

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Assembly meeting to order by teleconference in each community on November 14, 2019 at 3:00 p.m.

ROLL CALL

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

Advisory Members:

| | |
|-------------------------------------|----------------|
| Dailey Schaack, Cold Bay | Present |
| Samantha McNeley, Nelson Lagoon | Present |
| Tom Hoblet, False Pass | Absent-excused |
| Justin Mobeck, Youth Representative | Present |

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
Emil Mobeck, Maintenance Director

Swearing in Newly Elected Assembly Members:

The newly elected Assembly Members, Carol Foster and Denise Mobeck, took the Oath of Office, before serving three-year terms.

Adoption of the Agenda:

Resolution 20-34 removed from Consent Agenda and placed under Resolutions. There were no objections, the agenda will stand as amended.

Conflict of Interests:

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. Josephine noted that although not a conflict, her new position is Executive Director for Aleut Marine Mammal Association (AMMA).

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, October 10, Assembly Meeting Minutes:

MOTION

WARREN moved to approve the October 10, 2019 Assembly Meeting Minutes and second by JOSEPHINE.

Hearing no objections, **MOTION CARRIED.**

October 14, 2019 Special Assembly Meeting:

MOTION

CAROL moved to approve the October 14, 2019 Special Assembly Meeting Minutes and second by BRENDA.

Hearing no objections, **MOTION CARRIED.**

Financial Report – no financial report until next month.

September Investment Report: In packet.

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.

MOTION

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

Administrator reviewed the Consent Agenda.

Resolution 20-31 authorizes the Mayor to negotiate for a lobbyist contract starting January 1, 2020. AEB lobbyist, Mark Hickey with Hickey & Associates has provided lobbyist assistance since 1998. The present contract ends December 31, 2019. AEB will reimburse for out-of-pocket and travel expenses, Hickey & Associates will pay other expenses.

Resolution 20-32, urges NMFS to carefully consider impacts to fishermen regarding their humpback whale critical habitat, surrounding AEB. Weiss said NMFS has three proposed critical habitat areas for humpback whale, which require Section 7 consultation to determine if any action may adversely affect critical habitat. Comment period ends December 9. Public meetings scheduled at Loussac Public Library in Anchorage and prior to NPFMC.

Resolution 20-33, amending Section 3.01 of AEB Employee Handbook, clarifying employees. Amendment removes per diem employees, and adds contract employees. Contract employees will not qualify for health insurance and PERS. Per diem employee is not a classification used anymore.

ROLL CALL

YEAS: Carol, Warren, Denise, Josephine, Brenda, Paul. Advisory: Dailey, Samantha, Justin.
NAY: None

MOTION CARRIED

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.

MOTION

JOSEPHINE moved to approve Ordinance 20-03 and second by BRENDA.

DISCUSSION

The Administrator reviewed Ordinances 20-03 and 20-04. Ravn and Grant Aviation have expressed interest in subleasing a portion of the terminal building and adjacent apron for the purpose of providing air transportation. The term is contingent on the AEB's Base Lease Extension with State of Alaska. The sublease rent, fees, charges will be determined by calculating area rental, and fees will be finalized after negotiations with airlines. Ravn and Grant will hold harmless the AEB and State of Alaska. Recommend approval of both.

Mayor Osterback opened Public Hearing on Ordinance 20-03. Hearing none, Public Hearing closed.

ROLL CALL

YEAS: Brenda, Paul, Carol, Denise, Josephine, Warren. Advisory: Dailey, Justin, Samantha.
NAY: None

MOTION CARRIED

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.

MOTION

BRENDA moved to approve Ordinance 20-04 and second by DENISE.

DISCUSSION

Mayor Osterback opened Public Hearing on Ordinance 20-04. Hearing none, Public Hearing closed.

ROLL CALL

YEAS: Josephine, Warren, Carol, Brenda, Paul, Denise. Advisory: Samantha, Dailey, Justin.
NAY: None

MOTION CARRIED

ORDINANCES

Introduction Ordinance 20-05, amending the operating and capital budget for FY19 (FINAL):

MOTION

DENISE moved to accept Ordinance 20-05 and set for Public Hearing and second by BRENDA.

DISCUSSION

The Administrator said Ordinance 20-05 is the final amendment for the operating and capital budget for FY2019. First column was the anticipated, second column mid-year adjustment, and 3rd column actual revenues and expenditures for FY2019. There was more revenue received due to raw fish tax, Peter Pan land sale and tideland leases. Debt reimbursement revenue from State of Alaska was less. Final revenue was \$773,000 more than anticipated. Expenditures, some departments fluctuated, and Assembly fringe benefit unexpected costs.

Fund 22, Helicopter Operations, there was \$33,000 more in ticket sales collected. Deficit of approximately \$137,000.

Fund 22, Terminal Operations, expenditures \$87,818, revenues \$141,511. Surplus of \$53,000.

Total revenue \$8.5M, expenditures \$6.7M. Some transferred to helicopter operation.

ROLL CALL

YEAS: Paul, Brenda, Denise, Carol, Warren, Josephine. Advisory: Justin. Samantha, Dailey,
NAY: None

MOTION CARRIED

Introduction Ordinance 20-06, amending the operating and capital budget for FY20.

MOTION

BRENDA moved to accept Ordinance 20-06 and set for Public Hearing and second by DENISE.

DISCUSSION

The Administrator said the Assembly adopted the FY2020 budget May 23, 2019. AEB adopted a worse-case scenario FY2020 budget due to anticipated State budget cuts. Harbor Bond Debt was eliminated, School Bond Debt Reimbursement was reduced, and all Shared Fisheries Business Tax were kept. Revenues increased \$2.3M.

Fund 22, Cold Bay Terminal budget would increase under salary. Currently in the process of hiring a janitor and manager for the terminal.

Total expected revenues \$7.4M, expenses \$6.7M.

PAUL asked when the mid-year budget will be out. Bailey answered in two months, if needed.

ROLL CALL

YEAS: Brenda, Paul, Carol, Denise, Josephine Warren. Advisory: Justin, Dailey. Samantha,
NAY: None

MOTION CARRIED

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:

MOTION

CAROL moved to approve Resolution 20-35 and second by JOSEPHINE.

DISCUSSION

The Administrator said the list of items (in packet) are no longer necessary, in the Cold Bay terminal. Request approval to surplus items by sealed bids.

ROLL CALL

YEAS: Carol, Warren, Denise, Paul, Brenda, Josephine. Advisory: Samantha, Dailey, Justin.
NAY: None

MOTION CARRIED

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:

MOTION

BRENDA moved to approve Resolution 20-36 and second by DENISE.

Bailey said the two generators were used as part of the hovercraft operation and are no longer needed.

ROLL CALL

YEAS: Josephine, Brenda, Carol, Warren, Paul, Denise, Advisory: Samantha, Justin, Dailey.

Resolution 20-34, Aleutians East Borough urging NMFS to make every effort to allow a WGOA Pacific Cod fishery occur in 2020.

MOTION

BRENDA moved to approve Resolution 20-34 and second by WARREN.

AMENDMENT

PAUL moved to amend to include the words, or other alternative.

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, or other alternative for the 2020 season.

Second by BRENDA.

Mayor Osterback asked for any objections to the amendment. Hearing none, **AMENDMENT APPROVED.**

ROLL CALL ON MAIN MOTION

Brenda, Paul, Josephine, Denise, Warren, Carol. Advisory: Justin, Dailey, Samantha.

MOTION CARRIED

NEW BUSINESS None

Mayor's Comments:

Mayor Osterback said with some of the changes taking place in the region, the Administration understands AEB communities operating budgets have been negatively impacted by state and federal budget cuts and by changes within the fishing industry. In an effort to assist, the AEB is drafting a one-time operational budget grant in the amount of \$100,000 for each AEB community. The grant is intended to assist with insurance (not health), fuel, electricity, water, sewer, and necessary repairs and renovations on existing community owned facilities.

Mayor Osterback said this will be a \$600,000 request going before the Assembly at the next regular meeting. He feels it won't affect our day to day operation or projects planned and in motion.

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

Nelson Lagoon Dock Project: Received authorization permit from Corps of Engineers. Engineers proposed tentative schedule is advertise bid requests mid-December and complete construction, July 2020.

School Projects:

Sand Point Painting Project: Completed and final invoice paid.

Akutan School Project. Travel has been unpredictable so have decided to demobilize. Only work remaining is programming, testing and balancing. Contractor will also submit a proposal for a fan replacement. Hope to finish soon.

Sand Point School Pool Repairs: Authorized Long to conduct site visit. We entered into a contract with Long for \$34,000, to be completed within two months.

Cold Bay School: Assembly authorized a transfer of leased land and transfer of building. Aleutian Services are no longer interested in the facility. Re-issued Requests for Interests. Have been unsuccessful in disposing of the building.

Cold Bay Terminal:

Terminal Improvements: The Maintenance Director completed numerous projects to the facility. Ticket counter will be shipped this coming week. The conveyor belt and seating are being completed. Position openings for manager and janitorial positions have been posted. Contract employees will be in effect January 1, 2020.

Cold Bay Terminal Bracing Project: Received one contractor response for the project, in an amount of \$397,000, which is \$200,000 more than budgeted. Will re-evaluate on what else to do. Goal is to have the terminal operational, February 1, 2020.

Paul said cement parking lot stops at Sand Point School are crumbling. Mayor Osterback said new rubber replacements have been ordered, and also for Cold Bay terminal.

Payment in Lieu of Taxes:

Received the under payment for FY2015-2017, rewarded by the court.

King Cove Road Update:

Robertson, Monagle and Eastaugh filed paperwork for the litigation. Dept of Interior will file the Administrative Record, November 30, 2019. Court may schedule case first quarter of 2020.

WARREN asked if appraisal on lands corridor has been done. Bailey said appraisal has been completed and they are working on the document.

Washington D.C. Trip:

Met 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.

Mayor Osterback said USDOT, Maritime has a grant opportunity for rural areas. Possible grant opportunity to complete the boat harbor floats in Sand Point and Akutan, by combining the two projects. If we qualify, we may get the two projects completed.

Administrator Assistant Report in packet. Highlights below:

False Pass Harbor House: Re-issued a new Request for Proposal for design. Scope of work includes a geotechnical survey at project site. Bids due December 2.

Sand Point School Grant: Application due September, 2020.

Cold Bay Clinic Project: Coordinating with State of Alaska on language changes.

Planning Session Survey: AEB issued a constituent survey, encouraged public to participate in the survey.

Communications Director Report in packet. Highlights below:

Pacific Marine Expo: Updated community information flyers, moorage rates, and display photos.

2020 AEB Calendar: Winner of Ipad for calendar photo is Marlene Mack from King Cove.

Natural Resources Director Report in packet. Highlights below:

Alaska Young Fishermen's Summit: Scheduled January 21-23, 2020. Raffle to raise funds to send two young adults to Summit.

Board of Fish Work Session: Board rejected ACR submitted to further restrict salmon fishing in the Dolgoi area.

Groundfish Plan Team-November 12-15: Charlotte Levy attending presently. Recent survey results show not much fish and not enough P-cod to have a season in the Gulf. AEB sent a letter requesting they consider keeping a fishery. If State of Alaska has a Gulf cod fishery, quota would be about 2M lbs.

NPFMC: Staff to attend the Council meeting, December 2-10.

Chignik Disaster Funds: Weiss talked to ADFG about Chignik's disaster funds for salmon 2018 and P-cod. Area M, SE District Mainland fishery also tied to Chignik fishery.

Carol said, due to the closure during the peak of the salmon season, fishermen in our area should also be considered under the Chignik disaster funds.

Fishermen's Meeting: at Silver Cloud November 21, during Pacific Marine Expo.

Natural Resource Assistant Director Report in packet. Highlights below (Levy not available):

Electronic Monitoring Project: Due to lack of fisheries, project has been stifled.

Kelp Mariculture: Project moving forward.

Juneau Lobbyist, Mark Hickey Report:

Lobbyist, Mark Hickey said Governor's budget will be out in mid-December. Governor plans to do public meetings before he releases budget. Governor, also met with legislature leadership, which didn't result in much change. Governor is looking for another \$3M more in budget cuts. The largest target might be public education.

Budget cut risks are education K-12, school debt reimbursement, harbor projects debt reimbursement, shared fisheries tax, and Power Cost Equalization (PCE). Governor tried to take everything out of PCE endowment. There is enough money in the bank to pay 2/3 of this year, so hopefully funding will be status quo. Regarding Alaska Marine Highway, the Aleutian Chain run may only be two ferries in the spring, two in September, and possibly one in the middle. M/V Tustemena replacement is on hold. Discussions have been to build a new ferry with no crew chambers for a Homer/Kodiak run only.

Governor Re-Call: Attorney General said State law says you can re-call only for certain reasons, which re-call didn't meet the standards. He feels Supreme Court will allow it to go forward. 50,000 signatures collected.

Governor also did limit his initial cut to the University of Alaska.

ASSEMBLY COMMENTS

CAROL supports the \$100,000 to each community.

PAUL said on fisheries, AEB has a fisheries meeting during Marine Expo. Big concerns in the Gulf for False Pass, King Cove and Sand Pt. Feels we need to collect more information before NPFMC in December.

PAUL said the Tustemena replacement \$200M was set aside and nothing in the paper about the status of that. Concerned Tustemena will go into the ship yard and not come out.

PAUL said SWAMC Board has a meeting this weekend to hire a new executive. Two candidates have applied.

Lobbyist Hickey added Tustemena replacement funding of \$244M appropriated is still on the books. Funding could be used for the Homer/Kodiak day boat, but State won't build an ocean day boat and an ocean going vessel.

WARREN voiced his concern about not having a ferry and being able to travel by sea, to our communities. Suggested we continue to be involved to protect our ferry service.

WARREN voiced his concern about Leonard Harbor Road flooding. There is about four feet of gravel before water washes out areas of road.

WARREN also supports and commends the Mayor and staff for the proposed \$100,000 per community.

Mayor Osterback said, in regards to the road washout concern voiced by Warren, if we wait until damage happens, repairs will cost more.

JOSEPHEINE, congratulated Paul, Carol on their re-election and welcomed Denise to the Assembly.


PUBLIC COMMENTS

NEXT MEETING DATE

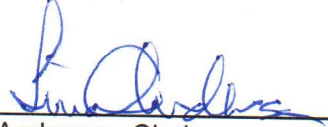
Special Assembly Meeting, November 18, at 8:30 a.m.; Regular meeting in Anchorage, December 12.

ADJOURNMENT

PAUL moved to adjourn. Hearing no more, the meeting adjourned at 4:37 p.m.



Mayor Alvin D. Osterback



Tina Anderson, Clerk