

CALL TO ORDER

Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on August 8, 2019 at 3:00 p.m.

ROLL CALL

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

Advisory Members:

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

A quorum was present.

Staff Present:

- Roxann Newman, Finance Director
- Tina Anderson, Clerk
- Anne Bailey, Administrator
- Mary Tesche, Assistant Administrator
- Charlotte Levy, Assistant Resource Director
- Ernie Weiss, Resource Director
- Glennora Dushkin, Administrative Assistant
- Laura Tanis, Communications Director
- Emil Mobeck, Maintenance Director

Adoption of the Agenda:

CHRIS moved to approve the agenda with the removal of Resolution 20-11 and second by INGRID.

Hearing no objections, the agenda is approved as amended.

Conflict of Interests:

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. INGRID said there are two school issues on agenda and noted her position as Sand Point School principal with the School District. Mayor Osterback determined, no conflict.

Community Roll Call and Public Comments on Agenda Items:

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

Public Comments: None

Minutes, July 2, 2019, Assembly Meeting Minutes:
Assembly Minutes:

MOTION

CAROL moved to accept the July 2, 2019 Assembly Meeting Minutes and second by WARREN.

Hearing no objections, **MOTION CARRIED.**

June Financial Report:

The Administrator requested an amendment to the June financial report, with an increase adjustment to line E20-866-209-888, Project Contingency.

YTD Amount: \$119,751.10

MTD Amount: \$25,939.87

YTD Balance: \$269,184.35

% of YTD Budget: 24.49%

MOTION

PAUL moved to approve the June Financial Report with amendment above and second by CAROL.

DISCUSSION

Paul requested the Administrator review all the state action budget issues that affect AEB directly. The Administrator said, in the packet, there is an update from lobbyist, Mark Hickey. She reviewed all the issues concerning AEB, for the public.

ROLL CALL

YEAS: Brenda, Carol, Josephine, Warren, Paul, Chris, Ingrid. Advisory:
NAY: None

MOTION CARRIED

June Investment Report: In packet

CONSENT AGENDA None

ORDINANCES

Introduction Ordinance 20-01, authorizing the assignment of certain real property leased by the AEB – Lease ADA-07842.

MOTION

JOSEPHINE moved to accept Ordinance 20-01 and set for Public Hearing at the next regular Assembly meeting. Second by CAROL.

ROLL CALL

YEAS: Paul, Brenda, Carol, Josephine, Warren, Ingrid, Chris. Advisory:

NAY: None

MOTION CARRIED

Introduction Ordinance 20-02, authorizing the sale of certain real property owned by AEB – Cold Bay School building and appurtenances, Lot 1A, Block 10, Cold Bay, AK.

MOTION

CHRIS moved to accept Ordinance 20-02 and set for Public Hearing at the next regular Assembly meeting. Second by JOSEPHINE.

DISCUSSION

The Administrator said Ordinance 20-02 authorizes the sale of the Cold Bay School. AEB leases the land from the State of Alaska. If ordinances are approved, the lease will be transferred by assignment and AEB owned school building will be sold. Bill of Sale is in the packet. In 2016 a resolution authorized the AEB Mayor to sell the school and AEB issued a Request for Interest, at that time. The City of Cold Bay expressed interest, but in 2018, decided to no longer pursue. After consulting with Attorney, AEB re-issued a Request for Interest to the public and received one from Aleutian Services, Inc. Building to be used for community activities, office expansion, and plans to utilize waste heat to help offset the cost of heating. Propose to sell for \$10 as-is, where-is. Recommend approval.

CAROL asked what the AEB monthly costs are. Bailey said annual lease is \$5,000, utilities \$10,000 per year, and building insurance coverage. Mayor Osterback added that because it is still state owned land near airport, any suggested use has to be approved by the State of Alaska.

ROLL CALL

YEAS: Chris, Warren, Brenda, Carol, Ingrid, Josephine, Paul. Advisory:

NAY: None

MOTION CARRIED

RESOLUTIONS

Resolution 20-10, authorizing the Mayor to negotiate and execute a contract agreement between AEB and Professional Growth Systems (PGS) for Strategic Planning Services in the amount not to exceed \$46,000:

MOTION

CAROL moved to approve Resolution 20-10 and second by INGRID.

DISCUSSION

Administrator reviewed saying 2017-2018 AEB hired PGS to provide strategic planning. Recommend authorizing not to exceed \$46,000 for 2019-2020.

CAROL supports the strategic planning and feels it is money well spent.

ROLL CALL

YEAS Ingrid, Paul, Chris, Carol, Brenda, Josephine, Warren. Advisory:
NAY: None

MOTION CARRIED

Resolution 20-11, authorizing the mayor to grant a non-exclusive public access easement to the City of Akutan for a portion of Lot 1A, Akutan School Subdivision, at less than market value:

REMOVED FROM AGENDA

Resolution 20-12, authorizing the appropriation of \$800,000 from the AEB's AML Investment Pool account, for the Cold Bay clinic construction project:

MOTION

INGRID moved to approve Resolution 20-12 and second by CHRIS.

DISCUSSION

The Administrator said the AEB is pursuing the construction of a new health clinic in Cold Bay, which has been a goal and also in Strategic Plan. AEB has completed the business plan and received a new cost estimate of \$4,742,215, for FY2020 construction. Project cost is \$1.3M less than anticipated, due to the redesign. Base bid includes adding DIRTT interior modular walls, AC pavement of parking lot/building perimeter, architecture and engineering fees and contingency fund. AEB needs an additional \$677,000 to complete the project in FY20. Using AEB funds is the most timely and costly way. AEB has unrestricted funds in the Alaska Municipal League Investment Pool (AMLIP) account, to go toward the project. \$677,000 and \$122,000 in contingency funds for unexpected costs. Recommend approval.

CHRIS said he is happy administration found the funding. A new clinic has been an ongoing discussion. He feels the new clinic will be an asset to the other communities, as a hub, and also beneficial to the Coast Guard.

PAUL supports. He asked when the bid is anticipated. The Administrator said, if approved, a Request Price Quotation will go out in February, 2020. Then, will issue the bid with hopes of construction beginning May, 2020.

ROLL CALL

YEAS Ingrid, Josephine, Warren, Carol, Paul, Chris, Brenda. Advisory:
NAY: None

MOTION CARRIED

Resolution 20-13, authorizing the mayor to negotiate and execute a Notice to Proceed to DOWL for Phase 1 of the Sand Pt. School DEED grant application, in an amount not to exceed \$6,945:

MOTION

JOSEPHINE moved to approve Resolution 20-13 and second by INGRID.

DISCUSSION

The Assistant Administrator said a lot of maintenance work is being done at Sand Point School, most recently a painting project. DOWL has identified additional work necessary in the next 5-10 years. DOWL recommended we apply for a maintenance grant application from Dept, of Education and Early Development (DEED). Phase 1 is gathering documents, collecting data figuring out the scope of what the application will be, and what has already been completed, to be used in Phase 2, the grant application, which will come before the Assembly later. Recommend approval.

ROLL CALL

YEAS Carol, Brenda, Josephine, Chris, Paul, Warren, Ingrid. Advisory:
NAY: None

MOTION CARRIED

Resolution 20-14, authorizing the mayor to approve a Change Order with Bering Industrial Contractor's Inc. for Deferred Maintenance Work at the Akutan School, increasing not to exceed \$335,886:

MOTION

INGRID moved to approve Resolution 20-14 and second by WARREN.

DISCUSSION

Administrator said Resolution 20-14 approves a change order to Bering Industrial Contractor's for work in Akutan School. Some cost savings were identified. After further review, DOWL suggested upgrading the 20 year old HVAC system, increasing the cost by \$15,866. If approved, total amended cost would be \$335,886.

ROLL CALL

YEAS Josephine, Warren, Brenda, Ingrid, Paul, Chris, Carol. Advisory
NAY: None

MOTION CARRIED

NEW BUSINESS

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

School Projects: Akutan School projects moving forward. DOWL completing maintenance administration duties, Bering Industrial Contractors completing the work. Sand Point School paint and sealant project will be done by Kuchar.

Cold Bay Terminal: Conducted a site visit on July 9. Based off that meeting, have finalized the space lease and identified tenant improvements of what needs to be done. Getting price quotes for ticket counters, passenger seating, and luggage conveyor belt.

King Cove Road Update: July 22, U.S. Court of Appeals dismissed the appeals. A new land exchange was signed in July, and on August 7 the Defenders of Wildlife filed a lawsuit in the U.S. District Court. The AEB attorney will be working with Dept, of Interior, on recommendations for future actions. Will provide updates when available.

PILT: Senator Murkowski submitted a PILT formula change, for populations less than 5,000. Will send more information, as we receive it.

NOAA: NOAA gave their 120 day notice to terminate their Cold Bay terminal lease agreement with AEB. Revenue loss will be \$81,000 per year.

*Amendment
Sept. 12, 2019* Cold Bay School: Paul asked when Cold Bay School land lease expires. Administrator said lease expires, 2024.

*Change to
King
Cove →* CHRIS said there was a verbal type of agreement to remove material at hovercraft site in ~~Cold Bay~~. A lot of it never got removed and a lot of scrap metal had been left behind. He asked if there is any clean-up plan in place. The Administrator said we are trying to clean it up, and yes there was a verbal agreement to have it cleaned, but nothing in writing, so is AEB's responsibility to clean up.

WARREN said the AEB has culverts that are blowing away into the bay and scattering. He suggested getting them moved to a safer location, away from the twister winds. There was some verbal agreement with someone to tie up, but they are blowing away again. CHRIS added that there are some metal guard rails that should also be moved to a safer location.

Mayor Osterback suggested the Maintenance Director work with the Administrator to take care of. He thanked King Cove Assembly Members for bringing the issue to his attention.

CAROL asked if Grant and Ravn will both be leasing space in the terminal. Bailey answered, yes. The lease agreement fees with the airlines, for bottom floor will break even.

Administrator Assistant Report in packet. Highlights below:

False Pass Harbor House: RFP sent to False Pass for their review. Will have more information on posting the RFP, at a later date.

Cold Bay Clinic: New cost estimate is \$4.75M. Energy efficient measures memo is in packet, behind her report.

Sand Point School Assessment: Will submit maintenance grant application in 2020. Exterior lead-based paint testing prior to painting project, results found no lead.

EAT/APIA Opioid & Substance Use Community Action Group teleconference: At the teleconference, Brenda Wilson discussed importance of involvement within AEB. Hoping to get more people attending teleconferences. Will share information on meeting in King Cove, as we get more.

Communications Director Report in packet. Highlights below:

Annual Report: Almost completed, to go out to the public soon.

In-the-Loop: Went out end of July. Articles on False Pass tidal energy project, to begin this fall; King Cove hydro facilities update, providing 100% energy for King Cove; and article on the Advisory Youth Representative, Logan Thompson.

Harbor Master Conference: Working on Power Point presentation for Mayor Osterback.

Fish Expo-November: Updating materials.

Natural Resources Director Report in packet. Highlights below:

Pink Salmon 2016 Disaster Funds: Website has been updated with frequently asked questions. Congress appropriated \$56.3M for the Gulf of Alaska pink salmon disaster. \$3.63M goes to research, \$17.7M to affected processors. \$2.4M to municipalities, majority of \$31.8 goes to eligible fishermen, however only \$1.7M to South Peninsula fishermen. Applications will be sent out in August. Payments will be distributed 6-8 weeks after applications are received. If no action by mid-August, Charlotte will do follow up.

Bear Lake Survey: Last survey to complete. Finally received survey instructions from DNR. McClintock will be at Bear Lake around August 20.

Ground fish trawl management outreach: Set up a stakeholder meeting during salmon closure, ADF&G will give information on the state position on rationalization in October.

AMHS: Has been appointed to Marine Transportation Advisory Board. AMHS budget concerns, waiting to see what the Governor does with budget. \$20M replacement funds that will leverage \$220M of federal monies have already been appropriated for replacement of Tustemena, however, is contingent on the reshaping report by Northern Economics, due out in October.

Chignik Fisheries: ADF&G Commissioner denied the emergency petition from Chignik. Chignik escapement good, and Chignik fishermen are fishing. South Peninsula fishermen are sharing in the burden of conservation. SE District Mainland has been closed all year in support of Chignik harvest and Dolgoi area closed to seine vessels, all season.

Natural Resource Assistant Director Report in packet. Highlights below:

Groundfish stakeholder meeting w/ ADF&G: Good participation and suggestions made to ADF&G. A lot of common themes among fishermen although some themes not a full consensus. More work to do with ADF&G.

The Resource Director sent out a survey in 2014 regarding rationalization to get a better understanding from fishermen and stakeholders. She plans to revisit that survey and modify it with all the changes that have occurred in the last few years, to look at different priorities among the fishermen and stakeholders. Goal is to find what would be best for the Western Gulf. Once a rationalization program goes in, no way to go back from it. Will get feedback from Mayor, Assembly, and fishermen as she moves forward.

Electronic Monitoring (EM) Project: EM Project is moving forward. Officially submitted the NFWF grant proposal for Phase 2, and should know in November, if funded. In regards to exempted fishing permits, we just received feedback from NMFS on our first draft. Next, it will go to Alaska Fisheries Science Center, and back to AEB until ready to submit to NPFMC in October.

Silver Bay Seafoods will be participating in project during the 2019 C/D season.

Mariculture Project: Sand Point ADF&G permit under review. In a review extension for additional information, at this time. Then will follow into a public review process.

Phase 2: Tentatively, Alaska Sea Grant is recommended to be funded. If funded, might be able to build the mariculture farm, next year.

In partnership for submittal of pre-proposal to NOAA S-K, to investigate a sea urchin fishery. Can reuse old pots for trapping of urchins. This is a no match grant, and if recommended for full proposal, it will come before the Assembly.

Prohibited Species Catch (PSC): Working with SeaShare, trying to get PSC product back into communities and into school lunch programs and food banks. Figuring out processing and freezer storage.

Fishing for Energy - Derelict Gear Clean-Up: Program pays to have containers shipped to communities for derelict gear to be recycled and converted into energy. She will also recycle what she can for the kelp mariculture pilot project.

Maintenance Director in packet. Highlights below:

Cold Bay Terminal: Working on the remodeling project in terminal.

Sand Point School: SERCC work orders being done, which is a state requirement for grants. Will also help score higher on point system, to get higher on the funding list, for reimbursements on last project.

Internet service: Cemented pole for new Satellite dish installed at the Sand Point AEB office building. Microcom internet is connected and working well, unlimited use. Will watch to see if the service is good.

Akutan School Projects: Control work might not begin prior to school starting.

Ingrid had concerns about a substantial amount of humidity in the Sand Point School pool area. Ingrid said it is an ongoing project from recent mechanical work done and doesn't want problem to grow.

Ingrid said for strategic purposes, building compliance issues and wants to put on the radar.

Chris said if we're spending money to fix mechanical issues and it's not getting done, suggested looking at warranty. Mayor Osterback will look into.

Mayor Osterback said Microcom-Velocity in Sand Point office is working well. The company is putting another satellite up, end of summer, so may want to consider putting a new internet system in King Cove finance office.

ASSEMBLY COMMENTS

PUBLIC COMMENTS


City of King Cove Administrator, Gary Hennigh, said King Cove is probably looking at the biggest fiscal challenge, due to what is happening in False Pass. The impact is at a level he never expected. Given what he has learned from June taxes, might be \$300-500,000 of summer salmon revenues leaving King Cove. We assumed we would lose 20% and it is closer to 75-80%. It is probably not going to be a one year concern with the investment going on in False Pass. The City of King Cove may be seeking some financial help and is very concerned with what is going on.

NEXT MEETING DATE


September 12, 2019.

ADJOURNMENT

Paul moved to adjourn. Hearing no more the meeting adjourned at 4:30 p.m..
Time: 4:30 p.m.



Mayor Alvin D. Osterback



Tina Anderson, Clerk

Date: 9/12/19