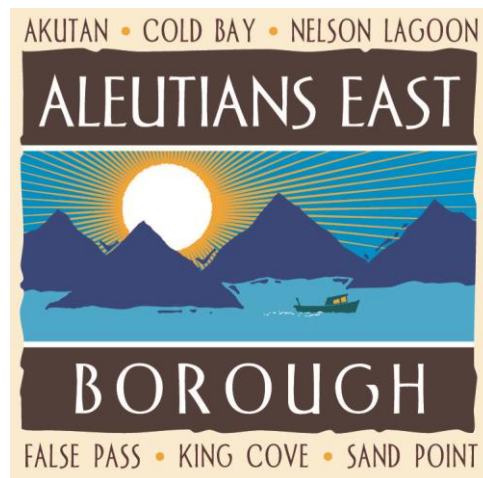


# Aleutians East Borough Special Assembly Meeting

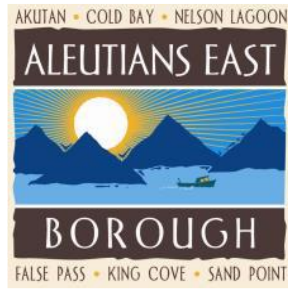


**Workshop: Thursday, May 26, 2022– 1:00 p.m.**

**Meeting: Thursday, May 26, 2022– 3:00 p.m.**

# ROLL CALL & ESTABLISHMENT OF QUOROM

# ADOPTION OF AGENDA



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

Date: Thursday, May, 26, 2022  
Time: Meeting: 3:00 p.m.

Location: By teleconference in each designated community location below:

King Cove AEB Office	Akutan City Office
Cold Bay City Office	Cold Bay City Office/Library
Nelson Lagoon Corp.	Anchorage AEB Office, 3380 C Street
False Pass City Office	
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 after the adoption of the agenda. The meeting will also be broadcast on KSDP Public Radio.

ASSEMBLY MEETING AGENDA

1. Roll Call & Establishment of Quorum
2. Adoption of the Agenda
3. Public Comments on Agenda Items
4. Conflict of Interest
5. Presentation
  - BDO, LLC Fiscal Year 2021 Audit Review (Draft)
6. Consent Agenda
7. Public Hearings
  - Public Hearing Ordinance 22-11, adopting the operating and capital budget for the Aleutians East Borough Fiscal Year 2023
8. Ordinances
9. Resolutions

- Resolution 22-44, authorizing the Mayor to appropriate the FY23 Permanent Fund Earnings to designated projects and to reappropriate Surveying Funds in Fund 866 and Cold Bay School Funds in Department
- Resolution 22-45, Authorizing the Mayor to Negotiate and Execute a Contract with Kerry Tasker Photography to provide photography and video services for the Borough's use on the website, in grants, reports, social media platforms and in social media.
- Resolution 22-46, Authorizing the Mayor to Negotiate and Execute a Contract with Moffatt & Nichol to Conduct a Reconnaissance/Feasibility Study for the Cold Bay Dock in an Amount Not to Exceed \$66,565
- Resolution 22-47, Closing Out the FY20 Community Assistance Grant Program

10. Old Business

11. New Business

- Administrator Contract Agreement (Informational Only)
- Aleutians East Borough Bond Information (Informational Only)

12. Reports and Updates - None

13. Assembly Comments

14. Public Comments

15. Next Meeting Date

- July 14, 2022

16. Adjournment

**COMMUNITY ROLL CALL &  
PUBLIC COMMENT ON AGENDA  
ITEMS**

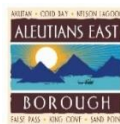
# CONFLICT OF INTEREST

# PRESENTATIONS



# CONSENT AGENDA

# PUBLIC HEARING



## AGENDA STATEMENT

To: Alvin D. Osterback, Mayor and Assembly

From: Anne Bailey, Borough Administrator

Date: May 19, 2022

### **Re: Ordinance 22-11, Adopting the Operating and Capital Budget for FY23**

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Ordinance 22-11 outlines the Aleutians East Borough's Operating and Capital Budget for Fiscal Year (FY) 2023. The FY23 draft budget was introduced at the May 12, 2022 Assembly Meeting and the second reading and public hearing has been scheduled for May 26, 2022. Administration conducted an in-depth review of the Borough's anticipated revenues and expenditures and is recommending a conservative budget for FY23.

An overview of items that went into the FY23 budget process include but are not limited to the following:

#### **State of Alaska Budget**

On December 15, 2021, the Governor of Alaska released his proposed FY23 operating and capital budgets. The Governor proposed the following:

- Fully funds the Base Student Allocation formula for K-12 public education with state general funds.
- Provides 100% funding of school debt reimbursement without any problems about the proposed fund source.
- Provides 100% funding of the REAA and small school district school construction fund.
- Proposes an appropriation of \$30 million to the Community Assistance Fund which improves fund's health.
- Fully funds the Power Cost Equalization program.
- Continues 100% state funding of additional contributions for the PERS and TRS retirement systems.

- Proposes a 50/50 split of the 5% POMV distribution from the Permanent Fund’s Earnings Reserve Account between the PFD and government services support.
- Reaffirms support for construction of a vessel to replace the AMHS M/V Tustumena.
- Proposes an increase in the AMHS operating budget to provide “an unconstrained sailing schedule allowing all AMHS vessels to operate”.
- Eliminates the third year of proposed reductions for the University of Alaska.
- Proposes a GO bond package of \$310 million. A complete list of included projects is not yet available.

In March 2022, the House Finance Committee released a CS (that is their version of an FY23 budget). Items that directly impact the Borough are as follows:

- \$48 million supplemental for **school bond debt reimbursement** for FY22 – making up for last year’s deficiency
- \$78 million for **school bond debt reimbursement**
- \$7 million in supplemental **Community Assistance** payments for FY22 – making up the difference from last year’s payment
- Full recapitalization of the **Community Assistance Fund**, bringing it back up to \$90 million in FY22, for a full payment in FY23
- Full funding of **Harbor Debt Reimbursement** program
- \$30 million **recapitalization of Community Assistance Fund**, for FY23
- **Fisheries business tax** \$23 million; **Fishery resource landing tax** \$5.8 million

They also included onetime appropriation of **\$50 million to school districts**, and forward funding; full and forward funding of the **Alaska Marine Highway System**; full **Power Cost Equalization** funding; **PERS/TRS** on behalf payment consistent with ARM board recommendation; increased payments to Community and Regional Jails by **\$4 million, a 50% increase**; sustained the **Online with Libraries** program and many other items.

Senate Finance is now putting together its version of the FY23 operating budget. As of April 25, 2022, Senate Finance has included:

- **Forward funding for K-12 education--\$1.2 billion for the 2022-23 school year and \$1.2 billion for the 2023-24 school year, and an additional, one-time payment of \$60 million for K-12 education in FY 2023 based on the Base Student Allocation formula.**
- **Added another \$172.2 million to reimburse communities for school bond reimbursement not paid in FY 2017 through FY 2021. Also provides a supplemental amount for 100% reimbursement in FY 2022 and 100% for school bond debt reimbursement in FY 2023.**

- No action yet on the size of the 2023 Permanent Fund Dividend.
- **Matches House with \$20 million in additional funding for the Alaska Marine Highway.**
- **No additional community assistance payments in current year, but re-capitalizes the fund to allow annual distributions of \$30 million in FY 2023 and beyond.**
- **Funds revenue sharing of all fishery taxes collected by the state as required by law.**
- Includes municipal debt reimbursement in FY 2023 for approved harbor projects.
- **Fully funds the power cost equalization program in FY 2023.**
- Allows payment of an amount up to \$349 million to buy back oil and gas tax credits held by drilling companies and their investors.
- A deposit of at least \$660 million to the state’s savings account, the Statutory Budget Reserve. **Goal is to fund at least \$4 billion in “liquid savings” after passage of FY 2023 budgets.**

On May 10, 2022, the Senate passed their budget and it included all of the items listed above that impacted the Borough. They also approved a total Permanent Fund Dividend of \$5,500, resulting in a budget with a \$1 billion deficit. The House did not concur and went into conference. On May 18, 2022, the House passed their budget. The budget had the harbor bond debt reimbursement, the school bond debt items proposed by the Senate, matching grant funds for the Harbor Facility Grant Program and major maintenance funds.

There is plenty that can change between now and when the final budget is signed into law and it is very hard to predict what will occur. Therefore, Administration has opted to be conservative in the budget since Dunleavy has a history of cutting Harbor Bond Debt in its entirety and there is still uncertainty in other areas of the State budget.

Administration suggests including 100% of the school bond debt reimbursement; 0% of the harbor bond debt reimbursement; \$315,000 for community assistance. If any of these items change after the approval of the budget Administration will present a budget amendment to the Assembly for consideration at that time.

### **Fishery Considerations**

In FY22, Administration and the Natural Resources (NR) Department estimated a total fish tax revenue of \$2,950,000. This was largely because we were unsure what the impacts were going to be due to COVID-19 and lower quotas and harvests for most species. As of March 2022, our fish tax revenue is ~\$3.8 million, which well exceeds our May 2021 predictions.

For FY23, Administration and the NR Department recommend a conservative approach to projecting the FY23 Borough raw fish tax revenue based on recent fishery trends, environmental uncertainty and potential fishery management actions. Conversely, there is reason for optimism for the fishing industry as COVID-19 is getting under control and the US economy is rebounding. Also, the Board of Fisheries did make changes to Area M salmon management plans as proposed at the most recent meeting. Additionally, the big three processors are in real competition to buy, process and sell seafood, potentially resulting in better prices and more fish. Therefore, we anticipate \$3,500,000 in fish tax revenue in FY23.

## **Department Budgets**

All of the Departments have reviewed their budgets and made adjustments to meet the anticipated needs for FY23.

Salaries: The budget that was introduced at the May 12, 2022 included a 2% Cost of Living Adjustment for employees. At the meeting, a motion was passed to increase the COLA adjustment to 4%. This has been completed and is reflected in the in the budget that will be before the Assembly at the May 26, 2022 Assembly Meeting.

Please note, the Consumer Price Index (CPI) for Urban Alaska for the preceding fiscal year is **4.9%** as shown at the following link: <http://live.laborstats.alaska.gov/cpi/index.cfm>. According to Section 4.3.1 of the Employee Handbook, “the Borough Assembly may at its discretion authorize annual cost of living adjustments for regular employees in an amount not to exceed the Consumer Price Index for Urban Alaska as computed for the preceding fiscal year.”

Fringe: Administration anticipates a 5% increase in fringe benefits in 2022. Therefore, there is a flat 5% increase for all the fringe benefit line items. Fringe benefits include Medicare, ESC, PERS and medical insurance costs.

## **Education Support**

In April and May 2022, the School District corresponded with the Borough regarding their FY23 school district budget and their budget request from the Borough. Per AEBSD, “it is unfortunately very evident, given the information currently at hand, that the anticipated expenditures will certainly exceed the estimated revenues due mainly to the recent steep decline in student enrollment, could with projected decline in student enrollment, which translates into reduced state funding.” Also, “the state has used the same Base Student Allocation (BSA) amount of \$5,930 to determine Basic Need for school districts since 2017. The BSA amount is multiplied by the district’s Final Adjusted Average Daily Membership (ADM), which is initially derived from the October student enrollment count. As student enrollment declines, a couple of things can happen. Not only is the ADM reduced, but if a school’s enrollment numbers fall below certain thresholds, a different, lesser multiplier is associated with the determination of the Final

Adjusted ADM - which all impacts the level of state funding in a detrimental way.” There are discussions at the State level to increase the BSA or do a one-time funding option, but until the State budget is finalized it is unknown what to expect.

The school district continues that “Based on what is currently known, the FY23 ADM estimate of 868.89, a 62.86 decrease in ADM from the FY22 ADM, translates into a decrease in state funding of approximately \$372,800.

As with all other years, the district endeavors to minimize costs where possible and operate as efficiently as possible. District teacher staffing levels will be modified in an effort to economize and control raising costs. Notwithstanding, some expense areas continue to trend upward, like salaries, benefits, utilities (fuel, electricity, water, sewer, garbage), as well as the cost of food.

The state has also failed to increase the funding for pupil transportation since 2016. The district has been prudent with pupil transportation funding, but is likely going to need some additional funds to repair one of the district's buses in the next school year.”

Per the State of Alaska, the Aleutians East Borough can contribute a minimum of \$497,536 and a maximum of \$1,708,241 to the school district.

**The school district is requesting the assumed customary Borough financial commitment of \$800,000 to the school district, and is requesting a supplemental financial commitment for an additional appropriation of up to \$300,000 – in order to fully fund and balance the AEBSD FY23 Budget Proposal. They are also requesting the \$35,000 in school scholarships and \$20,000 in student travel totaling \$1,115,000.** If the State opts to increase the BSA, the amount of the school districts request amount could change.

The proposed budget reflects \$1,100,000 in local school contributions, \$35,000 in school scholarships and \$20,000 in student travel totaling \$1,155,000.00. If the Assembly, would like to change the School District Contribution, a motion will need to be made to do so.

## **Fund 20**

Fund 20 is reflected differently in the FY23 budget.

In the Borough financials, Fund 20 outlines grants from outside entities (i.e. State of Alaska, NOAA, Rasmusson, etc...), capital projects funded from non-grant and Borough sources (i.e. Trident Contribution to the Akutan Airport, hovercraft sales proceeds designations, etc...) , and the Borough Permanent Fund Earning appropriated projects.

In FY23, the Ordinance includes the Designation of the Permanent Fund Balance and shows the unspent appropriated funds for FY17 to FY22 approved expenditures through April 30, 2022 (this value will change between April 30 and June 30, 2022); the appropriated permanent fund earnings for FY23 and the appropriated transfer to the general fund to cover the FY23 budget deficit. This has not been done in the past. An outline of why this has occurred and what it entails can be found below:

When the Assembly votes to utilize Permanent Fund monies for specific projects that is a designation of part of the permanent fund. Sometimes the Borough doesn't spend all the monies that were designated in one fiscal year—in fact, sometimes that is the intent, to designate part of the permanent fund monies for long term or future projects.

Therefore, when the Borough doesn't spend all the designated amounts in one year, the Borough still has to show the intent of the Assembly to spend those permanent fund monies on those specified projects.

The correct way to do that is through a Designation of Permanent Fund Fund Balance, as shown in the new addition to the budget ordinance this year. By designating the funds in the fund balance they are now “spoken for” and cannot be spent on something else or utilized any differently unless by action of the Assembly.

The Ordinance appropriates the transfer of \$952,831 to the general fund to cover the FY23 general budget deficit and \$861,177.83 for FY23 designated projects.

A resolution will be presented at the May 26, 2022 Assembly meeting, approving the FY23 permanent fund earnings to designated projects.

Finance will revise the Permanent Fund Earnings Policy, leaving the actual permanent fund earning cash in the Permanent Fund investments in order to keep earning a good return for the Borough, but having the money clearly shown as Designated funds in the Ordinance and in the Financial Statement on the balance sheet.

**The proposed FY23 Budget Summary is as follows:**

Expected FY23 Revenue:	\$6,765,087.00
Expected FY23 Expenditures: (Funds 01, 30 and 41)	\$6,997,312.00



Net Revenue over Expenditures	(\$232,225.00)
Transfer Out to Helicopter Operation:	\$749,106.00
Transfer In from Terminal Operation:	(\$28,500.00)
Transfer In from Permanent Fund:	\$952,831.00
Expected FY23 Deficit:	\$-

This assumes 100% in School Bond Debt Reimbursement, 0% Harbor Bond Debt Reimbursement, a 4% Cost of Living increase for employees and funding education at \$1,155,000.

To compensate for the deficit, Administration recommends using a portion of the \$1,814,008.83 in FY23 Permanent Fund Earning allocation.

This memo includes an overview of the:

- FY23 Fund 01 General Fund Anticipated Revenues
- FY23 Fund 01 General Fund Expenditure Adjustment Recommendations
- FY23 Fund 22 Cold Bay Terminal Anticipated Revenues
- FY23 Fund 22 Cold Bay Terminal Expenditure Adjustment Recommendations
- FY23 Fund 22 Helicopter Operations Anticipated Revenues
- FY23 Fund 22 Helicopter Operation Expenditure Adjustment Recommendations
- FY23 Fund 30 Bond Fund Expenditure Adjustment Recommendations
- FY23 Fund 41 Maintenance Reserve Fund Expenditure Adjustment Recommendations
- FY23 Fund 20 Grant Program Overview

**FY23 Fund 01 General Fund Anticipated Revenues**

**Fund 1 General Fund Revenues**

The projected revenues for FY23 are outlined below:

	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Interest Income</b>	\$30,000.00	(\$15,000.00)	\$15,000.00	This includes interest earned from the operating trust fund and the Alaska Municipal League Investment Pool. Interest income is difficult to budget. Typically, Borough's budget a smaller amount then they expect since the market volatility cannot be predicted.
<b>Raw Fish Tax</b>	\$2,950,000.00	\$550,000.00	\$3,500,000.00	This is based off the Borough's projections for the FY23 fishing year.
<b>Other Revenue</b>	\$75,000.00	-	\$75,000.00	This includes: revenues for the 4-plex; permitting fees; tideland and other leases.
<b>Shared Fishery Tax</b>	\$1,128,000.00	\$372,000.00	\$1,500,000.00	DCCED is not informed of the fish tax distributions until November. In FY22, the Borough received \$1,977,969 (\$1,698,299 and an additional \$279,670.56 in Coronavirus Funds). The state is not sure if the additional funding will be included in FY23 and the funding proposed in the State budget is slightly less; therefore, it is recommended to raise the amount to \$1,500,000.
<b>Shared Fishery Tax FMA2</b>	\$66,000.00	\$34,000.00	\$100,000.00	This is the shared fishery tax for the Aleutians Islands Area for the Aleutians East Borough. Administration recommends increasing the FMA2 amount to \$100,000 based off the 5-year average for funds received.
<b>Shared Fishery Tax FMA3</b>	\$1,500.00	-	\$1,500.00	This is the shared fishery tax for the Alaska Peninsula Area. The amount received in FY22 was higher than anticipated. Administration does not foresee this

				occurring in FY23 and suggests leaving the amount the same.
<b>Harbor Bond Debt</b>	-	-	-	Currently in the CS at 100% (\$169,930 for False Pass and \$218,558 for Akutan) but Mark Hickey does not recommend accounting for this in FY23. The Governor has a history of vetoing this item. If it is included, we can include in a budget amendment.
<b>School Bond Debt</b>	\$280,801.00	\$347,786.00	\$626,587.00	Recommend funding the School Bond Debt at 100% in FY23. This is in the governor, house and senate budgets.
<b>Community Assistance</b>	\$300,000.00	\$15,000.00	\$315,000.00	Administration recommends increasing this to \$315,000, which is closer to the 5-year average of Community Assistance payments.
<b>Payment In Lieu of Taxes</b>	\$559,000.00	\$56,000.00	\$615,000.00	The 5-year average receive in PILT has been ~\$627,000. Since it is difficult to predict what will occur at the Federal level, Administration suggests projecting a little lower than the 5-year average. The Borough will not receive the FY22 amount until June 2022.
<b>USFWS</b>	\$15,000.00	-	\$15,000.00	These funds are from the Refuge Revenue Sharing Act (RRSA), which provide for annual payments to local governments for lands under the administration of the US Fish & Wildlife Service. These payments are funded from revenues generated from these lands and a congressional appropriation. Amounts are typically announced in March/April for the preceding fiscal year. The Borough received the FY21 payment during the week of June 6, 2022.
<b>Total</b>	\$5,405,301.00	\$1,359,786.00	\$6,765,087.00	

## **FY23 Fund 01 General Fund Expenditure Adjustment Recommendations**

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

#### **Assumptions:**

#### **Salaries:                   4% COLA Adjustment**

The Consumer Price Index (CPI) for Urban Alaska (formerly Municipality of Anchorage), which now consists of Anchorage and the Matanuska-Susitna Borough for the preceding fiscal year is **4.9%** as shown at the following link: <http://live.laborstats.alaska.gov/cpi/index.cfm>.

According to Section 4.3.1 of the Employee Handbook, “The Borough Assembly may at its discretion authorize annual cost of living adjustments for regular employees in an amount not to exceed the Consumer Price Index for Urban Alaska as computed for the preceding fiscal year.”

The budget that was introduced at the May 12, 2022 included a 2% Cost of Living Adjustment for employees. At the meeting, a motion was passed to increase the COLA adjustment to 4%. This has been completed and is reflected in the in the budget that will be before the Assembly at the May 26, 2022 Assembly Meeting.

#### **Fringe:                   5% Increase**

Administration anticipates a 5% increase in fringe benefits in 2022. Therefore, there is a flat 5% increase for all the fringe benefit line items. Fringe benefits include Medicare, ESC, PERS and medical insurance costs.

**Mayor's Office:**

<b>Mayor's Office</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	\$84,354.00	\$3,375.00	\$87,729.00	Includes the 4% COLA increase.
<b>Fringe</b>	\$42,525.00	\$2,127.00	\$44,652.00	Includes a 5% increase for fringe.
<b>Travel &amp; Per Diem</b>	\$38,000.00	(\$5,000.00)	\$33,000.00	
<b>Phone</b>	\$1,000.00	-	\$1,000.00	
<b>Supplies</b>	\$1,500.00	(\$500.00)	\$1,000.00	
<b>Dues &amp; Fees</b>	\$2,000.00	-	\$2,000.00	These funds include registration fees for AML, SWAMC and the Harbor Masters Conference.
<b>Lobbying, Federal</b>	\$45,000.00	\$30,600.00	\$75,600.00	In FY22, the Federal lobbying line reflected the State lobbying fees.
<b>Lobbying State</b>	\$75,600.00	(\$30,600.00)	\$45,000.00	In FY22, the State lobbying line reflected the Federal lobbying fees.
<b>Total Mayor's Office</b>	\$289,979.00	\$2.00	\$289,981.00	

**Assembly:**

<b>Assembly</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	\$43,000.00	-	\$43,000.00	
<b>Fringe</b>	\$152,250.00	(\$3,250.00)	\$149,000.00	This value better reflects the anticipated fringe benefits for FY23.
<b>Travel &amp; Per Diem</b>	\$35,000.00	\$25,000.00	\$60,000.00	This should cover trips to conferences and a portion of the meetings throughout the region.
<b>Dues &amp; Fees</b>	\$5,000.00	-	\$5,000.00	These funds include registration fees for AML and SWAMC.
<b>Supplies</b>	\$1,000.00	-	\$1,000.00	

<b>Total Assembly</b>	\$236,250.00	\$21,750.00	\$258,000.00	
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**Administration:**

<b>Administration</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	\$187,481.00	\$17,519.00	\$205,000.00	Includes the 4% COLA increase, the increase in pay for the Administrative Clerk and the Administrator's salary.
<b>Fringe</b>	\$80,875.00	\$4,044.00	\$84,819.00	Includes a 5% increase for fringe.
<b>Engineering</b>	\$25,000.00	-	\$25,000.00	This is for the Borough's agreement with DOWL for project management services.
<b>Contract</b>	\$80,000.00	\$10,000.00	\$90,000.000	This includes contract services with various contractors to assist in Borough projects.
<b>Travel &amp; Per Diem</b>	\$11,000.00	(\$1,000.00)	\$10,000.00	
<b>Phone</b>	\$5,350.00	-	\$5,350.00	
<b>Postage</b>	\$750.00	-	\$750.00	
<b>Supplies</b>	\$4,500.00	(\$500.00)	\$4,000.00	
<b>Rent</b>	\$10,867.00	-	\$10,867.00	This is the rent for the Anchorage office. This rate will stay the same as FY22.
<b>Dues &amp; Fees</b>	\$4,500.00	\$3,500.00	\$7,000.00	These funds include registration fees for AML, SWAMC and the Harbor Masters Conference. It also pays the annual dues for the National Association of Counties, AML, AMMA and SWAMC.
<b>Total Administration</b>	\$410,323.00	\$33,563.00	\$443,886.00	

**Assistant Administrator:**

<b>Assistant Administrator</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	\$94,469.00	(\$869.00)	\$93,600.00	Adjusted to reflect current salaries and a 4% COLA increase.
<b>Fringe</b>	\$35,700.00	\$1,785.00	\$37,485.00	Includes a 5% increase for fringe.

<b>Travel &amp; Per Diem</b>	\$8,000.000	-	\$8,000.00	
<b>Phone</b>	\$1,250.00	-	\$1,250.00	
<b>Supplies</b>	\$800.00	-	\$800.00	
<b>Rent</b>	\$10,723.00	-	\$10,723.00	This is the rent for the Anchorage office. This rate will stay the same as FY22.
<b>Dues &amp; Fees</b>	\$1,500.00	-	\$1,500.00	These funds include registration fees for AML, SWAMC and AMMA.
<b>Total Asst. Administrator</b>	\$152,442.00	\$916.00	\$153,358.00	

**Clerk/Planning:**

<b>Clerk</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	\$106,000.00	(\$34,005.00)	\$71,995.00	Adjusted to reflect FY23 salaries and a 4% COLA increase.
<b>Fringe</b>	\$47,775.00	(\$17,775.00)	\$30,000.00	Adjusted to reflect current fringe amounts and includes a 5% increase for fringe.
<b>Travel &amp; Per Diem</b>	\$10,000.000	-	\$10,000.00	
<b>Phone</b>	\$9,000.00	\$1,000.00	\$10,000.00	
<b>Postage</b>	\$1,000.00	-	\$1,000.00	
<b>Supplies</b>	\$3,500.00	(\$500.00)	\$3,000.00	
<b>Utilities</b>	\$18,000.00	(\$1,000.00)	\$17,000.00	This includes utility costs for the Sand Point office.
<b>Dues &amp; Fees</b>	\$4,500.00	(\$1,000.00)	\$3,500.00	These funds include registration fees for AML, SWAMC, Alaska Association of Municipal Clerks.
<b>Elections</b>	\$12,000.00	(\$2,000.00)	\$10,000.00	
<b>Total Clerk</b>	\$211,775.00	(\$55,280.00)	\$156,495.00	

**Finance:**

<b>Finance</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	\$155,000.00	(\$10,000.00)	\$145,000.00	Adjusted to reflect salaries and includes a 4% COLA increase.
<b>Fringe</b>	\$75,600.00	(\$5,600.00)	\$70,000.00	Adjusted to reflect fringe amounts and includes a 5% increase for fringe.
<b>Travel &amp; Per Diem</b>	\$8,500.00	-	\$8,500.00	
<b>Phone</b>	\$10,500.00	-	\$10,500.00	
<b>Postage</b>	\$1,250.00	(\$200.00)	\$1,050.00	
<b>Supplies</b>	\$8,000.00	(\$1,000.00)	\$7,000.00	
<b>Utilities</b>	\$4,500.00	-	\$4,500.00	This includes utility costs for the King Cove office.
<b>Dues &amp; Fees</b>	\$2,250.00	(\$250.00)	\$2,000.00	These funds include registration fees for AML, SWAMC, Alaska Government Finance Officers Association.
<b>Audit</b>	\$82,500.00	-	\$82,500.00	
<b>Contract</b>	-	\$100,000.00	\$100,000.00	Contract services for the contract accountant who will assist in the audit prep, the financial software changeover and complying with necessary and required internal controls.
<b>Software</b>	-	\$15,000.00	\$15,000.00	This is the annual cost for the new financial software.
<b>Total Finance</b>	\$348,100.00	\$82,950.00	\$431,050.00	

**Natural Resources:**

<b>Natural Resources</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	\$182,705.00	\$7,309.00	\$190,014.00	Includes a 4% COLA increase.
<b>Fringe</b>	\$73,500.00	\$3,675.00	\$77,175.00	Includes a 5% increase for fringe.
<b>Contract</b>	\$20,000.00	\$20,000.00	\$40,000.00	



<b>Travel &amp; Per Diem</b>	\$20,000.00	-	\$20,000.00	
<b>Phone</b>	\$3,000.00	-	\$3,000.00	
<b>Supplies</b>	\$2,500.00	-	\$2,500.00	
<b>Dues &amp; Fees</b>	\$2,000.00	-	\$2,000.00	This includes registration fees for AML and SWAMC and fees for fish related subscriptions.
<b>NPFMC</b>	\$10,000.00	-	\$10,000.00	
<b>BOF Meeting</b>	\$50,000.00	-	\$50,000.00	
<b>Rent</b>	\$27,632.00	-	\$27,632.00	This is the rent for the Anchorage office. This rate will stay the same as FY22.
<b>Total NR</b>	\$391,337.00	\$30,984.00	\$422,321.00	

**Communications:**

<b>Communications</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	\$106,487.00	\$7,028.00	\$113,515.00	Adjusted to reflect current salary and includes a 4% COLA increase.
<b>Fringe</b>	\$35,866.00	\$1,794.00	\$37,660.00	Includes a 5% increase for fringe.
<b>Travel &amp; Per Diem</b>	\$6,000.00	-	\$6,000.00	
<b>Phone</b>	\$2,400.00	(\$400.00)	\$2,000.00	
<b>Supplies</b>	\$1,250.00	(\$250.00)	\$1,000.00	
<b>Rent</b>	\$11,142.00	-	\$11,142.00	This is the rent for the Anchorage office. This rate will stay the same as FY22.
<b>Dues &amp; Fees</b>	\$1,100.00	-	\$1,100.00	This includes registration fees for AML and SWAMC and communication related items.
<b>Advertising/Promotions</b>	\$10,750.00	(\$1,500.00)	\$9,250.00	
<b>Website</b>	-	\$3,000.00	\$3,000.00	Annual cost to host the new Borough website.
<b>Total Communications</b>	\$174,995.00	\$9,672.00	\$184,667.00	

**Maintenance:**

<b>Maintenance</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	\$73,450.00	\$2,938.00	\$76,388.00	Includes a 4% COLA increase.
<b>Fringe</b>	\$33,600.00	\$1,680.00	\$35,280.00	Includes a 5% increase for fringe.
<b>Travel &amp; Per Diem</b>	\$16,000.00	\$2,000.00	\$18,000.00	
<b>Phone</b>	-	-	-	
<b>Supplies</b>	\$5,000.00	(\$1,000.00)	\$4,000.00	
<b>Dues &amp; Fees</b>	\$1,250.00	(\$250.00)	\$1,000.00	This includes registration fees for AML and SWAMC and fees for communication related items.
<b>Utilities</b>	\$2,000.00	-	\$2,000.00	Utility costs for the SP Bus Barn.
<b>Total Maintenance</b>	<b>\$131,300.00</b>	<b>\$5,368.00</b>	<b>\$136,668.00</b>	

**KCAP:**

<b>KCAP</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	-	-	-	
<b>Fringe</b>	-	-	-	
<b>Travel &amp; Per Diem</b>	-	-	-	
<b>Supplies</b>	\$2,000.00	\$500.00	\$2,500.00	This is for gas for the equipment while being used for road maintenance.
<b>Maintenance</b>	\$125,000.00	(\$10,000.00)	\$115,000.00	This includes the \$99,000 for road maintenance and additional maintenance needs.
<b>Contract</b>	\$25,000.00	(\$20,000.00)	\$5,000.00	Funds can be used to for Delta Creek work.
<b>Total KCAP</b>	<b>\$152,000.00</b>	<b>(\$29,500.00)</b>	<b>\$122,500.00</b>	

**Education:**

<b>Education</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Local Contribution</b>	\$800,000.00	\$300,000.00	\$1,100,000.00	
<b>Scholarships</b>	\$35,000.00	-	\$35,000.00	
<b>Student Travel</b>	\$20,000.00	-	\$20,000.00	
<b>Total Education</b>	\$855,000.00	\$300,000.00	\$1,155,000.00	

**Other:**

<b>Other</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Equipment</b>	\$25,000.00	(\$2,500.00)	\$22,500.00	This includes computers and other equipment needed throughout the Borough.
<b>AEB Vehicles</b>	\$1,000.00	\$2,000.00	\$3,000.00	Maintenance for the Borough cars is on-going.
<b>Utilities</b>	\$20,000.00	-	\$20,000.00	
<b>Aleutia Crab</b>	\$48,400.00	(\$48,400.00)	-	Aleutia no longer has the crab quota. This is no longer needed.
<b>Legal</b>	\$85,000.00	-	\$85,000.00	
<b>Insurance</b>	\$218,000.00	\$10,000.00	\$228,000.00	This includes general liability, property, workers comp, non-owned aircraft coverage, Marsh & McLennan fees and other insurance coverages.
<b>Repairs</b>	\$3,000.00	(\$500.00)	\$2,500.00	
<b>Bank Fees</b>	\$12,500.00	(\$500.00)	\$12,000.00	
<b>EATS</b>	\$150,000.00	-	\$150,000.00	The Borough entered into an agreement with EATS to provide \$150,000 to EAT for behavioral health services.
<b>Misc. Expense</b>	\$20,000.00	-	\$20,000.00	

<b>Donations</b>	\$23,500.00	-	\$23,500.00	Donation requests must be completed and submitted by May 1 and November 1 every year.
<b>KSDP</b>	\$10,000.00	-	\$10,000.00	The Borough has been donating \$10,000 to KSDP for their operations on an annual basis.
<b>NL Revenue Sharing</b>	\$16,000.00	-	\$16,000.00	The Borough receives Nelson Lagoon's Community Assistance from the State, which is then transferred to the community.
<b>PERS</b>	\$35,000.00	-	\$35,000.00	This reflects the anticipated additional PERS contribution.
<b>IT Services</b>	\$39,500.00	-	\$39,500.00	Pays for our IT services with ICE Services. This includes help desk fees, estimated travel to the region during the contract term and other annual and monthly licensing fees.
<b>Total Other</b>	<b>\$706,900.00</b>	<b>(\$39,900.00)</b>	<b>\$667,000.00</b>	

**FY23 Fund 22 Cold Bay Terminal Anticipated Revenues**

**Fund 23 Terminal Operations Revenue**

<b>Cold Bay Terminal Revenues</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Local Contribution</b>	\$278,000.00	-	\$278,000.00	This includes rent payments from FAA and the airline tenants.
<b>Other Income</b>	-	-	-	
<b>Total Revenues</b>	\$278,000.00	-	\$278,000.00	

**FY23 Fund 22 Cold Bay Terminal Expenditure  
Adjustment Recommendations**

<b>Cold Bay Terminal Expenditures</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	\$60,000.00	(\$5,000.00)	\$55,000.00	This includes salaries for the contract terminal manager and custodian.
<b>Fringe</b>	\$5,000.00	-	\$5,000.00	
<b>Contract Labor</b>	\$10,000.00	(\$2,000.00)	\$8,000.00	
<b>Maintenance</b>	\$63,850.00	(\$13,850.00)	\$50,000.00	
<b>Travel &amp; Per Diem</b>	-	-	-	
<b>Phone/Internet</b>	\$2,400.00	-	\$2,400.00	
<b>Supplies</b>	\$20,000.00	(\$5,000.00)	\$15,000.00	
<b>Utilities</b>	\$79,500.00	-	\$79,500.00	
<b>Gas</b>	\$750.00	(\$150.00)	\$600.00	Gas for the Borough-owned truck.
<b>Fuel</b>	\$30,000.00	(\$2,500.00)	\$27,500.00	
<b>State Land Lease</b>	\$6,500.00	-	\$6,500.00	

<b>Total Expenditures</b>	\$278,000.00	(\$28,500.00)	\$249,500.00	
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**FY23 Fund 22 Helicopter Operations Anticipated Revenues**

<b>Helicopter Revenues</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Hangar</b>	\$49,200.00	-	\$49,200.00	
<b>Transportation</b>	\$135,000.00	-	\$135,000.00	
<b>Fuel</b>	\$189,924.00	-	\$189,924.00	
<b>Total Revenues</b>	\$374,124.00	-	\$374,124.00	

**FY23 Fund 22 Helicopter Operations Expenditure Adjustment Recommendations**

**Fund 22 Helicopter Operations Budget Adjustment Recommendations**

<b>Helicopter Expenditures</b>				
	<b>FY22 Budget</b>	<b>Proposed Changes</b>	<b>FY23 Proposed Budget</b>	<b>Comments</b>
<b>Salary</b>	\$50,000.00	-	\$50,000.00	
<b>Fringe</b>	\$10,000.00	-	\$10,000.00	
<b>Contract Labor</b>	\$905,429.00	\$8,801.00	\$914,230.00	This is the contract amount for the Maritime Helicopters.
<b>Travel &amp; Per Diem</b>	-	-	-	
<b>Phone</b>	-	-	-	-
<b>Supplies</b>	\$40,000.00	(\$5,000.00)	\$35,000.00	
<b>Rental Lease</b>	-	-	-	
<b>Utilities</b>	\$10,000.00	-	\$10,000.00	
<b>Insurance</b>	-	-	-	
<b>Gas</b>	\$14,000.00	-	\$14,000.00	
<b>Fuel</b>	\$100,000.00	(\$10,000.00)	\$90,000.00	
<b>Total Expenditures</b>	\$1,129,429.00	(\$6,199.00)	\$1,123,230.00	

**FY23 Fund 30 Bond Fund Expenditure Adjustment Recommendations**

**Bond Interest: \$646,386.00**

The Borough owes \$646,386.00 in interest in FY23.

**Bond Principal: \$1,830,000.00**

The Borough owes \$1,830,000 in principal in FY23.

This results in a total expenditure of \$2,476,386 for FY23.

**FY23 Fund 41 Maintenance Reserve Fund Expenditure  
Adjustment Recommendations**

**Other Maintenance Reserve: \$100,000**

Per Section 6.04.042 Section 1 of the Borough code, the maintenance reserve shall be 100,000.00 or an amount equal to two and one-half percent of the total anticipated revenues from the borough sales tax and the state shared fisheries business license tax.

## **FY23 Permanent Fund Earning Appropriations Overview**

### **Fund 20**

#### **Permanent Fund Earnings: \$1,814,008.83 in Permanent Fund Earnings reflected in the budgets Revenues and Expenditure Line Item**

The \$1,814,008.83 is 4% of the permanent fund distribution amount and is based off APCM's reading of the Borough ordinance (5-year average market value assuming fiscal year end 6/30).

Ordinance 22-11, approves \$952,831 to be transferred to the general fund to cover the anticipated FY23 budget deficit.

The remaining \$861,177.83 in Permanent Fund Earnings will be presented to the Assembly via resolution at the May 26, 2022 Assembly Meeting to determine the designated project appropriations. This will allow the Borough to keep documentation, approved by the Assembly, on where the funds are appropriated.

#### **The FY23 Permanent Fund Appropriation Recommendations are as follows:**

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

Propose adding \$150,000 to line-item E 20-872-209-679 FISHERIES RESEARCH. Fisheries research is on the Borough's strategic plan. The Borough would use these for the cod tagging and other research projects. The funds would be appropriated from the FY23 Permanent Fund Earnings.

##### **Sand Point and Akutan Harbor Floats:                      \$225,000 Addition to Fund 20 for the Sand Point and Akutan Harbor Floats**



Propose adding \$225,000 to line-item E 20-871-209-680 SAND POINT/AKUTAN HARBOR FLOAT. This project is on the Borough's strategic plan and can be used as a match to federal and state grants. The funds would be appropriated from the FY 23 Permanent Fund Earnings.

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

Propose adding \$250,000 to line-item E 20-900-209-678 DEFERRED MAINTENANCE. This project is on the Borough's strategic plan. The Borough continues to address maintenance issues on Borough owned properties, which includes but is not limited to the schools and Borough offices. The funds would be appropriated from the FY23 Permanent Fund Earnings.

**Community Travel: \$50,000 Addition to Fund 20 for Travel**

The Assembly has stated that they would like the Assembly to travel more frequently to the region for Assembly meetings. Due to the high costs of travel, funding has been set aside to cover some of these expenses. The funds would be appropriated from the FY23 Permanent Fund Earnings.

**Project Contingency: \$186,177.83 Addition to Fund 20 for Project Contingency**

Propose adding \$186,177.83 to line-item E 20-866-209-888 PROJECT CONTINGENCY. Having funds in this line item for unanticipated projects and needs has been extremely valuable. The funds would be appropriated from the FY 23 Permanent Fund Earnings.

**FY23 Reappropriations**

**AEB Property Surveys: Reappropriate \$30,873.98 in Line-Item E 20-866-209-506 SURVEYING to Line-Item E 20-866-209-888 PROJECT CONTINGENCY**

In FY17, FY18, FY19 and FY20, \$330,000 in Permanent Fund Earnings were appropriated to conduct surveying at Peter Pan, Sandy River and Bear Lake. The surveying work has finally been completed and the Borough does not anticipate any more expenses for this work. The Borough expended \$299,126.02 for this work leaving a balance of \$30,873.98.

Administration recommends reappropriating \$30,873.98 from the line-item E 20-866-209-506 SURVEYING to line-item E 20-866-209-888 PROJECT CONTINGENCY so we can close out and remove the survey account.

**Cold Bay School:**

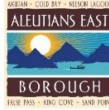
**Reappropriate \$44,818.88 in Department 800 Line-Item E 41-800-869-888 PROJECT CONTINGENCY to Line-Item E 20-866-209-888 PROJECT CONTINGENCY**

In FY17, \$50,000 in Permanent Fund Earnings were appropriated to Fund 41 for the Cold Bay School. The Borough expended \$5,162.02 out of this line-item leaving a balance of \$44,818.88. In 2022, the Cold Bay School property was transferred and the school sold to Gould Construction. Administration recommends appropriating the remaining funds to the Project Contingency line item for use.

**FY 23 Permanent Fund Earning Appropriations**

<b>Project</b>	<b>Amount</b>
Borough FY23 Budget Deficit	\$952,831.00
Fisheries Research	\$150,000.00
Sand Point and Akutan Harbor Floats	\$225,000.00
Deferred Maintenance	\$250,000.00
Community Travel	\$50,000.00
Project Contingency	\$186,177.83
<b>TOTAL</b>	<b>\$1,814,008.83</b>

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



## MEMORANDUM

**DATE:** May 19, 2022

**TO:** Mayor Osterback and Assembly

**FROM:** Anne Bailey, Administrator

**RE:** Aleutians East Borough FY23 Community Budget Requests

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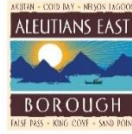
In January 2022, Borough Administration sent the FY23 budget request process information to the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point with a total estimated funding cap of \$300,000 for the entire program. The budget request process allows governing bodies in the Borough communities to request financial assistance from the Borough for community projects. The Borough is interested in selecting projects that will result in fully funded projects; therefore, requesting the Borough to fund the project in its entirety or to have funds already secured so the Borough contribution fills the deficit gap is ideal.

The Borough received \$560,925.00 worth of requests from the communities of Akutan, False Pass, King Cove and Sand Point. As outlined below:

Community	Request	Amount Requested
City of Akutan	Akun Fuel Truck Replacement	\$163,497.00
	<b>TOTAL FUNDING REQUEST</b>	<b>\$163,497.00</b>
City of False Pass	Harbor Electric Upgrade	\$62,500.00
	Volunteer Fire Dept. Brush Truck	\$34,928.00
	Harbor House Construction	\$100,000.00
	<b>TOTAL FUNDING REQUEST</b>	<b>\$197,428.00</b>
City of King Cove	Old School Exterior Refurbishment	\$100,000.00
	<b>TOTAL FUNDING REQUEST</b>	<b>\$100,00.00</b>
City of Sand Point	Sand Point Dam	\$100,000.00
	<b>TOTAL FUNDING REQUEST</b>	<b>\$100,000.00</b>
	<b>TOTAL AMOUNT OF COMMUNITY REQUESTS</b>	<b>\$560,925.00</b>

Through the Borough budget preparation process, it has been identified that the Borough has a projected budget deficit of \$952,831 and the Borough has other needs that must be met. Therefore, at this time, Administration does not recommend using FY23 Permanent Fund Earnings to fund the FY23 Community Budget requests. At the end of the fiscal year, if it is determined that the Borough has excess funds a distribution could occur at that time via a resolution.

At the May 12, 2022 Assembly Meeting, the Assembly approved Resolution 22-42 authorizing the Mayor to execute a Borough FY22 Community Grant Agreement with the City of False Pass in an amount not to exceed \$62,500 for a False Pass Harbor Electric Upgrade. Funds for this are available in line-item E 20-816-209-850.



## ORDINANCE 22-11

### AN ORDINANCE ADOPTING THE OPERATING AND CAPITAL BUDGET FOR THE ALEUTIANS EAST BOROUGH FISCAL YEAR 2023.

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 2023 is adopted as follows:

REVENUES		FY23 BUDGET
Local		
Interest Income		\$15,000.00
AEB Fish Tax		\$3,500,000.00
AEBSD Refund		
Other Revenue		\$75,000.00
State		
Shared Fishery Tax		\$1,500,000.00
Shared Fishery Tax FMA2		\$100,000.00
Shared Fishery Tax FMA3		\$1,500.00

	Debt Reimbursement	\$628,587.00
	State Aid to Local Government	\$315,00.00
Federal		
	Payment in Lieu of Taxes	\$615,000.00
	USF&WS Lands	\$15,000.00
		<b>\$6,765,087.00</b>

OPERATING FUND EXPENDITURES

Mayor	\$289,981.00
Assembly	\$258,000.00
Administration	\$443,886.00
Assistant Administrator	\$153,358.00
Clerk/Planning	\$156,495.00
Planning Commission	\$0.00
Finance	\$431,050.00
Natural Resources	\$422,321.00
Communications Manager	\$184,667.00
Maintenance Director	\$136,668.00
Educational Support	\$1,155,000.00
KCAP	\$122,500.00
Other Gen.Fund	
Equipment	\$22,500.00
KSDP	\$10,000.00
AEB Vehicles	\$3,000.00
Repairs	\$2,500.00
Utilities	\$20,000.00
Legal	\$85,000.00

Insurance	\$228,000.00
Bank Fees	\$12,000.00
EATS	\$150,000.00
Misc.	\$20,000.00
Donations	\$23,500.00
NLG Rev.	
Sharing	\$16,000.00
Web	
Service/Tech	\$39,500.00
PERS	\$35,000.00
Total Other	\$667,000.00
 Total General Fund	 \$4,420,926.00
 Capital Projects	 \$0.00
Bond Projects	\$0.00
 Debt Services	 \$2,476,386.00
 Maintenance Reserve	 \$100,000.00
 Total Expenditure	 \$6,997,312.00
Transfer out to Helicopter Operation	(\$749,106.00)
Transfer in from Terminal Operation	\$28,500.00
Transfer from Permanent Fund	\$952,831.00
<b>AEB Deficit</b>	<b>\$0.00</b>
 <b>Enterprise Fund</b>	
 Fund 22, Helicopter, Revenues	 \$374,124.00
Fund 22, Helicopter, Expenditures	(\$1,123,230.00)



Fund 22, Helicopter Transfer In from General Fund	\$749,106.00
Net Income	\$0.00
Fund 22, Terminal Operations, Revenues	\$278,000.00
Fund 22, Terminal Operations, Expenditures	(\$249,500.00)
Fund 22, Terminal Transfer Out to General Fund	(\$28,500.00)
Net Income	\$0.00

**Designation of Permanent Fund Balance**

The following is a summary of appropriations of permanent fund balance made to a designated fund balance account as of April 30, 2022:

	<b>Fund Balance</b>
<b>Balance per Audit 06/30/2021</b>	\$53,634,518.00
Unspent appropriated funds for FY17 to 22 approved expenditures as of April 30, 2022	\$(7,375,021.26)
Appropriated funds for FY23 expenditures	\$(861,177.83)
Appropriated Transfer to the general fund to cover the FY23 general budget deficit	\$(952,831.00)
Current Permanent Fund Balance	\$44,445,487.91

Passed and adopted by the Aleutians East Borough Assembly this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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

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

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk

## Proposed FY23 Aleutians East Borough Budget

Increases to the budget are shown in green.

Decreases to the budget are shown in red.

REVENUES		FY22 Budget	Proposed Changes	FY23 Budget
Local	Interest Income	\$ 30,000.00	\$ (15,000.00)	\$ 15,000.00
	AEB Raw Fish Tax	\$ 2,950,000.00	\$ 550,000.00	\$ 3,500,000.00
	AEBSD Refund	\$ -	\$ -	\$ -
	Other Revenue	\$ 75,000.00	\$ -	\$ 75,000.00
State	Shared Fishery Tax	\$ 1,128,000.00	\$ 372,000.00	\$ 1,500,000.00
	Shared Fishery Tax FMA2	\$ 66,000.00	\$ 34,000.00	\$ 100,000.00
	Shared Fishery Tax FMA3	\$ 1,500.00	\$ -	\$ 1,500.00
	Harbor Bond Debt Reimbursement	\$ -	\$ -	\$ -
	School Bond Debt Reimbursement	\$ 280,801.00	\$ 347,786.00	\$ 628,587.00
	Community Assistance	\$ 300,000.00	\$ 15,000.00	\$ 315,000.00
Federal	Payment in Lieu of Taxes	\$ 559,000.00	\$ 56,000.00	\$ 615,000.00
	USFWS Lands	\$ 15,000.00	\$ -	\$ 15,000.00
<b>Total FY23 Revenues</b>		<b>\$ 5,405,301.00</b>	<b>\$ 1,359,786.00</b>	<b>\$ 6,765,087.00</b>

### OPERATING FUND EXPENDITURES

	FY22 Budget	Proposed Changes	FY23 Budget
<b>Departments</b>			
Mayor	\$ 289,979.00	\$ 2.00	\$ 289,981.00
Assembly	\$ 236,250.00	\$ 21,750.00	\$ 258,000.00
Administration	\$ 410,323.00	\$ 33,563.00	\$ 443,886.00
Assistant Administrator	\$ 152,442.00	\$ 916.00	\$ 153,358.00
Clerk/Planning	\$ 211,775.00	\$ (55,280.00)	\$ 156,495.00
Planning Commission	\$ -	\$ -	\$ -
Finance	\$ 348,100.00	\$ 82,950.00	\$ 431,050.00
Natural Resources	\$ 391,337.00	\$ 30,984.00	\$ 422,321.00
Communication Manager	\$ 174,995.00	\$ 9,672.00	\$ 184,667.00
Public Works	\$ 131,300.00	\$ 5,368.00	\$ 136,668.00
Education Support	\$ 855,000.00	\$ 300,000.00	\$ 1,155,000.00
KCAP	\$ 152,000.00	\$ (29,500.00)	\$ 122,500.00
<b>Department Total</b>	<b>\$ 3,353,501.00</b>	<b>\$ 400,425.00</b>	<b>\$ 3,753,926.00</b>
<b>Other General Fund</b>			
Equipment	\$ 25,000.00	\$ (2,500.00)	\$ 22,500.00
AEB Vehicles	\$ 1,000.00	\$ 2,000.00	\$ 3,000.00
Utilities	\$ 20,000.00	\$ -	\$ 20,000.00
Aleutia Crab	\$ 48,400.00	\$ (48,400.00)	\$ -
Legal	\$ 85,000.00	\$ -	\$ 85,000.00
Insurance	\$ 218,000.00	\$ 10,000.00	\$ 228,000.00
Repairs	\$ 3,000.00	\$ (500.00)	\$ 2,500.00
Bank Fees	\$ 12,500.00	\$ (500.00)	\$ 12,000.00
Eastern Aleutian Tribes	\$ 150,000.00	\$ -	\$ 150,000.00
Miscellaneous Expenses	\$ 20,000.00	\$ -	\$ 20,000.00
Donations	\$ 23,500.00	\$ -	\$ 23,500.00
KSDP	\$ 10,000.00	\$ -	\$ 10,000.00
Revenue Sharing	\$ 16,000.00	\$ -	\$ 16,000.00
Web Services	\$ 39,500.00	\$ -	\$ 39,500.00
PERS	\$ 35,000.00	\$ -	\$ 35,000.00
<b>Other General Fund Total</b>	<b>\$ 706,900.00</b>	<b>\$ (39,900.00)</b>	<b>\$ 667,000.00</b>
<b>Total General Fund</b>	<b>\$ 4,060,401.00</b>	<b>\$ 360,525.00</b>	<b>\$ 4,420,926.00</b>
Capital Projects	\$ -		
Bond Projects	\$ -		
Debt Services	\$ 2,510,302.00	\$ (\$33,916.00)	\$ 2,476,386.00
Maintenance Reserve	\$ 110,000.00	\$ (10,000.00)	\$ 100,000.00
<b>Total Expenditures</b>	<b>\$ 6,680,703.00</b>	<b>\$ 316,609.00</b>	<b>\$ 6,997,312.00</b>
<b>Net Revenue over Expenditures</b>	<b>\$ (1,275,402.00)</b>	<b>\$ 1,043,177.00</b>	<b>\$ (232,225.00)</b>
Transfer Out to Helicopter Operation	\$ (755,305.00)	\$ 6,199.00	\$ (749,106.00)
Transfer In from Terminal Operation	\$ -	\$ 28,500.00	\$ 28,500.00
Transfer In from Perm Fund			\$ 952,831.00
<b>AEB Deficit</b>	<b>\$ (2,030,707.00)</b>	<b>\$ 1,077,876.00</b>	<b>\$ -</b>

## Proposed FY 2023 General Fund Budget (Fund 01)

Increases to the budget are shown in green.

Decreases to the budget are shown in red.

	FY22	Proposed Changes	FY23 Budget
<b>Mayor's Office</b>			
Salary	\$ 84,354.00	\$3,375.00	\$ 87,729.00
Fringe	\$ 42,525.00	\$ 2,127.00	\$ 44,652.00
Travel	\$ 38,000.00	\$ (5,000.00)	\$ 33,000.00
Phone	\$ 1,000.00	\$ -	\$ 1,000.00
Supplies	\$ 1,500.00	\$ (500.00)	\$ 1,000.00
Dues & Fees	\$ 2,000.00	\$ -	\$ 2,000.00
Lobbying, Federal	\$ 45,000.00	\$ 30,600.00	\$ 75,600.00
Lobbying, State	\$ 75,600.00	\$ (30,600.00)	\$ 45,000.00
<b>Total Mayor's Office</b>	<b>\$ 289,979.00</b>	<b>\$ 2.00</b>	<b>\$ 289,981.00</b>
<b>Assembly</b>			
Salary	\$ 43,000.00	\$ -	\$ 43,000.00
Fringe	\$ 152,250.00	\$ (3,250.00)	\$ 149,000.00
Travel	\$ 35,000.00	\$ 25,000.00	\$ 60,000.00
Dues & Fees	\$ 5,000.00	\$ -	\$ 5,000.00
Supplies	\$ 1,000.00	\$ -	\$ 1,000.00
<b>Total Assembly</b>	<b>\$ 236,250.00</b>	<b>\$ 21,750.00</b>	<b>\$ 258,000.00</b>
<b>Administration</b>			
Salary	\$ 187,481.00	\$ 17,519.00	\$ 205,000.00
Fringe	\$ 80,875.00	\$4,044.00	\$ 84,919.00
Engineering	\$ 25,000.00	\$ -	\$ 25,000.00
Contract	\$ 80,000.00	\$ 10,000.00	\$ 90,000.00
Travel & Per Diem	\$ 11,000.00	\$ (1,000.00)	\$ 10,000.00
Phone	\$ 5,350.00	\$ -	\$ 5,350.00
Postage	\$ 750.00	\$ -	\$ 750.00
Supplies	\$ 4,500.00	\$ (500.00)	\$ 4,000.00
Rent	\$ 10,867.00	\$ -	\$ 10,867.00
Dues & Fees	\$ 4,500.00	\$ 3,500.00	\$ 8,000.00
<b>Total Administration</b>	<b>\$ 410,323.00</b>	<b>\$ 33,563.00</b>	<b>\$ 443,886.00</b>
<b>Assistant Administrator</b>			
Salary	\$ 94,469.00	\$ (869.00)	\$ 93,600.00
Fringe	\$ 35,700.00	\$ 1,785.00	\$ 37,485.00
Travel	\$ 8,000.00	\$ -	\$ 8,000.00
Phone	\$ 1,250.00	\$ -	\$ 1,250.00
Supplies	\$ 800.00	\$ -	\$ 800.00
Rent	\$ 10,723.00	\$ -	\$ 10,723.00
Dues & Fees	\$ 1,500.00	\$ -	\$ 1,500.00
<b>Total Assistant Administrator</b>	<b>\$ 152,442.00</b>	<b>\$ 916.00</b>	<b>\$ 153,358.00</b>
<b>Clerk/Planning</b>			
Salary	\$ 106,000.00	\$ (34,005.00)	\$ 71,995.00
Fringe	\$ 47,775.00	\$ (17,775.00)	\$ 30,000.00
Travel & Per Diem	\$ 10,000.00	\$ -	\$ 10,000.00
Phone	\$ 9,000.00	\$1,000.00	\$ 10,000.00
Postage	\$ 1,000.00	\$ -	\$ 1,000.00
Supplies	\$ 3,500.00	\$ (500.00)	\$ 3,000.00
Utilities	\$ 18,000.00	\$ (1,000.00)	\$ 17,000.00
Dues & Fees	\$ 4,500.00	\$ (1,000.00)	\$ 3,500.00
Elections	\$ 12,000.00	\$ (2,000.00)	\$ 10,000.00
<b>Total Clerk/Planning</b>	<b>\$ 211,775.00</b>	<b>\$ (55,280.00)</b>	<b>\$ 156,495.00</b>
<b>Planning Commission</b>			
Salary	\$ -	\$ -	\$ -
Fringe	\$ -	\$ -	\$ -
Contract	\$ -	\$ -	\$ -
Travel & Per Diem	\$ -	\$ -	\$ -
Permitting	\$ -	\$ -	\$ -
<b>Total Planning Commission</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Finance</b>			
Salary	\$ 155,000.00	\$ (10,000.00)	\$ 145,000.00
Fringe	\$ 75,600.00	\$ (5,600.00)	\$ 70,000.00
Travel & Per Diem	\$ 8,500.00	\$ -	\$ 8,500.00
Phone	\$ 10,500.00	\$ -	\$ 10,500.00
Postage	\$ 1,250.00	\$ (200.00)	\$ 1,050.00
Supplies	\$ 8,000.00	\$ (1,000.00)	\$ 7,000.00

Utilities	\$	4,500.00	\$	-	\$	4,500.00
Dues & Fees	\$	2,250.00	\$	(250.00)	\$	2,000.00
Audit	\$	82,500.00	\$	-	\$	82,500.00
Contract	\$	-	\$	100,000.00	\$	100,000.00
Software	\$	-	\$	15,000.00	\$	15,000.00
<b>Total Finance</b>	<b>\$</b>	<b>348,100.00</b>	<b>\$</b>	<b>82,950.00</b>	<b>\$</b>	<b>431,050.00</b>

#### Natural Resources

Salary	\$	182,705.00	\$	7,309.00	\$	190,014.00
Fringe	\$	73,500.00	\$	3,675.00	\$	77,175.00
Contract	\$	20,000.00	\$	20,000.00	\$	40,000.00
Travel & Per Diem	\$	20,000.00	\$	-	\$	20,000.00
Phone	\$	3,000.00	\$	-	\$	3,000.00
Supplies	\$	2,500.00	\$	-	\$	2,500.00
Dues & Fees	\$	2,000.00	\$	-	\$	2,000.00
NPFMC	\$	10,000.00	\$	-	\$	10,000.00
BOF Meeting	\$	50,000.00	\$	-	\$	50,000.00
Rent	\$	27,632.00	\$	-	\$	27,632.00
<b>Total Natural Resources</b>	<b>\$</b>	<b>391,337.00</b>	<b>\$</b>	<b>30,984.00</b>	<b>\$</b>	<b>422,321.00</b>

#### Communication Director

Salary	\$	106,487.00	\$	7,028.00	\$	113,515.00
Fringe	\$	35,866.00	\$	1,794.00	\$	37,660.00
Travel & Per Diem	\$	6,000.00	\$	-	\$	6,000.00
Phone	\$	2,400.00	\$	(400.00)	\$	2,000.00
Supplies	\$	1,250.00	\$	(250.00)	\$	1,000.00
Rent	\$	11,142.00	\$	-	\$	11,142.00
Dues & Fees	\$	1,100.00	\$	-	\$	1,100.00
Advertising/Promotions	\$	10,750.00	\$	(1,500.00)	\$	9,250.00
Website	\$	-	\$	3,000.00	\$	3,000.00
<b>Total Communications</b>	<b>\$</b>	<b>174,995.00</b>	<b>\$</b>	<b>9,672.00</b>	<b>\$</b>	<b>184,667.00</b>

#### Maintenance Director

Salary	\$	73,450.00	\$	2,938.00	\$	76,388.00
Fringe	\$	33,600.00	\$	1,680.00	\$	35,280.00
Travel & Per Diem	\$	16,000.00	\$	2,000.00	\$	18,000.00
Phone	\$	-	\$	-	\$	-
Supplies	\$	5,000.00	\$	(1,000.00)	\$	4,000.00
Dues & Fees	\$	1,250.00	\$	(250.00)	\$	1,000.00
Utilities	\$	2,000.00	\$	-	\$	2,000.00
<b>Total Maintenance Director</b>	<b>\$</b>	<b>131,300.00</b>	<b>\$</b>	<b>5,368.00</b>	<b>\$</b>	<b>136,668.00</b>

#### KCAP

Salary	\$	-	\$	-	\$	-
Fringe	\$	-	\$	-	\$	-
Travel & Per Diem	\$	-	\$	-	\$	-
Supplies	\$	2,000.00	\$	500.00	\$	2,500.00
Maintenance	\$	125,000.00	\$	(10,000.00)	\$	115,000.00
Contract	\$	25,000.00	\$	(20,000.00)	\$	5,000.00
<b>Total KCAP</b>	<b>\$</b>	<b>152,000.00</b>	<b>\$</b>	<b>(29,500.00)</b>	<b>\$</b>	<b>122,500.00</b>

#### Education

Local Contribution	\$	800,000.00	\$	300,000.00	\$	1,100,000.00
Scholarships	\$	35,000.00	\$	-	\$	35,000.00
Student Travel	\$	20,000.00	\$	-	\$	20,000.00
<b>Total Education</b>	<b>\$</b>	<b>855,000.00</b>	<b>\$</b>	<b>300,000.00</b>	<b>\$</b>	<b>1,155,000.00</b>

#### Other General Fund

Equipment	\$	25,000.00	\$	(2,500.00)	\$	22,500.00
AEB Vehicles	\$	1,000.00	\$	2,000.00	\$	3,000.00
Utilities	\$	20,000.00	\$	-	\$	20,000.00
Aleutia Crab	\$	48,400.00	\$	(48,400.00)	\$	-
Legal	\$	85,000.00	\$	-	\$	85,000.00
Insurance	\$	218,000.00	\$	10,000.00	\$	228,000.00
Repairs	\$	3,000.00	\$	(500.00)	\$	2,500.00
Bank Fees	\$	12,500.00	\$	(\$500.00)	\$	12,000.00
EATS	\$	150,000.00	\$	-	\$	150,000.00
Miscellaneous Expense	\$	20,000.00	\$	-	\$	20,000.00
Donations	\$	23,500.00	\$	-	\$	23,500.00
KSDP	\$	10,000.00	\$	-	\$	10,000.00
NL Revenue Sharing	\$	16,000.00	\$	-	\$	16,000.00
PERS	\$	35,000.00	\$	-	\$	35,000.00
IT Services	\$	39,500.00	\$	-	\$	39,500.00
<b>Total Other General Fund</b>	<b>\$</b>	<b>706,900.00</b>	<b>\$</b>	<b>(39,900.00)</b>	<b>\$</b>	<b>667,000.00</b>

## Proposed FY23 Helicopter and Cold Bay Terminal Budget (Fund 22)

Increases to the budget are shown in green.

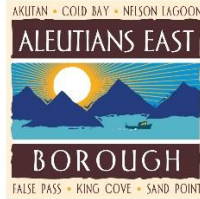
Decreases to the budget are shown in red.

	FY22	Proposed Changes	FY23 Budget
<b>Fund 23 Terminal Operations</b>			
<b>REVENUES</b>			
Leases	\$ 278,000.00	\$ -	\$ 278,000.00
Other Income	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 278,000.00</b>	<b>\$ -</b>	<b>\$ 278,000.00</b>
<b>EXPENSES</b>			
Salary	\$ 60,000.00	\$ (5,000.00)	\$ 55,000.00
Fringe	\$ 5,000.00	\$ -	\$ 5,000.00
Contract Labor	\$ 10,000.00	\$ (2,000.00)	\$ 8,000.00
Maintenance	\$ 63,850.00	\$ (13,850.00)	\$ 50,000.00
Travel & Per Diem	\$ -	\$ -	\$ -
Phone/Internet	\$ 2,400.00	\$ -	\$ 2,400.00
Supplies	\$ 20,000.00	\$ (5,000.00)	\$ 15,000.00
Utilities	\$ 79,500.00	\$ -	\$ 79,500.00
Gas	\$ 750.00	\$ (150.00)	\$ 600.00
Fuel	\$ 30,000.00	\$ (2,500.00)	\$ 27,500.00
State Land Lease	\$ 6,500.00	\$ -	\$ 6,500.00
<b>Total Expenditures</b>	<b>\$ 278,000.00</b>	<b>\$ (28,500.00)</b>	<b>\$ 249,500.00</b>
<b>Fund 23 Helicopter Operations</b>			
<b>REVENUES</b>			
Hangar	\$ 49,200.00	\$ -	\$ 49,200.00
Transportation	\$ 135,000.00	\$ -	\$ 135,000.00
Fuel	\$ 189,924.00	\$ -	\$ 189,924.00
<b>Total Revenues</b>	<b>\$ 374,124.00</b>	<b>\$ -</b>	<b>\$ 374,124.00</b>
<b>EXPENSES</b>			
Salary	\$ 50,000.00	\$ -	\$ 50,000.00
Fringe	\$ 10,000.00	\$ -	\$ 10,000.00
Contract	\$ 905,429.00	\$ 8,801.00	\$ 914,230.00
Travel & Per Diem	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Supplies	\$ 40,000.00	\$ (5,000.00)	\$ 35,000.00
Rental Lease	\$ -	\$ -	\$ -
Utilities	\$ 10,000.00	\$ -	\$ 10,000.00
Insurance	\$ -	\$ -	\$ -
Gas	\$ 14,000.00	\$ -	\$ 14,000.00
Fuel	\$ 100,000.00	\$ (10,000.00)	\$ 90,000.00
<b>Total Expenditures</b>	<b>\$ 1,129,429.00</b>	<b>\$ (6,199.00)</b>	<b>\$ 1,123,230.00</b>

# ORDINANCES

# RESOLUTIONS





## AGENDA STATEMENT

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

Date: May 17, 2022

**Re: Resolution 22-44, authorizing the Mayor to appropriate the FY23 Permanent Fund Earnings to designated projects and to reappropriate Surveying Funds in Fund 866 and Cold Bay School Funds in Department**

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

Currently, the Borough has been appropriating the earnings from the Permanent Fund and then appropriating the earnings to projects. These projects and their corresponding appropriations are entered into Fund 20.

Contingent upon the approval of Ordinance 22-11, which adopts the operating and capital budget for the Aleutians East Borough (“Borough”) Fiscal Year 2023, \$1,814,008.83 in Permanent Fund Earnings will be approved for FY23.

Borough Administration recommends the Permanent Fund Earnings appropriations to:

1. Cover the Borough’s projected deficit in the amount of \$952,831
2. Cover projects outlined in the Borough’s Strategic Plan
3. Cover Borough Maintenance Needs

At this time, the Borough is not recommending funding the Community Budget Request Items with Permanent Fund Earning monies. At the end of the fiscal year, if funds are remaining the Borough will designate monies for community requests at that time.

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

**Aleutians East Borough  
FY23 Budget Deficit      \$952,831 to Cover the FY23 Budget Deficit**

Propose adding a Department Line Item to Fund 20 in the amount of \$952,831 to cover the Borough's FY23 projected deficit. These funds would be appropriated from the FY23 Permanent Fund Earnings.

**Fisheries Research      \$150,000 Addition to Department 872 Fisheries Research  
Line-Item E 20-872-209-679 Fisheries Research**

Propose adding \$150,000 to Line-Item E 20-872-209-679 for Fisheries Research. Fisheries research is on the Borough's strategic plan. This would be used for the cod tagging study and other fishery research needs.. The funds would be appropriated from the FY23 Permanent Fund Earnings.

**Sand Point and Akutan  
Harbor Floats:      \$225,000 Addition to Fund 20 for the Sand Point and Akutan  
Harbor Floats**

Propose adding \$225,000 to line-item E 20-871-209-680 SAND POINT/AKUTAN HARBOR FLOAT. This project is on the Borough's strategic plan and can be used as a match to federal and state grants. The funds would be appropriated from the FY 23 Permanent Fund Earnings.

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

Propose adding \$250,000 to line-item E 20-900-209-678 DEFERRED MAINTENANCE. This project is on the Borough's strategic plan. The Borough continues to address maintenance issues on Borough owned properties, which includes but is not limited to the schools and Borough offices. The funds would be appropriated from the FY23 Permanent Fund Earnings.

**Community Travel:      \$50,000 Addition to Fund 20 for Travel**

The Assembly has stated that they would like the Assembly to travel more frequently to the region for Assembly meetings. Due to the high costs of travel, funding has been set aside to cover some of these expenses. The funds would be appropriated from the FY23 Permanent Fund Earnings.

**Project Contingency: \$186,177.83 Addition to Fund 20 for Project Contingency**

Propose adding \$186,177.83 to line-item E 20-866-209-888 PROJECT CONTINGENCY. Having funds in this line item for unanticipated projects and needs has been extremely valuable. The funds would be appropriated from the FY 23 Permanent Fund Earnings.

Borough Administration also recommends the following changes:

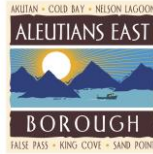
**AEB Property Surveys: Reappropriate \$30,873.98 in Line-Item E 20-866-209 506 SURVEYING to Line-Item E 20-866-209-888 PROJECT CONTINGENCY**

In FY17, FY18, FY19 and FY20, \$330,000 in Permanent Fund Earnings were appropriated to conduct surveying at Peter Pan, Sandy River and Bear Lake. The surveying work has finally been completed and the Borough does not anticipate any more expenses for this work. The Borough expended \$299,126.02 for this work leaving a balance of \$30,873.98.

Administration recommends reappropriating \$30,873.98 from the line-item E 20-866-209-506 SURVEYING to line-item E 20-866-209-888 PROJECT CONTINGENCY so we can close out and remove the survey account.

**Cold Bay School: Reappropriate \$44,818.88 in Department 800 Line-Item E 41-800-869-888 PROJECT CONTINGENCY to Line-Item E 20-866-209-888 PROJECT CONTINGENCY**

In FY17, \$50,000 in Permanent Fund Earnings were appropriated to Fund 41 for the Cold Bay School. The Borough expended \$5,181.12 out of this line-item leaving a balance of \$44,818.88. In 2022, the Cold Bay School property was transferred and the school sold to Gould Construction. Administration recommends appropriating the remaining funds to the Project Contingency line item for use.



## RESOLUTION 22-44

### **A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO APPROPRIATE THE FY 2023 PERMANENT FUND EARNINGS TO DESIGNATED PROJECTS AND TO REAPPROPRIATE PROPERTY SURVEY FUNDS AND COLD BAY SCHOOL FUNDS**

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

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

**WHEREAS**, Alaska Permanent Capital Management has determined that the Permanent Fund Earnings distribution for FY 2023 is \$1,814,008.83; and

**WHEREAS**, the Borough approved Ordinance 22-11, which adopts the operating and capital budget for the Aleutians East Borough (“Borough”) Fiscal Year 2023 and approves the FY 2023 Permanent Fund Earnings distribution in the amount of \$1,814,008.83; and

**WHEREAS**, Borough Administration recommends that the Permanent Fund Earnings be distributed to cover the Borough’s FY23 budget deficit and for projects outlined in the Borough Strategic Plan and for Borough maintenance needs; and

**WHEREAS**, Administration does not recommend using the Permanent Fund Earning to fund the Community Budget Request Items; and

**WHEREAS**, the Borough has \$30,873.98 remaining in line-item E 20-866-209-506 for the Property Surveys, which needs to be reappropriated; and

**WHEREAS**, Borough Administration recommends reappropriating the funds in the Property Surveys line item to line-item E 20-866-209-888 Project Contingency; and

**WHEREAS**, the Borough has \$44,818.88 remaining in line-item E 41-800-869-888 Project Contingency for the Cold Bay School, which can be reappropriated; and

**WHEREAS**, Borough Administration recommends reappropriating the funds in the Cold Bay School line item to line-item E 20-866-209-888 Project Contingency.

**NOW THEREFORE, BE IT RESOLVED**, the Aleutians East Borough Assembly authorizes the Mayor to appropriate the FY 2023 Permanent Fund Earnings in the amount of \$1,814,008.83 to the projects outlined in Exhibit A.

**NOW THEREFORE, BE IT FURTHER RESOLVED**, the Aleutians East Borough Assembly to reappropriate \$30,873.98 in line-item E 20-866-209-506 to line-item E 20-866-209-888.

**NOW THEREFORE, BE IT FURTHER RESOLVED**, the Aleutians East Borough Assembly to reappropriate \$44,818.88 in line-item E 41-800-869-888 to line-item E 20-866-209-888.

**PASSED AND ADOPTED** by the Aleutians East Borough on this 26<sup>th</sup> day of May, 2022.

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Alvin D. Osterback, Mayor

ATTEST:

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Beverly Rosete, Clerk

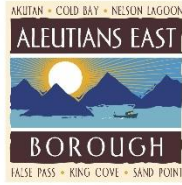
**Exhibit A**

**Resolution 22-44**

**FY 23 Permanent Fund Earning Appropriations**

<b>Project</b>	<b>Amount</b>
Borough FY23 Budget Deficit	\$952,831.00
Fisheries Research	\$150,000.00
Sand Point and Akutan Harbor Floats	\$225,000.00
Deferred Maintenance	\$250,000.00
Community Travel	\$50,000.00
Project Contingency	\$186,177.83
<b>TOTAL</b>	<b>\$1,814,008.83</b>

\*This value is 4% of the permanent fund distribution amount and is based off APCM's reading of the Borough ordinance.



## Agenda Statement

Date: May 19, 2022  
To: Mayor Osterback and Assembly  
From: Anne Bailey, Borough Administrator

**Re: Resolution 22-45 Authorizing the Mayor to Negotiate and Execute a Contract with Kerry Tasker Photography to provide photography and video services for the Borough's use on the website, in grants, reports, social media platforms and in social media.**

Possessing a large stock of professional high-resolution photographs and videos is very important for the Borough to have, especially when submitting grants, issuing reports, press releases, presenting information on our website and on our social media platforms. Currently, many of our professional photos are dated and are no longer useful for these aforementioned mediums.

In approximately 2005, the Borough hired professional photographer Chris Arend to shoot multiple images of our six communities, including infrastructure, landscapes, commercial fishermen, residents and activities. However, in the ensuing 17 years, the Borough has built new infrastructure. Therefore, the Borough either lacks certain photos and videos, or what we currently possess is dated or isn't high enough in resolution when enlarged, causing it to become pixelated, grainy or blurry.

On April 15, 2022, the Borough issued a Request for Proposal. By the deadline, the Borough received four proposals. On May 19, 2022, the Borough selected Kerry Tasker Photography for the position.

Kerry Tasker Photography has submitted a scope of services and fee proposal to provide photography, videography and drone services for the Borough's six communities in an amount not to exceed \$30,100. The Borough will take care of flight, lodging and food costs at an approximate cost of \$10,000.

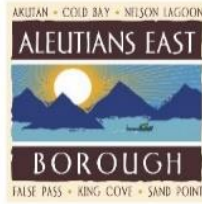
Funds are available in the project contingency line item (account number E20-866-209-888) for this work.

## RECOMMENDATION

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Administration recommends approval of Resolution 22-45 Authorizing the Mayor to Negotiate and Execute a Contract with Kerry Tasker Photography to provide photography and video services for the Borough's use on the website, in grants, reports, and on social media platforms.





## **RESOLUTION 22-45**

### **A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A CONTRACT WITH KERRY TASKER PHOTOGRAPHY, A PROFESSIONAL PHOTOGRAPHER- VIDEOGRAPHER, TO GATHER IMAGES AND VIDEO FOR THE BOROUGH'S USE IN AN AMOUNT NOT TO EXCEED \$30,100**

**WHEREAS**, the Borough uses images and video for its grants, reports, website, press releases, social media platforms and newsletters on an ongoing basis; and

**WHEREAS**, many images sent to us from residents, staff, elected officials and others of Borough projects, scenic, etc. are appreciated but sometimes lack high enough resolution for use on various mediums; and

**WHEREAS**, the last time a professional photographer was hired to photograph images of Borough communities (including infrastructure, fishermen, residents, and landscapes) was in approximately 2005; and

**WHEREAS**, the professional images are approximately 17 years old and in many cases, are too dated to use for our various medium; and

**WHEREAS**, in some cases, we lack images of infrastructure, etc., that have been built since the last time a professional photographer visited our region; and

**WHEREAS**, Kerry Tasker Photography has submitted a scope of service and fee proposal to provide photography and videography services in an amount not to exceed \$30,100; and

**WHEREAS**, the Borough will take care of costs for travel and lodging and will provide a per diem (for food), which will total approximately \$10,000; and

**WHEREAS**, funds for photography-videography services for the Aleutians East Borough are available in the line-item E 20-866-209-888 Project Contingency fund.

**NOW THEREFORE, BE IT RESOLVED**, the Aleutians East Borough Assembly authorizes the Mayor to negotiate and execute a contract with Kerry Tasker Photography to provide professional photography and video services for the Aleutians East Borough in an amount not to exceed \$30,100.

**PASSED AND ADOPTED** by the Aleutians East Borough on this 26<sup>th</sup> day of May, 2022.

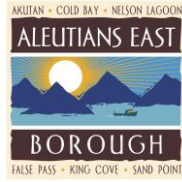
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Alvin D. Osterback, Mayor

ATTEST:

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Beverly Rosete, Clerk



## Agenda Statement

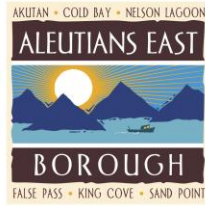
Date: May 18, 2022  
To: Mayor Osterback and Assembly  
From: Anne Bailey, Borough Administrator

**Re: Resolution 22-46 Authorizing the Mayor to Negotiate and Execute a Contract with Moffatt & Nichol to Conduct a Reconnaissance/Feasibility Study for the Cold Bay Dock in an Amount Not to Exceed \$66,565**

On March 16, 2022, a Request for Proposal was issued for the Cold Bay Dock Reconnaissance/Feasibility Study. Addendums were issued on April 14 and 18, 2022. The deadline for submitting proposals was extended to April 26, 2022. Two proposals were received by the April 26, 2022 deadline. A review committee has reviewed the proposals and recommends entering into a contract with Moffatt & Nichol to conduct the Cold Bay Dock Reconnaissance/Feasibility Study in an amount not to exceed \$66,565. Funds are available in line-items E 20-802-000-850 and E 20-802-209-969 for this work.

### RECOMMENDATION

Administration recommends approval of Resolution 22-46 Authorizing the Mayor to Negotiate and Execute a Contract with Moffatt & Nichol to Conduct a Reconnaissance/Feasibility Study for the Cold Bay Dock in an Amount Not to Exceed \$66,565.



**Resolution 22-46**

**A RESOLUTION AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A CONTRACT WITH MOFFATT & NICHOL TO CONDUCT A RECONNAISSANCE/FEASIBILITY STUDY FOR THE COLD BAY DOCK IN AN AMOUNT NOT TO EXCEED \$66,565**

**WHEREAS**, on March 16, 2022, a Request for Proposal was issued for the Cold Bay Dock Reconnaissance/Feasibility Study and addendums were issued on April 14 and 18, 2022; and

**WHEREAS**, two proposals were received by the April 26, 2022 deadline; and

**WHEREAS**, a review committee met and reviewed the proposals and recommend entering into an agreement with Moffatt & Nichol to conduct the Cold Bay Dock Reconnaissance/Feasibility Study in an amount not to exceed \$66,565; and

**WHEREAS**, funds are available in accounts E 20-802-000-850 and E 20-802-209-969 to pay for this work.

**NOW THEREFORE, BE IT RESOLVE**, the Aleutians East Borough Assembly authorizes the Borough Mayor execute a contract with Moffatt & Nichol to assist the Aleutians East Borough with conducting a Reconnaissance/Feasibility Study in an amount not to exceed \$66,565.

**PASSED AND APPROVED** by the Aleutians East Borough on this 26<sup>th</sup> day of May, 2022.

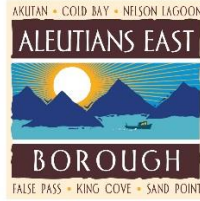
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**Alvin D. Osterback, Mayor**

**ATTEST:**

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**Beverly Rosete, Borough Clerk**



## AGENDA STATEMENT

Date: May 19, 2022  
To: Mayor Osterback and Assembly  
From: Anne Bailey, Aleutians East Borough Administrator

### **Re: Resolution 22-47 Closes out the FY20 Community Assistance Grant Program**

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In FY20, Borough communities were impacted by budget constraints at the State/Federal level and by changes within the fishing industry. In an effort to assist the communities, the Assembly approved the following resolutions at their December 2019 Assembly Meeting:

- Resolution 20-41, authorizing the Mayor to appropriate \$600,000 from the Borough's Alaska Municipal League Investment Pool Portfolio to Fund 20 to fund and implement an Aleutians East Borough FY20 Community Assistance Grant Program
- Resolution 20-42, authorizing the Mayor to execute a Borough FY20 Community Assistance Grant in an amount not to exceed \$100,000 with each of the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point

The Borough's Community Assistance Grant Program payment was a one-time grant in an amount not to exceed \$100,000 to the community to be used for Fiscal Year 2020 operational needs.

The Community Assistance could only fund one or a combination of the following operational needs in an amount not to exceed \$100,000:

1. Fuel
2. Electricity
3. Insurance (excluding health insurance)
4. Water/Sewer
5. Public Safety
6. Fire
7. Necessary Repairs and Renovations on Community Owned Facilities, which may include harbors and roads.
8. Other operational needs may be proposed for consideration.

The Borough stated that they would accept Fiscal Year 2020 operational expenditures that the community had already incurred. For instance, if a community paid their insurance premiums for 2019-2020 in July 2019 the community could request reimbursement from the Borough for those expenditures. Another example is if a community made a bulk fuel purchase in September 2019 the community could request reimbursement from the Borough for that.

The Borough entered into contract agreements with each community in an amount not to exceed \$100,000.

The \$600,000 appropriation for this program was reflected in the financials under line-item R 20-207 AEB Grant Revenue.

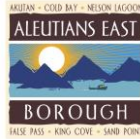
Since FY20, the following has been expended and transferred from the Borough’s AMLIP 002564.3 AMLIP Checking portfolio to the Borough’s Checking Account ending in 5596 for this program:

<b>Community</b>	<b>Funding Amount</b>	<b>Reimbursement Request</b>	<b>Remaining Balance</b>	<b>Date of Transfer from AMLIP to Checking Account</b>
Akutan	\$100,000.00	(\$100,000.00)	\$0	March 8, 2021
Cold Bay	\$100,000.00	(\$77,426.95)	\$22,573.05	February 25, 2021
False Pass	\$100,000.00	(\$100,000.00)	\$0	January 3, 2020
King Cove	\$100,000.00	(\$100,000.00)	\$0	February 25, 2021
Nelson Lagoon	\$100,000.00	(\$67,384.65)	\$32,615.35	March 26, 2021
Sand Point	\$100,000.00	(\$100,000.00)	\$0	February 25, 2021
<b>TOTAL</b>	<b>\$600,000.00</b>	<b>(\$544,811.60)</b>	<b>\$55,188.40</b>	

There is \$55,188.40 remaining for this program. Since this was an appropriation for FY 20 Community Operational needs Administration recommends closing out this grant program. This will remove line-item E 20-878-209-850 from the Borough financials. The unspent funds will remain in the AMLIP .3 portfolio. The R-207 Grant Revenue Line-Item will also be removed from the Borough Financials.

**Recommendation**

Administration recommends approving Resolution 22-47, closing out the FY20 Community Assistance Grant Program.



## RESOLUTION 22-47

### A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY CLOSING OUT THE FY20 COMMUNITY ASSISTANCE GRANT PROGRAM

**WHEREAS**, in FY20, the Borough authorized the Mayor to appropriate \$600,000 from the Borough's Alaska Municipal League Investment Pool Portfolio to Fund 20 to implement an Aleutians East Borough FY20 Community Assistance Grant Program; and

**WHEREAS**, the Assembly also authorized the Mayor to execute a Borough FY20 Community Assistance Grant in an amount not to exceed \$100,000 with each of the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point ; and

**WHEREAS**, the Borough's Community Assistance Grant Program payment was a one-time grant in an amount not to exceed \$100,000 to the community to be used for Fiscal Year 2020 operational needs; and

**WHEREAS**, the Borough entered into contact agreements with each community in an amount not to exceed \$100,000; and

**WHEREAS**, the \$600,000 appropriation for this program was reflected in the financials under line-item R 20-207 AEB Grant Revenue and the expenditures were shown under line-item E 20-878-209-850; and

**WHEREAS**, the communities expended \$544,811.60 on FY20 operational expenses leaving a balance of \$55,188.40; and

**WHEREAS**, since this was an appropriation for FY 20 Community Operational needs Administration recommends closing out the grant program and removing line-item E 20-878-209-850 and line-item R-207 AEB Grant Revenue from the Borough financials.

**NOW THEREFORE, BE IT RESOLVED**, the Aleutians East Borough Assembly closes out the FY20 Community Assistance Grant Program.

**PASSED AND ADOPTED** by the Aleutians East Borough on this 26<sup>th</sup> day of May, 2022.

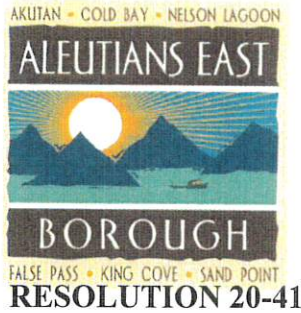
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Alvin D. Osterback, Mayor

ATTEST:

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Beverly Rosete, Clerk



**A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY  
AUTHORIZING THE MAYOR TO APPROPRIATE \$600,000 FROM THE  
BOROUGH'S ALASKA MUNICIPAL LEAGUE INVESTMENT POOL PORTFOLIO  
TO FUND 20 TO FUND AND IMPLEMENT AN ALEUTIANS EAST BOROUGH FY20  
COMMUNITY ASSISTANCE GRANT PROGRAM**

**WHEREAS**, Borough communities have been impacted by budget constraints at the State/Federal level and by changes within the fishing industry; and

**WHEREAS**, these changes have negatively impacted the majority of the Borough communities' budgets in FY20 and may continue to affect operations in the future; and

**WHEREAS**, in an effort to assist the communities, Borough Administration recommends implementing a Borough Community Assistance Grant Program for FY20; and

**WHEREAS**, the Borough's Community Assistance Grant Program would be a one-time grant in an amount not to exceed \$100,000 to each of the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point to be used for FY20 operational needs; and


**WHEREAS**, funds in the amount of \$600,000 would be appropriated from the Borough's Alaska Municipal League Investment Pool Portfolio to fund the program.

**NOW THEREFORE, BE IT RESOLVED**, the Aleutians East Borough Assembly authorizes the Mayor to appropriate \$600,000 from the Borough's Alaska Municipal League Investment Pool Portfolio to Fund 20 to fund and implement an Aleutians East Borough FY20 Community Assistance Grant Program.

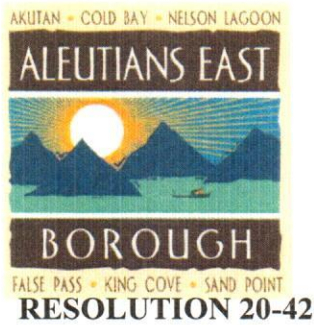
**PASSED AND ADOPTED** by the Aleutians East Borough on this 12<sup>th</sup> day of December, 2019.

  
Alvin D. Osterback, Mayor

ATTEST:

  
Tina Anderson, Clerk





**A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY  
AUTHORIZING THE MAYOR TO EXECUTE A BOROUGH FY20 COMMUNITY  
ASSISTANCE GRANT IN AN AMOUNT NOT TO EXCEED \$100,000 WITH EACH OF  
THE COMMUNITIES OF AKUTAN, COLD BAY, FALSE PASS, KING COVE,  
NELSON LAGOON AND SAND POINT**

**WHEREAS**, Borough communities have been impacted by budget constraints at the State/Federal level and by changes within the fishing industry; and

**WHEREAS**, these changes have negatively impacted the majority of the Borough communities' budgets in FY20 and may continue to affect operations in the future; and

**WHEREAS**, in an effort to assist the communities, the Assembly has approved the funding for and implementation of a Borough Community Assistance Grant Program for FY20; and


**WHEREAS**, the Borough's Community Assistance Grant Program is a one-time grant in an amount not to exceed \$100,000 to each of the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point to be used for FY20 operational needs; and

**WHEREAS**, in order for the communities to receive the funds they will have to follow the Borough Community Assistance Grant Program Request Process; and

**WHEREAS**, one of the Community Assistance Grant requirements is that each of the communities will be required to enter into a grant agreement with the Borough.

**NOW THEREFORE, BE IT RESOLVED**, the Aleutians East Borough Assembly authorizes the Mayor to execute a Borough FY20 Community Assistance Grant in an amount not to exceed \$100,000 with each of the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point.

**PASSED AND ADOPTED** by the Aleutians East Borough on this 12<sup>th</sup> day of December, 2019.

  
Alvin D. Osterback, Mayor

ATTEST:

  
Tina Anderson, Clerk

# OLD BUSINESS

# NEW BUSINESS

**EMPLOYMENT AGREEMENT**  
**between**  
**THE ALEUTIANS EAST BOROUGH**  
**and**  
**Anne Bailey**

**A. Introduction.** This Employment Agreement (Agreement) is made and entered into between the Aleutians East Borough, Alaska (the AEB or the Borough) and Anne Bailey (the Administrator), who may be collectively referred to as the parties to this Agreement (the parties). The entire agreement between the parties is that stated in this *Employment Agreement between the Aleutians East Borough and Anne Bailey* (the Agreement). This Agreement supersedes any previous agreement and may be modified only by a written instrument signed by both parties.

The parties understand and agree that Anne Bailey has been offered and has accepted employment as the Borough Administrator, which employment is at will and at the pleasure of the Borough Mayor.

**B. Term of Agreement.** This Agreement shall become effective July 1, 2022 and shall remain in full force and effect until June 30, 2025, unless it is terminated before that date by mutual agreement of the parties or by operation of another provision of this Agreement. It may be extended by mutual written agreement of the parties.

**C. Responsibilities of the AEB.** The AEB agrees that during the term of this Agreement it shall:

1. Employ Anne Bailey as Borough Administrator, to perform the functions and duties specified in the *Aleutians East Borough Job Description—Borough Administrator* which is appended hereto.
2. Comply with all terms and conditions of this Agreement.
3. Pay Administrator \$147,000 annually. During the term of this Agreement, salary shall be adjusted upwards as necessary to compensate for the greater of the Consumer Price Index increase for Urban Alaska for the year immediately past, or the across-the-board salary adjustment most recently paid to all employees of the

- Borough or as negotiated between the Mayor and the Administrator.
4. Provide fringe benefits, including but not limited to annual leave and holidays, in accordance with the Aleutians East Borough Code and Employee Handbook. Except as otherwise provided herein, Administrator shall accrue sick leave, vacation, retirement, health and life insurance benefits and other fringe benefits at the same rate as other full-time, regular Borough employees.
  5. Administrator shall retain sick leave and vacation leave accrued from previous Borough position and continue to accrue vacation leave at the current rate.
  6. Administrator shall accrue additional leave of fifteen (15) days provided in advance upon the start date of this contract and each anniversary date for the life of the contract. Annual leave can be accrued from year to year.
  7. Provide termination benefits as provided in E.1. below.
  8. Budget for and pay the professional dues and subscriptions that are needed for Administrator to participate in national, regional, state and local associations and organizations (such as AMMA & AML/JIA) necessary and desirable for professional participation, growth and advancement, and for the good of the Borough.
  9. Except in instances of Administrator's willful disregard of his/her duties or gross negligence in the performance of those duties, hold harmless for any judgments against Administrator and/or the Borough which are incurred as a result of Administrator's conduct of Borough business, and for costs and attorneys' fees incurred in defense of such actions.

**D. Responsibilities of Administrator.** Administrator agrees that during the term of this Agreement, he/she shall:

1. Abide by the Constitution, laws and regulations of the United States of America and the State of Alaska, and by the Aleutians East Borough Code and Employee Handbook.
2. Serve as Borough Administrator for the Aleutians East Borough.
3. Comply with all terms and conditions of this Agreement.
4. Devote full time to the business of the Borough and shall not engage in any other business.

**E. Joint Responsibilities of the AEB and the Administrator.**

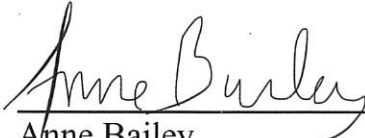
The parties agree that:

1. It is their intent that this Agreement may be terminated either by the Borough Mayor or by the Administrator without resort to any determination of cause or any necessary explanation. Accordingly, this agreement may be terminated as follows:
  - a. By the Administrator for any reason or for no stated reason, upon giving sixty (60) days' written notice to the Borough Mayor. Upon receipt of such notice, the Borough Mayor shall have the option either to:
    - i. Have the Administrator continue to serve as Borough Administrator, with full pay and benefits, for the following sixty (60) days or the length of the notice period, whichever is longer; or
    - ii. Elect to terminate this Agreement immediately upon written notice and payment of the severance payment as provided in c. below.
  - b. By the Borough Mayor for any reason or no stated reason, upon giving written notice to the Administrator and making payment of the severance payment as provided in c. below.
  - c. In the event that the Borough Mayor opts to terminate the Administrator, either under a.ii. or b. above, the Borough shall pay the Administrator six (6) months' salary and shall continue all of the Administrator's benefits and honor the stipulations outlined in this contract for a period of six (6) months after the date of termination.
2. The AEB and the Administrator shall communicate clearly and regularly, as necessary to facilitate the smooth operation of this Agreement.
3. Their intent is that in the event of death, this Agreement shall inure to the benefit of the heirs at law and the executors of the Administrator.
4. Their intent is that if any provision of this Agreement is held to be unenforceable, all remaining provisions hereof are deemed severable and shall remain in full force and effect.


5. This Agreement will be interpreted and enforced in Alaska in accordance with the laws of the State of Alaska.
6. Requests for Administrator travel to meetings and training sessions shall be made to the Mayor, and the Borough shall not be responsible to pay for the Administrator's travel or associated costs unless approved in advance by the Mayor.
7. The Administrator position is a salaried management position and shall not be subject to the overtime pay provisions of the Borough personnel policies.
8. AEB shall not at any time during the term of employment with this agreement reduce the salary, compensation, or other financial benefits to Administrator.
9. All contract provisions shall be subject to good faith and fair dealing.

**The above agreement is hereby accepted and approved by the parties:**

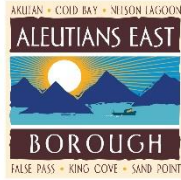
**ALEUTIANS EAST BOROUGH**

  
\_\_\_\_\_  
Anne Bailey  
Borough Administrator

5/17/2022  
Date

  
\_\_\_\_\_  
Alvin D. Osterback  
Borough Mayor

May 17, 2022  
Date



## Memorandum

Date: May 18, 2022  
To: Mayor Osterback and Assembly  
From: Anne Bailey, Borough Administrator

### **Re: Aleutians East Borough Bond Information**

Per Alaska Statutes, a municipality may acquire, construct, improve and equip capital improvements and issue negotiable or nonnegotiable general obligation bonds for these purposes. A municipality may incur general obligation bond debt only after a bond authorization ordinance is approved by the majority body at an election. The full faith and credit of a municipality are pledged for the payment of principal and interest on general obligation bonds (AS 29.470.180; AS 29.47.180 and AS 29.47.200). Therefore, the Aleutians East Borough has followed Alaska Statute and acquired bond debt for numerous capital improvement projects of the years.

Since 1990, the Borough has bonded \$46,750,000 in projects. These include maritime facility projects, airport runways, and school projects.

The Borough's General Obligation bonds include:

- 2015 Refunding series one bonds
  - This bond was in the amount of \$5,000,000 and was appropriated for the Akutan Boat Harbor.
- 2016 Refunding series three bonds
  - This bond was issued and sold to the Borough in the amount not to exceed \$20,000,000 for numerous projects.
- 2021 Refunding series for refinancing of 2010 series three general obligation bonds.

Per the Bond Bank the following is owed for each bond as of May 18, 2022:



<b>AEB - 2015 Series One (Refund of GO 2006A)</b>				
<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Debt Service by payment date</b>
10/1/2022	245,000	5%	15,125	260,125
4/1/2023			9,000	9,000
10/1/2023	155,000	5%	9,000	164,000
4/1/2024			5,125	5,125
10/1/2024	110,000	5%	5,125	115,125
4/1/2025			2,375	2,375
10/1/2025	95,000	5%	2,375	97,375
<b>Totals:</b>	<b>605,000</b>		<b>48,125</b>	<b>653,125</b>

<b>AEB - 2016 Series Three &amp; Four (Refund of GO 2007-2)</b>				
<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Debt Service by payment date</b>
6/1/2022			311,625	311,625
12/1/2022	1,305,000	5%	311,625	1,616,625
6/1/2023			279,000	279,000
12/1/2023	1,525,000	5%	279,000	1,804,000
6/1/2024			240,875	240,875
12/1/2024	1,680,000	5%	240,875	1,920,875
6/1/2025			198,875	198,875
12/1/2025	1,815,000	5%	198,875	2,013,875
6/1/2026			153,500	153,500
12/1/2026	1,935,000	5%	153,500	2,088,500
6/1/2027			105,125	105,125
12/1/2027	2,050,000	5%	105,125	2,155,125
6/1/2028			53,875	53,875
12/1/2028	2,155,000	5%	53,875	2,208,875
<b>Totals:</b>	<b>12,465,000</b>		<b>\$2,685,750</b>	<b>\$15,150,750</b>

<b>AEB - 2021 Series 123 (Refund of GO 2010-3-B)</b>				
<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total Debt Service by payment date</b>
6/1/2022			16,058.33	16,058.33
12/1/2022	280,000	0.343%	16,058.33	296,058.33
6/1/2023			15,578.13	15,578.13
12/1/2023	285,000	0.443%	15,578.13	300,578.13
6/1/2024			14,946.85	14,946.85
12/1/2024	285,000	0.698%	14,946.85	299,946.85
6/1/2025			13,952.20	13,952.20
12/1/2025	290,000	1.032%	13,952.20	303,952.20
6/1/2026			12,455.80	12,455.80
12/1/2026	285,000	1.182%	12,455.80	297,455.80
6/1/2027			10,771.45	10,771.45
12/1/2027	290,000	1.531%	10,771.45	300,771.45
6/1/2028			8,551.50	8,551.50
12/1/2028	290,000	1.731%	8,551.50	298,551.50
6/1/2029			6,041.55	6,041.55
12/1/2029	300,000	1.972%	6,041.55	306,041.55
6/1/2030			3,083.55	3,083.55
12/1/2030	305,000	2.022%	3,083.55	308,083.55
<b>Totals:</b>	<b>2,610,000</b>		<b>\$202,879</b>	<b>2,812, 879</b>

<b>AEB - BOND BANK COMBINED DEBT SERVICE BY DATE</b>				
<b>Period Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service by payment date</b>	
6/1/2022	-	327,683.33	327,683.33	
10/1/2022	245,000	15,125.00	260,125.00	
12/1/2022	1,585,000	327,683.33	1,912,683.33	
4/1/2023	-	9,000.00	9,000.00	
6/1/2023	-	294,578.13	294,578.13	
10/1/2023	155,000	9,000.00	164,000.00	
12/1/2023	1,810,000	294,578.13	2,104,578.13	
4/1/2024	-	5,125.00	5,125.00	
6/1/2024	-	255,821.85	255,821.85	
10/1/2024	110,000	5,125.00	115,125.00	
12/1/2024	1,965,000	255,821.85	2,220,821.85	
4/1/2025	-	2,375.00	2,375.00	
6/1/2025	-	212,827.20	212,827.20	
10/1/2025	95,000	2,375.00	97,375.00	

12/1/2025	2,105,000	212,827.20	2,317,827.20
6/1/2026	-	165,955.80	165,955.80
12/1/2026	2,220,000	165,955.80	2,385,955.80
6/1/2027	-	115,896	115,896.45
12/1/2027	2,340,000	115,896.45	2,455,896.45
6/1/2028	-	62,426.50	62,426.50
12/1/2028	2,445,000	62,426.50	2,507,426.50
6/1/2029	-	6,041.55	6,041.55
12/1/2029	300,000	6,041.55	306,041.55
6/1/2030	-	3,083.55	3,083.55
12/1/2030	305,000	3,083.55	308,083.55
<b>Totals:</b>	<b>15,680,000</b>	<b>2,936,753.72</b>	<b>18,616,753.72</b>

# REPORTS AND UPDATES

# ASSEMBLY COMMENTS

# PUBLIC COMMENTS

**NEXT MEETING DATE, TIME  
AND PLACE**

# ADJOURNMENT