                               \$40,000 PERS Line Item Addition**

Deduct \$6,000 from the existing PERS Line Item (E 01-900-000-799 PERS Expense reducing it from \$46,000 to \$40,000. In FY20, the State of Alaska indicated that the Borough's FY 2008 salary floor was not met during FY 2019, this resulted in an additional contribution amount due of approximately \$40,000, which is 22% of the shortfall.

**Other Operating Budget:       Other Operating Budget Changes**

The "Other" Operating Budget would decrease in the amount of \$45,824, totaling **\$700,250**.

**TOTAL Recommended  
Operating Budget:           \$4,026,849.00**

## **FY21 Fund 22 Cold Bay Terminal Anticipated Revenues**

### **Fund 22 Terminal Operations Revenue**

**Remaining Construction      \$0**  
**Loan:**

**Remaining FAA                \$0**  
**Reimbursement:**

**Other Income:                \$0**

**Cold Bay Terminal Lease: \$262,000**

This is rent payments we receive from FAA and the airline tenants of the Cold Bay Terminal.

**TOTAL Anticipated            \$262,000**  
**Revenue:**

## **FY21 Fund 22 Cold Bay Terminal Expenditure Adjustment Recommendations**

### **Fund 22 Cold Bay Terminal Operations Budget Adjustment Recommendations**

#### **Department 802 Capital – Cold Bay**

**Salary:                        \$60,000 Salary Line Item**

Increase the existing Salary Line Item (E 22-200-300 SALARIES) from \$50,000 to \$60,000. This line item will remain the same. This includes the contract fees for the manager and janitor for the facility.

**Fringe:                        \$4,000 Fringe Benefits Line Item**

Increase the existing Fringe Benefits Line Item (E 01-22-802-200-350 FRINGE BENEFITS) from \$3,500 to \$4,000. This reflects the anticipated expenditures for FY21.

**Maintenance:                \$56,500 Maintenance Line Item**



**Phones:** **\$2,000 Phone Line Item**

**Supplies: \$20,000 Supplies Line Item**

**Utilities: \$79,500 Utilities Line Item**

**Gas:** **\$1,000 Gas Line Item**

**Fuel:** **\$16,000 Fuel Line Item**

**State Land Lease: \$6,500 State Land Lease Line Item**

<b>TOTAL Operating Budget:</b>	<b>\$245,500</b>
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**Based off the Cold Bay Terminal Operation Revenues and Expenditures the Borough should anticipate receiving a \$16,500 surplus.**

**FY21 Fund 22 Helicopter Operations Anticipated Revenues**

**Other Revenue:                      \$343,600**

This remains the same as FY20. This includes Maritime payments for services the Borough provides for the helicopter operation. A breakdown for the anticipated revenue source is:

- Hangar Space    \$48,600
- Transportation Services    \$169,000
- Fuel Usage    \$126,000
  
- TOTAL    \$343,600

**Helicopter/Tickets:                      \$0**

The Borough is no longer collecting revenues for helicopter ticket sales. This will be removed from the financials.

**Helicopter Freight:                      \$0**

The Borough is no longer collecting revenues for helicopter freight. This will be removed from the financials.

**Total Anticipated Revenue    \$343,600**

**FY21 Fund 22 Helicopter Operations Expenditure  
Adjustment Recommendations**

**Fund 22 Helicopter Operations Budget Adjustment Recommendations**

**Department 845 Helicopter Operations**

**Salaries:                                      \$55,000 Salaries Line Item**

Deduct \$15,000 from the existing Salaries Line Item (E 22-845-300-300 SALARIES) leaving \$55,000.

**Fringe Benefits:                      \$15,000 Fringe Benefits Line Item**

Deduct \$11,300 from the existing Fringe Benefits Line Item (E 22-845-300-350 FRINGE BENEFITS) leaving \$15,000. This should meet the anticipated expenditures in FY21.

**Contract:                      \$887,816 Contract Line Item**

Increase the existing Contract Line Item (E 22-845-300-380 CONTRACT) \$860,816 to \$887,816. This accounts for inflation costs related to the agreement with Maritime for the helicopter.

**Phone:                         \$700 Phone Line Item**

Deduct \$300 from the existing Phone Line Item (E 22-845-300-425) from \$1,000 to \$700. This reflects more accurately what we anticipate expending in FY21.

**Supplies:                     \$20,000 Supplies Line Item**

Deduct \$20,000 from the existing Supplies Line Item (E 22-845-300-475 SUPPLIES) leaving \$20,000. This reflects more accurately what we anticipate expending in FY21.

**Utilities:                     \$8,000 Utilities Line Item**

This line item will remain the same.

**Gas:                            \$14,000 Gas Line Item**

Increase the existing Gas Line Item (E 22-845-300-576 GAS) from \$12,000 to \$14,000. This is the anticipated cost for gas for the skiff in FY21.

**Fuel:                            \$110,000 Fuel Line Item**

Deduct \$20,000 from the existing Fuel Line Item (E 22-845-300-577 FUEL) leaving \$110,000. This reflects our anticipated fuel expenditures for FY21.

**Total Operating              \$1,110,516**  
**Budget:**

**Based off the Helicopter Operation Revenues and Expenditures the Borough should anticipate operating at a deficit of \$766,916.**

## **FY21 Fund 30 Bond Fund Expenditure Adjustment Recommendations**

**Bond Interest: \$897,493**

Based on the draft FY19 Audit, the Borough owes \$897,493 in interest in FY21.

**Bond Principal: \$1,595,000**

Based on the draft FY19 Audit, the Borough owes \$1,595,000 in principal in FY21.

## **FY21 Fund 41 Maintenance Reserve Fund Expenditure Adjustment Recommendations**

**Other Maintenance Reserve: \$125,000**

Reduce the existing Maintenance Line Item ( E 41-900-000-603 MAINTENANCE) from \$250,000 to \$125,000 to conduct maintenance projects throughout the fiscal year.

## **FY21 Fund 20 Grant Program Overview**

### **Fund 20 Grant Programs**

**Permanent Fund Earnings: \$1,724,449 in Permanent Fund Earnings reflected in the budgets Revenues and Expenditure Line Item**

The \$1,724,449 is 4% of the permanent fund distribution amount and is based off APCM's reading of the Borough ordinance (5-year average market value assuming fiscal year end 6/30).

Approval of the Permanent Fund Earnings appropriations will be presented to the Assembly via resolution. This will allow the Borough to keep documentation, approved by the Assembly, on where the funds are appropriated.

**The FY21 Permanent Fund Appropriation Recommendations are as follows:**

**City of Akutan Tsunami/ Community Center \$100,000 Addition to Fund 20 for an Akutan Tsunami/ Community Center**

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for an Akutan Tsunami/Community Center. This was requested by the City of Akutan through the budget request

process. These funds would be appropriated from the FY21 Permanent Fund Earnings.

**City of Cold Bay  
Community Education  
Support:**

**\$41,200 Addition to Sub Department 516 Cold Bay Preschool  
Line Item E 20-516-209-475 Supplies**

Propose adding \$41,200 to Line Item E 20-516-209-475 Supplies for the Cold Bay Preschool. This was requested by the City of Cold Bay through the budget request process. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**City of Cold Bay  
Loader Purchase:**

**\$10,000 Addition to Fund 20 for a Cold Bay Loader**

Propose adding a Department Line Item to Fund 20 in the amount of \$10,000 for a Cold Bay Loader. This was requested by the City of Cold Bay through the budget request process. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**City of False Pass  
Front End Loader:**

**\$22,152 Addition to Fund 20 for a False Pass Front End  
Loader**

Propose adding a Department Line Item to Fund 20 in the amount of \$22,152 for a Front-End Loader. This was requested by the City of False Pass through the budget request process. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**City of King Cove  
Delta Creek Turbine  
Runner Replacement:**

**\$51,648 Addition to Fund 20 for the Delta Creek Turbine  
Runner Replacement**

Propose adding a Department Line Item to Fund 20 in the amount of \$51,648 for the Delta Creek Turbine Runner Replacement. This would partially fund the City of King Cove's \$225,000 request for this project through the budget request process. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**Cold Bay Clinic:**

**\$75,000 Addition to Sub Department 209 AEB Grant Line  
Item E 20-520-209-850 CAPITAL CONSTRUCTION**

Propose adding \$75,000 to Line Item E 20-520-209-850 CAPITAL CONSTRUCTION for the Cold Bay Clinic. This project is on the Borough's strategic plan. Due to COVID-19, the Borough postponed the project until 2021. The \$75,000 addition would cover the cost increase due to the delay in the project. The funds would be appropriated from the FY 21 Permanent Fund Earnings.

**Deferred Maintenance:**

**\$250,000 Addition to Fund 20 for Deferred Maintenance**

Propose adding a Department Line Item to Fund 20 in the amount of \$250,000 for Deferred Maintenance Projects. This project is on the Borough's strategic plan. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**Fisheries Research**

**\$150,000 Addition to Fund 20 for Fisheries Research**

Propose adding a Department Line Item to Fund 20 in the amount of \$150,000 to help with Fisheries Research. Fisheries research is on the Borough's strategic plan. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**Sand Point and Akutan Harbor Floats:**

**\$800,000 Addition to Fund 20 for the Sand Point and Akutan Harbor Floats**

Propose adding \$800,000 to Fund 20 for the Sand Point and Akutan Harbor Floats. This project is on the Borough's strategic plan and can be used as a match to federal and state grants. The funds would be appropriated from the FY 21 Permanent Fund Earnings.

**Sand Point School:**

**\$100,000 Addition to Sub Department 807 Sand Point School Grant Line Item E 20-807-209-462 Sand Point School**

Propose adding \$100,000 to Fund 20 for the Sand Point School. The Borough is applying for a DEED grant for rehabilitating the Sand Point School. If the grant is approved a 35% match will be required. These funds would be applied to the match. This project is on the Borough's strategic plan. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**Project Contingency:**

**\$124,449 Addition Sub Department 866 AEB Projects to Line Item E 20-866-209-888 PROJECT CONTINGENCY**

Propose adding \$124,449 to Line Item E 20-866-209-888 PROJECT CONTINGENCY. Having funds in this line item for unanticipated projects and needs has been extremely valuable. The funds would be appropriated from the FY 21 Permanent Fund Earnings.

**Other Changes:**

**Planning Commission: Remove Department 151 Planning Commission from the Borough Financials**

The Planning Commission has been inactive for numerous years. Per Borough Code, the Borough Assembly can act as the Planning Commission. Therefore, Administration proposes removing this from the FY21 budget. If the planning commission needs to be formed the Assembly can add this back into the budget at that time.

**False Pass Septic Truck: Remove Department 818 False Pass Septic Truck from the Borough Financial Statements**

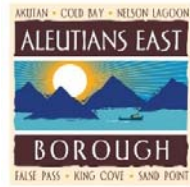
The funds available in this account were from the Borough's FY20 Budget Request Process. These funds have been expended in their entirety. Propose removing this from the Borough's financial statements.

**FY 21 Permanent Fund Earnings  
Appropriation Recommendations**

<b>Project</b>	<b>Amount</b>
City of Akutan – Akutan Tsunami/Community Shelter	\$100,000.00
City of Cold Bay – Community Education Support	\$41,200.00
City of Cold Bay – Loader Purchase	\$10,000.00
City of False Pass – Front End Loader	\$22,152.00
City of King Cove – Delta Creek Turbine Runner Replacement	\$51,648.00
Cold Bay Clinic	\$75,000.00
Deferred Maintenance	\$250,000.00
Fisheries Research	\$150,000.00
Sand Point and Akutan Harbor Floats	\$800,000.00
Sand Point School	\$100,000.00
Project Contingency	\$124,449.00
<b>TOTAL</b>	<b>\$1,724,449.00</b>

\*This value is 4% of the permanent fund distribution amount and is based off APCM's reading of the Borough ordinance (5-year average market value assuming fiscal year end 6/30).





## MEMORANDUM

**DATE:** April 30, 2020

**TO:** Mayor Osterback and Assembly

**FROM:** Anne Bailey, Administrator

**RE:** Aleutians East Borough FY21 Community Budget Requests

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In January 2020, Borough Administration sent the FY21 budget request process information to the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point. The budget request process allows governing bodies in the Borough communities to request financial assistance from the Borough for community projects.

Based off of input received from communities last year, Borough Administration made the following adjustments to the FY21 Community Budget Request Process:

- 1) Issuing a total estimated funding cap of \$225,000 for the entire program, which is subject to Assembly approval and appropriation.
- 2) Offering guidance to applicants stating that the Borough is interested in selecting requests that will result in fully funded projects, and that requests that fully fund or fill funding deficits are ideal.

The Borough received \$398,351 worth of requests from the communities of Akutan, Cold Bay, False Pass, and King Cove. The Community Budget Requests Overview is attached.

Through the Borough budget preparation process, the Borough Mayor, Administration and the Finance Department considered these requests and recommends funding \$225,000 in requests as follows:

• City of Akutan	Akutan Community Tsunami Shelter	\$100,000.00
• City of Cold Bay	Community Education Support	\$41,200.00
• City of Cold Bay	Loader Purchase	\$10,000.00
• City of False Pass	Front End Loader	\$22,152.00

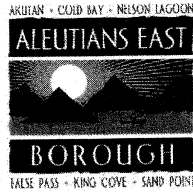
- City of King Cove     Delta Creek Turbine Runner Replacement     \$51,648.00

This will fully fund the projects for the communities of Akutan, Cold Bay and False Pass and partially fund the project in King Cove. As mentioned earlier the Borough is interested in selecting projects that will result in fully funded projects.

The requests for these projects are attached for your reference.

**Fiscal Year 2021  
Community Budget Requests Overview**

<b>Community</b>	<b>Request</b>	<b>Amount Requested</b>
City of Akutan	Akutan Community Tsunami Shelter	\$100,000.00
	<b>TOTAL FUNDING REQUEST</b>	<b>\$100,000.00</b>
City of Cold Bay	Community Education Support	\$41,200.00
	Loader Purchase	\$10,000.00
	<b>TOTAL FUNDING REQUEST</b>	<b>\$51,200.00</b>
City of False Pass	Front End Loader	\$22,151.26
	<b>TOTAL FUNDING REQUEST</b>	<b>\$22,151.26</b>
City of King Cove	Delta Creek Turbine Runner Replacement	\$225,000
	<b>TOTAL FUNDING REQUEST</b>	<b>\$225,000.00</b>
	<b>TOTAL AMOUNT OF COMMUNITY REQUESTS</b>	<b>\$398,351.00</b>



## Aleutians East Borough Community Budget Request Form

**Project Title:** Akutan Tsunami/Community Center

**Community Priority:** #3

**Recipient:** City of Akutan

**~~FY2021~~ Borough Funding Request:** \$100,000.00

### Brief Project Description:

Construction of a self-sustained 2,400 square foot pre-engineered metal tsunami shelter with power and water behind the Aleutian Housing Authority 4 plex as an emergency shelter in the event of natural disasters occurrences such as tsunamis, earthquakes, and volcano eruptions as well as a center for the community's social and cultural gatherings.

### Funding Plan:

Total Project Cost: \$500,000.00  
Funding Already Secured: \$400,000.00  
FY2020 Borough Funding Request: \$100,000.00  
Project Deficit: \$00.00

### Explanation of Other Funds:

\$300,000 from APICDA Community Development Assistance Program Grant, and \$100,000 from the City of Akutan match contribution for a total of \$400,000 secured for this project.

## Detailed Project Description and Justification:

The proposed planned Tsunami shelter is a 2,400 square footage pre-engineered metal tsunami / community Center facility to be built on Akutan Corporation land that the City already surveyed. It is the highest elevation point that is level enough to construct a building in reference to all other building in the community. The proposed building will be self contained with its own power source through purchasing a 50KW portable diesel generator with a 200 gal fuel tank that is all internally engineered, ready for operation when a tsunami evacuation ensued. Water storage containers, cabinets for food item storage, cots for bedding, first aid kit, fire extinguishers and other basic necessity items will be kept in the shelter.

Additionally, a conference room/cultural hall and offices will also be constructed to hold community social functions and cultural activities and gathering that will promote cultural identity and preservation of language, tradition and Aleut way of life. This building will meet all building codes for public access and use.

From the past experiences:

In Akutan, one of the most active volcanoes in the Aleutian Islands, has erupted at least 27 times since the late 1700s, when the first written accounts were recorded. In May 1992, the Alaska Volcano Observatory (AVO) recorded steam and ash plumes almost 3 miles high. Ash eruptions occurred in 1973 and 1974. In May 1977, the volcano ejected clouds of light brown ash about every fifteen minutes, with intervening emissions of steam. In September 1978, airline pilots reported seeing burning fragments, some as big as cars, ejected 325 feet above the summit. In 1988, residents in Akutan village reported ashfall and strong sulfur fumes during eruptions from March through July. Ash emission occurred intermittently from August 1988 to September 1991. Then in 1996 on a Sunday night, the entire community awoke to a rumbling of a near non-stop earthquakes shaking the island for 2 whole days measuring up to 5.1 on Richter scale. Steam were reported spewing from the 4,275 foot Akutan Volcano and fortunately there was no eruption reported.

While the volcanos and earthquakes are much talked about and have been at the forefront of the emergency evacuation planning in the community, another deadly natural disaster that had not been addressed quite as extensively now takes precedence. Tsunami had come to the fore as a more devastating natural disaster for Akutan given its proximity to the water and with the homes built adjacent from the ocean at sea level. It is foreseen that any earthquake from 6.0 going up can create a tsunami in the vicinity and could completely wipe out the whole community due to its' low lying landscape.

The City had not taken this threat lightly. In it's 2017 Community Planning, a Tsunami shelter was identified as a priority project for public safety and well being of the resident of the community. To this end, the City had worked with the Department of Homeland Security putting together a Small Community Emergency Response Plan in which a large part of the plan addressed responding to a tsunami incident, to include the Evacuation Plan. It also contains an Incident Command System Organization Chart with contact names and phone numbers, Evacuation and Sheltering protocol and maps of routes to the Tsunami Shelter.

Everything to respond and address a tsunami incident are in place. The only thing missing is a Tsunami/Community Center building.

### Breakdown of the Project Cost:

Pre-engineered steel building:	300,000.00
Shipping:	75,000.00
Labor (10 man weeks @ \$25/HR)	20,000.00
Joe Henning (Supervise Concrete pour)	15,000.00
Equipment rental:	10,000.00
Contingency (25%)	80,000.00
TOTAL	500,000.00

**Project Timeline:**

Construction completion of this project is at 5 months upon arrival of all building supplies and materials at Akutan.

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

City of Akutan will be the owner and the lead agency responsible for ongoing Operation and Maintenance of this project.

**Supporting Documentation:** Please attached any supporting documentation to this form (i.e. engineering cost estimates, resolutions of support, etc....).

**Grant Recipient Contact Information:**

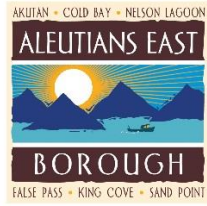
**Name:** Hermann J. Tuna Scanlan; D.P.A.

**Address:** 3380 C Street Suite 205, Anchorage AK 99503

**Phone Number:** 907-274-7565

**Email:** tuna.scanlan@akutanak.us

**This project has been through a public review process at the local level and it is a community priority.** ☒ Yes ☐ No



## **Aleutians East Borough Community Budget Request Form**

**Project Title:** Community Education & Support

**Community Priority:** High

**Recipient:** City of Cold Bay

**FY 2021 Borough Funding Request:** \$41,200

**Brief Project Description:**

The City of Cold Bay requests funding to support, develop, and maintain our Community Education and Support Program. Please see the attached memo for in depth details and description.

**Funding Plan:**

Total Project Cost: \$41,200  
Funding Already Secured: In-Kind  
FY2021 Borough Funding Request: \$41,200  
Project Deficit:  
NA

**Explanation of Other Funds:**

Please see attached community education memo.

**Detailed Project Description and Justification:**

Please see attached memo.

**Project Timeline:**

August 1, 2020 to June 30, 2021

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

City of Cold Bay

**Supporting Documentation:** Please attached any supporting documentation to this form (i.e. engineering cost estimates, resolutions of support, etc....).

**Grant Recipient Contact Information:**

**Name:** City of Cold Bay - Angela

**Address:** PO Box 41 Cold Bay, AK 99571

**Phone Number:** (907) 532 -2401

**Email:** angela@akcoldbay.org

**This project has been through a public review process at the local level and it is a community priority.**





City of Cold Bay  
Box 10  
Cold Bay, AK 99571  
(907) 532-2401

## MEMO

TO: Anne Bailey

FROM: City Office

DATE: March 15, 2020

RE: FY21 Funding Request Community Education & Support

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Dear Ms. Bailey,

The City of Cold Bay would like to request funding to continue our community education and support project. Last year, in the FY20 cycle, we made some significant changes that we feel have provided more substantial support for our students and parent teachers. The most notable of which was hiring a certified teacher to visit Cold Bay once a month.

Total Funding Request: \$41,200.00

Budget Detail Outline

Teacher Salary: \$11,500.00

Holiday Theme Activities: \$1,500.00

Books: \$800.00

Music: \$1,200.00

STEM Learning: \$2,000.00

Student Travel: \$3,900.00

Special Projects for Student Activities: \$500.00 (Examples: Engineer Week, Science Fair, Science Olympiad, Women in Science, etc.)

Airline Travel Expense: \$14,300.00

Art Supplies: \$1,500.00

Student Educational Materials: \$1,000.00

Misc.: \$1,500.00

Teachers/Materials Items: \$1,500.00

We believe that this project is in line with the Borough's strategic plan to develop and maintain healthy communities and families by directly addressing the educational challenges of our area.

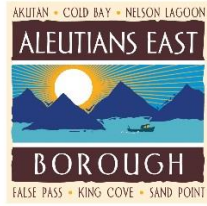
Our community is unique in the sense that we don't have the traditional "brick and mortar" school. The make-up of our community is constantly changing, which does not allow for the school district to open a traditional school. The City is working diligently with the school district and APIA to create an alternative school setting for students of all ages in the community, however we feel that this still leaves some large gaps in education for our children. The City feels it's important to support our families with access to a certified teacher as the City, District and APIA work through the process over the next year.

Funding of a certified teacher will provide much needed professional support to our families and enhance student participation and experiences while in remote enrollment through such activities as: AK State Battle of the Books, State Science Fair, art and music projects and help meet the challenges of developing gross and fine motor skills.

Based on the experiences observed in other communities, when more professional support is provided to youth and families it encourages families to remain in the community despite the lack of a "brick and mortar" and will encourage others to consider Cold Bay as a place to put down roots. The connection with an actual teacher helps foster stronger lessons to students, more accountability to follow through on lessons and grading, provides special group projects mentioned above, and is invaluable to parent teachers when they encounter students who struggle or may have a learning disability.

We believe that this grant will play an important part of maintaining and developing our community as we move forward. We feel your investment in us will be rewarded with a stronger and more vibrant Cold Bay, which in turn adds to the greater good of the Borough.

Thank you for your time and consideration on behalf of the children and families of Cold Bay. We are continuing to work on developing our community so that it can grow with the changing times. If you would like more specific information on any of the line items listed above, please contact the City office at 532-2401.



## Aleutians East Borough Community Budget Request Form

**Project Title:** Loader Purchase

**Community Priority:** High

**Recipient:** City of Cold Bay

**FY 2021 Borough Funding Request:** \$10,000

**Brief Project Description:**

Purchase a 908M Compact Wheel Loader to add to the Public Works Department.

**Funding Plan:**

Total Project Cost: \$129,210

Funding Already Secured: \$119,210

FY2021 Borough Funding Request: \$10,000

Project Deficit:

\$10,000

**Explanation of Other Funds:**

Funds available in our public works savings account.

**Detailed Project Description and Justification:**

Our community needs this machinery to maintain responsible landfill maintenance and limit impact of the landfill on the local environment.

**Project Timeline:**

Spring 2020

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

City of Cold Bay Public Works Department

**Supporting Documentation:** Please attached any supporting documentation to this form (i.e. engineering cost estimates, resolutions of support, etc....).

**Grant Recipient Contact Information:**

**Name:** City of Cold Bay - Angela

**Address:** PO Box 10 Cold Bay, AK 99571

**Phone Number:** (907) 532-2401

**Email:** angela@akcoldbay.org

**This project has been through a public review process at the local level and it is a community priority.**



## Aleutians East Borough Community Budget Request Form

**Project Title:** Front End Loader

**Community Priority:** 1

**Recipient:** City of False Pass

**FY 2021 Borough Funding Request:**

**Brief Project Description:**

Priority heavy equipment need for boat haul outs, landfill ops, Creek bed diversion and more.

**Funding Plan:**

Total Project Cost: 197,151.26  
Funding Already Secured: 175,000.00  
FY2021 Borough Funding Request: 22,151.26  
Project Deficit: 22,151.26

**Explanation of Other Funds:** The City of False Pass has already purchased this machine, this funding would cover the shipping costs.

**Detailed Project Description and Justification:**

The City has been in the process of upgrading/purchasing new heavy equipment to support all of our operations. Most recently acquiring a new fuel truck for our Electric Utility and with the Borough's help a new vacuum truck for Septic waste. This loader has been identified as the next priority need and fulfills many duties.

**Project Timeline:**

The City purchased this loader in December 2019. We hope to have this equipment on the next available AML shipping out of Whittier.

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

City of False Pass

**Supporting Documentation:** Please attached any supporting documentation to this form (i.e. engineering cost estimates, resolutions of support, etc....).

**Grant Recipient Contact Information:**

**Name:** City of False Pass

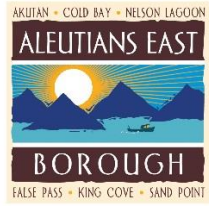
**Address:** 180 Unimak Dr., False Pass, AK 99583

**Phone Number:** (907) 548-2319

**Email:** cityoffalsepass@ak.net

**This project has been through a public review process at the local level and it is a community priority.**

Yes.



## **Aleutians East Borough Community Budget Request Form**

**Project Title:**

**Community Priority:**

**Recipient:**

**FY 2021 Borough Funding Request:**

**Brief Project Description:**

--

**Funding Plan:**

Total Project Cost: Funding Already Secured: FY2021 Borough Funding Request: Project Deficit:
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<b>Explanation of Other Funds:</b>
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**Detailed Project Description and Justification:**

**Project Timeline:**

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

**Supporting Documentation:** Please attached any supporting documentation to this form (i.e. engineering cost estimates, resolutions of support, etc....).

**Grant Recipient Contact Information:**

**Name:**

**Address:**

**Phone Number:**

**Email:**

**This project has been through a public review process at the local level and it is a community priority.**



Supporting Documentation  
From  
**City of King Cove – Municipal Electric Department**  
To  
**Aleutians East Borough FY21 Community Budget Request**

- Documentation of City Support for this budget request – see following Resolution 20-14.
- The following table summarizes the cost of this project. A copy of the City's contract with Gilkes & Gordon, Inc. and HDR Alaska can be provided upon request.

**GILKES**

Turbine Runner & parts/equipment	\$ 154,745
Shipping	28,942
Taxes & Fees	17,310
Installation Labor & Travel/Per Diem	<u>34,210</u>
	\$ 235,207

**HDR Alaska**

RFP/Contract & Management Services	28,587
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**City Administration**

3% of contract value of Gilkes & HDR	<u>7,914</u>
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**TOTAL PROJECT COST                      \$271,708**

- **COST/BENEFIT ANALYSIS** for this AEB Grant Request.

Background Information

- 1) The King Cove School is the second largest annual user of electricity generated by the King Cove Municipal Electric Department. The city's two boat harbors use about 2% more annual electricity. The cost of electricity for the harbors is \$0.34/kWh. See following table:

4,544,000 kWh - average, annual city demand for electricity  
434,000 kWh (9.6%) – average, annual demand at both King Cove Harbors  
336,000 kWh (7.4%) - average annual demand at King Cove School)

Next highest users:

138,000 kWh (3.0%) – Goulds Store  
120,000 kWh (2.6%) - ACC  
119,000 kWh (2.6%) - KC Clinic

- 2) ***Starting in July 2020, the City expects to increase the cost of electricity for the King Cove School to \$0.34/kWh.*** This will have the two largest city users paying the same kWh price. This is standard utility cost pricing to have the largest electricity users pay a higher price in order for the system to have and maintain the necessary capacity to meet demand.

Based on the average annual kWh use at the King Cove School (336,000 kWh's), this cost increase will increase the annual revenue from the AEBSD/King Cove School to \$1,142,000. This will be an **additional** \$134,000 in annual electric costs to the AEBSD/AEB for the King Cove School.

- 3) If awarded this full grant request of \$225,000, the City will guarantee, via City Resolution, that there will be NO kWh rate increase to the AEBSD/AEB for FY21 & FY22. This rate guarantee will PAY BACK the value of this grant award in less than two years!
- 4) Also, note that the City's **recoverable heat system** has also been saving (i.e. displacing the need for diesel fuel for space heating) the King Cove School approximately 27,000 gallons of diesel fuel/year for the last seven years. The total cost savings to the AEBSD/AEB between FY13 and FY19 for using recoverable heat, instead of burning diesel, has been more than **\$200,000**. Similar diesel fuel cost savings between 2009 and 2012 occurred.

March 16, 2020



Resolution 20-14

**Resolution Adopting the City's 2020 Legislative and Capital Project Priorities**

**WHEREAS**, the City Administration has identified a number of legislative and capital project priorities for 2020 requiring financial and legislative assistance from the State of Alaska and/or the Aleutians East Borough;

**WHEREAS**, these capital projects and legislative priorities have been discussed, prioritized, and endorsed by the City Council;

**NOW THEREFORE BE IT RESOLVED**, the City Council hereby endorses the following capital project and legislative priorities for 2020.

Capital Projects & Priorities

- 1) Delta Creek Turbine Runner Replacement - \$250,000
- 2) Community Gasoline Facility - \$250,000
- 3) New Public Safety Facility (design) - \$250,000

Legislative & Administrative Projects

- 1) PCE Program Adjustments for Renewable Energy Communities
- 2) Approval of ADEC low-Interest Loan to Refinance Debt on Delta Creek Water Project

**BE IT FURTHER RESOLVED**, the City Council authorizes the City Administration to use its experience and discretion in determining the most appropriate funding source and strategy for submitting these capital project and legislative & administrative requests to either the State of Alaska or Aleutians East Borough.

**PASSED AND APPROVED** on the 22nd of January 2020 by a duly constituted quorum of the King Cove City Council.

Henry Mack  
Henry Mack, Mayor

ATTEST:  
Kailee R. Calver  
Kailee Calver, City Clerk

Ayes	<u>5</u>	Abstained	<u>0</u>
Nays	<u>0</u>	Absent	<u>1</u>

## ORDINANCE 20-09

### AN ORDINANCE ADOPTING THE OPERATING AND CAPITAL BUDGET FOR THE ALEUTIANS EAST BOROUGH FISCAL YEAR 2021.

Section 1. Classification	This is a non-code ordinance
Section 2. Effective Date	This ordinance becomes effective upon Adoption.
Section 3. Severability	The terms, provisions, and sections of this Ordinance are severable.
Section 4. Content	The operating and capital budget for the Aleutians East Borough for Fiscal Year 2021 is adopted as follows:

REVENUES		FY20 BUDGET
Local		
	Interest Income	\$35,000.00
	AEB Fish Tax	\$3,350,000.00
	AEBSD Refund	\$0.00
	Other Revenue	\$80,000.00
State		
	Shared Fishery Tax	1,880,000
	Shared Fishery Tax FMA2	\$36,000
	Shared Fishery Tax FMA3	\$4,000
	Harbor Bond Debt Reimbursement	\$0.00
	School Bond Debt Reimbursement	\$0.00
	Community Assistance	\$300,000
Federal		
	Payment in Lieu of Taxes	\$559,000
	USF&WS Lands	\$25,000
<b>Total FY21 Revenues</b>		<b>\$6,269,000</b>

## OPERATING FUND EXPENDITURES

Mayor	\$287,954.00
Assembly	\$226,000.00
Administration	\$406,641.00
Assistant Administrator	\$150,530.00
Clerk/Planning	\$207,500.00
Planning Commission	\$0.00
Finance	\$335,520.00
Natural Resources	\$329,532.00
Communications Manager	\$173,212.00
Maintenance Director	\$127,700.00
Educational Support	\$855,000.00
KCAP	\$227,000.00
Dept. Total	3,326,589.00
Other General Fund	
Equipment	\$25,000.00
AEB Vehicles	\$750.00
Utilities	\$20,000.00
Aleutia Crab	\$55,000.00
Legal	\$85,000.00
Insurance	\$195,000.00
Repairs	\$3,000.00
Bank Fees	\$12,500.00
EATS	\$150,000.00
Misc.	\$25,000.00
Donations	\$23,500.00
KSDP	\$10,000.00
NLG Community Assistance	\$16,000.00
IT services	\$39,500.00
PERS	\$40,000.00
Other Gen. Fund Total	\$700,250.00
Total General Fund	\$4,026,839.00
Capital Projects	\$0.00
Bond Projects	\$0.00
Debt Services	\$2,492,493.00
Maintenance Reserve	\$125,000.00

<b>Total Expenditures</b>	<b>\$6,644,332.00</b>
Transfer to Helicopter Operation	\$766,916.00
Transfer to Terminal Operation	(\$16,500.00)
<b>AEB Deficit</b>	<b>(\$1,125,748.00)</b>
Fund 20, AEB Community Grant, Revenues	\$1,724,449.00
Fund 20, AEB Community Grant, Exp.	\$1,724,449.00
Fund 22, Helicopter, Revenues	\$343,600.00
Fund 22, Helicopter, Expenditures	\$1,110,516.00
Fund 22, Terminal Operations, Revenues	\$262,000.00
Fund 22, Terminal Operations, Expenditures	\$245,500.00
Fund 24, Bond Project, Revenues	\$0.00
Fund 24, Bond Project, Expenditures	\$0.00
Fund 30, Bond Payments, Revenues	\$0.00
Fund 30, Bond Payments, Expenditures	\$2,492,493.00
Fund 40, Permanent Fund, Revenues	\$35,000.00
Fund 40, Permanent Fund, Expenditures	\$35,000.00
Fund 41, Maintenance Reserve, Revenues	\$125,000.00
Fund 41, Maintenance Reserve, Expenditures	\$125,000.00

Passed and adopted by the Aleutians East Borough Assembly this \_\_\_\_\_ day of May, 2020.

Date Introduced: 5/14/2020

Date Adopted: \_\_\_\_\_

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk

## Proposed FY21 Aleutians East Borough Budget

Increases to the budget are shown in green.

Decreases to the budget are shown in red.

REVENUES		FY20	Proposed Changes	FY21
Local	Interest Income	\$ 35,000.00	\$ -	\$ 35,000.00
	AEB Raw Fish Tax	\$ 4,100,000.00	\$ (750,000.00)	\$ 3,350,000.00
	AEBSD Refund	\$ -	\$ -	\$ -
	Other Revenue	\$ 65,000.00	\$ 15,000.00	\$ 80,000.00
State	Shared Fishery Tax	\$ 1,880,000.00	\$ -	\$ 1,880,000.00
	Shared Fishery Tax FMA2	\$ 100,000.00	\$ (64,000.00)	\$ 36,000.00
	Shared Fishery Tax FMA3	\$ 35,000.00	\$ (31,000.00)	\$ 4,000.00
	Harbor Bond Debt Reimbursement	\$ -	\$ -	\$ -
	School Bond Debt Reimbursement	\$ 328,867.00	\$ (328,867.00)	\$ -
	Community Assistance	\$ 316,365.92	\$ (16,365.92)	\$ 300,000.00
Federal	Payment in Lieu of Taxes	\$ 559,000.00	\$ -	\$ 559,000.00
	USFWS Lands	\$ 36,256.00	\$ (11,256.00)	\$ 25,000.00
<b>Total FY Revenues</b>		<b>\$ 7,455,488.92</b>	<b>\$ (1,186,488.92)</b>	<b>\$ 6,269,000.00</b>

## OPERATING FUND EXPENDITURES

### Departments

Mayor	\$ 287,389.00	\$ 565.00	\$ 287,954.00
Assembly	\$ 221,000.00	\$ 5,000.00	\$ 226,000.00
Administration	\$ 423,324.00	\$ (16,683.00)	\$ 406,641.00
Assistant Administrator	\$ 149,022.00	\$ 1,508.00	\$ 150,530.00
Clerk/Planning	\$ 211,629.00	\$ (4,129.00)	\$ 207,500.00
Planning Commission	\$ -	\$ -	\$ -

Finance	\$	328,094.00	\$	7,426.00	\$	335,520.00
Natural Resources	\$	326,472.00	\$	3,060.00	\$	329,532.00
Communication Manager	\$	181,573.00	\$	(8,361.00)	\$	173,212.00
Maintenance Director	\$	131,459.00	\$	(3,759.00)	\$	127,700.00
Educational Support	\$	855,000.00	\$	-	\$	855,000.00
KCAP	\$	126,500.00	\$	100,500.00	\$	227,000.00
<b>Department Total</b>	<b>\$</b>	<b>3,241,462.00</b>	<b>\$</b>	<b>85,127.00</b>	<b>\$</b>	<b>3,326,589.00</b>
<b>Other General Fund</b>						
Equipment	\$	35,000.00	\$	(10,000.00)	\$	25,000.00
AEB Vehicles	\$	500.00	\$	250.00	\$	750.00
Utilities	\$	25,000.00	\$	(5,000.00)	\$	20,000.00
Aleutia Crab	\$	58,522.00	\$	(3,522.00)	\$	55,000.00
Legal	\$	100,000.00	\$	(15,000.00)	\$	85,000.00
Insurance	\$	185,000.00	\$	10,000.00	\$	195,000.00
Repairs	\$	5,000.00	\$	(2,000.00)	\$	3,000.00
Bank Fees	\$	15,000.00	\$	(2,500.00)	\$	12,500.00
EATS	\$	150,000.00	\$	-	\$	150,000.00
Miscellaneous	\$	40,000.00	\$	(15,000.00)	\$	25,000.00
Donations	\$	23,500.00	\$	-	\$	23,500.00
KSDP	\$	10,000.00	\$	-	\$	10,000.00
NL Community Assistance	\$	16,000.00	\$	-	\$	16,000.00
IT Services	\$	36,552.00	\$	2,948.00	\$	39,500.00
PERS	\$	46,000.00	\$	(6,000.00)	\$	40,000.00
<b>Other General Fund Total</b>	<b>\$</b>	<b>746,074.00</b>	<b>\$</b>	<b>(45,824.00)</b>	<b>\$</b>	<b>700,250.00</b>
<b>Total General Fund</b>	<b>\$</b>	<b>3,987,536.00</b>	<b>\$</b>	<b>39,303.00</b>	<b>\$</b>	<b>4,026,839.00</b>
Capital Projects	\$	-				
Bond Projects	\$	-				
Debt Services	\$	2,482,416.00	\$	10,077.00	\$	2,492,493.00
Maintenance Reserve	\$	250,000.00	\$	(125,000.00)	\$	125,000.00
<b>Total Expenditures</b>	<b>\$</b>	<b>6,719,952.00</b>	<b>\$</b>	<b>(75,620.00)</b>	<b>\$</b>	<b>6,644,332.00</b>



Transfer to Helicopter Operation	\$	804,516.00	\$	(37,600.00)	\$	766,916.00
Transfer to Terminal Operation	\$	9,880.00	\$	(26,380.00)	\$	(16,500.00)
<b>AEB Deficit</b>	<b>\$</b>	<b>(78,859.08)</b>	<b>\$</b>	<b>(1,046,888.92)</b>	<b>\$</b>	<b>(1,125,748.00)</b>

FUND 20	Community Grant AEB, Revenues	\$	1,647,000.00	\$	77,449.00	\$	1,724,449.00
	Community Grant AEB, Expenditures	\$	1,647,000.00	\$	77,449.00	\$	1,724,449.00
FUND 22	Helicopter, Revenues	\$	343,600.00	\$	-	\$	343,600.00
	Helicopter, Expenditures	\$	1,148,116.00	\$	(37,600.00)	\$	1,110,516.00
FUND 22	Terminal Operations, Revenues	\$	139,620.00	\$	122,380.00	\$	262,000.00
	Terminal Operations, Expenditures	\$	149,500.00	\$	96,000.00	\$	245,500.00
FUND 24	Bond Project, Revenues	\$	-	\$	-	\$	-
	Bond Project, Expenditures	\$	-	\$	-	\$	-
FUND 30	Bond Payment, Revenues	\$	-	\$	-	\$	-
	Bond Payment, Expenditures	\$	2,482,416.00	\$	10,077.00	\$	2,492,493.00
FUND 40	Permanent Fund, Revenues	\$	35,000.00	\$	-	\$	35,000.00
	Permanent Fund, Expenditures	\$	35,000.00	\$	-	\$	35,000.00
FUND 41	Maintenance Reserves, Revenues	\$	250,000.00	\$	(125,000.00)	\$	125,000.00
	Maintenance Reserves, Expenditures	\$	250,000.00	\$	(125,000.00)	\$	125,000.00

## Proposed FY20 General Fund Budget (Fund 01)

Increases to the budget are shown in green.

Decreases to the budget are shown in red.

	FY20	Proposed Changes	FY21
<b>Mayor's Office</b>			
Salary	\$ 83,189.00	\$ 1,165.00	\$ 84,354.00
Fringe	\$ 38,000.00	\$ 2,500.00	\$ 40,500.00
Travel	\$ 40,000.00	\$ (2,000.00)	\$ 38,000.00
Phone	\$ 1,800.00	\$ (800.00)	\$ 1,000.00
Supplies	\$ 3,800.00	\$ (2,300.00)	\$ 1,500.00
Dues & Fees	\$ -	\$ 2,000.00	\$ 2,000.00
Lobbying, Federal	\$ 75,600.00	\$ -	\$ 75,600.00
Lobbying, State	\$ 45,000.00	\$ -	\$ 45,000.00
<b>Total Mayor's Office</b>	<b>\$ 287,389.00</b>	<b>\$ 565.00</b>	<b>\$ 287,954.00</b>
<b>Assembly</b>			
Meeting Fee	\$ 37,000.00	\$ 3,000.00	\$ 40,000.00
Fringe	\$ 140,000.00	\$ 5,000.00	\$ 145,000.00
Travel	\$ 40,000.00	\$ (5,000.00)	\$ 35,000.00
Dues & Fees	\$ -	\$ 5,000.00	\$ 5,000.00
Supplies	\$ 4,000.00	\$ (3,000.00)	\$ 1,000.00
<b>Total Assembly</b>	<b>\$ 221,000.00</b>	<b>\$ 5,000.00</b>	<b>\$ 226,000.00</b>
<b>Administration</b>			
Salary	\$ 187,481.00	\$ -	\$ 187,481.00
Fringe	\$ 72,500.00	\$ 5,000.00	\$ 77,500.00
Engineering	\$ 25,000.00	\$ -	\$ 25,000.00
Contract	\$ 90,000.00	\$ (10,000.00)	\$ 80,000.00
Travel & Per Diem	\$ 17,500.00	\$ (6,500.00)	\$ 11,000.00
Phone	\$ 6,100.00	\$ (750.00)	\$ 5,350.00
Postage	\$ 2,000.00	\$ (1,250.00)	\$ 750.00
Supplies	\$ 10,000.00	\$ (5,500.00)	\$ 4,500.00
Rent	\$ 10,243.00	\$ 317.00	\$ 10,560.00

Dues & Fees	\$	2,500.00	\$	2,000.00	\$	4,500.00
<b>Total Administration</b>	<b>\$</b>	<b>423,324.00</b>	<b>\$</b>	<b>(16,683.00)</b>	<b>\$</b>	<b>406,641.00</b>

#### Assistant Administrator

Salary	\$	93,164.00	\$	1,305.00	\$	94,469.00
Fringe	\$	32,000.00	\$	2,000.00	\$	34,000.00
Travel	\$	10,000.00	\$	(2,000.00)	\$	8,000.00
Phone	\$	1,750.00	\$	(500.00)	\$	1,250.00
Supplies	\$	2,000.00	\$	(1,100.00)	\$	900.00
Rent	\$	10,108.00	\$	303.00	\$	10,411.00
Dues & Fees	\$	-	\$	1,500.00	\$	1,500.00
<b>Total Assistant Administrator</b>	<b>\$</b>	<b>149,022.00</b>	<b>\$</b>	<b>1,508.00</b>	<b>\$</b>	<b>150,530.00</b>

#### Clerk/Planning

Salary	\$	107,629.00	\$	(1,629.00)	\$	106,000.00
Fringe	\$	43,000.00	\$	2,500.00	\$	45,500.00
Travel & Per Diem	\$	12,500.00	\$	(2,500.00)	\$	10,000.00
Phone	\$	7,500.00	\$	1,500.00	\$	9,000.00
Postage	\$	1,000.00	\$	-	\$	1,000.00
Supplies	\$	5,000.00	\$	(1,500.00)	\$	3,500.00
Utilities	\$	20,000.00	\$	(2,000.00)	\$	18,000.00
Dues & Fees	\$	5,000.00	\$	(500.00)	\$	4,500.00
Elections	\$	10,000.00	\$	-	\$	10,000.00
<b>Total Clerk/Planning</b>	<b>\$</b>	<b>211,629.00</b>	<b>\$</b>	<b>(4,129.00)</b>	<b>\$</b>	<b>207,500.00</b>

#### Planning Commission

Salary	\$	-	\$	-	\$	-
Fringe	\$	-	\$	-	\$	-
Contract	\$	-	\$	-	\$	-
Travel & Per Diem	\$	-	\$	-	\$	-
Permitting	\$	-	\$	-	\$	-
<b>Total Planning Commission</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>

#### Finance

Salary	\$	146,594.00	\$	1,926.00	\$	148,520.00
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Fringe	\$	70,000.00	\$	2,000.00	\$	72,000.00
Travel & Per Diem	\$	10,000.00	\$	(1,500.00)	\$	8,500.00
Phone	\$	10,000.00	\$	500.00	\$	10,500.00
Postage	\$	2,500.00	\$	(1,250.00)	\$	1,250.00
Supplies	\$	9,000.00	\$	(1,000.00)	\$	8,000.00
Utilities	\$	5,000.00	\$	(500.00)	\$	4,500.00
Dues & Fees	\$	-	\$	2,250.00	\$	2,250.00
Audit	\$	75,000.00	\$	5,000.00	\$	80,000.00
<b>Total Finance</b>	<b>\$</b>	<b>328,094.00</b>	<b>\$</b>	<b>7,426.00</b>	<b>\$</b>	<b>335,520.00</b>

#### Natural Resources

Salary	\$	167,926.00	\$	4,779.00	\$	172,705.00
Fringe	\$	65,000.00	\$	5,000.00	\$	70,000.00
Contract	\$	-	\$	10,000.00	\$	10,000.00
Travel & Per Diem	\$	30,000.00	\$	(10,000.00)	\$	20,000.00
Phone	\$	1,500.00	\$	1,500.00	\$	3,000.00
Supplies	\$	6,000.00	\$	(3,500.00)	\$	2,500.00
Dues & Fees	\$	-	\$	2,000.00	\$	2,000.00
NPFMC	\$	15,000.00	\$	(2,500.00)	\$	12,500.00
BOF Meeting	\$	15,000.00	\$	(5,000.00)	\$	10,000.00
Rent	\$	26,046.00	\$	781.00	\$	26,827.00
<b>Total Natural Resources</b>	<b>\$</b>	<b>326,472.00</b>	<b>\$</b>	<b>3,060.00</b>	<b>\$</b>	<b>329,532.00</b>

#### Communication Director

Salary	\$	105,013.00	\$	1,474.00	\$	106,487.00
Fringe	\$	34,158.00	\$	-	\$	34,158.00
Travel & Per Diem	\$	9,000.00	\$	(3,000.00)	\$	6,000.00
Phone	\$	2,400.00	\$	-	\$	2,400.00
Supplies	\$	2,500.00	\$	(1,000.00)	\$	1,500.00
Rent	\$	10,502.00	\$	315.00	\$	10,817.00
Dues & Fees	\$	-	\$	1,100.00	\$	1,100.00
Advertising/Promotions	\$	18,000.00	\$	(7,250.00)	\$	10,750.00
<b>Total Communications</b>	<b>\$</b>	<b>181,573.00</b>	<b>\$</b>	<b>(8,361.00)</b>	<b>\$</b>	<b>173,212.00</b>

#### Maintenance Director

Salary	\$	72,435.00	\$	1,015.00	\$	73,450.00
Fringe	\$	31,024.00	\$	976.00	\$	32,000.00
Travel & Per Diem	\$	20,000.00	\$	(5,000.00)	\$	15,000.00
Phone	\$	1,000.00	\$	(1,000.00)	\$	-
Supplies	\$	5,000.00	\$	(1,000.00)	\$	4,000.00
Dues & Fees	\$	-	\$	1,250.00	\$	1,250.00
Utilities	\$	2,000.00	\$	-	\$	2,000.00
<b>Total Maintenance Director</b>	<b>\$</b>	<b>131,459.00</b>	<b>\$</b>	<b>(3,759.00)</b>	<b>\$</b>	<b>127,700.00</b>

#### KCAP

Salary	\$	-	\$	-	\$	-
Fringe	\$	-	\$	-	\$	-
Travel & Per Diem	\$	-	\$	-	\$	-
Supplies	\$	1,500.00	\$	500.00	\$	2,000.00
Maintenance	\$	125,000.00	\$	-	\$	125,000.00
Contract	\$	-	\$	100,000.00	\$	100,000.00
<b>Total KCAP</b>	<b>\$</b>	<b>126,500.00</b>	<b>\$</b>	<b>100,500.00</b>	<b>\$</b>	<b>227,000.00</b>

#### Education

Local Contribution	\$	800,000.00	\$	-	\$	800,000.00
Scholarships	\$	35,000.00	\$	-	\$	35,000.00
Student Travel	\$	20,000.00	\$	-	\$	20,000.00
<b>Total Education</b>	<b>\$</b>	<b>855,000.00</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>855,000.00</b>

#### Other General Fund

Equipment	\$	35,000.00	\$	(10,000.00)	\$	25,000.00
AEB Vehicles	\$	500.00	\$	250.00	\$	750.00
Utilities	\$	25,000.00	\$	(5,000.00)	\$	20,000.00
Aleutia Crab	\$	58,522.00	\$	(3,522.00)	\$	55,000.00
Legal	\$	100,000.00	\$	(15,000.00)	\$	85,000.00
Insurance	\$	185,000.00	\$	10,000.00	\$	195,000.00
Repairs	\$	5,000.00	\$	(2,000.00)	\$	3,000.00
Bank Fees	\$	15,000.00	\$	(2,500.00)	\$	12,500.00
EATS	\$	150,000.00	\$	-	\$	150,000.00
Miscellaneous Expense	\$	40,000.00	\$	(15,000.00)	\$	25,000.00

Donations	\$	23,500.00	\$	-	\$	23,500.00
KSDP	\$	10,000.00	\$	-	\$	10,000.00
NL Revenue Sharing	\$	16,000.00	\$	-	\$	16,000.00
PERS	\$	46,000.00	\$	(6,000.00)	\$	40,000.00
IT Services	\$	36,552.00	\$	2,948.00	\$	39,500.00
<b>Total Other General Fund</b>	<b>\$</b>	<b>746,074.00</b>	<b>\$</b>	<b>(45,824.00)</b>	<b>\$</b>	<b>700,250.00</b>
<b>TOTAL OPERATING BUDGET</b>	<b>\$</b>	<b>3,987,536.00</b>	<b>\$</b>	<b>39,303.00</b>	<b>\$</b>	<b>4,026,839.00</b>

## Proposed FY21 Helicopter and Cold Bay Terminal Budgets (Fund 22)

Increases to the budget are shown in **green**.

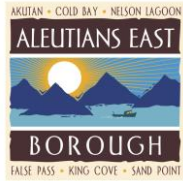
Decreases to the budget are shown in **red**.

	FY20	Proposed Changes	FY21
<b>Fund 22 Terminal Operations</b>			
REVENUES			
Leases	\$ 139,620.00	\$ 122,380.00	\$ 262,000.00
Other Income	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 139,620.00</b>	<b>\$ 122,380.00</b>	<b>\$ 262,000.00</b>
EXPENSES			
Salary	\$ 50,000.00	\$ 10,000.00	\$ 60,000.00
Fringe	\$ 3,500.00	\$ 500.00	\$ 4,000.00
Maintenance	\$ 25,000.00	\$ 31,500.00	\$ 56,500.00
Travel & Per Diem	\$ -	\$ -	\$ -
Phone/ Internet	\$ 4,500.00	\$ (2,500.00)	\$ 2,000.00
Supplies	\$ 20,000.00	\$ -	\$ 20,000.00
Utilities	\$ 30,000.00	\$ 49,500.00	\$ 79,500.00
Gas	\$ 1,500.00	\$ (500.00)	\$ 1,000.00
Fuel	\$ 15,000.00	\$ 1,000.00	\$ 16,000.00
State Land Lease	\$ -	\$ 6,500.00	\$ 6,500.00
<b>Total Expenditures</b>	<b>\$ 149,500.00</b>	<b>\$ 96,000.00</b>	<b>\$ 245,500.00</b>
<b>Fund 22 Helicopter Operations</b>			
REVENUES			
Hangar	\$ 48,600.00	\$ -	\$ 48,600.00
Transportation	\$ 169,000.00	\$ -	\$ 169,000.00
Fuel	\$ 126,000.00	\$ -	\$ 126,000.00

<b>Total Revenues</b>	\$	<b>343,600.00</b>	\$	-	\$	<b>343,600.00</b>
<b>EXPENSES</b>						
Salary	\$	70,000.00	\$	(15,000.00)	\$	55,000.00
Fringe	\$	26,300.00	\$	(11,300.00)	\$	15,000.00
Contract	\$	860,816.00	\$	27,000.00	\$	887,816.00
Travel & Per Diem	\$	-	\$	-	\$	-
Telephone	\$	1,000.00	\$	(300.00)	\$	700.00
Supplies	\$	40,000.00	\$	(20,000.00)	\$	20,000.00
Rental Lease	\$	-	\$	-	\$	-
Utilities	\$	8,000.00	\$	-	\$	8,000.00
Insurance	\$	-	\$	-	\$	-
Gas	\$	12,000.00	\$	2,000.00	\$	14,000.00
Fuel	\$	130,000.00	\$	(20,000.00)	\$	110,000.00
<b>Total Expenditures</b>	\$	<b>1,148,116.00</b>	\$	<b>(37,600.00)</b>	\$	<b>1,110,516.00</b>



# Ordinances



## Agenda Statement

Date: May 19, 2020

To: Mayor Osterback and Assembly

From: Anne Bailey, Administrator

**Re: Ordinance 20-11 authorizing the Mayor to negotiate and execute a sublease within the Cold Bay Terminal for air transportation services**

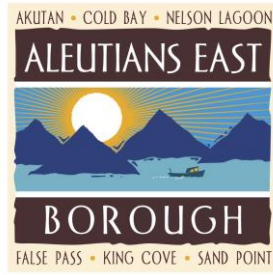
Alaska Airlines began passenger transportation to Cold Bay on May 16, 2020. Due to the urgency, the Assembly passed Emergency Ordinance 20-10 at the May 14, 2020 Assembly meeting authorizing the Mayor to negotiate and execute a sublease within the Cold Bay Terminal for air transportation services. Ordinance 20-10 became effective immediately upon adoption and will only remain in effect for 60 days. The sublease agreement between Alaska Airlines and the Borough was signed and executed on May 15, 2020 and Alaska Airlines officially began service on May 16<sup>th</sup>.

Administration is now introducing Ordinance 20-11 to the Assembly for review and consideration which will supersede Emergency Ordinance 20-10 and stay in effect for perpetuity.

### RECOMMENDATION

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Administration recommends approval of Ordinance 20-11 authorizing the Mayor to negotiate and execute a sublease within the Cold Bay Terminal for air transportation services.



## **ALEUTIANS EAST BOROUGH**

### **ORDINANCE SERIAL NO. 20-11**

#### **AN ORDINANCE AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A SUBLEASE WITHIN THE COLD BAY TERMINAL FOR AIR TRANSPORTATION SERVICES**

**WHEREAS**, Alaska Airlines has expressed its desire to enter into a sublease with the Aleutians East Borough (“Borough”) for a portion of the Cold Bay Terminal Building (“Terminal”) and adjacent apron, as generally depicted on the attached Exhibit “A”, for the purpose of providing Air Transportation which consists of the carriage of persons, property, cargo and mail by aircraft and associated services; and

**WHEREAS**, the Borough has entered into a Lease Agreement No. ADA-08250 as Lessee with the State of Alaska, Department of Transportation and Public Facilities (DOT&PF) as the Lessor for the following described property, located on the Cold Bay Airport, in Section 36, Township 57 South, Range 89 West, Seward Meridian, within the Aleutian Island Recording District, Third Judicial District, Alaska; Lot 1A, Block 23 consisting of approximately 66,688 square feet of land, at Cold Bay Terminal and adjacent Apron; and

**WHEREAS**, AEBMC Sec. 50.10.060 provides that “[d]isposal of real property may be by sealed bids, outcry auction, lottery, first-come, first-served, negotiation, or such other method as the assembly may provide in the resolution authorizing the disposal”; and

**WHEREAS**, AEBMC 50.10.100(7) provides that ““Real Property” includes interests in real property as well as rights to real property, and includes, but is not limited to, leases, easements, security interests, licenses, permits and options.”; and

**WHEREAS**, AEBMC Sec. 50.10.050 provides for the disposal of real property owned by the Borough mandating that the disposal of real property not covered by other sections within chapter 50.10 “must be authorized by ordinance and must contain” the following:

- (1) a description of the property,
- (2) a finding and the facts that supports the finding that the property or interest is no longer required for a public purpose if the property or interest is or was used for a government purpose,
- (3) the type of interest to be disposed of if less than a fee interest,
- (4) conditions and reservations that are to be imposed upon the property,
- (5) the fair market value of the property,
- (6) the minimum disposal price of the real property,
- (7) the method of disposal, including time, place and dates when relevant,
- (8) special conditions for the disposal, including, when relevant, special qualifications of purchasers and purchase terms, and
- (9) a finding and the facts supporting the finding of the public benefits to be derived if the disposal is to be for less than market value; and

**WHEREAS**, AEBMC Sec. 50.10.070(a) provides that “[u]nless otherwise provided in the resolution authorizing the disposal, the disposal shall be at not less than the fair market value as determined by a fee appraisal, by the borough’s assessor’s valuation, or by such reasonable estimates as the mayor or assembly, as appropriate, finds to be reliable or appropriate under the circumstances; and

**WHEREAS**, the Assembly finds that the lease of the property to Alaska Airlines is in the best interest of the Borough, and will help provide air service to the region and promote economic development within the Borough; and

**WHEREAS**, Ravn Air Group has filed for bankruptcy and has stopped providing air service to the communities of Cold Bay, Sand Point and Unalaska; and

**WHEREAS**, the Assembly recognizes the need and urgency to have an air carrier provide regularly scheduled service to the region; and

**WHEREAS**, at the October 10, 2019 Assembly Meeting the Assembly approved Resolution 20-23 authorizing the disposal of the real property via negotiations with the airlines; and

**WHEREAS**, at the May 14, 2020 Assembly Meeting the Assembly approved Emergency Ordinance 20-10 authorizing the Mayor to negotiate and execute a sublease within the Cold Bay Terminal for air transportation services; and

**WHEREAS**, Emergency Ordinance 20-10 became effective immediately upon adoption and only remains in effect for 60 days; and

**WHEREAS**, Ordinance 20-11 authorizing the Mayor to negotiate and execute a sublease within the Cold Bay Terminal for air transportation services will supersede Emergency Ordinance 20-10 and remain in effect in perpetuity; and

**WHEREAS**, AEBMC Sec. 2.16.020 provides that “[t]he Mayor shall... (A) Direct and supervise the business of the borough to assure that all ordinances and resolutions are executed; and

**WHEREAS**, AEBMC Sec. 50.10.090 provides that “[t]he mayor may establish procedures and forms for the processing of requests, applications and disposals under this chapter.

**NOW THEREFORE, BE IT ENACTED:**

Section 1.     Classification. This is a non-code ordinance.

Section 2.     Authorization to Lease. Based upon the above findings, the Mayor is authorized to negotiate and execute a sublease with Alaska Airlines for a portion of the Cold Bay Terminal and adjacent apron located on the Cold Bay Airport, in Section 36, Township 57 South, Range 89 West, Seward Meridian, within the Aleutian Island Recording District, Third Judicial District, Alaska; Lot 1A, Block 23 consisting of approximately 66,688 square feet of land, as generally depicted in Exhibits “A.”

Section 3.     Minimum Essential Terms and Conditions. The sublease is subject to the following minimum essential terms and conditions:

- (a) The sublease shall be subject to the covenants, provisions, conditions, and base terms of the Lease Agreement ADA-08250, “Base Lease” between the State of Alaska, Department of Transportation and Public Facilities and the Borough;
- (b) The term of this sublease is contingent on the Borough’s Base Lease extension with the State of Alaska;
- (c) The leased property shall be used by Alaska Airlines for the purpose of providing Air Transportation which consists of the carriage of persons, property, cargo and mail by aircraft and associated services;
- (d) The sublease term will be determined during the negotiations with the airlines.
- (e) The sublease rents, fees, and charges will be determined by calculating the terminal area rentals and fees and will be finalized after the negotiations with the airlines. The sublease rents, fees and charges will not be less than market value.
- (f) Alaska Airlines shall be responsible for obtaining all necessary permits and approvals for its operations on the leased property;
- (g) Alaska Airlines shall, to the fullest extent of the law, indemnify, defend, and hold harmless both the Borough and the State of Alaska, their

agents, elected officials, volunteers, and employees from and against any and all claims related to or arising out of Alaska Airlines' use of the leased property; and

- (h) The sublease shall include all provisions of Borough Code of Ordinances not in conflict with this ordinance; and any other provisions that the Borough Mayor determines to be in the public interest.

Section 4. This Ordinance shall take effect upon adoption by the Aleutians East Borough Assembly and will supersede Emergency Ordinance 20-10.

INTRODUCED: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

ALEUTIANS EAST BOROUGH, ALASKA

\_\_\_\_\_  
Alvin D. Osterback, Mayor

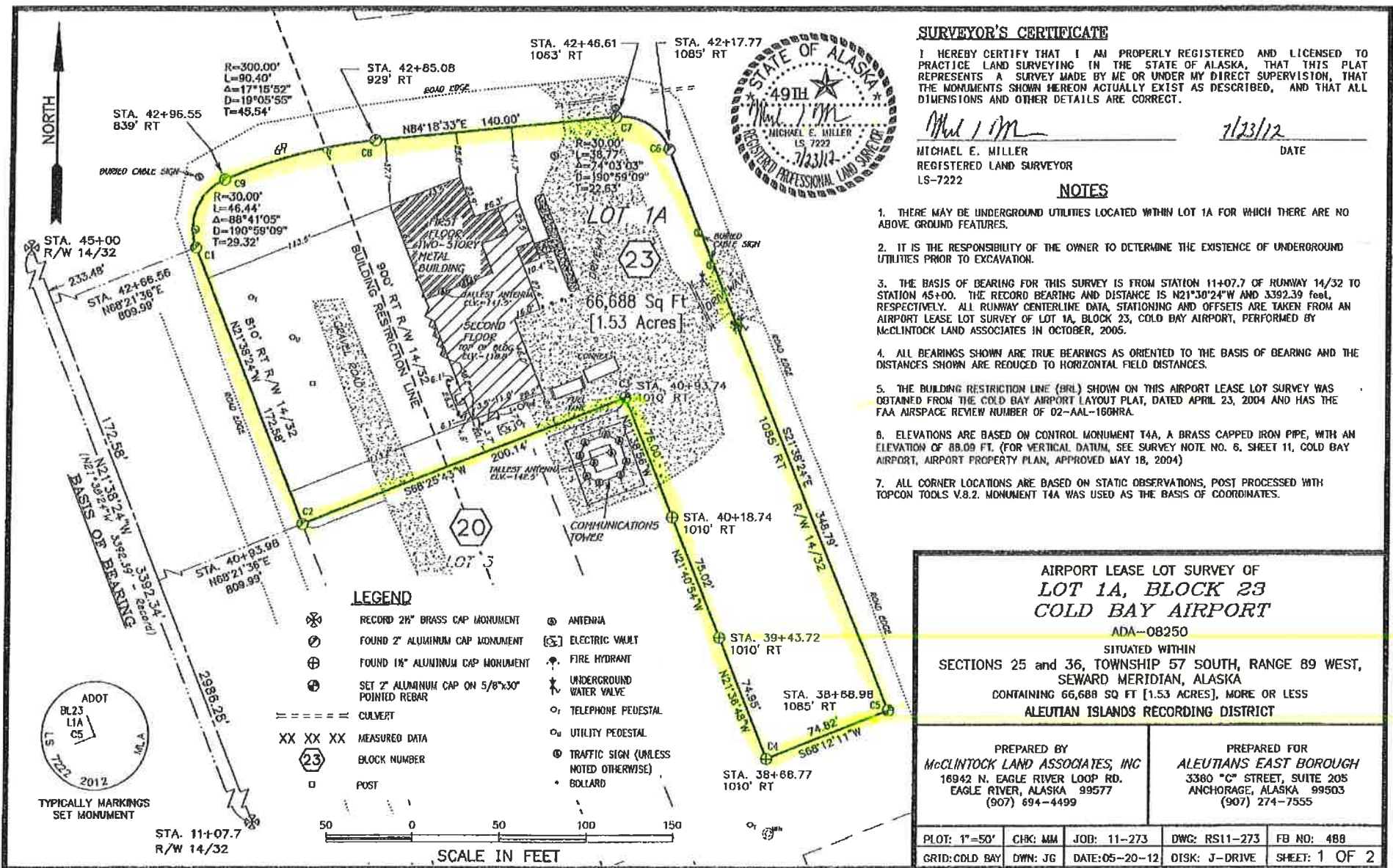
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Tina Anderson, Clerk

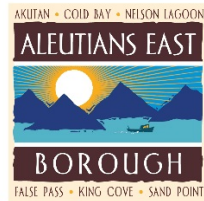
Date: \_\_\_\_\_

## Exhibit A



# Resolutions





## AGENDA STATEMENT

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

Date: May 20, 2020

Re: **Resolution 20-64, Authorizing the Mayor to Appropriate the FY21 Permanent Fund Earnings to Designated Projects**

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The Borough is authorized to appropriate funds from the Permanent Fund Account to the General Fund. The Assembly in its discretion and consistent with Chapter 6.04.041 of the Borough Code, may in any fiscal year, appropriate an amount not to exceed four percent (4%) of the five-year average fund market value, to be computed using the five (5) prior calendar years market value. This was done to attempt to smooth the effects of market volatility and preserve the purchasing power of the fund.

Over the past few years the Borough has been appropriating the earnings from the Permanent Fund and then appropriating the earnings to projects. These projects and their corresponding appropriations are entered into Fund 20.

Administration has discussed the distribution of the Permanent Fund Earnings in FY21 with Alaska Permanent Capital Management (APCM). APCM stated “Although market volatility has been extremely high, these types of moves were simulated during the strategic planning process because we know the markets can experience exogenous shocks such as COVID-19. The moves we have seen thus far are within those modeling parameters indicating the permanent fund’s ability to achieve long term return objectives has not been derailed.” Therefore, contingent upon the approval of Ordinance 20-09, which adopts the operating and capital budget for the Aleutians East Borough (“Borough”) Fiscal Year 2021, Administration recommends the distribution of \$1,724,449 in Permanent Fund Earnings in FY21 for designated projects.

Borough Administration recommends appropriation of the Permanent Fund Earnings to projects outlined in the:

1. Borough’s Strategic Plan
2. Borough’s Maintenance Needs
3. Community Budget Request Items

The recommended appropriations of the Permanent Fund Earnings are as shown below:

**City of Akutan Tsunami/  
Community Center      \$100,000 Addition to Fund 20 for an Akutan Tsunami/  
Community Center**

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for an Akutan Tsunami/Community Center. This was requested by the City of Akutan through the budget request process. These funds would be appropriated from the FY21 Permanent Fund Earnings.

**City of Cold Bay  
Community Education  
Support:      \$41,200 Addition to Sub Department 516 Cold Bay Preschool  
Line Item E 20-516-209-475 Supplies**

Propose adding \$41,200 to Line Item E 20-516-209-475 Supplies for the Cold Bay Preschool. This was requested by the City of Cold Bay through the budget request process. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**City of Cold Bay  
Loader Purchase:      \$10,000 Addition to Fund 20 for a Cold Bay Loader**

Propose adding a Department Line Item to Fund 20 in the amount of \$10,000 for a Cold Bay Loader. This was requested by the City of Cold Bay through the budget request process. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**City of False Pass  
Front End Loader:      \$22,152 Addition to Fund 20 for a False Pass Front End  
Loader**

Propose adding a Department Line Item to Fund 20 in the amount of \$22,152 for a Front-End Loader. This was requested by the City of False Pass through the budget request process. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**City of King Cove  
Delta Creek Turbine  
Runner Replacement:      \$51,648 Addition to Fund 20 for the Delta Creek Turbine  
Runner Replacement**

Propose adding a Department Line Item to Fund 20 in the amount of \$51,648 for the Delta Creek Turbine Runner Replacement. This would partially fund the City of King Cove's \$225,000 request for this project through the budget request process. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**Cold Bay Clinic:      \$75,000 Addition to Sub Department 209 AEB Grant Line  
Item E 20-520-209-850 CAPITAL CONSTRUCTION**

Propose adding \$75,000 to Line Item E 20-520-209-850 CAPITAL CONSTRUCTION for the Cold Bay Clinic. This project is on the Borough's strategic plan. Due to COVID-19, the Borough postponed the project until 2021. The \$75,000 addition would cover the cost increase due to the delay in the project. The funds would be appropriated from the FY 21 Permanent Fund Earnings.

**Deferred Maintenance:           \$250,000 Addition to Fund 20 for Deferred Maintenance**

Propose adding a Department Line Item to Fund 20 in the amount of \$250,000 for Deferred Maintenance Projects. This project is on the Borough's strategic plan. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**Fisheries Research               \$150,000 Addition to Fund 20 for Fisheries Research**

Propose adding a Department Line Item to Fund 20 in the amount of \$150,000 to help with Fisheries Research. Fish research is on the Borough's strategic plan. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**Sand Point and Akutan Harbor Floats:           \$800,000 Addition to Fund 20 for the Sand Point and Akutan Harbor Floats**

Propose adding \$800,000 to Fund 20 for the Sand Point and Akutan Harbor Floats. This project is on the Borough's strategic plan and can be used as a match to federal and state grants. The funds would be appropriated from the FY 21 Permanent Fund Earnings.

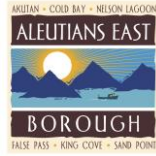
**Sand Point School:               \$100,000 Addition to Sub Department 807 Sand Point School Grant Line Item E 20-807-209-462 Sand Point School**

Propose adding \$100,000 to Fund 20 for the Sand Point School. The Borough is applying for a DEED grant for rehabilitating the Sand Point School. If the grant is approved a 35% match will be required. These funds would be applied to the match. This project is on the Borough's strategic plan. The funds would be appropriated from the FY21 Permanent Fund Earnings.

**Project Contingency:           \$124,449 Addition to Sub Department 866 AEB Projects to Line Item E 20-866-209-888 PROJECT CONTINGENCY**

Propose adding \$124,449 to Line Item E 20-8660209-888 PROJECT CONTINGENCY. Having funds in this line item for unanticipated projects and needs has been extremely valuable. The

funds would be appropriated from the FY 21 Permanent Fund Earnings.



## **RESOLUTION 20-64**

### **A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO APPROPRIATE THE FY 2021 PERMANENT FUND EARNINGS TO DESIGNATED PROJECTS**

**WHEREAS**, the Borough Assembly in its discretion and consistent with Chapter 6.04.041, may in any fiscal year, appropriate an amount not to exceed four percent (4%) of the five-year average fund market value, to be computed using the five (5) prior calendar years market value; and

**WHEREAS**, the Permanent Fund Earnings can be appropriated to projects within the Borough; and

**WHEREAS**, Alaska Permanent Capital Management has determined that the Permanent Fund Earnings distribution for FY 2021 is \$1,724,449; and

**WHEREAS**, the Borough approved Ordinance 20-09 which adopts the operating and capital budget for the Aleutians East Borough (“Borough”) Fiscal Year 2021 and approves the FY 2021 Permanent Fund Earnings distribution in the amount of \$1,724,449; and

**WHEREAS**, Borough Administration recommends that the Permanent Fund Earnings be distributed to projects outlined in the Borough Strategic Plan, Borough maintenance needs and a few Community Budget Requests.

**NOW THEREFORE, BE IT RESOLVED**, the Aleutians East Borough Assembly authorizes the Mayor to appropriate the FY 2021 Permanent Fund Earnings in the amount of \$1,724,449 to the projects outlined in Exhibit A.

**PASSED AND ADOPTED** by the Aleutians East Borough on this 28<sup>th</sup> day of May, 2020.

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Alvin D. Osterback, Mayor

ATTEST:

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Tina Anderson, Clerk

**FY 21 Permanent Fund Earnings  
Appropriation Recommendations**

<b>Project</b>	<b>Amount</b>
City of Akutan – Akutan Tsunami/Community Shelter	\$100,000.00
City of Cold Bay – Community Education Support	\$41,200.00
City of Cold Bay – Loader Purchase	\$10,000.00
City of False Pass – Front End Loader	\$22,152.00
City of King Cove – Delta Creek Turbine Runner Replacement	\$51,648.00
Cold Bay Clinic	\$75,000.00
Deferred Maintenance	\$250,000.00
Fisheries Research	\$150,000.00
Sand Point and Akutan Harbor Floats	\$800,000.00
Sand Point School	\$100,000.00
Project Contingency	\$124,449.00
<b>TOTAL</b>	<b>\$1,724,449.00</b>

\*This value is 4% of the permanent fund distribution amount and is based off APCM's reading of the Borough ordinance (5-year average market value assuming fiscal year end 6/30).

Memo

To: Mayor Osterback, Aleutians East Borough Assembly  
Re: Resolution 20-65, Approval of a Plat of Hoodoo Fishing Lodge Airstrip  
Date: May 22, 2020  
From: Ernie Weiss, Natural Resources Director

Attachments: Resolution 20-65; Plat of Hoodoo Fishing Lodge Airstrip.

The Assembly convened as the AEB Platting Board, per AEB Municipal Code section 40.05.105a, on May 14<sup>th</sup> to consider the Plat of Hoodoo Fishing Lodge Airstrip. The Plat is adjacent to US Survey 9314 and includes two tracts, A & B totaling 18.31 acres. The Platting Board was provided a document showing Nelson Lagoon control and ownership of IC 167. AEB Staff also have documents showing ownership of US Survey 9314 by Hoodoo Lodge. Hoodoo Lodge owner Rod Schuh purchased the property in 2006.

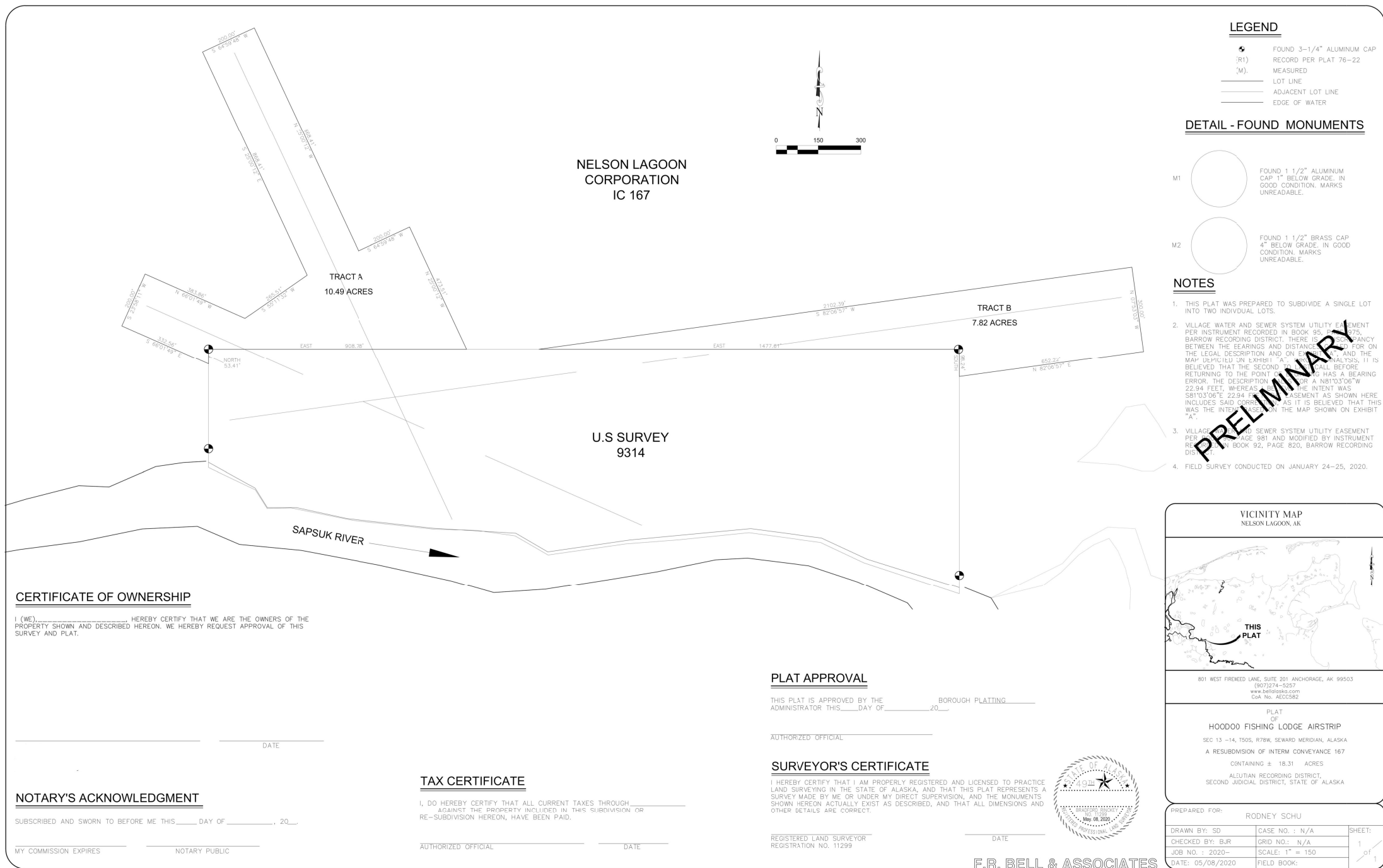
The Platting Board forwarded the Plat to the Assembly for approval at the May 28<sup>th</sup> meeting.

During this process I have corresponded with Paul “Butch” Gundersen, President of the Nelson Lagoon Corporation and with Rod Schuh. Mr. Gundersen also addressed the Platting Board on May 14<sup>th</sup>. Both organizations support Assembly approval of the plat, hoping to expedite the sale of Tracts A & B to Hoodoo Lodge for improvements to the multi-directional airstrip at the site.

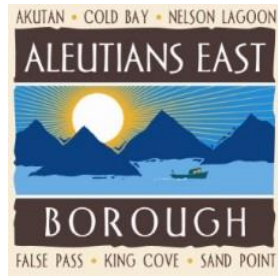
Mr. Schuh hopes to take advantage of an expected near-cancellation of the 2020 sport fishing season at the lodge due to COVID-19, and make use of some of the down-time making improvements to the airstrip. Hoodoo lodge will be required to obtain an AEB Resource Development Land Use Permit before improvements are permitted.

Upon Assembly adoption of Resolution 20-65 approving the plat, a mylar copy of the plat with the surveyor seal will be readied for signatures by Mayor Osterback, Anne Bailey and Paul Gundersen, and notary. The fully signed plat will be registered with the Alaska DNR and the Bureau of Land Management.

AEB staff recommend adoption of AEB Assembly Resolution 20-65.







## **RESOLUTION 20-65**

### **A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY APPROVING A PLAT OF HOODOO FISHING LODGE AIRSTRIP, A RESUBDIVISION OF INTERIM CONVEYANCE 167.**

**WHEREAS**, all platting within the Geographic Scope of the Aleutians East Borough requires Assembly approval; per AEB Municipal Code section 40.01.030, and

**WHEREAS**, the Nelson Lagoon Corporation working with Hoodoo Lodge commissioned that Nelson Lagoon Corporation Land of Interim Conveyance 167 near US Survey 9314, owned by Hoodoo Lodge, within T50S R78W, Seward Meridian, Alaska be surveyed and platted by Land Surveyor Bradford Rinckey, attached here as Plat of Hoodoo Fishing Lodge Airstrip (Plat), and

**WHEREAS**, the Plat subdivides Tracts A and B of Interim Conveyance 167 adjacent to US Survey 9314, totaling approximately 18.31 acres, and

**WHEREAS**, approval of the Plat will facilitate the sale of Tracts A and B by the Nelson Lagoon Corporation to Hoodoo Lodge for the purpose of Hoodoo Lodge making improvements to the multi-directional airstrip at the site, contingent on approval of an Aleutians East Borough Resource Development Land Use Permit, and

**WHEREAS**, the Nelson Lagoon Corporation and Hoodoo Lodge support the approval of the Plat, and

**WHEREAS**, the Aleutians East Borough Assembly met as the Aleutians East Borough Platting Board on May 14, 2020, approving the Plat to be forwarded to the Assembly for final approval.

**NOW THEREFORE BE IT RESOLVED**, the Aleutians East Borough Assembly hereby approves the attached Plat of Hoodoo Fishing Lodge, a Resubdivision of Interim Conveyance 167.

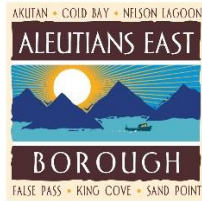
Approved and Adopted this \_\_\_\_day of May 2020.

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**Alvin D. Osterback, Mayor**

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**Tina Anderson, Clerk**



## AGENDA STATEMENT

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

Date: May 21, 2020

Re: **Resolution 20-66, Accepting Coronavirus Relief Funds in the amount of \$3,723,853.74 for costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease (COVID-19), from the Alaska Department of Commerce, Community and Economic Development**

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The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by President Trump on March 27, 2020. The CARES Act established the Coronavirus Relief Fund (“Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories; and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that

1. are necessary expenditures incurred due to the public health emergency with respect to COVID-19;
2. were not accounted for in the budget most recently approved as of March 27, 2020 for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

The Alaska Legislative Budget and Audit Committee has approved the Governor’s proposed distribution plan for CARES Act funding to local governments. Therefore, the Borough has been allocated the following amounts:

First Payment:	\$1,458,775.74
Second Payment:	\$1,132,539.00
Third Payment:	\$1,132,539.00
Total:	\$3,723,853.74

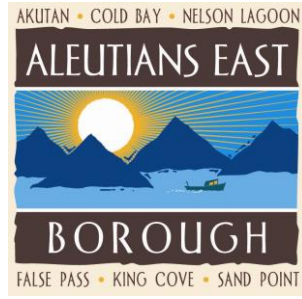
Should the Borough choose to accept these monies, the funds will be distributed following the execution of a grant agreement with the State and approval of this Resolution. Once the funds are received the Borough will deposit them in a designated AMLIP portfolio to closely track expenses and any earned interest. Consistent with the terms of the grant agreement, the Borough will be required to submit a report and provide evidence that it has spent 80% of the first distribution before the next distribution will become available. Therefore, the Borough will have to spend \$1,167,021 of the first payment to receive the second payment.

Administration is in the process of determining how these funds can be used. Our understanding is that these funds can be used to support schools, hospitals, non-profits, businesses and individuals in need (if they meet specified criteria) and can be transferred to communities. It is very clear these funds cannot be used to replace lost revenue and will not make up for the vetoes the Governor had proposed using the CARES Act funds for.

The Borough initially plans on using CARES Act funds to cover expenditures related to:

1. Salary and fringe benefit costs for employees who spend 51% or more of their time on COVID-19 related items.
2. Reimbursement for any legal fees associated with COVID-19.
3. Personnel Protection Equipment, Supplies and other items related to COVID-19.

Other items are being researched and discussed and will be presented at a later date.



## Resolution Number 20-66

### Resolution for Acceptance of Coronavirus Relief Funds

**A** RESOLUTION of the Aleutians East Borough accepting Coronavirus Relief Funds in the amount of \$3,723,853.74 for costs that are for necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19), from the Alaska Department of Commerce, Community and Economic Development (hereinafter “Department”).

**W**HEREAS, the Aleutians East Borough Assembly wishes to provide the above described funds for the Aleutians East Borough.

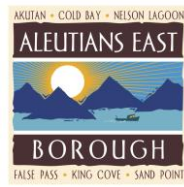
**PASSED AND APPROVED BY** a duly constituted quorum of the Aleutians East Borough this 28<sup>th</sup> day of May, 2020.

#### IN WITNESS THERETO:

By: \_\_\_\_\_  
Alvin D. Osterback, Mayor

Attest: \_\_\_\_\_  
Tina Anderson, Clerk

**OLD BUSINESS**



## Memorandum

Date: May 19, 2020

To: Mayor Osterback and Assembly

From: Anne Bailey, Administrator

### **Re: City of Sand Point Anchorage Airport Interdiction Team Officer**

The City of Sand Point is requesting \$93,162 from the Aleutians East Borough to fund an officer for the Anchorage Airport Interdiction Team (AAIT). Funding this position was discussed at the May 14, 2020 Assembly Meeting and the Assembly requested additional information prior to making a decision.

The City Administrator of Sand Point provided the following information:

The AAIT is led by the State Troopers, but Investigator Slease is a Sand Point employee who works with the Troopers and various federal agencies like the FBI, ATF (Bureau of Alcohol, Tobacco, Firearms and Explosives) and so on.

### **Who funds this position?**

The first three years of this position was funded by a federal COPS grant, with the City paying all overtime costs and the additional Worker's Compensation and Police Liability insurance premiums required for the position. The position is currently funded by the FY 20 AEB Community Grant program through September 30.

### **What does this position do? Where is the individual stationed etc...?**

Investigator Slease has been assigned to the Statewide Drug Task Force at Ted Stevens International Airport (TSIA) since early 2018. Inv. Slease conducts investigations involving drug trafficking through all Anchorage airports by means of passenger, cargo, mail, UPS/Fedex, AMHS and charter air service. With the demise of scheduled passenger service to the region, his focus has shifted to air taxi services; however, TSIA is still an area of focus and remains the unit's headquarters.

### **Who does the position serve?**

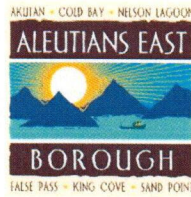
Inv. Slease has investigated and made several arrests in cases throughout the Borough, including several cases prior to the Aleutians East Borough funding the position in October 2019. Today, Inv. Slease's primary object is the AEB and its communities, however, he also works cases that are outside of the Borough as well. Many of the nine other investigators that work out of the office at TSIA assist on cases and tips provided to the task force by community members across the Borough. Given the small population of the state and limited drug network, an arrest in Anchorage or the Bristol Bay region often has an impact on the flow of drugs into Borough communities.

### **Who supervises this position?**

Inv. Slease is supervised and reports locally in Anchorage to the Sergeant in charge of the task force at TSIA. Overall supervision is by Chief Henning of the Sand Point Police Department. Chief Henning and supervisors and commanders of the task force work closely together to achieve the objective to reduce trafficking to Sand Point and other Borough communities.

The request from the City of Sand Point is also attached for the Assembly's review. Please note, the Borough Administrator received this request on May 6, 2020 which was after the March 16, 2020 Community Budget Request deadline and therefore, was not included in the community budget request funding process.

If the Assembly chooses to fund this position Administration recommends appropriating funds from the Project Contingency Line Item (E 20-866-209-888). This can be done via a motion by the Assembly.



## **Aleutians East Borough Community Budget Request Form**

**Project Title:** City of Sand Point Anchorage Airport Interdiction Team Officer

**Community Priority:** 1

**Recipient:** City of Sand Point

**FY 2021 Borough Funding Request:** \$93,162

**Brief Project Description:**

Investigator Slease is attached to the Anchorage Airport Interdiction Team (AAIT) and works to stem the flow of drugs into Sand Point and other borough communities.

**Funding Plan:**

Total Project Cost: \$93,162  
Funding Already Secured: 0  
FY2021 Borough Funding Request: \$93,162  
Project Deficit:  
\$93,162

**Explanation of Other Funds:**

The city may be able to contribute a small portion, but not a majority of costs.



**Detailed Project Description and Justification:**

Inv. Slease is attached to the AAIT and works the multi-jurisdictional task force to stop the flow of drugs into the the region. The AAIT is led by the State Troopers and works with various local, state and federal agencies. Inv. Slease has interdicted drugs going into three communities in the borough and arrested dealers in Anchorage who distribute drugs in the region. His position not only benefits Sand Point, but every community in the borough.

**Project Timeline:**

Inv. Slease is currently funded through September 30, so there would be no start-up period.

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

City of Sand Point

**Supporting Documentation:** Please attached any supporting documentation to this form (i.e. engineering cost estimates, resolutions of support, etc....).

**Grant Recipient Contact Information:**

**Name:** Jordan F. Keeler

**Address:** 3380 C St, Suite 205 Anchorage, AK 99503

**Phone Number:** 907.274.7561

**Email:** jkeeler@sandpointak.org

**This project has been through a public review process at the local level and it is a community priority.**

### Investigator Slease Position Cost

Wages:	\$67,080
Medical:	\$12,000
PERS:	\$4,020
Overtime:	\$10,062
Total:	\$93,162

(Note that overtime is budgeted, but will only be used on an as-needed basis.)



May 6, 2020

Mayor Alvin Osterback  
Aleutians East Borough  
PO Box 349  
Sand Point, AK 99661

Dear Mayor Osterback and Assembly Members,

I am requesting that the Aleutians East Borough continue the funding of Investigator Thomas Slease in his position with the Anchorage Airport Interdiction Team. Inv. Slease has played a critical role in the fight against drug importation into Sand Point and other communities within the Borough. He has been responsible for numerous arrests that directly led to the seizures of drugs headed Sand Point, King Cove, and Cold Bay. The impact of his work is evident in the decreased drug use in Sand Point and increase of drug prices in our city, and I am sure that the same can be said for other borough communities. With the likely arrival of an Alaska Airlines flight that will serve the region and serve as a staging area for Unalaska, the passenger volume and demand for drugs will likely increase and Cold Bay will serve as the main conduit for drugs and traffickers.

The City of Sand Point has worked hard to rebuild its police department to address the drug issue that had become pervasive in our community and Inv. Slease has been a key figure in fighting the flow of drugs and traffickers into our community and the borough as a whole. Our request for funding to keep Inv. Slease on our staff will benefit Sand Point and every single community in the Borough. I want to thank you and the Assembly again for your support and dedication to ensuring the health and safety our residents and others in the region.

Sincerely,

Mayor Glen Gardner, Jr.



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

## Department of Public Safety

DIVISION OF ALASKA STATE TROOPERS  
Office of the Director

5700 East Tudor Road  
Anchorage, Alaska 99507-1225  
Main: 907.269.5641  
Fax: 907.269.5079

May 5, 2020

Mayor Alvin Osterback  
Aleutians East Borough  
3380 C Street Suite 205  
Anchorage, AK 99503

Dear Mayor Alvin Osterback,

I wanted to write to express my appreciation for Investigator Thomas Slease being assigned to the Anchorage Airport Interdiction Team (AAIT) and in support of his position being funded for another year. The investigations conducted by the members of AAIT are extremely important in combatting the trafficking of illicit drugs in the State of Alaska. Below are just a few examples of the cases that Investigator Slease has worked over the last year. Many of these are specific to the Aleutians East Borough. I have also included a few examples of the Anchorage seizures made by AAIT. The ultimate destination may not be known; however, it is fair to say that a lot of the drugs that were intercepted coming into Anchorage would have made their way to rural Alaska. I also included a few cases with drugs destined for other rural communities in Alaska.

### **March 2019**

Seized 431 grams of heroin from out of state to Anchorage

### **April 2019**

Seized 22 grams of heroin and a loaded handgun destined for Dutch Harbor

Seized 3 grams of methamphetamine and .2 grams heroin destined for King Cove

### **June 2019**

Seized 2,960 grams of heroin and 1,534 grams of methamphetamine seized from an Anchorage drug dealer who was distributing statewide

### **July 2019**

Seized 2,119 grams of heroin from out of state to Anchorage for distribution statewide

### **August 2019**

Seized 3 grams heroin destined for Cold Bay

Seized 295 grams heroin from out of state to Anchorage

Seized 3 grams heroin and .3 grams methamphetamine destined for King Cove

Seized 385 grams heroin from out of state to Anchorage for distribution statewide

### **September 2019**

Investigated an overdose death in Sand Point involving Fentanyl and Oxycodone and arrested four suspects for Misconduct Involving a Controlled Substances (MICS) and Manslaughter.

Seized 1 gram heroin from Anchorage to Sand Point

Seized 1 gram methamphetamine, .5 gram heroin, and 2 grams mushrooms from known Sand Point drug dealers in a hotel in Anchorage

### **October 2019**

Seized 20 grams methamphetamine and 10 grams heroin from Sand Point based drug dealer at a hotel in Anchorage

### **November 2019**

Seized 5.8 grams methamphetamine and 2.2 grams heroin destined for King Cove

Seized 3,816 grams of methamphetamine from out of state to Anchorage to be distributed statewide

Seized 19 grams of methamphetamine and 2 grams of heroin destined for Sand Point

Seized 1,745 grams of heroin from a hotel in Anchorage, which was being distributed statewide

### **December 2019**

372 grams of heroin purchased from an Anchorage drug dealer for distribution statewide

### **January 2020**

Seized 3,190 grams of methamphetamine and 2,828 grams of heroin from an Anchorage drug dealer, which was being distributed statewide

### **February 2020**

Seized 70 grams of heroin destined for Kodiak

Seized 72 bottles of distilled spirits destined for Emmonak.

One statistic that is never truly captured is the deterrence effect of having a team of highly skilled Investigators working these kinds of cases that reach every community. Word travels fast and even those cases that do not directly touch the Aleutians East Borough do make an impact there in one way or another.

In closing, the above list is a limited example of the investigations that Investigator Slease has been involved in as a member of AAIT. I cannot overemphasize how important his work is to the rest of rural Alaska. Along with the other members of the AAIT, Investigator Slease continues to work every flight that departs to the Aleutians East Borough looking for drug traffickers. He is relentless and is making a huge impact for the region. I truly appreciate his contribution to AAIT and thank the City and Borough for their continued contribution in combatting drug trafficking.

Sincerely,



Lieutenant Cornelius A. Sims

Deputy Commander

Statewide Drug Enforcement Unit

cc: City of Sand Point

Captain Andrew Gorn, Commander, Alaska Bureau of Investigations

Next Meeting Date

# Adjournment