

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Assembly meeting to order by teleconference on May 13, 2021 at 3:00 p.m.

ROLL CALL

Mayor Alvin D. Osterback	Present
Chris Babcock	Present
Carol Foster	Present
Warren Wilson	Present
Josephine Shangin	Present
Paul Gronholdt	Present
Brenda Wilson	Present
Denise Mobeck	Present

Advisory Members:

Dailey Schaack, Cold Bay	Present
Samantha McNeley, Nelson Lagoon	Absent
Tom Hoblet, False Pass	Absent

A quorum was present.

Staff Present:

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

Adoption of the Agenda:

Hearing no amendments or objections the agenda was accepted as presented.

Community Roll Call and Public Comments on Agenda Items:

For the purpose of following the mandates of social distancing and protecting the public health, the offices are not open to the public. Meeting also broadcast on KSDP radio.

The Communications Director, Laura Tanis, will read any Public Comments submitted by e-mail.

*City of Sand Point Mayor James Smith said, the City of Sand Point would like to thank the Borough for their consideration of the City's FY 22 budget cycle request. As an update to the application, the City received Bond Bank approval to issue a revenue bond for the full value of the new travel lift. The bond issuance will take place shortly and the City has already secured its place in the travel lift construction queue. The City expects the travel lift to ship from the manufacturer in late October. Thank you again for your assistance.*

**Conflict of Interests:**

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. There were no conflicts on agenda items. Chris noted the proposal put in for donation request for fire rescue squad will not financially benefit him. Mayor said no conflict.

**Minutes, April 8, 2021:**

**MOTION**

WARREN moved to approve the April 8, 2021 Assembly Meeting Minutes and second by CHRIS.

Hearing no objection **MOTION CARRIED.**

**March, 2021 Financial Report:**

**MOTION**

WARREN moved to approve the December Financial Report and second by CHRIS.

Administrator Bailey said March financials tracking along, 8 months into budget cycle. Fish tax revenue at \$2.1M, 5-year average is around \$3.28M.

PAUL said revenues overall is 68.6%. He requested a more up-to-date amount at the next regular meeting.

**ROLL CALL**

Yeas: Chris, Josephine, Paul, Denise, Warren, Brenda, Carol. Advisory: none  
Nay: None

**MOTION CARRIED**

**March, 2021 Investment Report:**

In packet.

**MOTION CARRIED**

**CONSENT AGENDA**

- Resolution 21-45, authorizing the Mayor to execute and contract with Moffatt & Nichol to assist in preparing a 2021 RAISE Grant Application and Benefit Cost Analysis for Akutan Harbor Float Project, not to exceed \$16,413.

- Resolution 21-46, authorizing the Mayor or designee to negotiate and execute an agreement for managed information technology services with ICE Services, Inc. for an amount not to exceed \$32,690.
- Resolution 21-47, recognizing the importance of Community Health Aides (CHA) and supports Alaska House Bill 198, which would establish Sept. 10 as Alaska CHA Appreciation Day.
- Resolution 21-48, supporting the completion of the Akutan Harbor and Sand Point Harbor Floating Dock Project.

**MOTION**

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

Resolution 21-45 authorizes a RAISE grant application by Moffatt & Nichol for Akutan harbor float structure. Moffatt & Nichol is doing applications for floats systems and feel this grant is a good fit for Akutan in an amount not to exceed \$16,000.

Resolution 21-46 authorizes agreement for technology services by ICE Services, Inc. for an amount not to exceed \$32,690, continuing services through FY22.

Resolution 21-47 recognizes the importance of Community Health Aides (CHA). They play an important role and provide health care to our residents and should be recognized. If approved HB 198 will establish September 10 as CHA day.

Resolution 21-48, supports the completion of Akutan and Sand Point harbor floats. This resolution will be submitted with grant applications for harbor projects.

**ROLL CALL.**

Yeas: Carol, Paul, Josephine, Chris, Brenda, Denise, Warren. Advisory: None

Nay: None

**MOTION CARRIED**

**ORDINANCES**

Introduction Ordinance 21-11, adopting the operating and capital budget for the Aleutians East Borough Fiscal Year 2022.

**MOTION**

DENISE moved to accept Introduction Ordinance 21-11 and set for Public Hearing at the May 27, 2021 Special Assembly Meeting. Second by BRENDA.

Administrator reviewed the Agenda Statement for the operating and capital budget for FY22. Due to changes within fisheries and COVID-19, we anticipate a decrease in FY22 raw fish tax revenue. In FY21 we anticipated \$3M, and FY21 may possibly be the worst since 2010. Resources

Dept. and Administration is proposing a conservative projection for FY22. There may also be COVID-19 impacts. FY22 can be amended later if budget exceeds expectation.

All departments have reviewed their budgets. Salaries will remain the same, zero increases. For the preceding fiscal year, the Consumer Price Index is a -1.1.

Fringe benefits anticipate a 5% increase, which include Medicare ESC, PERS and, and medical insurance costs. We haven't received the final insurance costs, but believe this is a good estimate.

The School District is requesting \$800,000 and an additional \$150,000 for their general fund. \$35,000 for scholarships and \$20,000 student travel, totaling \$1,005,000. The proposed budget reflects a contribution of \$855,000. If the Assembly would like to increase the contribution a motion will need to be made.

CAROL suggested waiting to see if the School District needs it. Feels more comfortable staying with what is in the proposed budget and adjust later, if necessary.

PAUL said the State shared fish tax revenue court case settled recently and asked how it plays into keeping our budget whole. The Administrator said it is the shared landing tax, which is a small portion in our budget.

Mayor Osterback added that was a lawsuit put forth by catcher processors, saying Alaska didn't have a right to tax for pass through fish. Court determined Alaska can. It would have hurt revenues in places like Dutch Harbor, but AEB does not have many landings.

The Administrator said we expect FY22 revenues to be \$5.45M, and expenditures \$6.615M.

PAUL said the budget is the most important thing the Assembly does. In two weeks when we adopt, there is always different ways to look at things.

The Administrator added Fund 22, transfer to helicopter is \$755,305; and Cold Bay terminal will break even.

The proposed budget deficit is -\$1.912M.

Recommend to take the balance out of the Fund Fund balance as a short term solution. Other options is to start to change expectations on projects we work on and adjust what we spend. Obligated to education, King Cove road maintenance, helicopter, EAT contribution, and a few other things that we are obligated to do.

Page 21 is the projects proposed for FY22 Permanent Fund earnings, appropriating \$1,751,265. Of that, \$327,597 to go to the communities. Community projects listed in packet.

Mayor Osterback said what Administrator Bailey has put together with the \$1.9M shortfall he is comfortable we have the funding for this fiscal year. We plan to schedule a workshop, in the future, to thoroughly review AEB financials and required expenditures and see if we need to change direction and cut back on some projects.

PAUL said in two weeks we finalize the budget and suggested weighing options and deferring some projects to next year so we don't have a \$1.9M deficit hanging on the budget.

**ROLL CALL.**

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

Nay: None

**MOTION CARRIES**

RESOLUTIONS

OLD BUSINESS *None*

NEW BUSINESS

Donation Requests:

The Administrator recommended the following donation requests:

Donations requests from FY21 budget:

City of Sand Point Community Clean-Up	\$1,000
Janice Shuravloff Memorial Easter Egg Hunt	\$400

TOTAL:	\$1,400
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Donation Requests from FY22 budget:

QTT Culture Camp	\$6,000
City of Cold Bay EMS	\$3,000
King Cove Fire & Rescue	\$3,000
Pink Rain Champagne cancer fund raiser	\$2,000

TOTAL:	\$14,000
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**MOTION**

PAUL moved to approve the donation recommendations in the amount of \$1,400 for FY21 and \$14,000 for FY22. Second by DENISE.

**ROLL CALL.**

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

Nay: None

**MOTION CARRIED**

REPORTS AND UPDATES

**Administrator's Report in packet. Highlights below:**

**CARES Act Funding Update:**

Received \$3,723,853, expended \$2,717,843. \$854,000 to go toward the Cold Bay terminal extension.

**Cold Bay Terminal:**

**Alaska Airlines:**

As requested, Lobbyist Brad Gilman and Congressional delegation tried to convince Alaska Airlines to continue Cold Bay stops. Essentially Alaska Airlines said it is no longer sustainable economically. They did request the language be left in as an EAS route, if services need to come back. TSA planning to leave the facility, in the least amount of disruption in terminal operation.

**Terminal Expansion:**

DOWL authorized to complete 35% design. DOWL also assisting with the construction contract solicitation and selection. Trying to get completed by December 31. Working through all requirements and proceeding forward.

**Cold Bay School:**

**Northern Edge 21 Military Exercise:**

The military arrived in Cold Bay May 2, an e-mail was sent out on what is occurring, and they are leasing the Cold Bay School for accommodations while conducting the exercise.

**Proposals of Interest for Cold Bay School:**

Two proposals received for the Cold Bay School. Working with State to determine what uses would be permitted.

**King Cove Road Update:**

No further notice on oral argument schedule.

State of Alaska is working on obtaining a Special Use Permit to allow field work by State DOT.

KCAP Group trying to set up a meeting with Secretary of Interior, Deb Haaland.

**Earmarks:**

Projects to be included for the Highway Bill are Akutan Harbor Access Road and King Cove Road projects. Cold Bay clinic will be on the Appropriation Committee request list.

**Essential Air Service (EAS):**

Essentially, to get EAS the service in that community can't exist. Now that service is being provided is not an option at this time.

**Nelson Lagoon Dock Repairs Project:**

Construction to begin in next couple days. Dock will be closed during construction.

**Assistant Administrator Report in packet. Highlights below**

Cold Bay Clinic:

Administrator Bailey travelled to Cold Bay. Reviewed all the potential lots for proposed new clinic project. Some are in our control and some out of control. DOWL travelled also. Will meet with all players to discuss and move forward with a site.

Sand Point School DEED Application:

DOWL submitted proposal for 35% design. Came back a little higher, but can do some in house. Gain points by updating narrative.

**Communications Director Report in packet. Highlights below:**

PR and Marketing Improvement Plan:

Submitted application for Rasmussen Foundation grant for website design project. RFP for website designer will be posted June 1.

Marine Highway Narrative:

Governor agreed to use Covid money to stabilize the ferry system and is proposing to fund 18 months, instead of 12, which prevents ferry service cuts through end of 2022.

E-News:

In-the-Loop and Fish News continue to go out.

**Natural Resources Director Report in packet. Highlights below:**

Fisheries Advocacy:

Will do an informal gathering for information from communities and Assembly to ascertain fisheries priorities.

ROFR:

BSAI Crab ROFR Agreement between Aleutia and processor, in the works.

NPFMC:

Looking for a couple participants from small communities off the road system to participate in the Council's Community Engagement Committee. Encourages anybody interested to please apply.

Main issue on next agenda is the BS/AI P-cod trawl catcher vessel limited access privilege program final action in October. Also looking at Gulf rationalization.

NPFMC October meeting will be an in-person meeting.

Board of Fisheries Governor's appointees:

All of the Board of Fisheries except for one were confirmed. Williams was not confirmed. Next year the other two will be up for reappointment or for someone else to fill their seats. We have contact plans for the Board members.

Humpback Whale Critical Habitat:

May 5 Fish News has link to Final Rule. Nelson Lagoon area is outside of critical habitat; King Cove partially outside; Sand Point and Akutan mostly inside.

**Assistant Natural Resources Director Report in packet. Highlights below:**

Electronic Monitoring (EM):

EFP Principal Investigator's putting together a draft interim report and a power point presentation for May 21 meeting. Will present a modified version of presentation for NPFMC.

NMFS announced Trawl EM Program regulations, originally to be in place by 2023, is now pushed to 2024 due to not enough time to complete an analysis.

WGOA Fixed-Gear EM Pilot Project:

Trawl fishermen that also participate in fixed gear fishery cannot participate in the fixed-gear EM program. Need to determine if we can use trawl EM cameras in the program. Will need reassurance the EM cameras will also work for fixed gear objective. She feels it will improve for long line and pot vessels. We have a solution to use EM for catch estimation instead of target species. Feels it will be cost effective and a great way to use our money better to be able to use cameras in other programs. Will pilot project in 2022 and have them regulated for 2023.

WGOA Data Portal Project:

No Pollock A season in 610. However, some vessels participated in the Central Gulf fishery providing data. Quarterly report submitted to Net Gains Alliance summarizing progress. If salmon are caught it automatically triggers an alert to fishermen to avoid the hotspots.

Kelp Mariculture Project:

Planning a field trip end of May and have posted for a vessel charter service for two trips, one in May and one in the fall. For siting and kelp sampling, \$12,000 per charter, 4-5 days each. Discussed 2nd phase-building a farm, with Alaska Sea Grant partner. Student curriculum also in the works.

Cod Tagging Project:

Link in packet report on project, tagging of Pacific cod with satellite and conventional tags in the Western GOA.

Two conventional tags have already been caught in jiggers around Sand Pt. And one satellite tag captured in Kodiak.

**Maintenance Director Report in packet:**

Report in packet.

ASSEMBLY COMMENTS

PAUL suggested considering in-person meeting sometime after July.



DAILEY said City of Cold Bay is interested in taking over the old school building. Northern Edge military exercise went well and next spring they plan to do the Arctic Edge, also using Cold Bay. Also, Ravn is working on trying to set up more flights. Big issue in Sand Pt. is no fuel station available yet.

**PUBLIC COMMENTS**

No public comments.

**NEXT MEETING DATE**

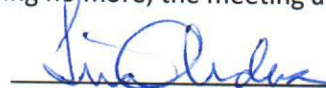
Special Assembly Meeting, May 27, 2021.

**ADJOURNMENT**

BRENDA moved to adjourn and second by CAROL. Hearing no more, the meeting adjourned at 4:31 p.m.

  
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Mayor Alvin D. Osterback

  
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Tina Anderson, Clerk

Date: 7/8/21