

Aleutians East Borough Assembly Meeting



Workshop: Thursday, November 14, 2019 – 1:00 p.m.

Meeting: Thursday, November 14, 2019 – 3:00 p.m.

Alaska Permanent Capital Management Presentation

In workshop only

ALEUTIANS EAST BOROUGH

INVESTMENT REVIEW

for the period ending September 30, 2019

Agenda

- 01 Market Review
- 02 Portfolio Review
- 03 Appendix



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

Account Summary as of September 30, 2019

Aleutians East Borough Permanent Fund

Account Inception	July 1993
Total Contributions	\$19,386,422
Cumulative Withdrawals <i>Includes custodial fees</i>	\$15,735,913
Current Market Value <i>September 30, 2019</i>	\$44,860,740
Account Return Since Inception <i>July 31, 1993 – September 30, 2019; Gross of Fees</i>	+6.40%
Current Allocation	66% Equity / 34% Bonds

Market Review

Market Review

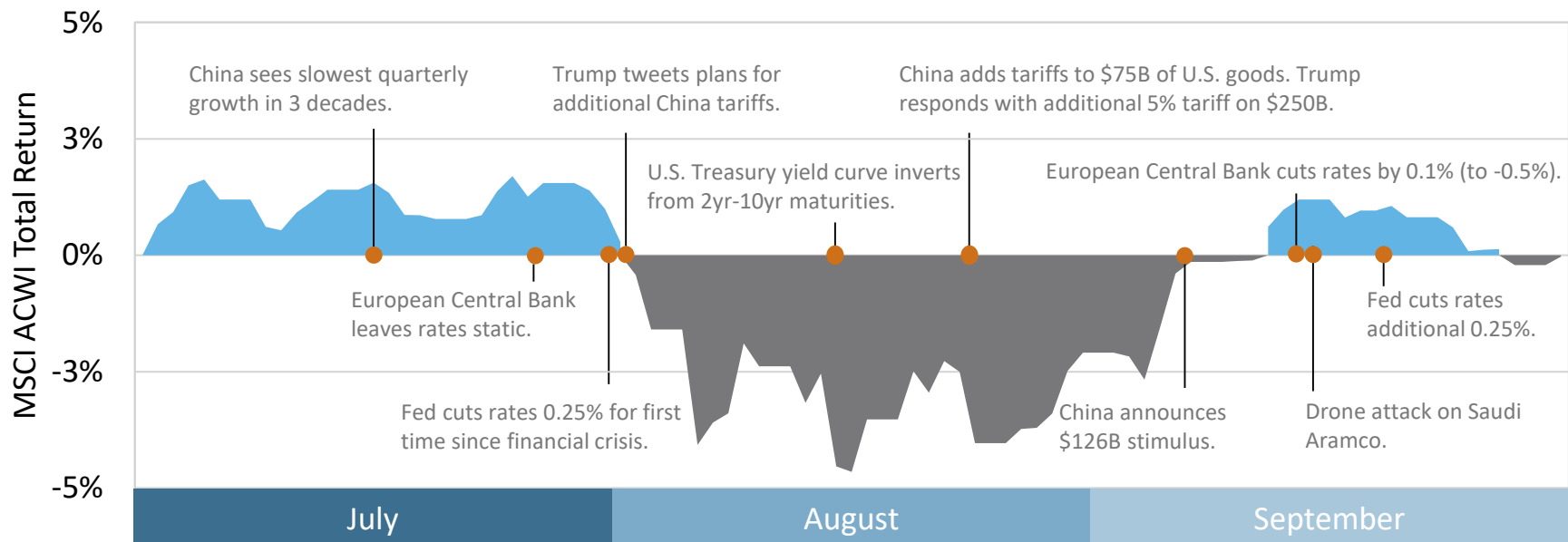
Portfolio Review

Appendix

MARKET REVIEW

Global Markets End Flat After Eventful Quarter

Third Quarter 2019



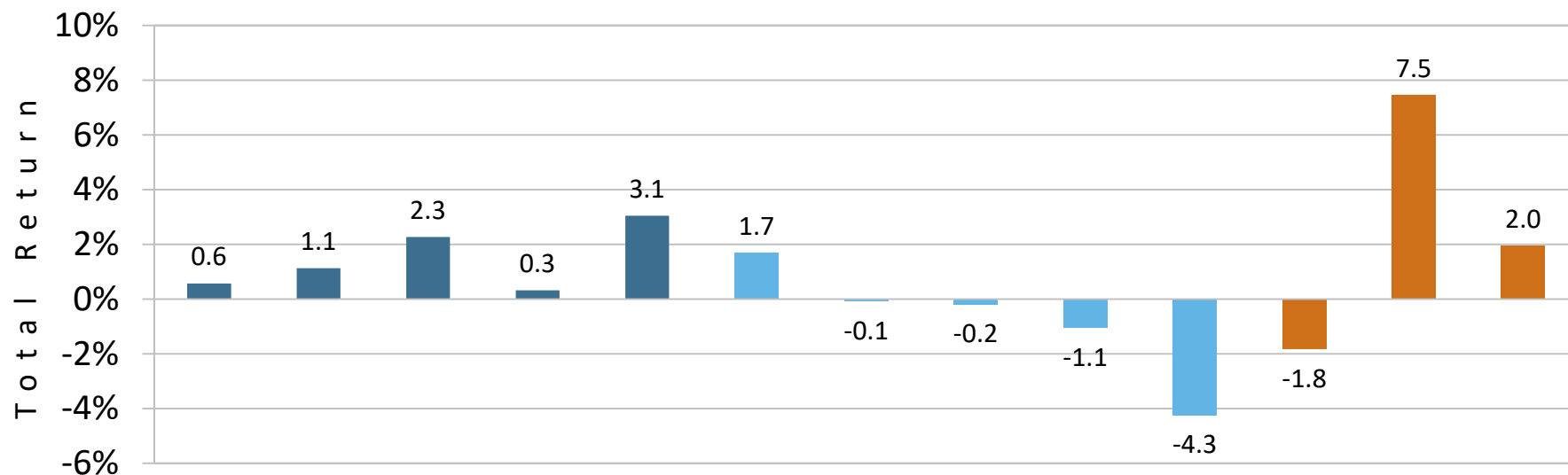
Equities: Q3 was chock full of events but overall, global equities ended the quarter essentially flat - largely supported by modest U.S. equity performance. Two rate cuts and a resilient economy (rising wages, labor force participation, and consumer confidence) in the face of trade pressures helped U.S. stocks to see a positive return for the quarter. International developed and emerging stocks, however, ended with negative returns.

Real assets: As rates (and bond yields) decreased across the globe, real assets saw some of the best performance relative to other asset classes as investors reached for yield. U.S. real estate was the “real” MVP, gaining almost 7.5% while global infrastructure also ended with positive performance. Commodities were the exception though, as higher oil prices from the attack on Saudi Aramco proved short-lived – with gains almost completely erased within two weeks.

Interest rates: Interest rates had a wild ride this quarter. The U.S. 10-Year treasury yield, for example, finally landed at 1.66% – in the middle of its quarterly range of 1.46% - 2.14%. In short-term rates, the Fed Funds saw two cuts both at 0.25% each while the European Central Bank cut deeper into negative territory. In mid-September, the Fed Funds Rate broke out of its target range – triggering the Fed to inject \$203 billion with repurchase agreements. Although not providing as high of a yield as other assets, fixed income still had its place in portfolio diversification. Spurred on by rate declines and a move to safer investments, global bonds gained 2-3% for the quarter in addition to their already strong YTD performance.

MARKET REVIEW

Total Returns by Asset Class *Third Quarter 2019*



	RISK CONTROL					RISK ASSETS							
	FIXED INCOME					EQUITIES					REAL ASSETS		
	Cash	Municipal Bonds	U.S. Fixed Income	TIPS	Intl. Fixed Income	U.S. Large Cap	U.S. Mid Cap	U.S. Small Cap	Dev. Ex-U.S.	Emerging Markets	Comm.	Real Estate	Infra.
3Q 2019	0.6	1.1	2.3	0.3	3.1	1.7	-0.1	-0.2	-1.1	-4.3	-1.8	7.5	2.0
YTD 2019	1.8	5.6	8.5	3.7	9.4	20.6	17.9	13.5	12.8	5.9	3.1	25.5	20.3
1 Year	2.4	7.4	10.3	3.4	11.5	4.3	-2.5	-9.3	-1.3	-2.0	-6.6	17.8	13.2
3 Year	1.5	2.7	2.9	1.7	4.3	13.4	9.4	9.3	6.5	6.0	-1.5	6.9	7.6
5 Year	1.0	3.0	3.4	1.3	4.8	10.8	8.9	9.9	3.3	2.3	-7.2	9.9	5.5

Data: Bloomberg. Asset class performance is represented by the stated index return. Performance is annualized for periods greater than 1 year.

Policy Risks Support Neutral Allocation

Mid-Year Market Outlook 2019



BULL CASE: Good BREXIT | US-China Trade Deal | Dovish Fed | Global Economic Growth

Economy

Slower But Positive

- Economic data year-to-date has affirmed APCM's expectations for slower, but positive growth.
- Officials in major economies have implemented or indicated fiscal and monetary policy support going forward.
- The direction of the economy will be determined by policies (trade and monetary) and the path of productivity. Global GDP is expected to be 3.2% for 2019.

Earnings

Revised Down, Still Positive

- Earnings year-to-date have been in line with APCM's expectations of modest, positive growth.
- Increases in productivity growth have supported elevated corporate profit margins.
- While analyst estimates have fallen since the start of the year, earnings are still expected to grow by 3-5% for calendar year 2019.

Valuations

Rates Low, Equities Fair

- Interest rates have fallen across developed markets year-to-date, so bonds are more expensive versus the start of the year.
- Equity valuations have risen year-to-date, and are now at fair levels, especially given the backdrop of low rates.
- Equities are more attractive than bonds on a relative basis, but the diversification benefits of bonds are important in this environment.

Volatility

Bouts to Continue

- Volatility increased across markets on trade tensions and softer economic data.
- We have transitioned out of the post-crisis low volatility regime and expect bouts of volatility to continue.
- Customized volatility analysis is integrated in the planning and portfolio construction process, and accounts for various volatility regimes.

BEAR CASE: Bad BREXIT | No US-China Trade Deal | Hawkish Fed | Global Economic Slowdown



Policy Risks Support Neutral Allocation

Mid-Year Market Outlook 2019

Portfolio Positioning

Keep equity exposure close to strategic target.

Deploy tools to dampen volatility.

Understand portfolio risks to deal with near-term market fluctuations.

Double sided risks remain

- Trade tensions can lead to lower business and consumer confidence, which could stifle elevated profit margins and derail the current expansion.
- Recession sign posts do not indicate a cause for near-term concern and central banks have indicated support for the current expansion.

Late cycle returns can still be positive

- After 10 years of expansion, the current cycle is mature, which tends to result in dynamics that generate bouts of volatility.
- Mature cycles have often been distinguished by a late surge in equity markets, and missing out can compromise long-term performance – the bounce-back in the first quarter for example.

Maintain exposure to growth, dampen volatility

- The challenge in this environment is to maintain exposure to growth without losing control of overall portfolio risk.
- The prudent decision at this time is to maintain a genuine balance by holding equities near longer-term strategic targets while adding volatility dampening investments.

Strategic planning increases the odds of investment success

- Bouts of volatility can be uncomfortable, but navigating through the end of this cycle and into the next doesn't mean avoiding risk – it means knowing the risks you are taking.
- Discuss your strategic asset allocation with your advisor to evaluate your portfolio's ability to meet stated goals and objectives across a wide array of market environments.

Portfolio Review

for the period ending September 30, 2019

Market Review

Portfolio Review

Appendix

**PORTFOLIO
REVIEW**

Historical Market Value as of September 30, 2019

Aleutians East Borough Permanent Fund

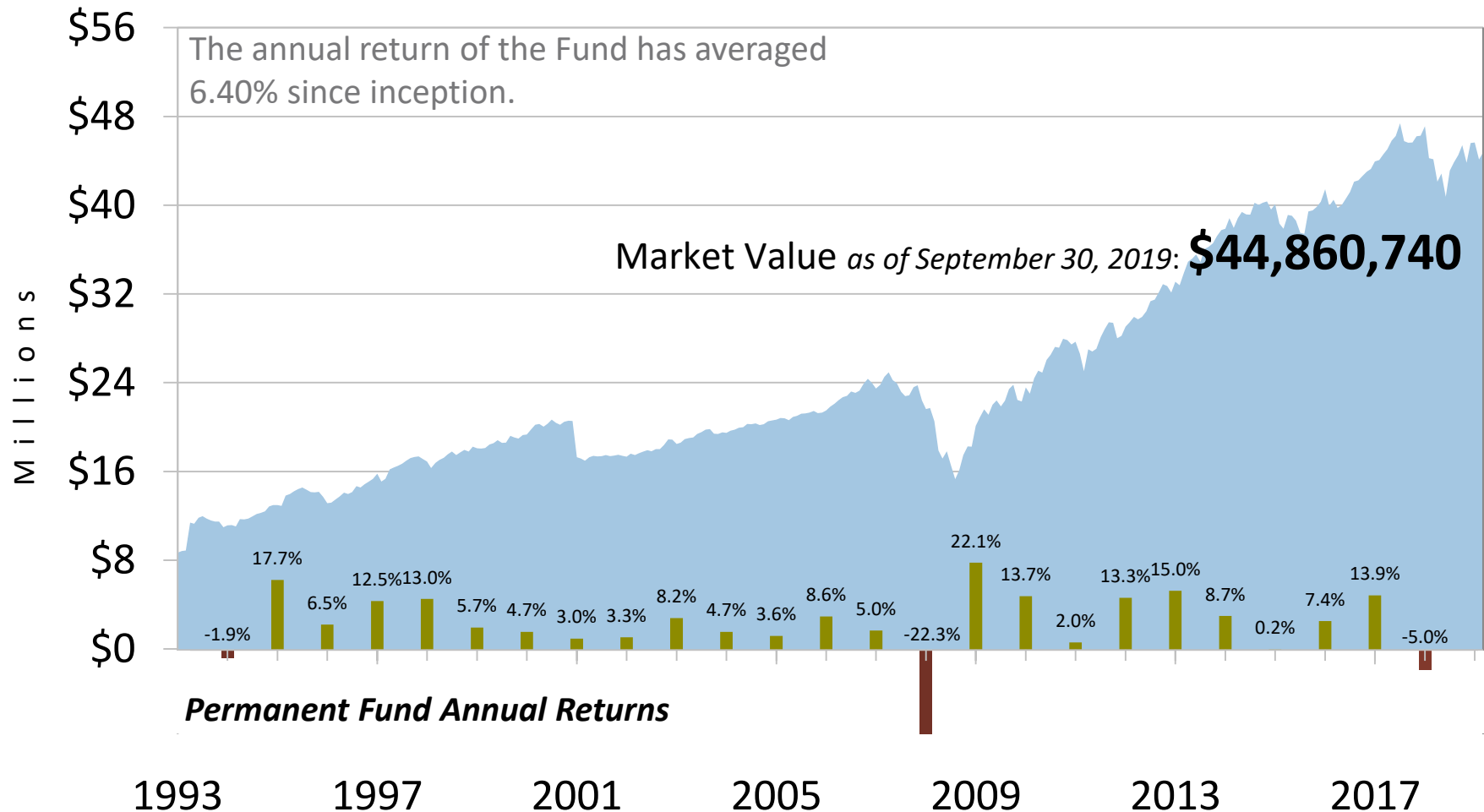
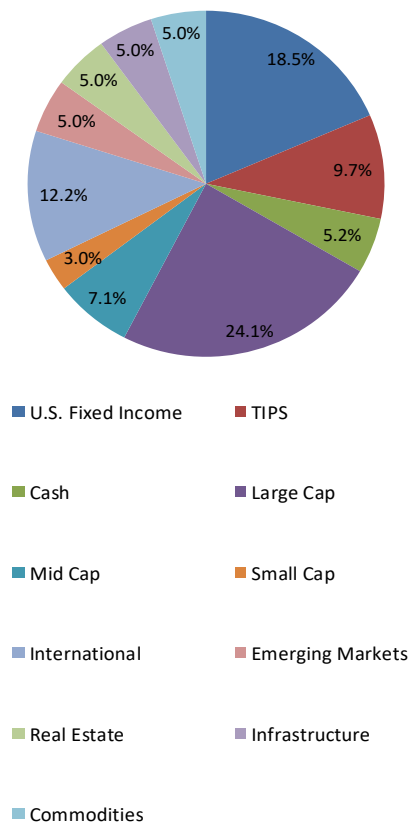


Chart shows month-end portfolio market value from July 1993 to September 2019 and annual returns from December 1993 to December 2018. Performance is gross of fees. Annualized portfolio return from July 31, 1993 to September 30, 2019 is 6.40%.

PORTFOLIO REVIEW

Asset Allocation as of September 30, 2019

Aleutians East Borough Permanent Fund



Asset Class	% Assets	Strategic Benchmark	Range	Market Value
Fixed Income	33.4%	34%		\$15,000,716
U.S. Fixed Income	18.5%	19	10-30%	\$8,308,942
TIPS	9.7%	10	0-15	\$4,370,355
Cash	5.2%	5	0-10	\$2,321,419
Equities	51.5%	51%		\$23,113,017
Large Cap	24.1%	24	18-30%	\$10,830,009
Mid Cap	7.1%	7	2-12	\$3,173,803
Small Cap	3.0%	3	0-6	\$1,366,092
International	12.2%	12	6-18	\$5,490,644
Emerging Markets	5.0%	5	0-10	\$2,252,469
Alternative Investments	15.0%	15%		\$6,747,007
Real Estate	5.0%	5	0-10%	\$2,265,260
Infrastructure	5.0%	5	0-10	\$2,240,342
Commodities	5.0%	5	0-10	\$2,241,405
Total				\$44,860,740

PORTFOLIO
REVIEW

Historical Asset Allocation Since Inception

Aleutians East Borough Permanent Fund

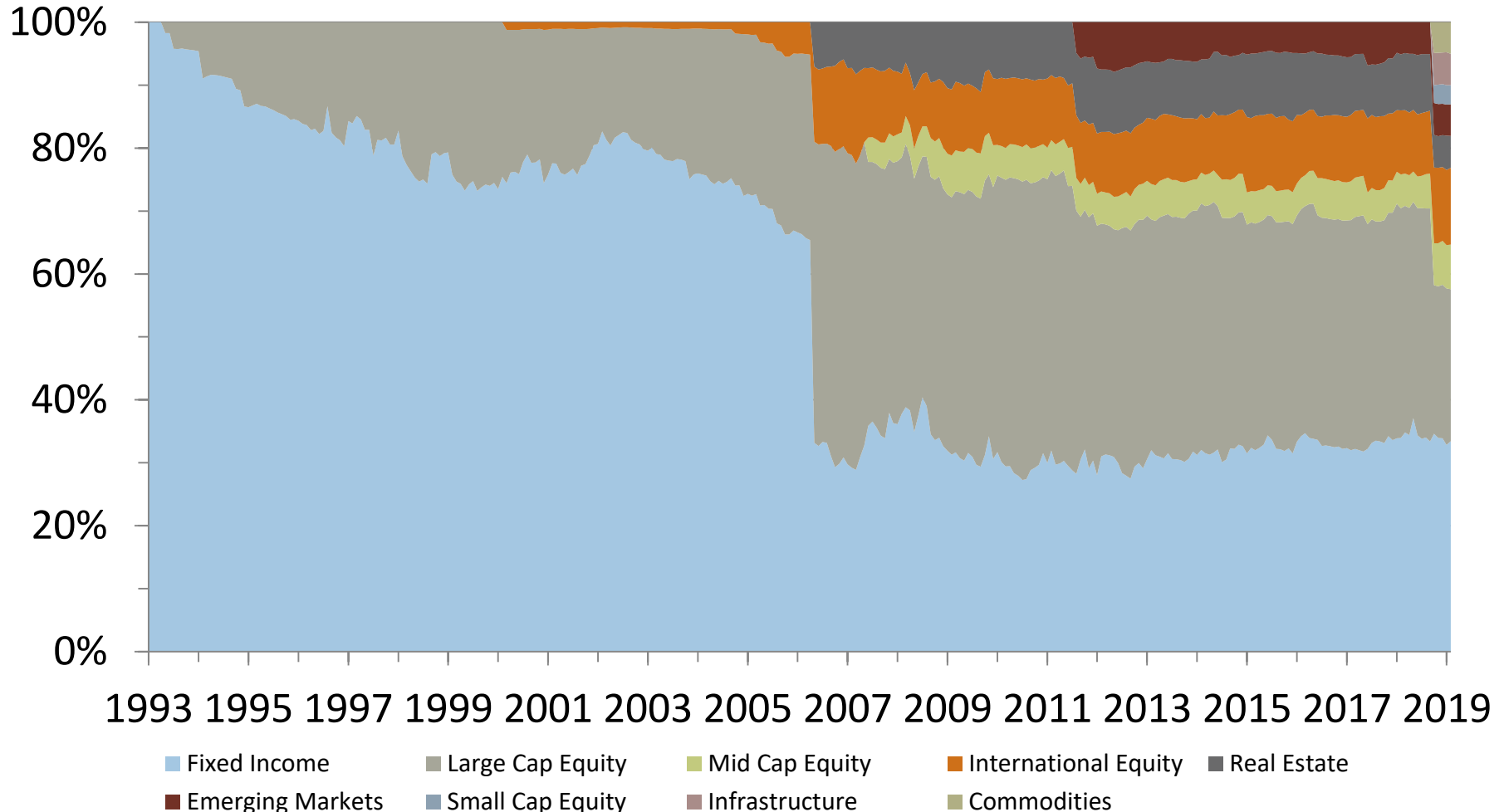
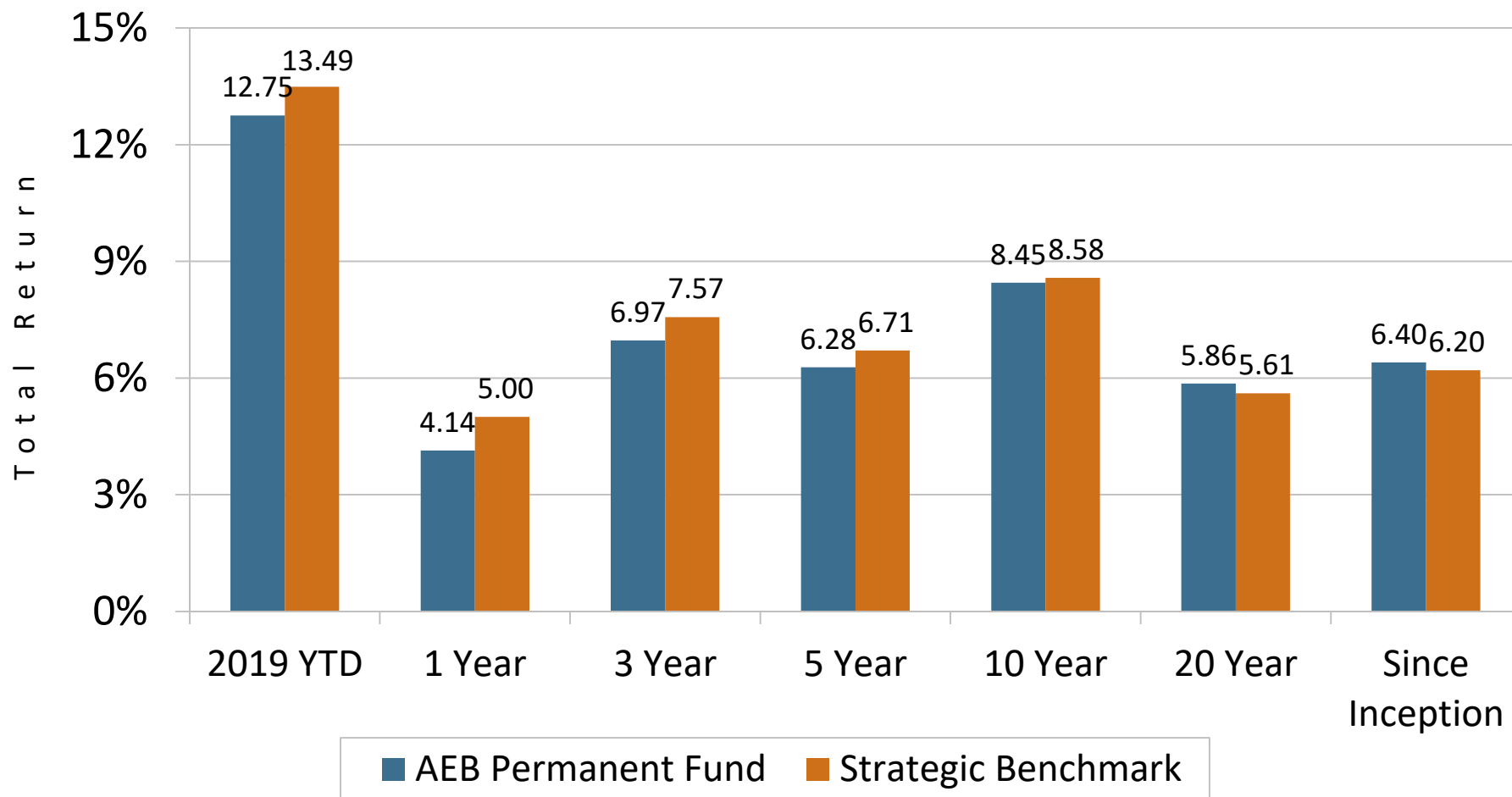


Chart shows actual month end portfolio allocation from August 31, 1993 to September 30, 2019.

**PORTFOLIO
REVIEW**

Account Performance as of September 30, 2019

Aleutians East Borough Permanent Fund



Performance is gross of fees and annualized for periods greater than one year. Inception performance begins on July 31, 1993. Strategic benchmark is a blended return of the account's target allocation.

**PORTFOLIO
REVIEW**

AEB Summary of Accounts

Account Name <i>Benchmark</i>	Market Value <i>September 30, 2019</i>	2019 Performance <i>September 30, 2019</i>	Since Inception <i>September 30, 2019</i>
AEB Permanent Fund <i>Balanced Account – Blended Benchmark</i>	\$44,860,740	12.75 13.49	6.40 6.20
AEB 2010 Series A <i>50% Barclays 1-3 Gov / 50% 90 Day T-Bill</i>	\$1,067,945	2.45 2.43	0.81 0.81
AEB 2010 Series B <i>50% Barclays 1-3 Gov / 50% 90 Day T-Bill</i>	\$1,049,700	2.48 2.43	0.82 0.81
AEB-Akutan Harbor 2006 <i>90 Day T-Bill</i>	\$1,579,426	1.79 1.78	1.60 1.16
AEB Series E <i>90 Day T-Bill</i>	\$2,577,879	1.81 1.78	1.55 1.31
AEB Operating Fund <i>90 Day T-Bill</i>	\$2,641,093	1.80 1.78	1.57 1.36

Performance is gross of fees and annualized for periods greater than one year. Inception performance begins on the first full month after the inception of each portfolio.

Appendix

Market Review

Portfolio Review

Appendix

Portfolio Appraisal

ALEUTIANS EAST BOROUGH

September 30, 2019



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
FNMA & FHLMC									
14,483	FHLMC POOL G14203 4.000% Due 04-01-26	104.56	15,144	104.30	15,106	0.03	579	48	1.89
162,219	FNCI POOL AS6305 3.000% Due 12-01-30	103.77	168,328	102.70	166,593	0.37	4,867	406	2.21
198,452	FNCI POOL BC2737 2.500% Due 05-01-31	103.04	204,475	100.96	200,365	0.45	4,961	413	2.12
121,522	FNMA POOL MA3588 3.500% Due 02-01-34	101.48	123,326	103.36	125,610	0.28	4,253	354	2.12
	Accrued Interest				1,222	0.00			
			511,273		508,896	1.13		1,222	
CORPORATE BONDS									
150,000	NBC UNIVERSAL MEDIA LLC 4.375% Due 04-01-21	109.20	163,806	103.53	155,295	0.35	6,562	3,281	1.98
150,000	AMERICAN EXPRESS CREDIT 2.250% Due 05-05-21	99.92	149,887	100.35	150,532	0.34	3,375	1,369	2.02
100,000	MORGAN STANLEY 5.500% Due 07-28-21	114.98	114,982	106.11	106,112	0.24	5,500	962	2.07
150,000	GILEAD SCIENCES INC 1.950% Due 03-01-22	96.28	144,423	99.97	149,962	0.33	2,925	244	1.96
150,000	BANK AMER CORP 3.300% Due 01-11-23	99.34	149,014	103.32	154,975	0.35	4,950	1,100	2.24
150,000	COMCAST CORP 2.850% Due 01-15-23	101.83	152,752	102.54	153,810	0.34	4,275	902	2.05
150,000	AVALONBAY COMMUNITIES 2.850% Due 03-15-23	100.82	151,224	102.39	153,589	0.34	4,275	190	2.13
150,000	DISCOVERY COMMUNICATIONS 3.250% Due 04-01-23	98.88	148,320	102.61	153,916	0.34	4,875	2,437	2.47
150,000	AFLAC INC 3.625% Due 06-15-23	106.03	159,048	105.31	157,968	0.35	5,437	1,601	2.13
150,000	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	97.83	146,749	100.35	150,519	0.34	3,300	412	2.11
150,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	157,771	106.55	159,820	0.36	5,812	969	2.28
150,000	METLIFE INC 3.600% Due 04-10-24	105.46	158,197	105.93	158,899	0.35	5,400	2,565	2.22
150,000	WELLS FARGO & COMPANY 3.300% Due 09-09-24	99.88	149,823	104.39	156,589	0.35	4,950	302	2.35
150,000	KIMCO REALTY CORP 3.300% Due 02-01-25	94.92	142,377	103.13	154,699	0.34	4,950	825	2.67

* Callable security

Portfolio Appraisal

ALEUTIANS EAST BOROUGH

September 30, 2019



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
150,000	APPLIED MATERIALS INC 3.900% Due 10-01-25	107.96	161,934	109.05	163,579	0.36	5,850	2,925	2.28
150,000	CITIGROUP INC 3.700% Due 01-12-26	101.65	152,470	106.19	159,288	0.36	5,550	1,218	2.62
150,000	TARGET CORP 2.500% Due 04-15-26	96.45	144,670	101.95	152,920	0.34	3,750	1,729	2.18
150,000	LOWE'S COS INC 3.100% Due 05-03-27	100.05	150,073	103.22	154,833	0.35	4,650	1,912	2.63
	Accrued Interest				24,945	0.06			
			2,697,524		2,772,255	6.18		24,945	
DOMESTIC FIXED INCOME FUNDS/ETF									
89,100	VANGUARD SHORT-TERM TIPS ETF	48.93	4,359,362	49.05	4,370,355	9.74	0		
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
33,520	FLEXSHARES QUAL DIV ETF	39.85	1,335,732	45.44	1,523,149	3.40	NA		
17,900	ISHARES MSCI USA MIN VOLATILITY ETF	61.68	1,104,072	64.10	1,147,390	2.56	NA		
650	ISHARES S&P 500 INDEX FUND	290.45	188,792	298.52	194,038	0.43	NA		
29,572	VANGUARD INST'L S&P500 INDEX FUND	133.29	3,941,475	269.36	7,965,432	17.76	NA		
			6,570,071		10,830,009	24.14			
DOMESTIC MID CAP EQUITY FUNDS/ETF									
16,425	ISHARES CORE S&P MIDCAP 400 ETF	130.66	2,146,107	193.23	3,173,803	7.07	NA		
DOMESTIC SMALL CAP EQUITY FUNDS/ETF									
17,550	ISHARES S&P SMALLCAP 600 INDEX ETF	79.73	1,399,261	77.84	1,366,092	3.05	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
44,900	ISHARES ETF CORE MSCI EAFE	53.28	2,392,147	61.07	2,742,043	6.11	NA		
42,150	ISHARES MSCI EAFE INDEX FUND	62.57	2,637,469	65.21	2,748,601	6.13	NA		
			5,029,616		5,490,644	12.24			
EMERGING MARKET FUNDS/ETF									
45,950	ISHARES ETF CORE MSCI EMERGING MKTS	41.69	1,915,860	49.02	2,252,469	5.02	NA		
REAL ESTATE & INFRASTRUCTURE									
43,300	FLEXSHAR STX GLOBAL BROAD INF ETF	50.24	2,175,392	51.74	2,240,342	4.99	NA		
25,150	JPMORGAN BETABUILDERS MSCI US REIT ETF	76.55	1,925,348	90.07	2,265,260	5.05	NA		
			4,100,740		4,505,602	10.04			

* Callable security

Portfolio Appraisal

ALEUTIANS EAST BOROUGH

September 30, 2019



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
COMMODITIES									
80,125	ETRACS BLOOMBERG CMCI ETN	14.75	1,182,234	14.04	1,125,356	2.51	NA		
71,450	INVESTCO OPTIMUM YIELD DIVERSIFIED COMMODIT	16.69	1,192,503	15.62	1,116,049	2.49	NA		
			2,374,738		2,241,405	5.00			
U.S. TREASURY									
100,000	US TREASURY NOTES 1.875% Due 12-15-20	98.98	98,977	100.09	100,090	0.22	1,875	553	1.80
50,000	US TREASURY NOTES 2.375% Due 04-15-21	99.44	49,721	100.95	50,474	0.11	1,187	548	1.75
250,000	US TREASURY NOTES 1.125% Due 07-31-21	98.59	246,484	99.00	247,510	0.55	2,812	474	1.68
200,000	US TREASURY NOTES 2.000% Due 08-31-21	100.66	201,312	100.62	201,234	0.45	4,000	341	1.67
325,000	US TREASURY NOTES 2.000% Due 10-31-21	101.35	329,398	100.70	327,272	0.73	6,500	2,720	1.66
200,000	US TREASURY NOTES 1.875% Due 01-31-22	100.09	200,172	100.55	201,110	0.45	3,750	632	1.63
75,000	U.S. TREASURY NOTE 1.875% Due 02-28-22	98.88	74,159	100.59	75,439	0.17	1,406	120	1.63
250,000	US TREASURY NOTES 1.750% Due 07-15-22	99.88	249,697	100.39	250,987	0.56	4,375	927	1.60
750,000	US TREASURY NOTES 2.625% Due 02-28-23	99.72	747,891	103.46	775,927	1.73	19,687	1,677	1.58
275,000	US TREASURY NOTES 2.000% Due 06-30-24	100.86	277,363	101.94	280,338	0.62	5,500	1,390	1.57
450,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	451,020	103.73	466,771	1.04	10,687	1,365	1.58
650,000	US TREASURY NOTES 2.000% Due 08-15-25	97.16	631,537	102.22	664,423	1.48	13,000	1,660	1.60
250,000	US TREASURY NOTES 1.500% Due 08-15-26	99.48	248,691	99.20	248,007	0.55	3,750	479	1.62
250,000	US TREASURY NOTES 2.000% Due 11-15-26	97.14	242,861	102.55	256,377	0.57	5,000	1,889	1.62
300,000	US TREASURY NOTES 2.875% Due 08-15-28	100.04	300,117	109.95	329,859	0.74	8,625	1,102	1.66
225,000	US TREASURY NOTES 3.125% Due 11-15-28	103.28	232,374	112.27	252,598	0.56	7,031	2,656	1.67
50,000	US TREASURY NOTES 2.625% Due 02-15-29	99.63	49,816	108.23	54,115	0.12	1,312	168	1.67

* Callable security

Portfolio Appraisal

ALEUTIANS EAST BOROUGH

September 30, 2019



Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
	Accrued Interest				18,700	0.04			
			4,631,591		4,801,235	10.70		18,700	
AGENCIES									
225,000	FEDERAL HOME LOAN BANK - STEP UP 2.000% Due 11-14-22	99.85	224,662	99.94	224,856	0.50	4,500	1,700	2.02
	Accrued Interest				1,700	0.00			
			224,662		226,556	0.51		1,700	
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		2,321,419		2,321,419	5.17			
TOTAL PORTFOLIO			38,282,224		44,860,740	100	206,048	46,566	

* Callable security

PERFORMANCE HISTORY
GROSS OF FEES
ALEUTIANS EAST BOROUGH
Gross of Fees

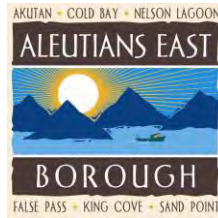


Percent Return
Per Period

Time Period	Total Account	BLEND	Fixed Income	BB BARC INT G/C BENCH	Domestic Large Cap Equity	S&P 500 LARGE CAPS BENCH	Domestic Mid Cap Equity	S&P 400 MIDCAP BENCH	Int'l Equity	MSCI EAFE Index	Real Estate	S&P US REIT BENCH	Emerging Market Equity	MSCI EMERGING MARKET BENCH	Diversified Alternatives	BB COMMODITY	STOXX INFRA	BB BARC TIPS 0-5 YEAR INDEX
09-30-18 to 10-31-18	-4.55	-4.47	-0.12	-0.14	-6.70	-6.84	-9.56	-9.55	-8.31	-7.96	-2.90	-2.50	-8.73	-8.71	0.00	-2.16	-3.53	-0.41
10-31-18 to 11-30-18	1.70	1.72	0.55	0.45	1.82	2.04	3.15	3.12	0.42	-0.13	4.64	4.85	4.68	4.12	0.00	-0.56	3.71	0.00
11-30-18 to 12-31-18	-4.85	-4.79	1.38	1.34	-9.05	-9.03	-11.33	-11.32	-5.42	-4.85	-8.41	-8.14	-2.97	-2.65	0.00	-6.89	-5.92	0.19
12-31-18 to 01-31-19	5.75	5.97	0.79	0.87	7.99	8.01	10.29	10.46	6.66	6.57	12.03	11.76	9.61	8.76	0.00	5.45	7.90	0.71
01-31-19 to 02-28-19	1.71	1.70	0.04	0.09	3.30	3.21	4.37	4.24	2.64	2.55	0.87	0.42	-1.08	0.22	0.00	1.01	2.83	0.18
02-28-19 to 03-31-19	1.53	1.55	1.31	1.35	1.87	1.94	-0.49	-0.57	0.86	0.63	3.11	3.16	1.15	0.84	0.00	-0.18	2.32	0.75
03-31-19 to 04-30-19	2.01	2.08	0.08	0.19	3.81	4.05	3.95	4.02	2.94	2.81	-0.22	-0.31	2.19	2.11	0.00	-0.42	1.36	0.45
04-30-19 to 05-31-19	-3.47	-3.23	0.87	1.31	-6.95	-6.35	-7.91	-7.97	-5.03	-4.80	-0.54	0.00	-6.88	-7.26	-5.09	-3.36	-1.76	0.52
05-31-19 to 06-30-19	4.03	4.16	0.78	1.07	6.98	7.05	7.74	7.64	5.66	5.93	2.70	1.14	5.74	6.24	2.90	2.69	4.35	0.66
06-30-19 to 07-31-19	0.12	0.26	0.02	-0.03	1.45	1.44	1.03	1.19	-1.81	-1.27	0.37	1.34	-2.45	-1.22	-0.77	-0.67	-0.50	0.02
07-31-19 to 08-31-19	-0.80	-0.89	1.20	1.77	-1.51	-1.58	-4.12	-4.19	-1.82	-2.59	2.14	3.11	-3.81	-4.88	-4.56	-2.32	0.76	0.52
08-31-19 to 09-30-19	1.48	1.41	-0.27	-0.36	2.02	1.87	3.17	3.06	3.05	2.87	2.31	2.84	1.56	1.91	1.69	1.17	1.69	-0.22
Date to Date																		
09-30-18 to 09-30-19	4.14	5.00	6.82	8.17	3.43	4.25	-2.33	-2.49	-1.33	-1.34	15.91	17.81	-2.51	-2.02	-5.95	-6.57	13.20	3.44

Roll Call & Establishment of a Quorum

Adoption of Agenda



Agenda
Assembly Meeting
(packet available on website www.aleutianseast.org)

Date: Thursday, November 14, 2019
Time: Workshop: 1:00 p.m. Meeting: 3:00 p.m.

Location: By teleconference in each designated community location below:
King Cove AEB office Akutan -city office
Nelson Lagoon Corp. Cold Bay City Office/ Community Center
False Pass-city office Anchorage office – 3380 C St.
Sand Point AEB office

All communities will be provided with conference calling information for the designated location in your community. Public comments on agenda items will take place immediately after the adoption of the agenda. The meeting will also be broadcast on KSDP Public Radio. Additional public comments can be made at the end of the meeting.

ASSEMBLY MEETING WORKSHOP

1. Alaska Permanent Capital Management Presentation (*workshop only*)

ASSEMBLY MEETING AGENDA

1. Roll Call & Establishment of Quorum.
2. Adoption of the Agenda.
3. Conflict of Interest.
4. Community Roll Call and Public Comment on Agenda Items.
5. Minutes.
 - October 10, 2019 Assembly Meeting Minutes.
 - October 14, 2019 Special Assembly Meeting Minutes.
6. Financial Reports.
 - Financial Reports (*none*).
 - September, Investment Reports.
7. Consent Agenda.
 - Resolution 20-31, authorizing the Mayor to negotiate and execute a contract agreement between the Aleutians East Borough and Hickey & Associates for lobbying/consulting services for fiscal year 2020.

- Resolution 20-32, urging NMFS to carefully consider impacts to Borough Fishermen and communities when designating humpback whale critical habitat.
 - Resolution 20-33, Amending Section 3.01(C)(6) of the Aleutians East Borough Employee Handbook.
 - Resolution 20-34, Aleutians East Borough urging NMFS to make every effort to allow a WGOA Pacific Cod fishery occur in 2020.
8. Public Hearings.
- Public Hearing Ordinance 20-03, authorizing the Mayor to negotiate and execute a sublease within, the Cold Bay Terminal, for the air transportation services –Ravn.
 - Public Hearing Ordinance 20-04, authorizing the Mayor to negotiate and execute a sublease within, the Cold Bay Terminal, for the air transportation services - Grant Aviation.
9. Ordinances.
- Introduction Ordinance 20-05, amending the operating and capital budget for FY19 (FINAL).
 - Introduction Ordinance 20-06, amending the operating and capital budget for FY20.
10. Resolutions.
- Resolution 20-35, A Resolution of the Aleutians East Borough Assembly relating to disposal of surplus, obsolete, or unneeded supplies – located in Cold Bay.
 - Resolution 20-36, A Resolution of the Aleutians East Borough Assembly authorizing the mayor to dispose of certain surplus property located in King Cove by negotiation with the Pauloff Harbor Tribal Council.
11. New Business.
12. Reports and Updates.
13. Assembly Comments.
14. Public Comments.
15. Next Meeting Date.
16. Adjournment.

Conflict of Interests

Community Roll Call & Public Comment on Agenda Items

Minutes

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Assembly meeting to order by teleconference in each community on October 10, 2019 at 3:00 p.m.

ROLL CALL

Mayor Alvin D. Osterback	Present
Chris Babcock	Present
Carol Foster	Present
Warren Wilson	Absent-Excused
Josephine Shangin	Absent-Excused
Paul Gronholdt	Present
Brenda Wilson	Present
E. Ingrid Cumberlidge	Absent-Unexcused

Advisory Members:

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

A quorum was present.

Staff Present:

Roxann Newman, Finance Director
Tina Anderson, Clerk
Anne Bailey, Administrator
Mary Tesche, Assistant Administrator
Ernie Weiss, Resource Director
Glennora Dushkin, Administrative Assistant
Laura Tanis, Communications Director

Adoption of the Agenda:

PAUL moved to adopt the October 10, 2019 agenda and second by BRENDA.

Hearing no objections, the agenda is approved as presented.

Conflict of Interests:

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

Community Roll Call and Public Comments on Agenda Items:

The communities of King Cove, Sand Point, Cold Bay, Nelson Lagoon, and the Anchorage office were participating by teleconference. Also broadcast on KSDP radio.

Public Comments: None

Minutes, September 12, 2019 Assembly Meeting Minutes:

MOTION

BRENDA moved to approve the September 12, 2019 Assembly Meeting Minutes and second by CAROL.

Hearing no objections, **MOTION CARRIED.**

September Financial Report:

MOTION

CHRIS moved to approve the September Financial Report. Second by BRENDA.

DISCUSSION

The Administrator said, based on last year month of September, we brought in more revenue. Everything is tracking along.

ROLL CALL

YEAS: Carol, Brenda, Chris, Paul. Advisory: Samantha, Dailey.

NAY: None

MOTION CARRIED

August Investment Report: In packet.

CONSENT AGENDA

- Resolution 20-23, a resolution of the Assembly relating to the disposal of real property – authorizes a sublease of a portion of the terminal building and adjacent apron, to airline entities.
- Resolution 20-24 authorizing the Mayor to negotiate and execute a Memorandum of Agreement (MOA) between the Aleutians East Borough and the City of False Pass for the False Pass Harbor House project.
- Resolution 20-27, Assembly authorizing the Mayor to request a meeting with Ravn Air Group to discuss the airline service in the Aleutians.
- Resolution 20-28, Assembly authorizing the Mayor to issue a corrected deed of easement to the City of Akutan for the Akutan raw water transmission line project.
- Resolution 20-29, Assembly supporting a full application to the NOAA Saltonstall-Kennedy Grant for the project, “overcoming barriers to develop new and underutilized fisheries: Growing and live-transporting wild urchins”.

MOTION

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

The Administrator reviewed the Consent Agenda. Resolution 20-23, says the Assembly would agree to negotiate a sublease of Cold Bay terminal and adjacent apron, to airline entities.

Resolution 20-24, authorizes a MOA with City of False Pass, seeking to build a new harbor house. Construction to begin 2020. AEB contributed \$150,000.

Resolution 20-27, authorizes the mayor to request a meeting with Ravn Air Group, to discuss all the impacts of poor service in the region and the importance air service has to commercial fisheries.

Resolution 20-28, is an issuance of a corrected easement to the City of Akutan for an untreated, fresh water line.

Resolution 20-29, supports a grant opportunity for developing an under-utilized fisheries, growing wild green urchins to marketable size and the feasibility of live transporting the urchins. AEB would be Co-Principle Investigator. CHRIS noted his support in looking for other viable fishing resources for our communities.

ROLL CALL

YEAS: Chris, Brenda, Paul, Carol. Advisory: Dailey, Samantha.

NAY: None

MOTION CARRIED

ORDINANCES

Introduction Ordinance 20-03, authorizing the Mayor to negotiate and execute a sublease within, the Cold Bay Terminal, for the air transportation services –.Ravn.

MOTION

BRENDA moved to accept Ordinance 20-03 and set for Public Hearing and second by CAROL.

DISCUSSION

Administrator said Grant and Ravn have agreed to sublease the terminal and adjacent apron. The Mayor will negotiate agreements possibly for a 5-year lease and a sublease will be determined by the calculation and negotiations with airlines. AEB to be held hold harmless.

PAUL suggested the agreement have a strong, payment on time, provision. So, entities aren't staying a long period of time without payment.

ROLL CALL

YEAS: Brenda, Chris, Paul, Carol. Advisory: Dailey, Samantha.

NAY: None

MOTION CARRIED

Introduction Ordinance 20-04, authorizing the Mayor to negotiate and execute a sublease within, the Cold Bay Terminal, for the air transportation services - Grant Aviation:

MOTION

CAROL moved to accept Ordinance 20-04 and set for Public Hearing. Second by BRENDA.

ROLL CALL

YEAS: Chris, Carol, Paul, Brenda. Advisory: Samantha, Dailey.

NAY: None

MOTION CARRIED

RESOLUTIONS

Resolution 20-25, Assembly authorizing the Mayor to dispose of certain surplus property located in King Cove, Alaska to the City of King Cove at less than fair market value.

MOTION

CAROL moved to approve Resolution 20-25 and second by CHRIS.

DISCUSSION

Administrator, said AEB has acquired 1,520 pieces of timber and one fuel tank, located in King Cove. Property was used in hovercraft operation and are no longer needed by the AEB. Approved to conduct a surplus auction by sealed bid, however received no bids. Then re-opened auction to government entities, receiving a bid from City of King Cove. Timber- \$2,513, fuel tank- \$13. Removal at sole cost of the city. AEB Code allows less than market value. If approved, then complete by December 15.

ROLL CALL

YEAS: Paul, Chris, Carol, Brenda. Advisory: Dailey, Samantha.

NAY: None

MOTION CARRIED

Resolution 20-26, a resolution of the Assembly supporting a progressive graduated statewide income tax as part of a sustainable budget for the State of Alaska.

MOTION

CAROL moved to approve and second by CHRIS.

DISCUSSION

The Administrator said AEB passed a similar resolution in September. Resolution 20-26 supports a State income tax. Next fiscal year may have more State budget cuts. Two other options are employee tax and sales tax. An income tax would tax Alaskans able to pay. Administration recommends approval.

ROLL CALL

YEAS: Chris, Carol, Brenda, Paul. Advisory: Samantha, Dailey.

NAY: None

MOTION CARRIED

NEW BUSINESS

Appointment of Student Advisory Representative:

MOTION

BRENDA moved to approve Justin Mobeck from Sand Point High School as the Student Advisory Representative and second by CAROL.

ROLL CALL

YEAS: Paul, Brenda, Carol, Chris. Advisory: Samantha, Dailey.

NAY: None

MOTION CARRIED

REPORTS AND UPDATES

Administrators Report in packet. Highlights below:

School Projects: Kuchar Construction completed the Sand Point School paint and windows project. One change order submitted for \$4,000 to fix leaks and replace wood. Great job and great communications. Waiting for final invoice.

Bering Mechanical completed the mechanical and electrical work at Akutan School. Control work scheduled mid-October by sub-contractor.

Cold Bay terminal: Working on sublease and in final phase of rate calculation.

Purchased seating and placed orders for conveyor belt and ticket counter. Maintenance Director to go to Cold Bay in October to begin improvements.

Paug-Vik could not do the bracing project work. So, DOWL sent out a RFP to a list of contractors.

Payment in Lieu of Taxes (PILT): Senators Murkowski and Gardner introduced bill to change the PILT formula to increase payments for counties and boroughs with populations 5,000 or less.

In PILT underpayment lawsuit, money has been deposited in a trust account, and checks will be cut soon. AEB anticipating \$17,000.

King Cove Road Update: Entered into agreement with Robertson, Monagle and Eastaugh in litigation filed August 7. They have been drafting documents for the case. 23 new complaints have now been added to the 200+ complaints.

NEO/AML: November 18-22, in Anchorage.

PERS: Attended a meeting with PERS chaired by AML. There are some concern that in this budget cycle they will raise the local contribution per employee.

Assistant Administrators Report in packet. Highlights below:

False Pass harbor house: AEB will enter into a contract on harbor design phase. The RFP was removed from circulation after receiving questions. Will reissue again soon.

Sand Pt. School Grant Project: AEBSD Superintendent gave permission to collect information on past applications. Not applying for grant until next September.

Opioid and Substance Misuse Summit: In King Cove January 29-30. She and Laura plan to attend.

Communications Director Report in packet. Highlights below:

Pacific Marine Expo: in November 21-23. Updating flyers, and enlarging photos for display and the 2020 calendar in the works.

Harbor Master Conference: Provided a Power Point presentation on updated docks and harbor projects in the region.

Proposed designation for Humpback Whale Critical Habitat: Huge area proposed in Alaska, Washington, and California, encompassing AEB. There is a link for comments through December 9.

Resource Director Report in packet. Highlights below:

Fisheries Meeting during Pacific Marine Expo: November 21, 9th floor of Silver Cloud Hotel. Breakfast at 9:00 a.m., meeting at 10:00 a.m. CAMF will have their meeting following AEB.

Alaska Young Fishermen's Summit Fundraiser: There is a raffle to raise funds to send two young fisher-people to the Summit, age 18-35. Required to submit letter of interest to AEB. Tickets are \$10 each. Raffle prizes are a case of king crab from Peter Pan Seafoods, shatter pack cod from Trident Seafoods, and canned red salmon from Silver Bay Seafoods. Drawing for prizes at December 12 Assembly meeting.

North Pacific Fishery Management Council: Council actions are summarized in Fish News. Not in Fish News is recommendations by AP. AP passed two motions, one to raise Pollock trip limit in Central Gulf of Alaska and other to raise allowable catch amount of non-targeted species. Council did not agree.

Also, Peninsula Fishermen's Coalition recommended to reduce latent LLPs in the Western Gulf, but motion failed.

NPFMC will not be pursuing Gulf Rationalization, but would appreciate hearing regulatory suggestions under the current management structure.

September Groundfish Plan Meeting: Alarming news on the cod stocks and ecosystem, in report.

ADF&G Crab Total Allowable Catch for Bering Sea Crab TAC, 2019-2020: Bristol Bay Red King Crab quota down, \$3,797,000 lbs.; Opilio quota increased, 34,019,000 lbs. and no Bering Sea tanner season this year.

Winter AEB Fishery Meeting: December 18.

Humpback Whale Critical Habitat: Proposed rule to designate humpback whale critical habitat, which includes all of AEB and other Pacific coastal regions. There has been a request for a public meeting in AEB.

Fixed-gear Electronic Monitoring Program: Submitted a request to allow fixed gear participation in the EM Program. Will not happen this coming year.

PAUL said the Groundfish Plan Team meeting scheduled in Seattle, November 12-15, is a big issue with the cod season in jeopardy. Also, a lot of discussion about the groundfish surveys for stock assessment.

Assistant Resource Director Report in packet. Highlights below (reviewed by Weiss):

Electronic Monitoring (EM) Grant Project: Did presentation at NPFMC for Exemption Fishing Permits for 2020 Pollock season. Levy may also participate in the EM committee.

Kelp Mariculture Project: Grant funding approved for Phase 2, project moving forward.

PAUL said, in regards to the pink salmon disaster funding, AEB might now be listed to receive payment, also.

ASSEMBLY COMMENTS

CHRIS suggested updating the AEB emergency response plan with the cities and school district updates.

PUBLIC COMMENTS

City of King Cove Administrator, Gary Hennigh, said after evaluating the salmon season raw fish tax, King Cove lost \$350,000 that went to False Pass. He voiced his concern, if this becomes the beginning of the new normal for King Cove. He may talk to the Mayor and Assembly about some considerations in the near future.

NEXT MEETING DATES

Special Assembly Meeting, October 14; Regular Meeting November 14; and Special Meeting November 18.

ADJOURNMENT

CAROL moved to adjourn and second by CHRIS. Hearing no more, the meeting adjourned at 4:06 p.m.

Mayor Alvin D. Osterback

Tina Anderson, Clerk

Date: _____

CALL TO ORDER

Mayor Alvin D. Osterback called the Special Assembly meeting to order by teleconference in each community on October 14, 2019 at 1:00 p.m.

ROLL CALL

Mayor Alvin D. Osterback	Present
Chris Babcock	Present
Carol Foster	Present
Warren Wilson	Absent
Josephine Shangin	Present
Paul Gronholdt	Present
Brenda Wilson	Absent
E. Ingrid Cumberlandidge	Absent

Advisory Members:

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

A quorum was present.

Staff Present:

Tina Anderson, Clerk
Anne Bailey, Administrator
Mary Tesche, Assistant Administrator
Ernie Weiss, Resource Director
Laura Tanis, Communications Director
Emil Mobeck, Maintenance Director
Jacki Brandall, Finance Assistant

Adoption of the Agenda:

CHRIS moved to approve the agenda and second by Josephine. There were no objections, agenda is approved.

Community Roll Call and Public Comments on Agenda Items:

The communities of King Cove, Sand Point, Cold Bay, Nelson Lagoon, and the Anchorage office were participating by teleconference. Also broadcast on KSDP radio.

Certification of the October 1, 2019 Regular Election:

MOTION

CHRIS moved to approve the October 1, 2019 Regular Election Results and second by Josephine.

DISCUSSION

The Clerk reviewed the election results below:

Assembly Seats:

Seat B, three year term – No one received in excess of 40% of the votes cast. A run-off is necessary between Paul Gronholdt and Mikal McGlashan.

Seat E, three year term – Carol Foster

Seat G, three year term – Denise Mobeck

School Board Seats:

Seat B, three year term – Carla Chebetnoy

Seat E, three year term – No one received in excess of 40% of the votes cast. A run-off is necessary between Brenda Wilson and Rita Uttecht.

Seat G, three year term – Carleen Hoblet

ROLL CALL

YEAS: Paul, Josephine, Carol, Chris. Advisory: Justin.

NAY: None

Resolution 20-30, Calling for a Special Election for the purpose of determining a run-off for Assembly Seat B and School board Seat E:

MOTION

JOSEPHINE moved to approve Resolution 20-30 and second by CAROL.

ROLL CALL

YEAS: Josephine, Chris, Paul, Carol. Advisory: Justin.

NAY: None

ADJOURNMENT

PAUL moved to adjourn. Hearing no more the meeting adjourned at 1:11 p.m.

Mayor Alvin D. Osterback

Tina Anderson, Clerk

Date: _____

Financial Report

.

Financial reports will now be a month later, to allow more time to prepare.

INVESTMENT REPORT

ALEUTIANS EAST BOROUGH

Account Statement - Period Ending September 30, 2019

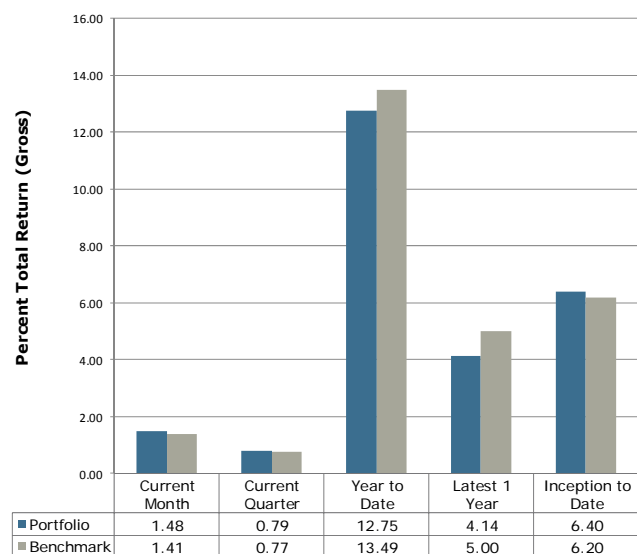


ACCOUNT ACTIVITY

Portfolio Value on 08-31-19	44,207,418
Contributions	0
Withdrawals	-986
Change in Market Value	493,661
Interest	21,116
Dividends	139,531
Portfolio Value on 09-30-19	44,860,740

INVESTMENT PERFORMANCE

**Current Account Benchmark:
Equity Blend**

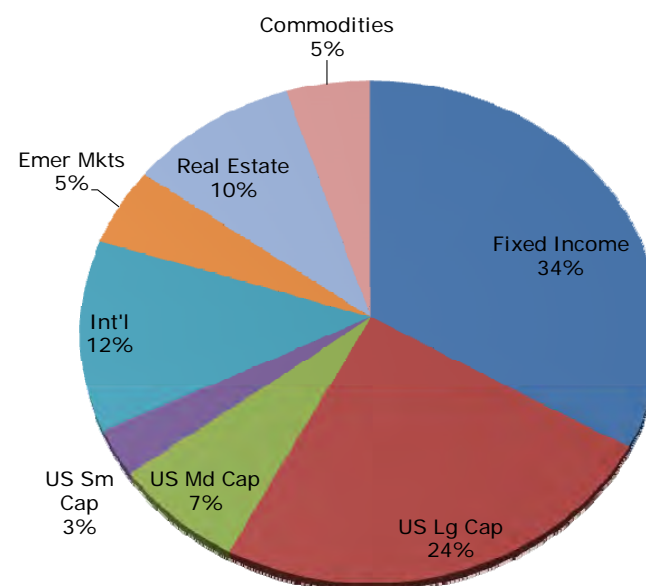


Performance is Annualized for Periods Greater than One Year

MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Brandy Niclai, CFA®
Contact Phone Number:	907/272 -7575

PORTFOLIO COMPOSITION



Alaska Permanent Capital Management Co.
PORTFOLIO SUMMARY AND TARGET
ALEUTIANS EAST BOROUGH
September 30, 2019

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (19.0%)	8,308,942	18.5	10% to 30%
TIPS (10.0%)	4,370,355	9.7	0% to 15%
Cash (5.0%)	2,321,419	5.2	0% to 10%
Subtotal:	15,000,716	33.4	
EQUITY (51%)			
US Large Cap (24.0%)	10,830,009	24.1	18% to 30%
US Mid Cap (7.0%)	3,173,803	7.1	2% to 12%
US Small Cap (3.0%)	1,366,092	3.0	0% to 6%
Developed International Equity (12.0%)	5,490,644	12.2	6% to 18%
Emerging Markets (5.0%)	2,252,469	5.0	0% to 10%
Subtotal:	23,113,017	51.5	
ALTERNATIVE INVESTMENTS (15%)			
Real Estate (5.0%)	2,265,260	5.0	0% to 10%
Infrastructure (5.0%)	2,240,342	5.0	0% to 10%
Commodities (5.0%)	2,241,405	5.0	0% to 10%
Subtotal:	6,747,007	15.0	
TOTAL PORTFOLIO	44,860,740	100	

AEB/AKUTAN HARBOR - 2006 A

Account Statement - Period Ending September 30, 2019



ACCOUNT ACTIVITY

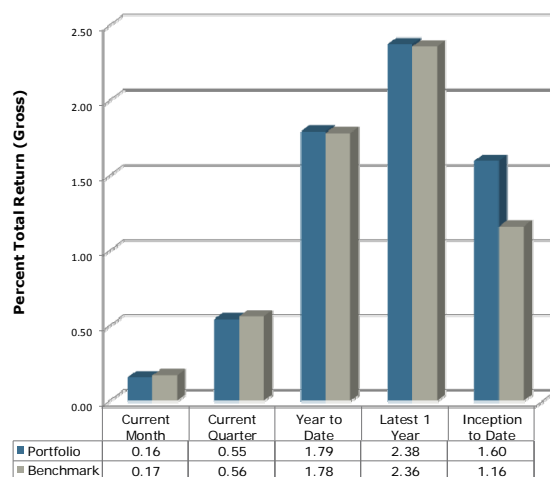
Portfolio Value on 08-31-19	1,577,032
Contributions	0
Withdrawals	-96
Change in Market Value	-1,465
Interest	3,955
Dividends	0
Portfolio Value on 09-30-19	1,579,426

MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Paul Hanson, CFA®
Contact Phone Number:	907/272 -7575

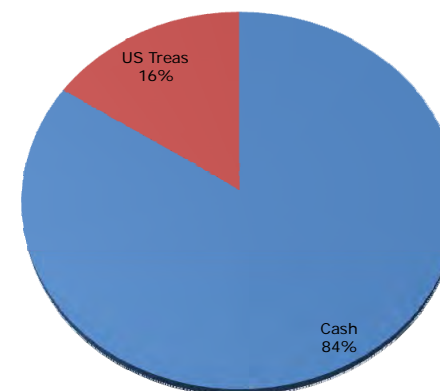
INVESTMENT PERFORMANCE

Current Account Benchmark:
FTSE 3-Month TBill



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 1.77% Average Maturity: 0.32 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB/AKUTAN HARBOR - 2006 A
September 30, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
100,000	US TREASURY NOTES 1.500% Due 07-15-20	99.52	99,520	99.72	99,719	6.31	1,500	318	1.86
150,000	US TREASURY NOTES 1.500% Due 08-15-20	99.75	149,619	99.70	149,554	9.47	2,250	287	1.84
	Accrued Interest				605	0.04			
			249,139		249,879	15.82		605	
TREASURY BILLS									
120,000	US TREASURY BILLS 0.000% Due 10-14-19	98.83	118,596	99.89	119,863	7.59	NA	0	2.98
415,000	US TREASURY BILLS 0.000% Due 12-19-19	99.00	410,863	99.62	413,427	26.18	NA	0	1.74
470,000	US TREASURY BILLS 0.000% Due 12-26-19	99.41	467,240	99.57	467,998	29.63	NA	0	1.80
300,000	US TREASURY BILLS 0.000% Due 01-16-20	99.36	298,065	99.47	298,404	18.89	NA	0	1.82
			1,294,764		1,299,692	82.29		0	
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		29,855		29,855	1.89			
TOTAL PORTFOLIO			1,573,758		1,579,426	100	3,750	605	

AEB OPERATING FUND

Account Statement - Period Ending September 30, 2019



ACCOUNT ACTIVITY

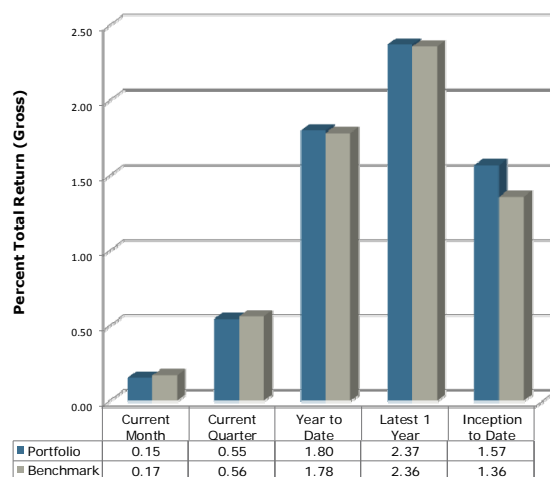
Portfolio Value on 08-31-19	2,637,159
Contributions	543,189
Withdrawals	-543,339
Change in Market Value	-2,759
Interest	6,843
Dividends	0
Portfolio Value on 09-30-19	2,641,093

MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Paul Hanson, CFA®
Contact Phone Number:	907/272 -7575

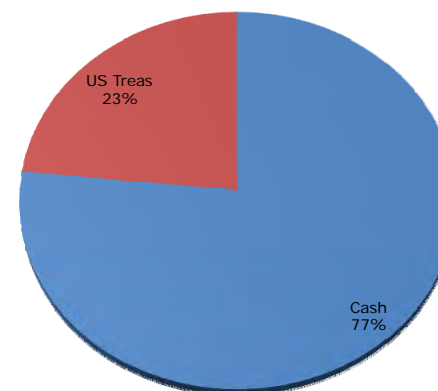
INVESTMENT PERFORMANCE

Current Account Benchmark:
FTSE 3-Month TBill



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 1.79% Average Maturity: 0.36 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB OPERATING FUND
September 30, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
375,000	US TREASURY NOTES 1.500% Due 07-15-20	99.52	373,198	99.72	373,946	14.16	5,625	1,192	1.86
245,000	US TREASURY NOTES 1.500% Due 08-15-20	99.75	244,378	99.70	244,272	9.25	3,675	469	1.84
	Accrued Interest				1,662	0.06			
			617,576		619,880	23.47		1,662	
TREASURY BILLS									
220,000	US TREASURY BILLS 0.000% Due 10-14-19	98.83	217,426	99.89	219,749	8.32	NA	0	2.98
525,000	US TREASURY BILLS 0.000% Due 12-19-19	99.00	519,767	99.62	523,010	19.80	NA	0	1.74
760,000	US TREASURY BILLS 0.000% Due 12-26-19	99.41	755,537	99.57	756,762	28.65	NA	0	1.80
500,000	US TREASURY BILLS 0.000% Due 01-16-20	99.36	496,775	99.47	497,340	18.83	NA	0	1.82
			1,989,505		1,996,862	75.61		0	
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		24,351		24,351	0.92			
TOTAL PORTFOLIO			2,631,432		2,641,093	100	9,300	1,662	

ALEUTIANS EAST BOROUGH SERIES E BOND

Account Statement - Period Ending September 30, 2019



ACCOUNT ACTIVITY

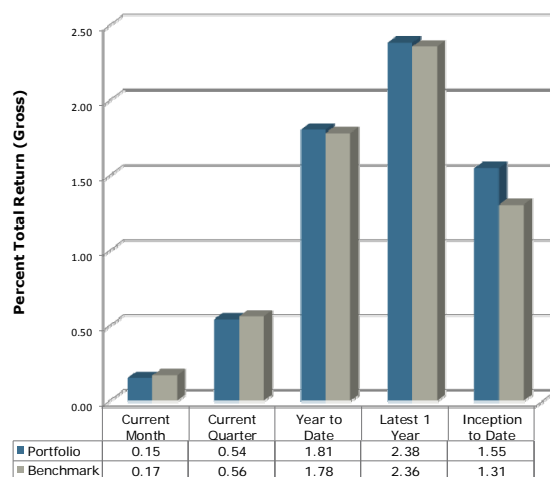
Portfolio Value on 08-31-19	2,573,922
Contributions	0
Withdrawals	0
Change in Market Value	-2,883
Interest	6,840
Dividends	0
Portfolio Value on 09-30-19	2,577,879

MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Paul Hanson, CFA®
Contact Phone Number:	907/272 -7575

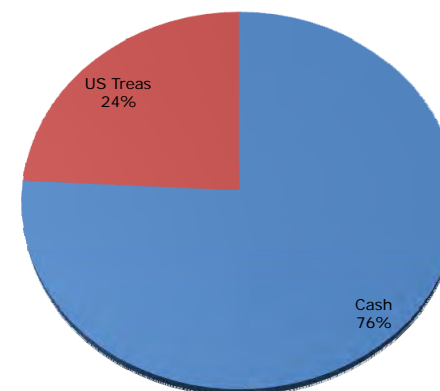
INVESTMENT PERFORMANCE

Current Account Benchmark:
FTSE 3-Month TBill



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 1.79% Average Maturity: 0.35 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
ALEUTIANS EAST BOROUGH SERIES E BOND
September 30, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
375,000	US TREASURY NOTES 1.500% Due 07-15-20	99.52	373,198	99.72	373,946	14.51	5,625	1,192	1.86
250,000	US TREASURY NOTES 1.500% Due 08-15-20	99.75	249,365	99.70	249,257	9.67	3,750	479	1.84
	Accrued Interest				1,671	0.06			
			622,563		624,875	24.24		1,671	
TREASURY BILLS									
540,000	US TREASURY BILLS 0.000% Due 10-14-19	98.83	533,681	99.89	539,384	20.92	NA	0	2.98
520,000	US TREASURY BILLS 0.000% Due 12-19-19	99.00	514,817	99.62	518,029	20.10	NA	0	1.74
370,000	US TREASURY BILLS 0.000% Due 12-26-19	99.41	367,827	99.57	368,424	14.29	NA	0	1.80
500,000	US TREASURY BILLS 0.000% Due 01-16-20	99.36	496,775	99.47	497,340	19.29	NA	0	1.82
			1,913,100		1,923,177	74.60		0	
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		29,827		29,827	1.16			
TOTAL PORTFOLIO			2,565,491		2,577,879	100	9,375	1,671	

* Callable security

AEB 2010 SERIES A GO BOND/KCAP

Account Statement - Period Ending September 30, 2019



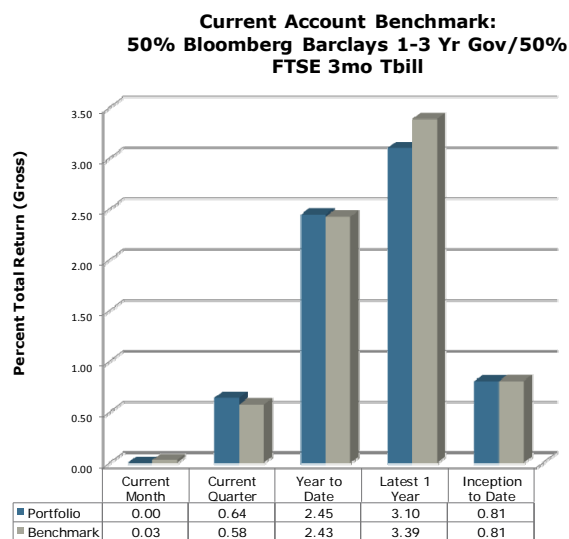
ACCOUNT ACTIVITY

Portfolio Value on 08-31-19	1,067,989
Contributions	0
Withdrawals	-44
Change in Market Value	-1,670
Interest	1,670
Dividends	0
Portfolio Value on 09-30-19	1,067,945

MANAGEMENT TEAM

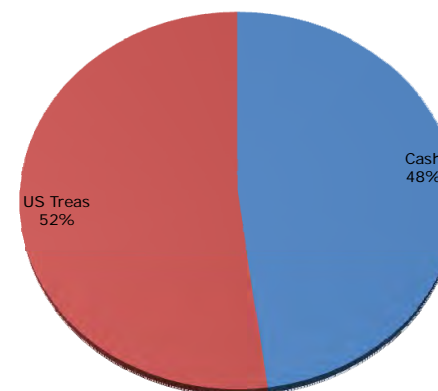
Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Paul Hanson, CFA®
Contact Phone Number:	907/272-7575

INVESTMENT PERFORMANCE



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 1.70% Average Maturity: 1.15 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB 2010 SERIES A GO BOND/KCAP
September 30, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
105,000	US TREASURY NOTE 1.500% Due 06-15-20	98.51	103,437	99.74	104,729	9.81	1,575	465	1.87
80,000	US TREASURY NOTES 1.375% Due 04-30-21	98.31	78,650	99.45	79,559	7.45	1,100	460	1.73
65,000	US TREASURY NOTES 2.000% Due 02-15-22	99.01	64,356	100.92	65,597	6.14	1,300	166	1.60
75,000	U.S. TREASURY NOTE 1.875% Due 02-28-22	98.82	74,115	100.59	75,439	7.06	1,406	120	1.63
125,000	US TREASURY NOTES 2.250% Due 04-15-22	99.86	124,829	101.57	126,962	11.89	2,812	1,299	1.62
100,000	US TREASURY NOTES 1.875% Due 07-31-22	100.10	100,098	100.75	100,746	9.43	1,875	316	1.60
	Accrued Interest				2,825	0.26			
			545,485		555,858	52.05		2,825	
TREASURY BILLS									
100,000	US TREASURY BILLS 0.000% Due 10-17-19	99.51	99,512	99.92	99,921	9.36	NA	0	1.70
225,000	US TREASURY BILLS 0.000% Due 11-29-19	99.54	223,962	99.70	224,332	21.01	NA	0	1.83
170,000	US TREASURY BILLS 0.000% Due 12-19-19	99.52	169,192	99.62	169,356	15.86	NA	0	1.74
			492,667		493,608	46.22		0	
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		18,478		18,478	1.73			
TOTAL PORTFOLIO			1,056,630		1,067,945	100	10,069	2,825	

AEB 2010 SERIES B BOND/AKUTAN AIR

Account Statement - Period Ending September 30, 2019



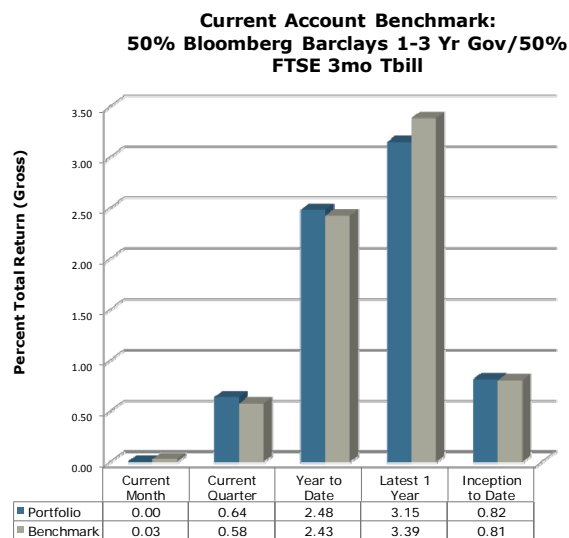
ACCOUNT ACTIVITY

Portfolio Value on 08-31-19	1,049,699
Contributions	0
Withdrawals	-44
Change in Market Value	-1,674
Interest	1,718
Dividends	0
Portfolio Value on 09-30-19	1,049,700

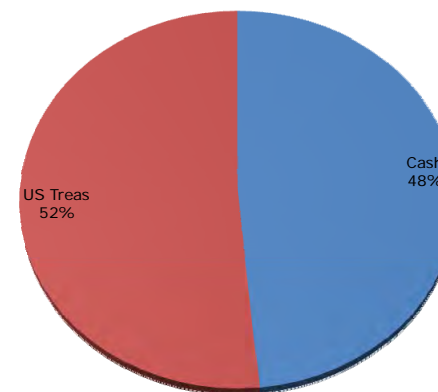
MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Paul Hanson, CFA®
Contact Phone Number:	907/272-7575

PORTFOLIO COMPOSITION



Performance is Annualized for Periods Greater than One Year



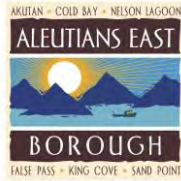
Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 1.71% Average Maturity: 1.13 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB 2010 SERIES B BOND/AKUTAN AIR
September 30, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
105,000	US TREASURY NOTE 1.500% Due 06-15-20	98.51	103,437	99.74	104,729	9.98	1,575	465	1.87
80,000	US TREASURY NOTES 1.375% Due 04-30-21	98.31	78,650	99.45	79,559	7.58	1,100	460	1.73
65,000	US TREASURY NOTES 2.000% Due 02-15-22	99.10	64,413	100.92	65,597	6.25	1,300	166	1.60
75,000	U.S. TREASURY NOTE 1.875% Due 02-28-22	98.66	73,998	100.59	75,439	7.19	1,406	120	1.63
125,000	US TREASURY NOTES 2.250% Due 04-15-22	99.83	124,787	101.57	126,962	12.10	2,812	1,299	1.62
85,000	US TREASURY NOTES 1.875% Due 07-31-22	100.10	85,083	100.75	85,634	8.16	1,594	269	1.60
	Accrued Interest				2,778	0.26			
			530,368		540,699	51.51		2,778	
TREASURY BILLS									
100,000	US TREASURY BILLS 0.000% Due 10-17-19	99.51	99,512	99.92	99,921	9.52	NA	0	1.70
225,000	US TREASURY BILLS 0.000% Due 11-29-19	99.54	223,962	99.70	224,332	21.37	NA	0	1.83
170,000	US TREASURY BILLS 0.000% Due 12-19-19	99.52	169,192	99.62	169,356	16.13	NA	0	1.74
			492,667		493,608	47.02		0	
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		15,392		15,392	1.47			
TOTAL PORTFOLIO			1,038,427		1,049,700	100	9,787	2,778	

Consent Agenda



Agenda Statement

Date: October 14, 2019
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

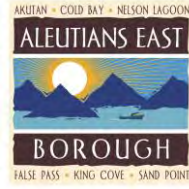
Re: Resolution 20-31 authorizing the Mayor to negotiate and execute a contract agreement between the Aleutians East Borough and Hickey & Associates for lobbying/consulting services for fiscal year 2020

The Aleutians East Borough is involved in numerous projects and issues that requires assistance from a State lobbyist. Mark Hickey with Hickey & Associates has provided lobbying/consulting services for the Borough with the Alaska legislative and executive branches since 1998. The FY2019 contract with Hickey & Associates ends on December 31, 2019 and can be renewed by agreement of both parties.

The proposed FY2020 contract would commence on January 1, 2020 and end December 31, 2020. The Borough would pay Hickey & Associates a retainer of \$3,500 a month and reimburse them for pre-approved extraordinary out-of-pocket and travel expenses. Hickey & Associates would pay the annual APOC registration fee and normal office overhead expenses.

RECOMMENDATION

Administration recommends approval of Resolution 20-31 authorizing the Mayor to negotiate and execute a contract agreement between the Borough and Hickey & Associates for lobbying/consulting services for FY2020.



RESOLUTION 20-31

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A CONTRACT AGREEMENT BETWEEN THE ALEUTIANS EAST BOROUGH AND HICKEY & ASSOCIATES FOR LOBBYING/CONSULTING SERVICES FOR FISCAL YEAR 2020

WHEREAS, the Aleutians East Borough (Borough) is involved in numerous State projects and issues that requires assistance from a State lobbyist; and

WHEREAS, Hickey & Associates has provided lobbying/consulting services for the Borough with the Alaska legislative and executive branches since 1998; and

WHEREAS, Hickey & Associates FY2019 contract ends December 31, 2019 and can be renewed by agreement of both parties for FY2020; and

WHEREAS, the Borough will pay Hickey & Associates a retainer of \$3,500 a month and reimburse Hickey & Associates for pre-approved extraordinary out-of-pocket and travel expenses.

NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the mayor to negotiate and execute a contract agreement between the Aleutians East Borough and Hickey & Associates for lobbying/consulting services for FY2020.

PASSED AND ADOPTED by the Aleutians East Borough on this 14th day of November, 2019.

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk

**2020 CONTRACT AGREEMENT BETWEEN
THE ALEUTIANS EAST BOROUGH
AND HICKEY & ASSOCIATES**

This is a contract for professional services by and between Hickey & Associates, hereinafter "Contractor", and the Aleutians East Borough, hereinafter "AEB", for lobbying/consulting services.

Terms & Conditions

1. The Contractor will provide lobbying/consulting services for AEB with the Alaska legislative and executive branches. This will include monitoring and reporting on matters of concern to AEB, including capital budget and municipal government issues. The Contractor will perform other lobbying or consulting services as directed by Mayor Alvin Osterback, or Ms. Anne Bailey, Borough Administrator, who will serve as the Contractor's contact person.
2. The Contractor will be paid a retainer of \$3,500 a month to perform these services. Payment will be made on a monthly basis.
3. The term of this contract commences on January 1, 2020 and ends December 31, 2020. The contract is subject to renewal by agreement of both parties.
4. The Contractor will be reimbursed extraordinary out-of-pocket and travel expenses, all of which are to be included in the Contractor's monthly billings. The Contractor will pay the annual APOC registration fee and normal office overhead expenses. All extraordinary expenses must have the prior approval of the Contractor's contact person.

This agreement constitutes the full agreement between the parties.

AEB

Date



Contractor

10/14/19

Date

Memo: Resolution 20-32, Humpback whale critical habit proposed rule
To: Mayor Osterback, AEB Assembly
From: Ernie Weiss, Natural Resource Department
November 6, 2019

On October 9th, the National Marine Fisheries Service (NMFS) published a proposed rule to *Designate Critical Habitat for the Central America, Mexico, and Western North Pacific Distinct Population Segments of Humpback Whales*. The public comment period for this proposed rule ends December 9th.

The proposed critical habitat for the threatened Mexico distinct population segment (DPS) and the endangered Western North Pacific DPS includes all navigable waters of the Aleutians East Borough, plus some adjacent waters. Under the Endangered Species Act (ESA), a consequence of a critical habitat designation is the requirement of a Section 7 consultation for any action authorized, funded or carried out by any federal agency, to determine if the action may adversely affect the critical habitat or the species. Like a Section 7 consultation for actions regarding Steller sea lion critical habitat, NMFS would issue a biological opinion that concludes whether the action would result in adverse modification of the critical habitat. NMFS would also recommend any reasonable and prudent alternatives to the action.

Activities that may be subject to the ESA Section 7 consultation include: federal fisheries, oil and gas activities, vessel traffic, in-water construction, aquaculture, and water quality management. General threats to humpback whales include entanglements in fishing gear, vessel strikes, climate change, marine pollution, ocean noise including from oil and gas activities, and directed harvests of prey species.

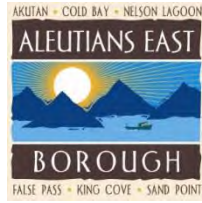
In 2016, NMFS revised the listing of humpback whales under the ESA listing four DPS as endangered and one DPS as threatened. The ESA was subsequently amended to require the designation of critical habitat for any listed species. In 2018, the Center for Biological Diversity et al filed a complaint against NMFS seeking critical habitat designations for three of the species, thus this proposed rule (84 FR 54354). The final rule is expected by September of 2020.

NMFS announced dates and locations for five public hearings on the proposed rule: Santa Cruz, California, Newport Oregon, Seattle, Washington, Juneau, Alaska and in Anchorage, Alaska. Four of these hearings were held the first week of November. The Anchorage hearing will be held December 3rd, 4 to 7 PM at the Loussac Library. An informal meeting with NMFS is scheduled after the first day of the NPFMC meeting, December 4th 5:50-7PM at the Anch Hilton. Requests for additional public hearings may be made by November 25th.

If Resolution 20-32 is approved by the Assembly, staff would submit the resolution to NMFS as public comment for the proposed rule, to the North Pacific Fishery Management Council for the December meeting and to the DC Delegation through Brad Gilman.

Recommendation: Adopt Resolution 20-32.

Link to the proposed rule: <https://www.fisheries.noaa.gov/action/proposed-rule-designate-critical-habitat-central-america-mexico-and-western-north-pacific>



RESOLUTION 20-32

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH URGING NMFS TO CAREFULLY CONSIDER IMPACTS TO BOROUGH FISHERMEN AND COMMUNITIES WHEN DESIGNATING HUMPBACK WHALE CRITICAL HABITAT.

WHEREAS, on October 9th, the National Marine Fisheries Service (NMFS) published a proposed rule (84 FR 54354) to designate critical habitat for three distinct population segments (DPS) of humpback whales (*Megaptera novaeangliae*), under the Endangered Species Act (ESA), and

WHEREAS, the proposed humpback whale critical habitat for the Mexico DPS and the Western North Pacific DPS both include all of the navigable waters of the Aleutians East Borough, and

WHEREAS, a critical habitat designation will require a consultation under section 7(a)(2) of the ESA for any federally connected actions in or near the critical habitat, to ensure said actions are not likely to adversely modify the habitat or threaten the existence of the whales, and

WHEREAS, actions funded or authorized by federal agencies that would be subject to the ESA section 7 consultation include: federal fisheries rulemaking, shipping lanes establishment, in-water construction and oil and gas activities, and

WHEREAS, economic impacts to communities and fishermen from the proposed critical habitat designation are undetermined, but the time period to submit comments on the proposed rule is very short and there are no public hearings scheduled to be held in our coastal communities, and

WHEREAS, the Aleutians East Borough is solely dependent on fish tax revenue to provide important services and infrastructure, and the Borough is concerned that this proposed rule could restrict fishing opportunities, inhibit project development and strain our local economy.

NOW THEREFORE BE IT RESOLVED that the Aleutians East Borough Assembly requests NMFS to carefully consider the potential harmful impacts to Borough fishermen and communities from the proposed humpback whale critical habitat and resulting section 7 consultations, and

BE IT FURTHER RESOLVED that the Aleutians East Borough Assembly requests NMFS work closely with the North Pacific Fishery Management Council and establish an ongoing process to engage local stakeholders on section 7 consultations related to the proposed critical habitat.

PASSED AND APPROVED by the Aleutians East Borough on this ____ day of November 2019.

Alvin D. Osterback, Mayor

ATTEST: _____
Tina Anderson, Clerk



Agenda Statement

Date: November 1, 2019

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

Re: Resolution 20-33 Amending Section 3.01(C)(6) of the Aleutians East Borough Employee Handbook

The Aleutians East Borough Employee Handbook outlines the Borough's personnel policies. Section 3.01 clarifies the Borough's employment classifications.

Currently, Borough employees will belong to one of the following employment categories:

1. **REGULAR FULL-TIME** employees: this includes Borough employees who are not in temporary or probationary status and who are regularly scheduled to work the Aleutians East Borough's full-time (40 hour per week) schedule. Generally, such AEB employees are eligible for some benefits sponsored by the Aleutians East Borough, subject to the terms, conditions, and limitations of each benefit program.
2. **REGULAR PART-TIME** employees: this includes Borough employees who are not assigned to temporary or probationary status and who are regularly scheduled to work less than the full-time work schedule, but at least twenty (20) hours per week. Regular part-time employees are eligible for some benefits sponsored by the Aleutians East Borough, subject to the terms, conditions, and limitations of each benefit program.
3. **PART-TIME** employees: this includes Borough employees who are not assigned to temporary or probationary status and who are scheduled to work less than twenty (20) hours per week. While such Borough employees receive all legally mandated benefits (such as Social Security and Workers' Compensation), they are ineligible for all the AEB's other benefit programs.
4. **PROBATIONARY** employees: this includes Borough employees whose performance is being evaluated to determine whether further employment in a specific position within the Aleutians East Borough is appropriate. Employees who satisfactorily complete the

probationary period will be notified of their new employment classification (See Section 3.02).

5. TEMPORARY employees: this includes Borough employees who are hired as interim replacements or for temporary work, on a predetermined work schedule that does not extend beyond six (6) calendar months. A temporary employee may be terminated, demoted, or suspended with or without cause, at the discretion of the appointing authority¹. If employees hired on a temporary basis become permanent employees, they are entitled to pro-rata sick leave and annual leave accruals retroactive to their date of hire.
6. PER DIEM employees: this includes Borough employees who are Regular Full-Time and Regular Part-Time employees and who accept additional compensation in lieu of participation in all but legally mandated benefit programs. The AEB offers this category in limited classifications and to limited numbers of employees. Individuals participating in this program must sign waivers of their rights to participate in the benefit programs applicable to regular employees. Service in this category cannot be credited in any way toward any benefit program, even if the employee is later assigned to a benefit-eligible category. A change to or from this category can be accomplished only with the prior written recommendation of the Borough Mayor, Borough Administrator, or designee.

Proposed Resolution 20-33 would amend Section 3.01(C)(6) of the Employee Handbook.

This change will:

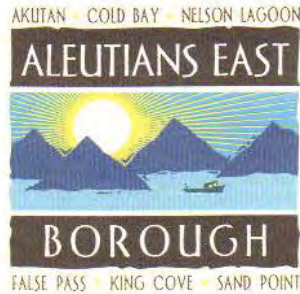
- Delete Section 3.01 Employment Categories C.6. PER DIEM employees.
- Add Section 3.01 Employment Categories C.6. CONTRACT employees, which states CONTRACT employees: this includes Borough employees whose terms and conditions of employment are governed by a written employment agreement in which, unless otherwise expressly stated therein, the employee waives participation in all Borough benefit programs other than those mandated by law. The AEB offers this category in limited classifications and to limited numbers of employees. Individuals participating in this program must sign waivers of their rights to participate in the benefit programs applicable to regular employees. Service in this category cannot be credited in any way toward any benefit program, even if the employee is later assigned to a benefit-eligible category. An employee may only be assigned to or from this category by means of a prior written authorization of the Borough Mayor, Borough Administrator, or designee.

If approved, Administration will implement this change on December 1, 2019. Administration will provide a memo to employees outlining the change.

¹ If the appointing authority is unavailable for any reason, the termination, demotion or suspension (or other disciplinary action) may be initiated and carried out by the appointing authority's designee.

RECOMMENDATION

Administration recommends approval of Resolution 20-33 amending Section 3.01 of the Aleutians East Borough Employee Handbook.



RESOLUTION NO. 20-33

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AMENDING SECTION 3.01(C)(6) OF THE ALEUTIANS EAST BOROUGH EMPLOYEE HANDBOOK

WHEREAS, A.S. 29.20.410(a) authorizes municipalities to create and implement personnel systems to govern the terms of municipal employment; and,

WHEREAS, pursuant to that authority, the Aleutians East Borough enacted Section 7.10.020 of the Aleutians East Borough Code of Ordinances, which directed the Borough to adopt a personnel policy; and,

WHEREAS, accordingly, the Borough has adopted the Aleutians East Borough Employee Handbook; and,

WHEREAS, the Assembly believes it to be in the Borough's best interest to amend Section 3.01(C)(6) of the Employee Handbook to remove the Per Diem Employment Classification, which the Borough no longer uses; and,

WHEREAS, the Assembly finds it to be in the Borough's best interests to replace it with a new employment classification for Borough employees hired on a contract basis; and,

WHEREAS, AEBC 7.10.030 authorizes the Assembly to amend the policies set forth in the Employee Handbook by resolution.

NOW, THEREFORE, BE IT RESOLVED by the Aleutians East Borough as follows:

Section 1. Section 3.01(C)(6) of the Aleutians East Borough Employee Handbook shall be amended as set forth in Exhibit A.

Section 2. This Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED BY THE ALEUTIANS EAST BOROUGH ASSEMBLY on this 14th day of November 2019.

ALEUTIANS EAST BOROUGH, ALASKA

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk

EXHIBIT A
RESOLUTION 20-33

3.01 EMPLOYMENT CATEGORIES

- A. In this section, the AEB intends to clarify the definitions of employment classifications. We want all Borough employees to understand their employment status and eligibility for benefits. These classifications do not guarantee employment for any specified period of time.
- B. Each Borough employee is designated as either NON-EXEMPT or EXEMPT from federal wage and hour laws. NON-EXEMPT employees are entitled to overtime pay under the specific provisions of federal laws. EXEMPT Borough employees are excluded from specific provisions of federal wage and hour laws.
- C. In addition to the above categories, each Borough employee will belong to one other employment category; either:
 - 1. **REGULAR FULL-TIME** employees: this includes Borough employees who are not in temporary or probationary status and who are regularly scheduled to work the Aleutians East Borough's full-time (40 hour per week) schedule. Generally, such AEB employees are eligible for the Borough's benefit package, subject to the terms, conditions, and limitations of each benefit program.
 - 2. **REGULAR PART-TIME** employees: this includes Borough employees who are not assigned to temporary or probationary status and who are regularly scheduled to work less than the full-time work schedule, but at least twenty (20) hours per week. Regular part-time employees are eligible for some benefits sponsored by the Aleutians East Borough, subject to the terms, conditions, and limitations of each benefit program.
 - 3. **PART-TIME** employees: this includes Borough employees who are not assigned to temporary or probationary status and who are scheduled to work less than twenty (20) hours per week. While such Borough employees receive all legally mandated benefits (such as Social Security and Workers' Compensation), they are ineligible for all the AEB's other benefit programs.
 - 4. **PROBATIONARY** employees: this includes Borough employees whose performance is being evaluated to determine whether further employment in a specific position within the Aleutians East Borough is appropriate. Employees who satisfactorily complete the probationary period will be notified of their new employment classification (See Section 3.02).
 - 5. **TEMPORARY** employees: this includes Borough employees who are hired as interim replacements or for temporary work, on a predetermined work schedule that does not extend beyond six (6) calendar months. A temporary employee may be terminated, demoted, or suspended with or without cause, at the discretion of the appointing authority. If employees hired on a temporary basis become permanent employees, they are entitled to pro-rata sick leave and annual leave accruals retroactive to their date of hire.
 - 6. ~~PER-DIEM CONTRACT~~ employees: this includes Borough employees whose ~~are Regular Full-Time and Regular Part-Time employees and who accept additional compensation in lieu of~~

EXHIBIT A
RESOLUTION 20-33

terms and conditions of employment are governed by a written employment agreement in which, unless otherwise expressly stated therein, the employee waives participation in all ~~but~~ ~~legally mandated~~ Borough benefit programs ~~other than those mandated by law~~. The AEB offers this category in limited classifications and to limited numbers of employees. Individuals participating in this program must sign waivers of their rights to participate in the benefit programs applicable to regular employees. Service in this category cannot be credited in any way toward any benefit program, even if the employee is later assigned to a benefit-eligible category. An ~~employee may only be assigned to~~ ~~change to~~ or from this category ~~can be accomplished only with the~~ ~~by means of a~~ prior written ~~recommendation~~ authorization of the Borough Mayor, Borough Administrator, or designee.

Black typeface = current language.

~~Red strikethrough~~ = deleted language.

Blue typeface = new language.

Memo: Resolution 20-34, Pacific cod fishery in 2020

To: Mayor Osterback, AEB Assembly

From: Ernie Weiss, Natural Resource Department

November 8, 2019

The process for setting groundfish catch limits, known as total allowable catch (TAC), starts with the groundfish plan team (GFPT), which initially met in September and is meeting again November 12th – 15th in Seattle at the Alaska Fisheries Science Center. Assessments of each groundfish stock are done each year based on several surveys, some surveys that are done every year and others on rotating years.

The North Pacific Fishery Management Council, along with their Advisory Panel and Science & Statistical Committee review preliminary acceptable biological catch (ABC) and overfishing level (OFL) for each groundfish species in the BSAI and GOA, as recommended by the GFPT, at the October meeting. The Council will set TACs at the December meeting.

Draft reports for consideration by the plan teams are now posted

for GOA pollock: https://www.afsc.noaa.gov/refm/stocks/plan_team/2019/GOApollock.pdf

and for GOA Pacific cod: https://www.afsc.noaa.gov/refm/stocks/plan_team/2019/GOApcod.pdf

The recommendation for GOA pollock by assessment authors Martin Dorn, et al from the executive summary: *‘2020 ABC recommendation for pollock in the Gulf of Alaska west of 140° W lon. (W/C/WYK regions) is 108,494 t, which is a decrease of 20% from the 2019 ABC, but very close to the projected 2020 ABC in last year’s assessment.’*

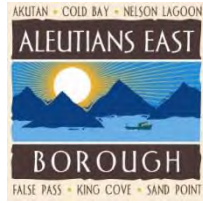
The recommendation for GOA Pacific cod by assessment authors Steve Barbeaux, et al from the executive summary: *‘For 2020 there would be no federal directed fishery allowed due to the stock being below B20%. Catch was set at 3,300 t for state fishery and 3,000 t for bycatch in non-target fisheries.’*

We will give an update on the groundfish plan team meetings during the Assembly meeting.

This draft resolution for your consideration declares on the record that these fisheries are important for our communities. If adopted the resolution would be submitted to the NPFMC and to NMFS.

Mayor Osterback also sent a [comment letter](#) to the Plan Team.

Recommendation: Adopt Resolution 20-34.



RESOLUTION 20-34

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH URGING NMFS TO MAKE EVERY EFFORT TO ALLOW A WGOA PACIFIC COD FISHERY OCCUR IN 2020.

WHEREAS, fishermen and on-shore processors of the Aleutians East Borough are reliant on a wide array of fisheries, including Pacific cod, to maintain viable fishing and processing operations, and

WHEREAS, recent analyses of the Pacific cod stock in the Gulf of Alaska imply a significant stock decline leading to speculation that there will not be a 2020 GOA Pacific cod directed fishery, and

WHEREAS, the State South Alaska Peninsula Pacific cod fishery in March 2019 and other recent federal Western Gulf of Alaska fisheries have revealed good fishing for cod, and

WHEREAS, in recent years, Western Gulf of Alaska Pacific cod fishermen have successfully demonstrated a collective ability to develop and maintain a voluntary catch share plan, and

WHEREAS, a voluntary catch share plan by fishermen would allow fishery managers the opportunity to open a Pacific cod season with some certainty that fishermen would not exceed set limits, and

WHEREAS, fishermen and communities have suffered under recent low Gulf of Alaska Pacific cod TAC's, and the difference between a small cod fishery in 2020 and no fishery at all could mean the difference between the survival of our communities or those communities closing their doors.

NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly requests the National Marine Fisheries Service and the North Pacific Fishery Management Council take into account recent State cod fishery information and fishermen accounts of reported good cod fishing in the South Peninsula, as part of the final assessment of the Western Gulf of Alaska Pacific cod stock and setting of harvest specifications, and

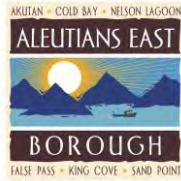
BE IT FURTHER RESOLVED, the Aleutians East Borough Assembly urges NMFS to open a Western Gulf of Alaska 2020 Pacific cod fishery upon assurances that the local fishermen will develop and maintain a voluntary catch share plan for the 2020 season.

PASSED AND APPROVED by the Aleutians East Borough on this ____day of November 2019.

Alvin D. Osterback, Mayor

ATTEST: _____
Tina Anderson, Clerk

Public Hearings



Agenda Statement

Date: October 3, 2019

To: Mayor Osterback and Assembly

From: Anne Bailey, Administrator

Re: Ordinances 20-03 and 20-04 authorizing the Mayor to negotiate and execute a sublease within, the Cold Bay Terminal, for air transportation services

The Aleutians East Borough Code Section 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.” Resolution 20-23 authorizing the Mayor to negotiate a sublease with airlines for a portion of the Cold Bay Terminal and adjacent apron is before the Assembly at the October 10, 2019 Regular Meeting. If approved the Mayor will negotiate a sublease with Raven Air Group (Ravn) and Grant Aviation (Grant).

Ravn and Grant have expressed their 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 for the purpose of providing Air Transportation which consists of the carriage of persons, property, cargo and mail by aircraft and associated services. The Terminal and adjacent apron are located within the Cold Bay Terminal 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.

The sublease is subject to the following minimum essential terms and conditions:

1. 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;
2. The term of this sublease is contingent on the Borough’s Base Lease extension with the State of Alaska;

3. The leased property shall be used by Ravn and Grant for the purpose of providing Air Transportation which consists of the carriage of persons, property, cargo and mail by aircraft and associated services;
4. The sublease term will be determined during the negotiations with the airlines.
5. 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.
6. Ravn and Grant shall be responsible for obtaining all necessary permits and approvals for its operations on the leased property;
7. Ravn 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 Ravn's use of the leased property.
8. 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.

As outlined above, the term and rental rate will be finalized during negotiations. The sublease rents, fees and charges will not be less than market value.

RECOMMENDATION

Administration recommends approval of Ordinances 20-03 and 20-04 authorizing the Mayor to negotiate and execute a sublease within, the Cold Bay Terminal, for air transportation services.

ALEUTIANS EAST BOROUGH

ORDINANCE SERIAL NO. 20-03

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

WHEREAS, Ravn 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 for the purpose of providing Air Transportation which consists of the carriage of persons, property, cargo and mail by aircraft and associated services, as generally depicted on the attached Exhibits “A”; 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 Ravn is in the best interest of the Borough, and will promote economic development within the Borough; and

WHEREAS, the Assembly approved Resolution 20-23 authorizing the disposal of the real property via negotiations with the airlines; 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 Ravn 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 on 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 Ravn 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) Ravn shall be responsible for obtaining all necessary permits and approvals for its operations on the leased property;
- (g) Ravn 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 Ravn's 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. Effectiveness. This Ordinance shall take effect upon adoption by the Aleutians East Borough Assembly.

INTRODUCED: _____

ADOPTED: _____

Alvin D. Osterback

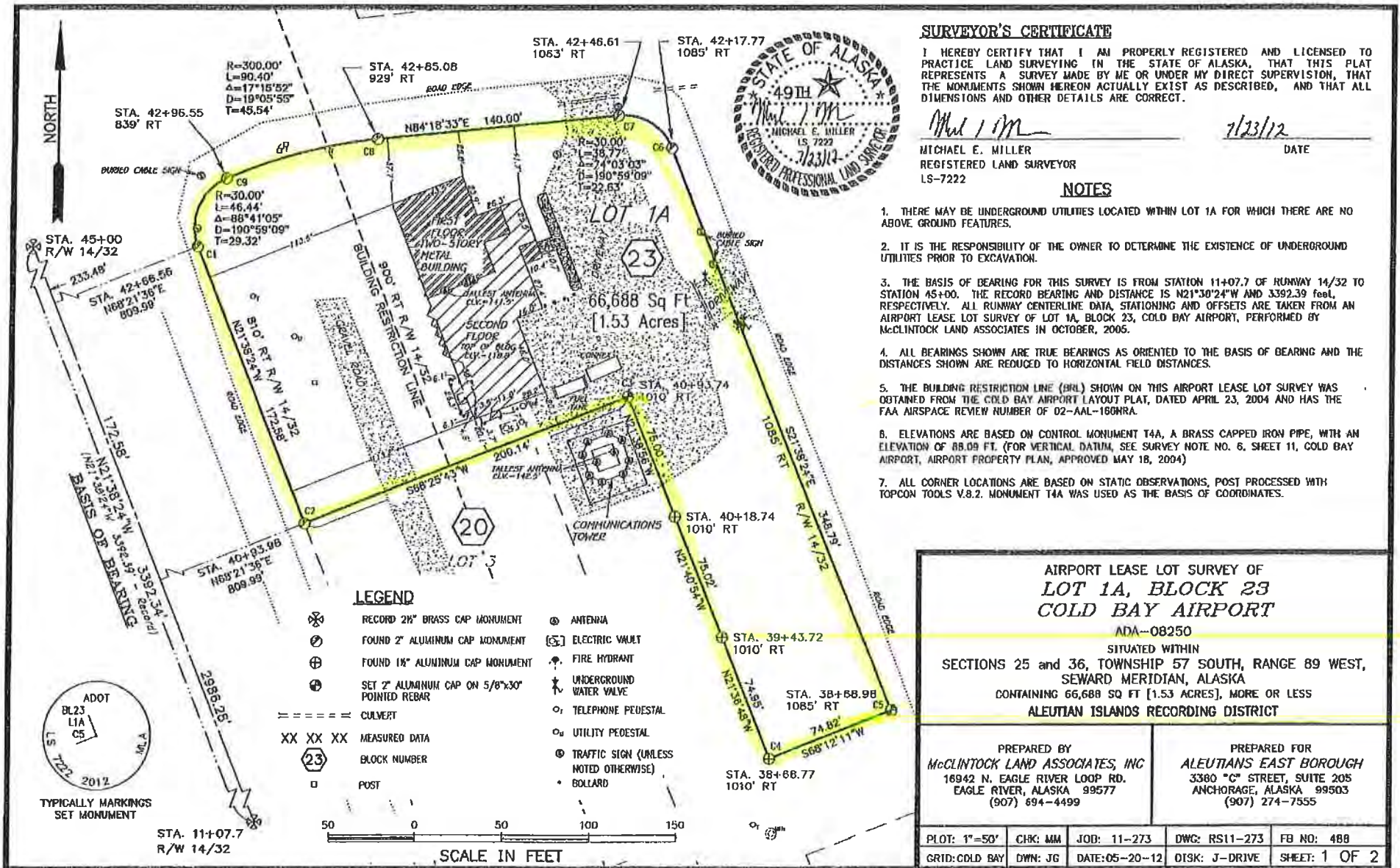
Date: _____

ATTEST:

Borough Clerk

Date: _____

Exhibit A



ALEUTIANS EAST BOROUGH
ORDINANCE SERIAL NO. 20-04

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

WHEREAS, Grant Aviation (“Grant”) 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 for the purpose of providing Air Transportation which consists of the carriage of persons, property, cargo and mail by aircraft and associated services, as generally depicted on the attached Exhibits “A”; 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 Grant is in the best interest of the Borough, and will promote economic development within the Borough; and

WHEREAS, the Assembly approved Resolution 20-23 authorizing the disposal of the real property via negotiations with the airlines; 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 Grant 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 on 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 Grant 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) Grant shall be responsible for obtaining all necessary permits and approvals for its operations on the leased property;
- (g) Grant 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 Grant's use of the leased property.
- (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. Effectiveness. This Ordinance shall take effect upon adoption by the Aleutians East Borough Assembly.

INTRODUCED: _____

ADOPTED: _____

Alvin D. Osterback

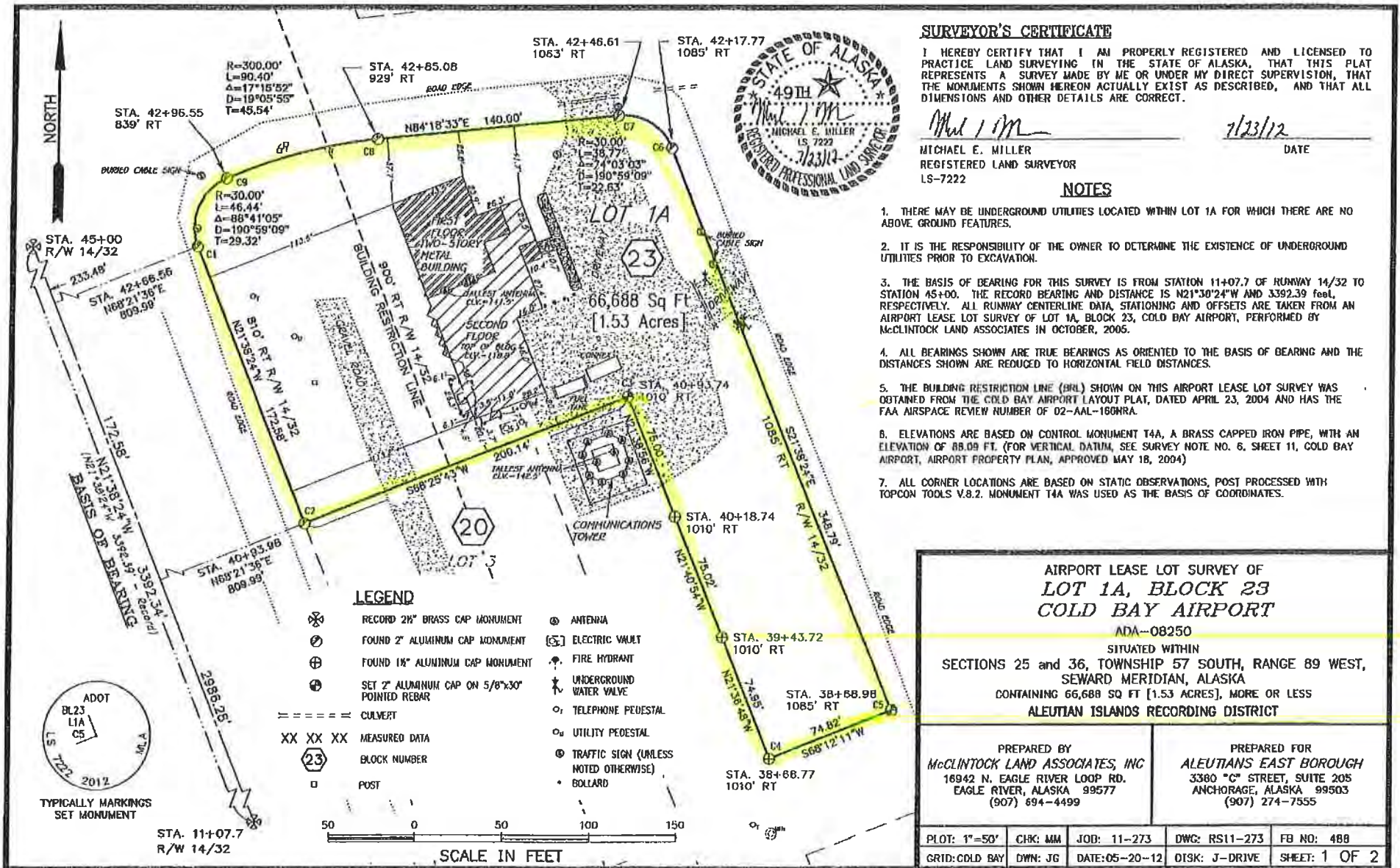
Date: _____

ATTEST:

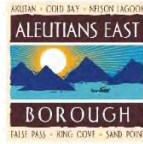
Borough Clerk

Date: _____

Exhibit A



Ordinances



MEMORANDUM

To: Alvin D. Osterback, Mayor and Assembly

From: Anne Bailey, Borough Administrator

Date: November 5, 2019

Re: Ordinance 20-05, Amending the Operating and Capital Budget for the Aleutians East Borough Fiscal Year 2019 (FINAL)

Ordinance 20-05 amends the Borough's operating and capital budget to reflect the actual revenues and expenditures for fiscal year 2019. The spreadsheet has three columns. The first column reflects what we anticipated our FY19 budget to look like on July 1, 2018; the second column reflects the FY19 mid-year budget adjustments and the third column reflects the actual revenues and expenditures for FY19. Increases are shown in green and decreases are shown in red. A few areas to highlight are outlined below:

Revenues

- AEB Fish Tax Revenue was \$1,058,658.31 more than anticipated, due to the great fishing season.
- AEBSA Refund for FY19 was \$17,247.86.
- Other Revenue was \$101,367.31 more than anticipated. This was largely due to the Peter Pan Sale and property leases.
- Shared Fishery Tax was \$205,790.69 less than anticipated.
- Extraterritorial Fish Tax was \$2,028.74 more than anticipated.
- Landing Tax was \$37,435.29 more than expected.
- Debt Reimbursement, which is a Bond Reimbursement through the State, was \$346,119.00 less than anticipated.
- State Local Aid, which is the Borough's Community Revenue Sharing, was \$15,947.92 more than anticipated totaling \$316,365.92 for FY19.
- Payment in Lieu of Taxes was \$69,227.00 more than anticipated.
- USF&WS Land was \$13,065.00 less than expected.
- The Total FY19 Revenue was \$773,718.65 more than anticipated.

Operating Fund Expenditures

- Quite a few of the employee budgets remained close to what was anticipated. A few fluctuated from what was originally anticipated:

- The Assembly budget increased \$67,887.67 largely due to a \$43,831.58 increase in fringe benefit costs.
- The Administration budget decreased by \$73,778.01. \$49,570.48 of the contract line items was not expended.
- The Finance Department budget increased by \$51,223.44 mainly due to a \$23,308.91 increase for the audit and \$20,586.21 increase in fringe benefits.
- The Natural Resources Department budget decreased by \$12,184.63 due to the actual FY19 expenses coming in lower than the FY19 midyear budget.
- The King Cove Access Project (KCAP) Department decreased by \$21,265.66. The Borough did not hire a contractor in FY19.
- Other General Fund Expenditures decreased by \$15,670.22.
 - There were slight increases and decreases in the majority of the line items.

Fund 22 Helicopter, Revenues and Expenditures

- The combined medivac, freight and helicopter ticket sale revenues were \$33,529.94 more than anticipated.
- The combined helicopter expenditures were \$511,217.23 less than anticipated. This was largely to a reduction in the amount of \$381,780.57 in contractual services with Maritime Helicopters and \$58,473.27 in salaries.
- Other Income totaled \$820,239.58 which was the funds contributed by the City of Akutan's FY2006 general fund grant, per CSA Amendment No. 2.
- The total Helicopter Expenditures was \$1,385,795.77.
- The total Helicopter Revenue was \$1,248,769.52.
- The helicopter expenditures exceeded revenues by \$137,026.25.

Fund 22 Terminal, Revenues and Expenditures

- The combined terminal expenditures were \$87,818.28. This was \$96,396.72 less than anticipated. This was largely due to a reduction of \$84,581 in maintenance and \$20,331.01 in utilities. There was a slight increase of \$12,651.29 in supplies.
- The total Terminal Expenditures was \$87,818.28.
- The total Terminal Revenue was \$141,511.43.
- The terminal came under budget by \$53,693.15.

Overview

Total Revenues =	\$8,545,863.37
Total Expenditures =	(\$6,788,505.85)
Transfer to Helicopter =	(\$137,026.25)
Transfer to Terminal =	\$53,693.15
 Total Surplus =	 <u>\$1,674,024.42</u>

ORDINANCE 20-05

AN ORDINANCE AMENDING THE OPERATING AND CAPITAL BUDGET FOR THE ALEUTIANS EAST BOROUGH FISCAL YEAR 2019 (FINAL).

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 and the Aleutians East Borough School District for Fiscal Year 2019 is adopted as follows:

REVENUES		FY19 BUDGET
Local		
	Interest Income	\$41,780.91
	AEB Fish Tax	\$4,619,039.31
	AEBSD Refund	\$17,247.86
	Other Revenue	\$151,367.31
	Southwest Cities, LLC	\$30,000.00
State		
		\$1,887,896.03
	Shared Fishery Tax	
	Extraterritorial Fish Tax	\$103,327.74
	Landing Tax	\$72,657.29
	Debt Reimbursement	\$654,763.00
	State Aid to Local Government	\$316,365.92
Federal		
	Payment in Lieu of Taxes	\$628,227.00
	USF&WS Lands	\$23,191.00
Total FY19 Revenues		\$8,545,863.37
	AEBSD Revenue	\$8,179,533

OPERATING FUND EXPENDITURES

Mayor	\$280,529.11
Assembly	\$225,887.67
Administration	\$375,556.99
Assistant Administrator	\$141,340.43
Clerk/Planning	\$197,588.21
Planning Commission	\$0
Finance	\$343,912.44
Natural Resources	\$387,714.37
Communications Manager	\$170,051.33
Maintenance Director	\$126,367.75
Educational Support	\$954,999.84
KCAP	\$100,734.34
Other	
Gen.Fund	
Equipment	\$36,646.01
AEB Vehicles	\$475.71
Repairs	\$3,634.51
Utilities	\$24,992.58
Aleutia Crab	\$37,837.40
Legal	\$112,279.95
Insurance	\$166,077.00
Bank Fees	\$13,611.96
EATS	\$150,000.00
Misc.	\$92,834.86
Donations	\$20,000
KSDP	\$10,000
NLG Rev. Sharing	\$15,789.00
Web Service/Tech	\$36,072.80
Total Other	\$720,251.78
Total General Fund	\$4,024,934.26
Capital Projects	\$0
Bond Projects	\$0
Debt Services	\$2,472,203.20
Maintenance Reserve	\$291,368.39
Total Expenditure	\$6,788,505.85

Transfer to Helicopter Operation	\$137,026.25
Transfer to Terminal Operator	(\$53,693.15)
AEB Surplus	\$1,674,024.42
 AEBSD Expenses	
 Fund 20, AEB Community Grant, Revenues	\$1,548,573
Fund 20, AEB Community Grant, Exp.	\$1,548,573
 Fund 22, Helicopter, Revenues	\$1,248,769.52
Fund 22, Helicopter, Expenditures	\$1,385,795.77
 Fund 22, Terminal Operations, Revenues	\$141,511.43
Fund 22, Terminal Operations, Expenditures	\$87,818.28
 Fund 24, Bond Project, Revenues	0
Fund 24, Bond Project, Expenditures	0
 Fund 30, Bond Payments, Revenues	0
Fund 30, Bond Payments, Expenditures	0
 Fund 40, Permanent Fund, Revenues	\$40,940.51
Fund 40, Permanent Fund, Expenditures	\$40,940.51
 Fund 41, Maintenance Reserve, Revenues	\$300,000.00
Fund 41, Maintenance Reserve, Expenditures	\$291,368.39

Passed and adopted by the Aleutians East Borough Assembly this _____ day of _____, 2019.

Date Introduced: 11/14/2019

Date Adopted: _____

Mayor

ATTEST:

Clerk

REVENUES		FY19 Budget		FY19 Mid-Year	FY19 Final Budget	
	AEBSD Revenues	\$	8,179,533.00	\$	8,179,533.00	\$ 8,179,533.00
Local	Interest Income	\$	35,000.00	\$	35,000.00	\$ 41,780.91
	AEB Fish Tax	\$	3,560,381.00	\$	3,560,381.00	\$ 4,619,039.31
	AEBSD Refund					\$ 17,247.86
	Other Revenue	\$	50,000.00	\$	50,000.00	\$ 151,367.31
	Southwest Cities, LLC					\$ 30,000.00
State	Shared Fishery Tax	\$	2,093,685.72	\$	2,093,686.72	\$ 1,887,896.03
	Extraterritorial Fish Tax	\$	101,299.00	\$	101,299.00	\$ 103,327.74
	Landing Tax	\$	35,222.00	\$	35,222.00	\$ 72,657.29
	Debt Reimbursement	\$	1,000,882.00	\$	1,000,882.00	\$ 654,763.00
	State Aid to Local Governments	\$	300,418.00	\$	300,418.00	\$ 316,365.92
Federal	Payment in Lieu of Taxes	\$	559,000.00	\$	559,000.00	\$ 628,227.00
	USF&WS Lands	\$	36,256.00	\$	36,256.00	\$ 23,191.00
	Total FY Revenues	\$	7,772,143.72	\$	7,772,144.72	\$ 8,545,863.37
Operating Fund Expenditures						
	Mayor	\$	269,098.00	\$	269,098.00	\$ 280,529.11
	Assembly	\$	158,000.00	\$	158,000.00	\$ 225,887.67
	Administration	\$	449,335.00	\$	449,335.00	\$ 375,556.99
	Assistant Administrator	\$	145,275.00	\$	145,275.00	\$ 141,340.43
	Clerk/Planning	\$	200,440.00	\$	200,440.00	\$ 197,588.21
	Planning Commission	\$	-	\$	-	\$ -
	Finance	\$	292,689.00	\$	292,689.00	\$ 343,912.44
	Natural Resources	\$	267,399.00	\$	399,899.00	\$ 387,714.37
	Communication Manager	\$	181,028.00	\$	181,028.00	\$ 170,051.33

Maintenance Director	\$	118,980.00	\$	124,349.00	\$	126,367.75
Educational Support	\$	955,000.00	\$	955,000.00	\$	954,999.84
KCAP	\$	122,000.00	\$	122,000.00	\$	100,734.34
Other GF						
Equipment	\$	50,000.00	\$	50,000.00	\$	36,646.01
AEB Vehicles	\$	-	\$	-	\$	475.71
Repairs	\$	5,000.00	\$	5,000.00	\$	3,634.51
Utilities	\$	25,000.00	\$	25,000.00	\$	24,992.58
Aleutia Crab	\$	58,522.00	\$	58,522.00	\$	37,837.40
Legal	\$	100,000.00	\$	100,000.00	\$	112,279.95
Insurance	\$	160,000.00	\$	160,000.00	\$	166,077.00
Bank Fees	\$	15,000.00	\$	15,000.00	\$	13,611.96
EATS	\$	150,000.00	\$	150,000.00	\$	150,000.00
Misc.	\$	96,000.00	\$	96,000.00	\$	92,834.86
Donations	\$	23,500.00	\$	23,500.00	\$	20,000.00
KSDP	\$	10,000.00	\$	10,000.00	\$	10,000.00
NLG Rev. Sharing	\$	12,900.00	\$	12,900.00	\$	15,789.00
Web Service/Tech Support	\$	30,000.00	\$	30,000.00	\$	36,072.80
	\$	735,922.00	\$	735,922.00	\$	720,251.78
Total General Fund	\$	3,895,166.00	\$	4,033,035.00	\$	4,024,934.26
Capital Projects						
Bond Projects						
Debt Services	\$	1,547,150.00	\$	1,547,150.00	\$	2,472,203.20
Maintenance Reserve	\$	300,000.00	\$	300,000.00	\$	291,368.39
Total Expenditure	\$	5,742,316.00	\$	5,880,185.00	\$	6,788,505.85
Transfer to Helicopter Operation	\$	1,502,013.00	\$	1,502,013.00		\$137,026.25
Transfer to Terminal Operation	\$	44,595.00	\$	44,595.00	\$	(53,693.15)
AEB Surplus	\$	483,219.72	\$	345,350.72	\$	1,674,024.42

AEBSD Expenditures

Fund 20	Community Grants AEB, Revenues	\$	1,548,573.00	\$	1,548,573.00	\$	1,548,573.00
---------	--------------------------------	----	--------------	----	--------------	----	--------------

Community Grants AEB, Expenditures	\$	1,548,573.00	\$	1,548,573.00	\$	1,548,573.00
Fund 22, Helicopter, Revenues	\$	395,000.00	\$	395,000.00	\$	1,248,769.52
Fund 22, Helicopter, Expenditures	\$	1,897,013.00	\$	1,897,013.00		\$1,385,795.77
Fund 22, Terminal Operations, Revenues	\$	139,620.00	\$	139,620.00	\$	141,511.43
Fund 22, Terminal Operations, Expenditures	\$	184,215.00	\$	184,215.00	\$	87,818.28
Fund 24, Bond Project, Revenues	\$	-	\$	-	\$	-
Fund 24, Bond Project, Expenditures	\$	-	\$	-	\$	-
Fund 30, Bond Payments, Revenues	\$	-	\$	-	\$	-
Fund 30, Bond Payments, Expenditures	\$	-	\$	-	\$	-
Fund 40, Permanent Fund, Revenues	\$	35,000.00	\$	35,000.00		\$40,940.51
Fund 40, Permanent Fund, Expenditures	\$	35,000.00	\$	35,000.00		\$40,940.51
Fund 41 Maintenance Reserve, Revenues	\$	300,000.00	\$	300,000.00	\$	300,000.00
Fund 41 Maintenance Reserve, Expenditures	\$	300,000.00	\$	300,000.00	\$	291,368.39

FY19 Amounts

Medical	\$1,521.44	month
PERS	22%	Employer Contribution
PERS	6.75	Employee Contribution
ESC	1.50%	
Medicare	1.45%	
FICA	6.20%	PT Employees
PERS/DC	8.00%	
DC Employees	\$86.84	

	FY19 Budget	FY19 Mid-Year	FY19 Final Budget
Mayor's Office			
Salary	\$ 80,766.00	\$ 80,766.00	\$ 80,765.76
Fringe	\$ 29,232.00	\$ 29,232.00	\$ 43,773.39
Travel	\$ 36,000.00	\$ 36,000.00	\$ 34,450.51
Phone	\$ 1,500.00	\$ 1,500.00	\$ 391.93
Supplies	\$ 1,000.00	\$ 1,000.00	\$ 3,547.52
Lobbying, federal	\$ 75,600.00	\$ 75,600.00	\$ 75,600.00
Lobbying, state	\$ 45,000.00	\$ 45,000.00	\$ 42,000.00
Total Mayor's Office	\$ 269,098.00	\$ 269,098.00	\$ 280,529.11
Assembly			
Meeting Fee	\$ 25,000.00	\$ 25,000.00	\$ 39,000.00
Fringe	\$ 90,000.00	\$ 90,000.00	\$ 133,831.58
Travel	\$ 40,000.00	\$ 40,000.00	\$ 48,811.11
Supplies	\$ 3,000.00	\$ 3,000.00	\$ 4,244.98
Total Assembly	\$ 158,000.00	\$ 158,000.00	\$ 225,887.67
Administration			
Salary	\$ 177,893.00	\$ 177,893.00	\$ 164,250.37
Fringe	\$ 66,438.00	\$ 66,438.00	\$ 84,283.47
Engineering	\$ 25,000.00	\$ 25,000.00	\$ 16,254.65
Contract	\$ 110,000.00	\$ 110,000.00	\$ 60,429.52
Anchorage Office			\$ 2,217.18
Travel & per diem	\$ 20,000.00	\$ 20,000.00	\$ 13,067.49
Phone	\$ 7,100.00	\$ 7,100.00	\$ 5,442.54
Postage	\$ 2,500.00	\$ 2,500.00	\$ 474.41
Supplies	\$ 15,000.00	\$ 15,000.00	\$ 10,698.20
Rent	\$ 23,404.00	\$ 23,404.00	\$ 15,949.16
Dues & fees	\$ 2,000.00	\$ 2,000.00	\$ 2,490.00
Total Administration	\$ 449,335.00	\$ 449,335.00	\$ 375,556.99
Assistant Administrator			
Salary	\$ 90,450.00	\$ 90,450.00	\$ 90,450.00

Fringe	\$	31,422.00	\$	31,422.00	\$	28,038.98
Travel	\$	10,000.00	\$	10,000.00	\$	10,578.77
Phone	\$	2,000.00	\$	2,000.00	\$	1,214.80
Supplies	\$	2,500.00	\$	2,500.00	\$	1,244.88
Rent	\$	8,903.00	\$	8,903.00	\$	9,813.00
Total Assistant Administrator	\$	145,275.00	\$	145,275.00	\$	141,340.43

Clerk/Planning

Salary	\$	104,494.00	\$	104,494.00	\$	100,295.73
Fringe	\$	34,946.00	\$	34,946.00	\$	48,073.34
Travel & per diem	\$	12,500.00	\$	12,500.00	\$	7,711.30
Phone	\$	7,500.00	\$	7,500.00	\$	9,218.85
Postage	\$	1,000.00	\$	1,000.00	\$	291.78
Supplies	\$	5,000.00	\$	5,000.00	\$	3,579.50
Utilities	\$	20,000.00	\$	20,000.00	\$	18,834.06
Dues & fees	\$	5,000.00	\$	5,000.00	\$	4,633.65
Elections	\$	10,000.00	\$	10,000.00	\$	4,950.00
Total Clerk/Planning	\$	200,440.00	\$	200,440.00	\$	197,588.21

Planning Commission

Salary	\$	-	\$	-	\$	-
Fringe	\$	-	\$	-	\$	-
Contract	\$	-	\$	-	\$	-
Travel/Per diem	\$	-	\$	-	\$	-
Permitting	\$	-	\$	-	\$	-
Total Planning Commission	\$	-	\$	-	\$	-

Finance

Salary	\$	142,324.00	\$	142,324.00	\$	148,801.21
Fringe	\$	53,365.00	\$	53,365.00	\$	73,951.21
Travel & per diem	\$	10,000.00	\$	10,000.00	\$	6,844.07
Phone	\$	8,000.00	\$	8,000.00	\$	9,980.14
Postage	\$	1,000.00	\$	1,000.00	\$	999.05

Supplies	\$	7,500.00	\$	7,500.00	\$	10,185.01
Utilities	\$	5,000.00	\$	5,000.00	\$	4,342.84
Audit	\$	65,500.00	\$	65,500.00	\$	88,808.91
Total Finance	\$	292,689.00	\$	292,689.00	\$	343,912.44

Natural Resources

Salary	\$	93,034.00	\$	153,034.00	\$	138,033.84
Fringe	\$	31,462.00	\$	61,462.00	\$	68,841.85
Contract	\$	65,000.00	\$	80,000.00	\$	66,000.00
Travel & per diem	\$	20,000.00	\$	25,000.00	\$	35,678.30
Phone	\$	1,500.00	\$	3,000.00	\$	3,239.77
Supplies	\$	2,500.00	\$	3,500.00	\$	7,326.50
NPFMC	\$	15,000.00	\$	15,000.00	\$	8,952.16
BOF Meeting	\$	30,000.00	\$	50,000.00	\$	40,359.95
Rent	\$	8,903.00	\$	8,903.00	\$	19,282.00
Total	\$	267,399.00	\$	399,899.00	\$	387,714.37

Communic

Salary	\$	101,954.00	\$	101,954.00	\$	105,355.92
Fringe	\$	34,158.00	\$	34,158.00	\$	35,132.20
Travel & per diem	\$	12,000.00	\$	12,000.00	\$	1,167.79
Phone	\$	2,400.00	\$	2,400.00	\$	3,042.03
Supplies	\$	2,500.00	\$	2,500.00	\$	2,348.81
Rent	\$	10,016.00	\$	10,016.00	\$	10,196.04
Advertising/promotions	\$	18,000.00	\$	18,000.00	\$	12,808.54
Total	\$	181,028.00	\$	181,028.00	\$	170,051.33

Other

Equipment	\$	50,000.00	\$	50,000.00	\$	36,646.01
AEB Vehicles	\$	-	\$	-	\$	475.71
Repairs	\$	5,000.00	\$	5,000.00	\$	3,634.51
Utilities	\$	25,000.00	\$	25,000.00	\$	24,992.58
Aleutia Crab	\$	58,522.00	\$	58,522.00	\$	37,837.40
Legal	\$	100,000.00	\$	100,000.00	\$	112,279.95

Insurance	\$	160,000.00	\$	160,000.00	\$	166,077.00
Bank Fees	\$	15,000.00	\$	15,000.00	\$	13,611.96
EATS	\$	150,000.00	\$	150,000.00	\$	150,000.00
Misc.	\$	96,000.00	\$	96,000.00	\$	92,834.86
Donations	\$	23,500.00	\$	23,500.00	\$	20,000.00
KSDP	\$	10,000.00	\$	10,000.00	\$	10,000.00
NLG Rev. Sharing	\$	12,900.00	\$	12,900.00	\$	15,789.00
Web Service/Tech Support	\$	30,000.00	\$	30,000.00	\$	36,072.80
Total Other	\$	735,922.00	\$	735,922.00	\$	720,251.78

Maintenance Director

Salary	\$	64,956.00	\$	70,325.00	\$	70,325.04
Fringe	\$	31,024.00	\$	31,024.00	\$	28,612.80
Travel & per diem	\$	15,000.00	\$	15,000.00	\$	20,755.96
Phone	\$	1,000.00	\$	1,000.00	\$	64.18
Supplies	\$	5,000.00	\$	5,000.00	\$	4,099.24
Utilities	\$	2,000.00	\$	2,000.00	\$	2,510.53
Total Public Works	\$	118,980.00	\$	124,349.00	\$	126,367.75

Education

Local Contribution	\$	900,000.00	\$	900,000.00	\$	900,000.00
Scholarships	\$	35,000.00	\$	35,000.00	\$	34,999.84
Student travel	\$	20,000.00	\$	20,000.00	\$	20,000.00
Total Educational Support	\$	955,000.00	\$	955,000.00	\$	954,999.84

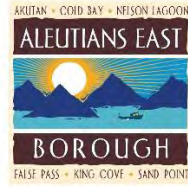
KCAP

Salary	\$	-	\$	-	\$	-
Fringe	\$	-	\$	-	\$	-
Travel & per diem	\$	-	\$	-	\$	-
Supplies	\$	2,000.00	\$	2,000.00	\$	1,734.34
Maintenance	\$	100,000.00	\$	100,000.00	\$	99,000.00
Contract	\$	20,000.00	\$	20,000.00	\$	-
Total KCAP	\$	122,000.00	\$	122,000.00	\$	100,734.34

TOTAL OPERATING BUDGT	\$	3,895,166.00	\$	4,033,035.00	\$	4,024,934.26
-----------------------	----	--------------	----	--------------	----	--------------

	FY19 Budget	FY19 Mid-Year	FY19 Final Budget
Fund 22 Terminal Operations			
Revenues			
Remaining construction Loan/ Remaining FAA reimbursement			
Other Income			
Leases	\$ 139,620.00	\$ 139,620.00	\$ 141,511.43
Total Revenues	\$ 139,620.00	\$ 139,620.00	\$ 141,511.43
Expenses			
Salary	\$ 28,098.00	\$ 28,098.00	\$ 28,099.76
Fringe	\$ 3,617.00	\$ 3,617.00	\$ 2,430.88
Maintenance	\$ 100,000.00	\$ 100,000.00	\$ 15,419.00
Travel & Perdiem			
Phone, Internet	\$ 4,500.00	\$ 4,500.00	\$ 4,359.57
Supplies	\$ 7,500.00	\$ 7,500.00	\$ 20,151.29
Rental/Lease			
Utilities	\$ 24,000.00	\$ 24,000.00	\$ 3,668.99
Fuel/Gas	\$ 1,500.00	\$ 1,500.00	\$ 308.02
Fuel/diesel	\$ 15,000.00	\$ 15,000.00	\$ 13,380.77
Total Expenses	\$ 184,215.00	\$ 184,215.00	\$ 87,818.28
Fund 22 Helicopter Operations			
Revenues			
Medivacs	\$ 5,000.00	\$ 5,000.00	\$ -
Freight	\$ 90,000.00	\$ 90,000.00	\$ 60,869.36
Other Income			\$ 820,239.58
Tickets, fees, etc.	\$ 300,000.00	\$ 300,000.00	\$ 367,660.58
Total Revenues	\$ 395,000.00	\$ 395,000.00	\$ 1,248,769.52
Expenses			
Salary	\$ 131,173.00	\$ 131,173.00	\$ 72,699.73
Fringe	\$ 32,140.00	\$ 32,140.00	\$ 27,327.11

Travel	\$	5,000.00	\$	5,000.00	\$	-
Phone/Internet	\$	3,500.00	\$	3,500.00	\$	2,491.95
Supplies	\$	60,000.00	\$	60,000.00	\$	56,638.65
Contract	\$	1,453,000.00	\$	1,453,000.00	\$	1,071,219.43
Fuel/gas	\$	12,000.00	\$	12,000.00	\$	13,462.02
Fuel/diesel	\$	150,000.00	\$	150,000.00	\$	112,704.09
Insurance	\$	18,200.00	\$	18,200.00	\$	14,246.00
Utilities	\$	8,000.00	\$	8,000.00	\$	4,506.79
Rent/Lease	\$	24,000.00	\$	24,000.00	\$	10,500.00
Total Expenses	\$	1,897,013.00	\$	1,897,013.00	\$	1,385,795.77



MEMORANDUM

To: Alvin D. Osterback, Mayor

From: Anne Bailey, Borough Administrator

Date: November 5, 2019

Re: Ordinance 20-06, Amending the Operating and Capital Budget for FY20

On May 23, 2019, the Borough Assembly passed Ordinance 19-09, Adopting the Operating and Capital Budget for FY20. At that time, Administration anticipated that the Borough would not receive funds from the State for bond debt reimbursement (both School Bond Debt and Harbor Bond Debt) and the Shared Fisheries Tax Revenues, which included the Shared Fishery Tax, Extraterritorial Tax and Landing Tax. Therefore, the Borough went into the FY20 budget cycle with a “worst-case scenario” mind set which resulted in a FY20 budget deficit of \$2,400,824.08.

The Governor has since signed the State’s FY 2020 operating budget. Dunleavy eliminated the Harbor Bond Debt Reimbursement and reduced the School Bond Debt Reimbursement by 50%. He also kept the Shared Fisheries Business Tax program intact for FY20. The Borough has taken these changes into consideration and made one other proposed change to the FY20 budget for the Assembly’s review and approval.

The FY20 proposed budget revisions are outlined in the attached Excel spreadsheet and are summarized as follows:

Fund 01 General Fund Budget Adjustment Recommendations

Revenues:

\$1,880,000 Shared Fishery Tax

Increase the existing Shared Fishery Tax Line Item (R 01-265 SHARED RAW FISH) from \$0.00 to \$1,880,000.00. This was not removed from the FY20 State Budget. This is what the Borough anticipates receiving in FY20.

\$100,000 Extraterritorial Fish Tax

Increase the existing Extraterritorial Fish Tax Line Item (R 01-266 STATE SHARED FISHFMA2) from \$0.00 to \$100,000.00. This was not removed from the FY20 State Budget. This is what the Borough anticipates receiving in FY20.

\$35,000 Landing Tax

Increase the existing Landing Tax Line Item (R 01-267 SHARED FISHFMA3) from \$0.00 to \$35,000.00. This was not removed from the FY20 State Budget. This is what the Borough anticipates receiving in FY20.

\$328,867 Debt Reimbursement

Increase the existing Debt Reimbursement Line Item (R 01-277 STATE BOND REBATE) from \$0.00 to \$328,867. This is for 50% of the school bond debt. The harbor bond debt for the Akutan and False Pass Harbors was not included in the FY20 State Budget.

\$7,455,488.92 Total Fund 01 General Fund Revenue

Increase the Total FY20 General Fund Revenue from \$5,11,621.92 to \$7,455,488.92. This is a \$2,343,867 increase from what was originally anticipated.

Fund 22 Cold Bay Terminal Budget Adjustment Recommendations

Cold Bay Terminal: \$50,000.00 Salaries Line Item

Increase the existing Salaries Line Item (E 22-02-200-300 SALARIES) from \$28,098.00 to \$50,000.00. The Borough is in the process of hiring janitorial and managerial contract employees. The salary costs will increase from \$28,098 to \$50,000 per fiscal year. Therefore, Administration is recommending increasing the Cold Bay Terminal Salaries line item by \$21,902.00, which changes the transfer to the Terminal Operation from (\$12,022.00) to \$9,880.00.

Based off the above the Borough's updated proposed FY20 Budget Summary is as follows:

Expected FY20 Revenue: \$7,455,488.92

Expected FY20 Expenditures: \$6,719,952.00
(Funds 01, 30 and 41)

Expected FY20 Helicopter Transfer: \$804,516.00

Expected FY20 Cold Bay Terminal Transfer: \$9,880.00

Expected FY20 Deficit: (\$78,859.08)

Therefore, the expected FY20 deficit decreased from \$2,400,824.08 to \$78,859.08.

ORDINANCE 20-06

AN ORDINANCE AMENDING THE OPERATING AND CAPITAL BUDGET FOR THE ALEUTIANS EAST BOROUGH FISCAL YEAR 2020.

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 2020 is amended as follows:

REVENUES		FY20 BUDGET
Local		
	Interest Income	\$35,000.00
	AEB Fish Tax	\$4,100,000.00
	AEBSD Refund	
	Other Revenue	\$65,000.00
State		
		\$1,880,000.00
	Shared Fishery Tax	
	Extraterritorial Fish Tax	\$100,000.00
	Landing Tax	\$35,000.00
	Debt Reimbursement	\$328,867.00
	State Aid to Local Government	\$316,365.92
Federal		
	Payment in Lieu of Taxes	\$559,000.00
	USF&WS Lands	\$36,256.00
Total FY20 Revenues		\$7,455,488.92

OPERATING FUND EXPENDITURES

Mayor	\$287,389.00
Assembly	\$221,000.00
Administration	\$423,324.00
Assistant Administrator	\$149,022.00
Clerk/Planning	\$211,629.00
Planning Commission	\$0.00
Finance	\$328,094.00
Natural Resources	\$326,472.00
Communications Manager	\$181,573.00
Maintenance Director	\$131,459.00
Educational Support	\$855,000.00
KCAP	\$126,500.00
Other	
Gen.Fund	
Equipment	\$35,000.00
KSDP	\$10,000.00
AEB Vehicles	\$500.00
Repairs	\$5,000.00
Utilities	\$25,000.00
Aleutia Crab	\$58,522.00
Legal	\$100,000.00
Insurance	\$185,000.00
Bank Fees	\$15,000.00
EATS	\$150,000.00
Misc.	\$40,000.00
Donations	\$23,500.00
NLG Rev. Sharing	\$16,000.00
Web Service/Tech	\$36,552.00
PERS	\$46,000.00
Total Other	\$746,074.00
Total General Fund	\$3,987,536.00
Capital Projects	\$0.00
Bond Projects	\$0.00
Debt Services	\$2,482,416.00
Maintenance Reserve	\$250,000.00
Total Expenditure	\$6,719,952.00

Transfer to Helicopter Operation	\$804,516.00
Transfer to Terminal Operator	\$9,880.00
AEB Surplus	(\$78,859.08)
Fund 20, AEB Community Grant, Revenues	\$1,647,000.00
Fund 20, AEB Community Grant, Exp.	\$1,647,000.00
Fund 22, Helicopter, Revenues	\$343,600.00
Fund 22, Helicopter, Expenditures	\$1,148,116.00
Fund 22, Terminal Operations, Revenues	\$139,620.00
Fund 22, Terminal Operations, Expenditures	\$149,500.00
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	\$2,482,416.00
Fund 40, Permanent Fund, Revenues	\$35,000.00
Fund 40, Permanent Fund, Expenditures	\$35,000.00
Fund 41, Maintenance Reserve, Revenues	\$250,000.00
Fund 41, Maintenance Reserve, Expenditures	\$250,000.00

Passed and adopted by the Aleutians East Borough Assembly this _____ day of _____, 2019.

Date Introduced: 11/14/2019

Date Adopted: _____

Mayor

ATTEST:

Clerk

Proposed FY20 Aleutians East Borough Budget

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

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

REVENUES		FY20 Budget	Proposed Changes	FY20 Revised Budget
Local	Interest Income	\$ 35,000.00		\$ 35,000.00
	AEB Fish Tax	\$ 4,100,000.00		\$ 4,100,000.00
	AEBSD Refund			
	Other Revenue	\$ 65,000.00		\$ 65,000.00
State	Shared Fishery Tax	\$ -	\$ 1,880,000.00	\$ 1,880,000.00
	Extraterritorial Fish Tax	\$ -	\$ 100,000.00	\$ 100,000.00
	Landing Tax	\$ -	\$ 35,000.00	\$ 35,000.00
	Debt Reimbursement	\$ -	\$ 328,867.00	\$ 328,867.00
	State Aid to Local Governments	\$ 316,365.92		\$ 316,365.92
Federal	Payment in Lieu of Taxes	\$ 559,000.00		\$ 559,000.00
	USF&WS Lands	\$ 36,256.00		\$ 36,256.00
Total FY Revenues		\$ 5,111,621.92		\$ 7,455,488.92
Operating Fund Expenditures				
	Mayor	\$ 287,389.00		\$ 287,389.00
	Assembly	\$ 221,000.00		\$ 221,000.00
	Administration	\$ 423,324.00		\$ 423,324.00
	Assistant Administrator	\$ 149,022.00		\$ 149,022.00
	Clerk/Planning	\$ 211,629.00		\$ 211,629.00
	Planning Commission	\$ -		\$ -
	Finance	\$ 328,094.00		\$ 328,094.00
	Natural Resources	\$ 326,472.00		\$ 326,472.00
	Communication Manager	\$ 181,573.00		\$ 181,573.00
	Maintenance Director	\$ 131,459.00		\$ 131,459.00

Educational Support	\$	855,000.00		\$	855,000.00
KCAP	\$	126,500.00		\$	126,500.00
Other GF					
Equipment	\$	35,000.00		\$	35,000.00
AEB Vehicles	\$	500.00		\$	500.00
Repairs	\$	5,000.00		\$	5,000.00
Utilities	\$	25,000.00		\$	25,000.00
Aleutia Crab	\$	58,522.00		\$	58,522.00
Legal	\$	100,000.00		\$	100,000.00
Insurance	\$	185,000.00		\$	185,000.00
Bank Fees	\$	15,000.00		\$	15,000.00
EATS	\$	150,000.00		\$	150,000.00
Misc.	\$	40,000.00		\$	40,000.00
Donations	\$	23,500.00		\$	23,500.00
KSDP	\$	10,000.00		\$	10,000.00
NLG Rev. Sharing	\$	16,000.00		\$	16,000.00
Web Service/Tech Support	\$	36,552.00		\$	36,552.00
PERS	\$	46,000.00		\$	46,000.00
Other GF Total	\$	746,074.00		\$	746,074.00
 Total General Fund	\$	3,987,536.00		\$	3,987,536.00
Capital Projects					
Bond Projects					
Debt Services	\$	2,482,416.00		\$	2,482,416.00
Maintenance Reserve	\$	250,000.00		\$	250,000.00
 Total Expenditure		\$6,719,952.00			\$6,719,952.00
Transfer to Helicopter Operation	\$	804,516.00		\$	804,516.00
Transfer to Terminal Operation	\$	(12,022.00)	\$21,902.00	\$	9,880.00
AEB Surplus		(\$2,400,824.08)			(\$78,859.08)

Fund 20 Community Grants AEB, Revenues	\$	1,647,000.00		\$	1,647,000.00
Community Grants AEB, Expenditures	\$	1,647,000.00		\$	1,647,000.00
Fund 22, Helicopter, Revenues	\$	343,600.00		\$	343,600.00
Fund 22, Helicopter, Expenditures	\$	1,148,116.00		\$	1,148,116.00
Fund 22, Terminal Operations, Revenues		\$139,620.00		\$	139,620.00
Fund 22, Terminal Operations, Expenditures	\$	127,598.00	\$21,902.00	\$	149,500.00
Fund 24, Bond Project, Revenues	\$	-		\$	-
Fund 24, Bond Project, Expenditures	\$	-		\$	-
Fund 30, Bond Payments, Revenues	\$	-		\$	-
Fund 30, Bond Payments, Expenditures	\$	2,482,416.00		\$	2,482,416.00
Fund 40, Permanent Fund, Revenues	\$	35,000.00		\$	35,000.00
Fund 40, Permanent Fund, Expenditures	\$	35,000.00		\$	35,000.00
Fund 41 Maintenance Reserve, Revenues	\$	250,000.00		\$	250,000.00
Fund 41 Maintenance Reserve, Expenditures	\$	250,000.00		\$	250,000.00

FY19 Amounts/Estimate

Medical	\$1,521.44	month
PERS	22%	
ESC	1.50%	
Medicare	1.45%	
PERS/DC	6.90%	
	\$	83.52

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
Mayor's Office		
Salary	\$ 83,189.00	
Fringe	\$ 38,000.00	
Travel	\$ 40,000.00	
Phone	\$ 1,800.00	
Supplies	\$ 3,800.00	
Lobbying, federal	\$ 75,600.00	
Lobbying, state	\$ 45,000.00	
Total Mayor's Office	\$ 287,389.00	
 Assembly		
Meeting Fee	\$ 37,000.00	
Fringe	\$ 140,000.00	
Travel	\$ 40,000.00	
Supplies	\$ 4,000.00	
Total Assembly	\$ 221,000.00	
 Administration		
Salary	\$ 187,481.00	
Fringe	\$ 72,500.00	
Engineering	\$ 25,000.00	
Contract	\$ 90,000.00	
Travel & per diem	\$ 17,500.00	
Phone	\$ 6,100.00	
Postage	\$ 2,000.00	
Supplies	\$ 10,000.00	
Rent	\$ 10,243.00	
Dues & fees	\$ 2,500.00	
Total Administration	\$ 423,324.00	

Assistant Administrator

Salary	\$	93,164.00
Fringe	\$	32,000.00
Travel	\$	10,000.00
Phone	\$	1,750.00
Supplies	\$	2,000.00
Rent	\$	10,108.00
Total Assistant Administrator	\$	149,022.00

Clerk/Planning

Salary	\$	107,629.00
Fringe	\$	43,000.00
Travel & per diem	\$	12,500.00
Phone	\$	7,500.00
Postage	\$	1,000.00
Supplies	\$	5,000.00
Utilities	\$	20,000.00
Dues & fees	\$	5,000.00
Elections	\$	10,000.00
Total Clerk/Planning	\$	211,629.00

Planning Commission

Salary	\$	-
Fringe	\$	-
Contract	\$	-
Travel/Per diem	\$	-
Permitting	\$	-
Total Planning Commission	\$	-

Finance

Salary	\$	146,594.00
Fringe	\$	70,000.00
Travel & per diem	\$	10,000.00

Phone	\$	10,000.00
Postage	\$	2,500.00
Supplies	\$	9,000.00
Utilities	\$	5,000.00
Audit	\$	75,000.00
Total Finance	\$	328,094.00

Natural Resources

Salary	\$	167,926.00
Fringe	\$	65,000.00
Contract	\$	-
Travel & per diem	\$	30,000.00
Phone	\$	1,500.00
Supplies	\$	6,000.00
NPFMC	\$	15,000.00
BOF Meeting	\$	15,000.00
Rent	\$	26,046.00
Total Natural Resources	\$	326,472.00

Communication Director

Salary	\$	105,013.00
Fringe	\$	34,158.00
Travel & per diem	\$	9,000.00
Phone	\$	2,400.00
Supplies	\$	2,500.00
Rent	\$	10,502.00
Advertising/promotions	\$	18,000.00
Total Communications	\$	181,573.00

Maintenance Director

Salary	\$	72,435.00
Fringe	\$	31,024.00
Travel & per diem	\$	20,000.00
Phone	\$	1,000.00

Supplies	\$	5,000.00
Utilities	\$	2,000.00
Total Public Works	\$	131,459.00

KCAP

Salary	\$	-
Fringe	\$	-
Travel & per diem	\$	-
Supplies	\$	1,500.00
Maintenance	\$	125,000.00
Contract	\$	-
Total KCAP	\$	126,500.00

Education

Local Contribution	\$	800,000.00
Scholarships	\$	35,000.00
Student travel	\$	20,000.00
Total Educational Support	\$	855,000.00

Other

Equipment	\$	35,000.00
AEB Vehicles	\$	500.00
Utilities	\$	25,000.00
Aleutia Crab	\$	58,522.00
Legal	\$	100,000.00
Insurance	\$	185,000.00
Repairs	\$	5,000.00
Bank Fees	\$	15,000.00
EATS	\$	150,000.00
Misc.	\$	40,000.00
Donations	\$	23,500.00
KSDP	\$	10,000.00
NLG Rev. Sharing	\$	16,000.00
Web Service/Tech Support	\$	36,552.00
PERS	\$	46,000.00

Total Other	\$	746,074.00
-------------	----	------------

TOTAL OPERATING BUDGET	\$	3,987,536.00
------------------------	----	--------------

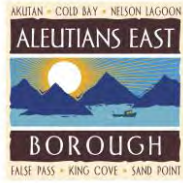
Proposed FY20 Helicopter and Cold Bay Terminal Budgets (Fund 22)

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

	FY20	Proposed Changes	FY20 Revised Budget
Fund 22 Terminal Operations			
Revenues			
Remaining construction Loan/	\$ -		
Remaining FAA reimbursement	\$ -		
Other Income	\$ -		
Leases	\$ 139,620.00		
TOTAL REVENUES	\$ 139,620.00		
Expenses			
Salary	\$ 28,098.00	\$21,902.00	\$ 50,000.00
Fringe	\$ 3,500.00		
Maintenance	\$ 25,000.00		
Travel & Perdiem	\$ -		
Phone, Internet	\$ 4,500.00		
Supplies	\$ 20,000.00		
Rental/Lease			
Utilities	\$30,000.00		
Fuel/Gas	\$ 1,500.00		
Fuel/diesel	\$15,000.00		
TOTAL EXPENDITURES	\$ 127,598.00	\$21,902.00	\$ 149,500.00
	FY20	Proposed Changes	FY20 Revised Budget
Fund 22 Helicopter Operations			
Revenues			
Medivacs	\$ -		
Freight	\$ -		
Other Income			
Tickets, fees, etc.	\$ -		
Hangar	\$ 48,600.00		
Transportation	\$ 169,000.00		
Fuel	\$ 126,000.00		
TOTAL REVENUES	\$ 343,600.00		
Expenses			
Salary	\$ 70,000.00		
Fringe	\$ 26,300.00		

Travel	\$	-
Phone/Internet	\$	1,000.00
Supplies	\$	40,000.00
Contract	\$	860,816.00
Fuel/gas	\$	12,000.00
Fuel/diesel	\$	130,000.00
Insurance	\$	-
Utilities	\$	8,000.00
Rent/Lease	\$	-
TOTAL EXPENDITURES	\$	1,148,116.00

Resolutions



Agenda Statement

Date: November 8th, 2019

To: Mayor Osterback and Assembly

From: Mary Tesche, Assistant Administrator

Re: Resolution 20-35 relating to disposal of surplus, obsolete, or unneeded supplies

The Aleutians East Borough has acquired certain personal property for the purpose of carrying out services in the public interest. Some of these items have become worn out, obsolete, or are no longer needed by the Borough. The Borough has deemed it unnecessary to maintain ownership of surplus personal property of the Borough.

Section 3.02.031(b) of the Borough code reads, "Supplies which are deemed by the Purchasing Officer to be sold as surplus, obsolete, or unneeded, may be sold or otherwise disposed of by the Purchasing Officer upon approval by the Assembly by resolution."

The Borough desires to dispose of the following items:

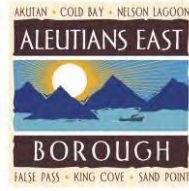
Item	Approximate Value
(4) adjustable desk chairs	\$10
(1) Dell computer and printer	\$25
(1) metal 5' desk with black board	\$10
(1) 3' 2-drawer legal size file cabinet	\$10
(2) 9'x30" laminate particle board counter tops (new, never used)	\$50
(11) 2'x6'x16' T&G cargo decking (new, never used)	\$100
(1) 3'x7' vinyl window (new, never used)	\$100
(1) 36"x18"x24" metal wall cabinet	\$10

(1) 4'x3' reader board	\$10
(2) 40"x45" vent covers and vents	\$10
(5) 4'x8'x½" OSB plywood	\$10
(3) 4'x8'x½" CDX plywood	\$10
(3) 2'x8'x5/8" CDX plywood	\$10
(2) 12"x12"x3' aggregate waste bins	\$20

Resolution 20-35 authorizes the Borough to conduct surplus auction by sealed bid for the purpose of selling these items to the highest bidder after public notice.

RECOMMENDATION

Administration recommends approval of Resolution 20-35 relating to the disposal of surplus, obsolete, or unneeded supplies.



RESOLUTION 20-35

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY RELATING TO DISPOSAL OF SURPLUS, OBSOLETE, OR UNNEEDED SUPPLIES

WHEREAS, the Aleutians East Borough (“Borough”) has acquired certain personal property for the purpose of carrying out services in the public interest; and

WHEREAS, certain items of personal property of the Borough have become worn out, obsolete, or are no longer needed by the Borough; and

WHEREAS, the Borough has deemed it unnecessary to maintain ownership of the surplus personal property of the Borough; and

WHEREAS, the Borough desires to dispose of the following surplus property located in Cold Bay, Alaska:

Item	Approximate Value
(4) adjustable desk chairs	\$10
(1) Dell computer and printer	\$25
(1) metal 5’ desk with black board	\$10
(1) 3’ 2-drawer legal size file cabinet	\$10
(2) 9’x30” laminate particle board counter tops (new, never used)	\$50
(11) 2’x6’x16’ T&G cargo decking (new, never used)	\$100
(1) 3’x7’ vinyl window (new, never used)	\$100
(1) 36”x18”x24” metal wall cabinet	\$10
(1) 4’x3’ reader board	\$10
(2) 40”x45” vent covers and vents	\$10
(5) 4’x8’x½” OSB plywood	\$10
(3) 4’x8’x½” CDX plywood	\$10
(3) 2’x8’x5/8” CDX plywood	\$10

(2) 12"x12"x3' aggregate waste bins \$20

NOW THEREFORE, BE IT RESOLVED, by the Aleutians East Borough Assembly as follows:

Section 1. The Borough Assembly finds and declares that the Borough no longer has use for the surplus property listed above

Section 2. The Purchasing Officer is authorized and directed to conduct a surplus auction by sealed bid for the purpose of selling the surplus property to the highest bidder for cash after public notice.

Section 3. In case of a tie, the successful bidder shall be determined by publicly drawing lots at a time and place specified by the Purchasing Officer, always selling to the highest responsible bidder or bidders for cash.

Section 4. The Purchasing Officer is authorized to repeatedly reject all bids and advertise and give notice again.

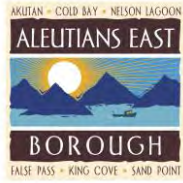
Section 5. If there are no bidders, the Purchasing Officer is authorized to sell such supplies, materials, equipment, or other personal property for the minimum value established prior to sealed bidding.

PASSED AND ADOPTED by the Aleutians East Borough on this ____ day of _____, 2019.

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk



Agenda Statement

Date: November 8th, 2019

To: Mayor Osterback and Assembly

From: Mary Tesche, Assistant Administrator

Re: Resolution 20-36 authorizing the Mayor to dispose of certain surplus property located in King Cove, Alaska by negotiation with the Pauloff Harbor Tribal Council

The Aleutians East Borough (Borough) has acquired one (1) 30 kW and one (1) 80kW generator located in King Cove, Alaska. The generators were used as part of the Borough's hovercraft operation and are no longer needed by the Borough.

On November 8th, 2018, the Assembly approved Resolution 19-25 authorizing and directing the purchasing officer to assess and determine the value of the property and conduct a surplus auction by sealed bid for the purpose of selling the property to the highest bidder for cash after public notice. The public notice for the auction was posted on March 5th, 2019, and Administration received no bids by the March 19th, 2019 auction date. Administration reissued the auction to the public on June 12th, 2019 and received no responses by the June 26th, 2019 sale date.

On October 30th, 2019, Administration received a letter of interest from the Pauloff Harbor Tribal Council to purchase the storage container and the generators for an offer price of \$1,000, as is, where is. The Tribal Council stated that the generators will be an asset for its economic development projects that are planned. The letter of interest is attached for your review.

RECOMMENDATION

Administration recommends approval of Resolution 20-36 authorizing the Mayor to dispose of certain surplus property located in King Cove, Alaska by negotiation with the Pauloff Harbor Tribal Council.

Pauloff Harbor Tribe

P.O. Box 97
Sand Point, Alaska 99661

Phone: (907) 383-6075
Fax: (907) 383-6094

October 30, 2019



Aleutians East Borough
3380 C St,
Anchorage, AK 99503
ATTN: Mary Tesche

RE: Modular Unit with Generators/King Cove

Dear Ms. Tesche:

The Pauloff Harbor Tribal council discussed the purchase of the surplus items: one (1) modular unit containing one (1) 30 KW Generator and one (1) 80 KW Generator located in King Cove. In September we requested to look at the items, however we were not able to meet up with anyone due to the activities occurring in King Cove and the short amount of time our board member was there.

The council is offering \$1,000 for the Modular unit with the 30 kw generator and 80 kw generator "as is" "where is". Also because of the time of year, the tribe is asking until the end of January 2020 to remove the items, if our offer is accepted.

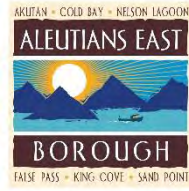
The items will be an asset for our economic development projects we are planning.

Thank you for consideration, and we hope to hear from you soon.

Sincerely,

A handwritten signature in blue ink that reads 'George P. Gundersen'. The signature is fluid and cursive, with the first name 'George' being more prominent.

George P. Gundersen
President



RESOLUTION 20-36

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO DISPOSE OF CERTAIN SURPLUS PROPERTY LOCATED IN KING COVE, ALASKA BY NEGOTIATION WITH THE PAULOFF HARBOR TRIBAL COUNCIL

WHEREAS, the Aleutians East Borough (“Borough”) has acquired one (1) storage container containing one (1) 30 kW generator and one (1) 80 kW generator to provide support for the hovercraft operation in King Cove; and

WHEREAS, the Borough has deemed it unnecessary to maintain ownership of the storage container and generators; and

WHEREAS, on November 8th, 2018, the Assembly Approved Resolution 19-25 authorizing and directing the Purchasing Office to assess and determine the value of the property and conduct a surplus auction by sealed bid for the purpose of selling the property to the highest bidder for cash after public notices; and

WHEREAS, the surplus auction public notice was posted on March 5th, 2019; and

WHEREAS, the Borough received no response by the March 19th, 2019 sale date; and

WHEREAS, on June 12th, 2019, the Borough reissued the auction to the public and received no responses by the June 26th, 2019 sale date; and

WHEREAS, the Pauloff Harbor Tribal Council is interested in purchasing the storage container and generators to support its economic development projects; and

WHEREAS, AEBMC Chapter 3.02 titled Purchasing Procedures provides for the disposal of surplus property owned by the Borough; and

WEHREAS, pursuant to the AEBMC Sec. 3.02.031(b), supplies which are deemed by the Purchasing Officer to be sold as surplus, obsolete or unneeded, may be sold or otherwise disposed of by the Purchasing Officer upon approval by the Assembly by resolution; and

WHEREAS, the Assembly has determined that the disposal of this property will continue to benefit the public by providing infrastructure that supports economic development in the Borough.

NOW THEREFORE, BE IT RESOLVED, the Mayor is authorized to dispose of certain surplus property located in King Cove, Alaska by negotiation with the Pauloff Harbor Tribal Council.

PASSED AND ADOPTED by the Aleutians East Borough on this ____ day of _____, 2019.

Alvin D. Osterback, Mayor

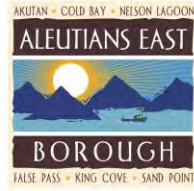
ATTEST:

Tina Anderson, Clerk

New Business

None

REPORTS AND UPDATES



To: Honorable Mayor Osterback and AEB Assembly
From: Anne Bailey, Borough Administrator
Subject: Assembly Report
Date: November 7, 2019

Nelson Lagoon Dock Project

The Borough has finally received the permit from the Army Corps of Engineers authorizing the Borough to conduct the work. The tentative schedule* for the project is as follows:

ID	Task Name	Start	Finish
1	Advertise	12/16/2018	1/28/2020
2	Bids Due	1/29/2020	1/29/2020
3	Recommendation for Award	1/29/2020	2/5/2020
4	Assembly Meeting/Award Contract	2/6/2020	2/13/2020
5	NTP to Contractor	2/14/2020	2/14/2020
6	Procurement	2/14/2020	4/20/2020
7	Construction	5/1/2020	7/31/2020

*Please note that this is subject to change.

Sand Point School Painting Project

The final invoice for this project has been paid. The Borough considers this project completed.

Akutana School Improvements

Bering Mechanical has a few more items to complete regarding this project. Since travel to Unalaska has been unpredictable, all the parties associated with his project has decided to demobilize until further notice and regular air services through Dutch Harbor is available. The only work remaining is programming and testing and balancing. While in the field it has been determined that the supply fan 1 is in poor condition. Bering will be putting a proposal together to replace the fan.

Sand Point School Pool Improvements

There have been numerous issues with the EF-15 Damper and Fan in the Sand Point School Pool area. On September 30, 2019, the Borough authorized LONG in the amount of \$4,294 to conduct a site visit at the Sand Point School. Based off the site visit, the Borough entered into contract with LONG in the amount of \$34,628 to fix the damper and fan issues. The work should be completed within the next two months.

Cold Bay School

On October 22, 2019, the Borough received an email from Aleutian Services stating that they are no longer interested in “taking on the school structure” due to a variety of reasons.

On November 1, 2019, the Borough re-issued a Request for Interest/Proposals to Private and Public entities for the facility. These will be due on November 15, 2019. The Borough will also be researching other methods of disposal for the facility. This may include demolishing the facility.

Cold Bay Terminal

- Sublease: The Borough is still working on the Cold Bay Terminal Sublease.
- Terminal Improvements: Emil Mobeck arrived in Cold Bay on October 19, 2019 and completed numerous improvements to the facility. These include but are not limited to
 - Parking lot has been graded; parking stops are done; bollards are covered;
 - windows have been removed and repatched; demoed and installed a new wall in the conveyor belt/ticket counter area and the cargo area has been installed.



- The ticket counter has been fabricated and will be heading to Coastal for shipment on Monday, November 11th. Photos are below.



- The Borough has posted openings for the Terminal Manager and Janitorial positions. The applications were due on October 28th. The Borough is in the process of hiring the contract employees for these positions. These contracts will become effective December 1, 2019.
- The fire and sprinkler inspection were completed on October 24, 2019.
- Cold Bay Bracing Project: DOWL/Borough issued a Request for Qualifications for the Bracing Project to a short list of contractors. The Borough received one response from Wolverine Supply, Inc. in the amount of \$397,000, which is significantly more than what the Borough has budgeted. Therefore, we have informed Wolverine that we will not be negotiating a contract with Wolverine and will be reevaluating how to move forward on this project. FAA has been informed of this development and is has offered some possible solutions.

Payment in Lieu of Taxes

The Borough has received \$14,968.00 for the PILT underpayment lawsuit. This is the Borough's total PILT underpayment in FYs 2015-2017 less the pro rata share of attorney fees and reimbursable expenses awarded by the Court. The lawsuit has now been closed.

King Cove Road Update

On October 30, 2019, Robertson Monagle and Eastaugh filed the paperwork for the litigation. The estimated schedule now includes the following:

- On or before, November 30, 2019 Department of Interior will file the Administrative Record.
- The Court will then set a briefing schedule, which may take the case into the first quarter of 2020.

Other Items

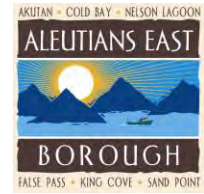
- Washington DC Trip: Mayor Osterback and I travelled to DC on October 15-18, 2019. We had meetings with the Alaska Delegation, Army Corps of Engineers, USDOT Maritime Administration, the Senate Environment & Public Works Committee, the National Association of Counties, GCI, Federal Communications Commission and the Alaska Governor's Office. We discussed the Akun Dock Breakwater Project, the False Pass Harbor Lawsuit, the need for better internet services in the Aleutians and Port Infrastructure Grant Opportunities and other Borough priorities.
- I have also:
 - Prepped documents for the November 14, 2019 Assembly Meeting.
 - Attended Strategic Planning Meeting on October 22 and 23, 2019 to prepare for the December 2019 Strategic Planning Meetings.
 - The Borough Planning Session will be held on December 10 and 11, 2019 from 9:30 a.m. to 4:00 p.m. at the APIA building. The schedule for the Planning Session will be released soon.
 - Have also assisted with school maintenance projects and the Cold Bay Clinic.
 - In November, I will be attending the Alaska Municipal Management Association

Meeting, the Alaska Municipal League Conference and will participate in an AMLJIA Board Meeting.

- Been continuously conducting other day to day operations.

If you have any questions, comments or concerns please contact me at (907) 274-7580 or abailey@aeboro.org.

To: The Honorable Mayor Osterback, AEB Assembly
From: Mary Tesche, Assistant Administrator
Subject: Assembly Report
Date: November 8th, 2019



Strategic Plan Update

False Pass Harbor House – The RFP to complete the design of the harbor house was updated and re-issued on November 7th, 2019. The scope of work under this RFP includes conducting a geotechnical survey of the project site, completing design documents, and drafting bid-ready documents for construction. The Borough will receive responses from offerors on December 2nd.

Sand Point School Grant Project – The project team met with SERRC on October 21st to discuss roles and responsibilities of the grant application. ECI has submitted task breakdowns to complete the application by September 2020, which the Borough is currently reviewing.

Cold Bay Clinic – Ongoing work on the Clinic project this month included continued negotiation with the project parties on the terms and conditions of the project MOU, as well as coordination with the State of Alaska on language changes to the lease lot to prepare for future construction.

I will be presenting a short update of the project to the EAT Board during its November 18th, 2019 annual meeting.

Akutan Harbor – An updated draft of Marine Facilities Management Handbook has been completed and is currently being reviewed. Updates to the Handbook include providing information that applies to the Akutan Harbor USACE mitigation requirements, but also general information for best practices of harbor management. Once a final version is completed, the document will be sent to the USACE for approval. This task is identified as Akutan Harbor Item C.3.3 on the Strategic Plan.

Other Items & Announcements

- Other projects and activities I've been involved with this month include the Cold Bay Terminal tenant improvements and personnel procedures, prepping for the Assembly meeting, and participating in pre-work to prep for the Borough's Strategic Planning session in December.
- The Borough has issued a constituent survey to help us prepare for December's planning meeting. Responses are due by November 15th. Participants can also include contact info and be entered to win a \$50 Amazon Gift Card. Please see the attached flier for more information.
- I will be attending the Alaska Municipal Management Association and the Alaska Municipal League conferences November 18-22nd.

Please contact me at (907) 274-7559 or mtesche@aeboro.org with any questions or comments.

Want to win a \$50 Gift Card to Amazon?

Complete a survey for
Aleutians East Borough!

Aleutians East Borough 2020-2021 Strategic Plan

The link to the survey is below:

<https://www.surveymonkey.com/r/AEB2020planning>

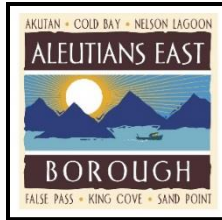
The close date for the survey is November 15, 2019

Aleutians East Borough teamed up with Professional Growth Systems to create a survey for the residents and stakeholders of the Borough to help us learn what is the most important to you in your community.

At the end of the survey there is an option to enter a drawing for a chance to win a \$50 Amazon Gift Card.

The Strategic Planning Session will take place December 10th and 11th.

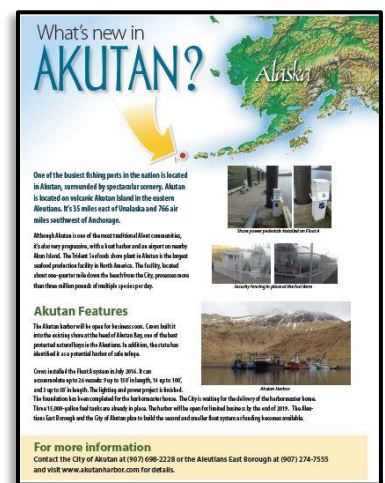
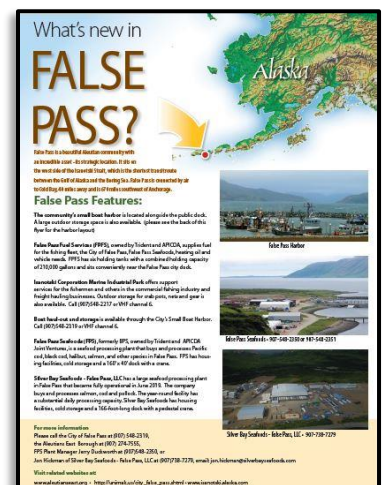
Professional Growth Systems
Aleutians East Borough



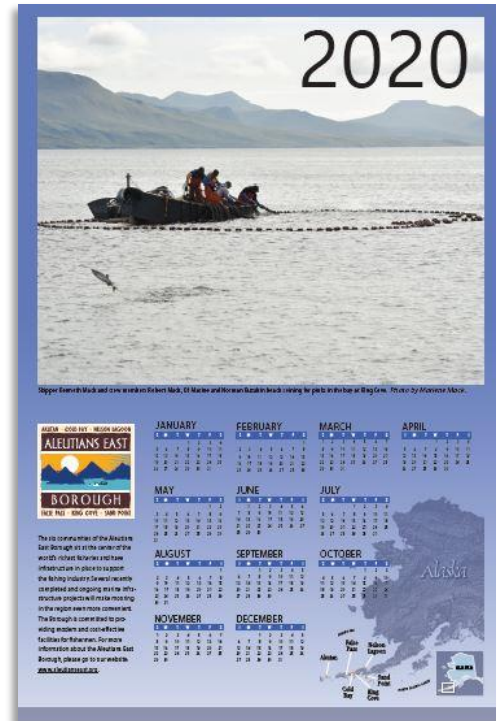
To: Honorable Mayor Alvin Osterback and Aleutians East Borough Assembly
 From: Laura Tanis, AEB Communications Director
 Through: Anne Bailey, AEB Administrator
 Subject: Communications Director's Report to the Assembly
 Date: Nov. 11, 2019

Since the last regular Assembly meeting, I have been working on several projects. The majority of my time lately has been spent on wrapping up work to complete handouts and pack up promotional items for the **Pacific Marine Expo**. Those items include:

- The False Pass flyer: I worked with Mayor Hoblet, Trident Seafoods and Silver Bay Seafoods to include updates and have them check the flyer for accuracy. I added Silver Bay's dock to the map on the back of the flyer, and received a new photo from Silver Bay to include on the front of the flyer, as well as updated some language to reflect the latest changes.
- The Cold Bay flyer: Since the Cold Bay Terminal Building interior is being redesigned to accommodate local airlines for leasing purposes, I updated some language on the flyer and eliminated old photos of the interior of that building and replaced it with some others.
- The Akutan flyer: I worked with Administrator Tuna Scanlan to update language in this flyer to reflect that the lighting and power project at the harbor has been finished. In addition, the flyer states that the foundation for the harbor master's house has been completed, and that the City is waiting for the delivery of the harbor master home. I also mentioned that three 15-0000-gallon fuel tanks are in place. New photos were added to show these changes.
- The Sand Point flyer: this flyer just had some minor language changes reflecting construction on the dual-face dock.
- Nelson Lagoon: this flyer also had a slight change regarding the removal of language about the loaded trailer, since it is no longer used.
- King Cove: this flyer had a minor change, which included the removal of a previously-used logo, and replacing it with the new one.



- Harbor moorage rates: I checked with city administrators and harbor masters regarding any possible changes in the harbor moorage rates. No changes were needed for King Cove and False Pass. I received changes from Jordan Keeler for Sand Point's harbors and reflected those in the the handout.
- AEB's 2020 Calendar: Marlene Mack is the winner of the AEB 2020 Calendar photo contest. Her photo is featured in the Borough's 2020 calendar, which shows Kenneth Mack's skiff and crew members beach seining for pinks in the bay at King Cove with a humpy jumping out of the water in the foreground. We ordered greater quantities of calendars, AEB phone stickers and pens, since last year, many of these items were gone at the end of the first day at Expo.
- Last week, I packed up the promotional items needed for Expo and had them shipped off to a warehouse in Seattle.
- I received the last of several other photo enlargements for display last Friday. They were shipped off via Fed Ex a couple of days ago.
- Slide show: I asked Glennora to help with updating a slide show to have at the Pacific Marine Expo, that shows harbors, docks and community photos in general.



In the Loop:

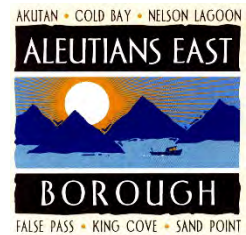
I have put the In the Loop newsletter on the backburner while completing other projects. However, when election results went out, including the Notice of the Special Election, and preliminary results from the Special Election, I put those in the newsletter, as well as on AEB's Facebook page, to help get the word out. Another item that went out in the newsletter that the Borough wanted residents to know about is a survey regarding the upcoming Aleutians East Borough's 2020 – 2021 Strategic Planning Session next month. The survey is an opportunity for residents to provide feedback about priority projects in each of the communities. The link was mailed out in a newsletter and posted on Facebook. Those completing the link will be entered into a drawing to win a \$50 Amazon gift card.

Upcoming Projects:

- Work on white papers regarding the Shared Fisheries Tax, the PCE and the False Pass Airport.
- Work on next In the Loop newsletter.

As always, I'm happy to help get the word out about events or issues in your community. Please call or email me any time with information.

To: The Honorable Mayor Osterback, Aleutians East Borough Assembly
From: Ernie Weiss, Natural Resources Director
Subj: Report to the Assembly
Date: November 8, 2019



Alaska Young Fishermen's Summit

The Natural Resources Department is fundraising for the AEB 2020 AYFS scholarship by holding a **raffle** for 1 case Peter Pan Seafoods KING CRAB, 1 case Trident Seafoods SHATTERPACK COD and 4 cases Silver Bay Seafoods CANNED SOCKEYE. Drawings will be held during the December 12th Assembly meeting, live on www.apradio.org. Thanks to the QT Tribe for the use of their gaming permit. Raffle tickets are available for **\$10** at AEB offices in Sand Point, King Cove and Anchorage.

We received 3 applications for the scholarships by the deadline. I have recused myself from the selection committee, being related to one of the applicants.

Board of Fisheries Work Session October 23-24

At their Work Session, the Board of Fish rejected ACR 5 submitted by the Chignik Intertribal Coalition to further restrict salmon fishing in the Dolgoi area. New member Mārit Carlson-Van Dort was recused, Fritz Johnson and John Wood voted in favor, but all others opposed; motion failed 2 – 4.

Letters submitted in opposition to ACR 5 included from the AEB, CAMF, QT Tribe, Amy & Jack Foster, City of Sand Point and the Unga Tribal Council.

The Board accepted ACR 7 submitted by Adak, to designate the Aleutian Islands Subdistrict an exclusive registration area for Pacific cod. The Board also accepted ACRs 1, 8, 9, 11 & 12 during the Work Session. [Link to ACRs](#).

Groundfish Plan Teams

We plan to give an update on Groundfish Plan Team recommendations for BSAI and GOA groundfish specifications, at the Assembly meeting. Charlotte will be attending the GFPT meetings this week, Nov 12-15, and I plan to be monitoring the GFPT meeting webinar. I attended the GFPT meeting in September. Specifications – ABCs OFLs and TAC for 2020 - will be finalized at the December NPFMC meeting in Anchorage, subject to SSC input. Link to all [GFPT documents](#) including the AEB Mayor [comment letter](#).

Our intention is to continue to work closely with local fishermen moving forward on groundfish issues, based loosely on the 'workgroup' model from our process leading up to the Feb 2019 BoF meeting.

Miscellaneous

Mayor Osterback received this [invitation from the USACE](#) to consult on the proposed GCI fiber optic cable for the GOA. Administrator Bailey replied to USACE expressing interest in participating in the Section 106 process and forwarded the information to the Cities of Akutan, Cold Bay, False Pass, King Cove and Sand Point.



Pink Salmon 2016 update - Pacific States Marine Fisheries Commission has instituted an appeal process for permit holders to request a review of their payment eligibility determination. Appeals must be postmarked to PSMFC by November 15, 2019. Links to [Appeals Form](#), [FAQs](#). PSMFC, ADFG, NOAA and OMB are still trying to determine the process for distributing the \$2.4 million for municipalities affected by the 2016 disaster. The distribution processes for the 2018 Chignik Salmon disaster funds and the 2018 GOA cod disaster funds are currently under development, and ADFG is soliciting AEB input.

Board of Game – the Board is considering agenda change requests at a teleconference November 25th. [ACR #7](#) caught my eye; submitted by the Alaska Migratory Bird Co-Management Council, ACR 7 would disallow non-residents from hunting Emperor Geese on the Alaska Peninsula (Game Management Unit 9) and Aleutian & Pribilof Islands (GMU 10) for conservation.

Aleutian Island Waterways Safety Committee – with the concurrence of the Mayor, I have re-applied to be the Alternate member for the Local Govt/Harbor Master seat on the AIWSC.

Marine Transportation Advisory Board

In May, AKDOT&PF contracted with Northern Economics to produce an Alaska Marine Highway System Economic Reshaping Report to identify potential reductions to the State of Alaska's financial obligation and/or liability as related to the AMHS. The draft AMHS Economic Reshaping report was delivered by Northern Economics to the Governor's office and DOT&PF on October 15th, however *the Department is not expected to issue the report to the MTAB and the general public until mid-December.* I serve as a member of the MTAB with the Tustumena replacement vessel as one of my highest priorities.

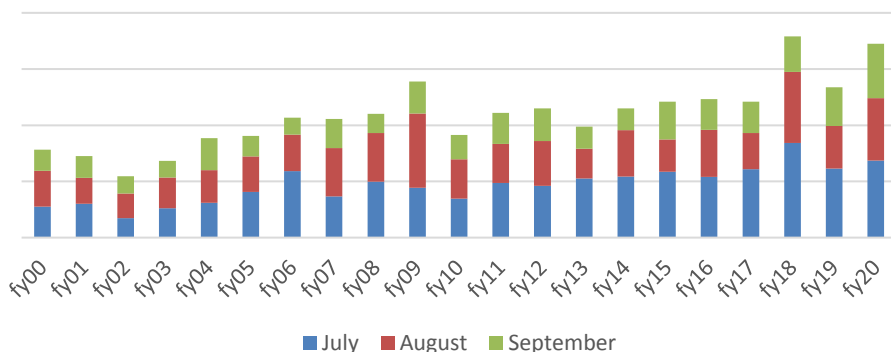
The AFN Convention adopted Resolution 19-47 to fully fund the AMHS. Link to [AFN Resolutions](#) The AML draft Resolution #18-2020 opposes further AMHS cuts and supports reform 'that is sustainable and responsive to the needs of coastal communities.' Link to [AML draft resolutions](#), (which also includes Resolution # 2019-10, supporting the initiative backed by the Mayor to allow 2 names on a salmon permit).

Westward Area J Tanner Crab

2020 will be the 7th season in a row with no South Peninsula Tanner crab fishery. Here are links to the ADFG 2019 Tanner crab survey 'handouts' including figures and tables: [Eastern Aleutians](#), [South Peninsula](#), [Chignik](#) and [Kodiak](#). [ADFG 10/31/19 Announcement](#).

Tanner crab GHL, lbs	Kodiak	Chignik	South Peninsula
2010	700,000	-	500,000
2011	1,490,000	600,000	2,300,000
2012	950,000	700,000	1,620,000
2013	660,000	-	230,000
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	300,000	-	-
2019	615,000	-	-
2020	400,000	-	-

First Quarter AEB fish tax revenue fy2000 - 2020



According to our Fish Tax program data base, September 2019 exceeded all previous September month AEB fish tax revenue totals.

Recent meetings attended

Alaska Mariculture Task Force
AEB Strategic Planning
Alaska Board of Fisheries Work Session
Aleutian Island Waterways Safety Committee

webconference Oct 15
Anchorage Oct 22
Anchorage Oct 23-24
teleconference Oct 28

Upcoming meetings/planning to attend

Groundfish Plan Teams meetings
Pacific Marine Expo
AEB Fishermen's meeting 10AM
International Pacific Halibut Commission Interim meeting
Alaska Board of Game ACRs
North Pacific Fishery Management Council
AEB Fishermen's meeting 5:30PM

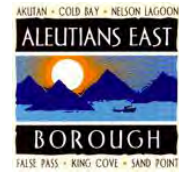
Seattle/webinars Nov 12-15
Seattle Nov 21-23
Seattle -Silver Cloud Stadium Hotel Nov 21
Seattle/webinar Nov 25-26
teleconference Nov 25
Anchorage Dec 2-10
Anchorage Hilton **Dec 5** (date change)

On the Calendar

AEB Fishermen's Winter Fisheries teleconference Dec 18 10AM
Alaska Young Fishermen's Summit Jan 20-23 Juneau.
North Pacific Fishery Management Council Jan 27- Feb 3 Seattle.
Alaska Marine Science Symposium Jan 27-31 Anchorage
International Pacific Halibut Commission Annual meeting Feb 3-7 Anchorage.

Please call if you have any questions or concerns.

To: Honorable Mayor Osterback, Aleutians East Borough Assembly
From: Charlotte Levy, Natural Resources Assistant Director
Re: Report to the Assembly
Date: November 14th, 2019



I will be in Seattle for the Groundfish Plan Team meetings November 12-15. I have left a brief summary of some things I have been working on.

Federal Groundfish

- I am in the initial stages of designing a Scope of Work to allow multiple gear types for EM within the ODDS system.

Projects

EM:

- I have been working very closely with the EFP team and NMFS agency staff the past month on developing WGOA documents for the EFP including Performance Standards, VMPs, a mobile EM system for tenders, FAQs/Do's and Don'ts, and finalizing the participation list.
- The EFP will undergo the final NMFS internal approval process on November 22nd.
- The AEB/SWI/PFC will host a pre-season meeting in December to discuss the project and how to operate under the EFP. We are working on drafting an agenda.
- I submitted the Annual Financial Report and [Interim Programmatic Report](#) for NFWF.

Mariculture:

- The full proposal to the SK grant investigating urchin harvest will be submitted Nov 12, and will provide a link to the full proposal in my next report.
- I attended the first meeting for the DOE project led by SWAMC as a steering committee member. The project will focus on kelp product development. As a steering member, I welcome any feedback from Assembly and stakeholders that I may pass on to the project.
- SWAMC with the City of Akutan are interested in using sea cucumber ranching as mitigation for fish waste outside the Trident plant - we are considering collaborating to use NFWF kelp funds to site a multi-trophic farm in Akutan.
- I submitted the Annual Financial Report and [Interim Programmatic Report](#) for NFWF.

Other

- I've been working with the cities of King Cove and Sand Point, to nominate their ports for the NFWF Fishing for Energy program. The program will pay to supply a disposal container for old/unused fishing gear and have it recycled.

Upcoming Meetings

Nov 12-15	Groundfish Plan Team, Seattle
Nov 21-23	Pacific Marine Expo, Seattle
Dec 2-10	NPFMC, Anchorage
Jan 21-25	NOAA Mariculture Workshop/ASGA Conference, Ketchikan
Jan 27-31	Alaska Marine Science Symposium
Feb 12-13	National EM workshop, Seattle

Assembly Comments

Public Comments

Date & Location of Next Meeting

Adjournment