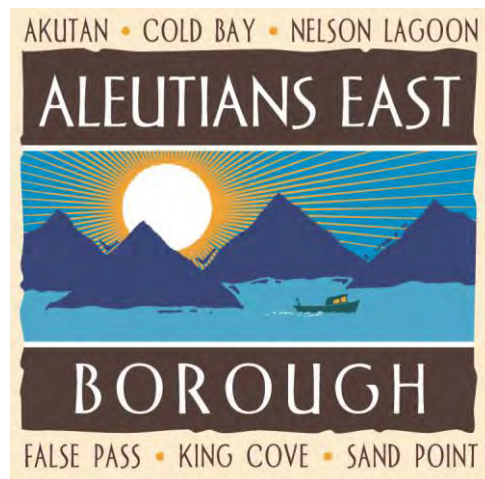


Aleutians East Borough Assembly Meeting

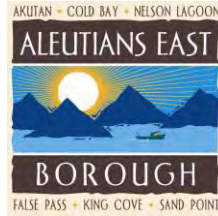


Workshop: Thursday, March 14, 2019 – 1:00 p.m.

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

Roll Call & Establishment of a Quorum

Adoption of Agenda



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

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

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

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

ASSEMBLY MEETING AGENDA

1. Roll Call & Establishment of Quorum.
2. Adoption of the Agenda.
3. Conflict of Interest.
4. Community Roll Call and Public Comment on Agenda Items.
5. Minutes.
 - February 14, 2019 Assembly Meeting Minutes.
 - February 20, 2019 Special Assembly Meeting Minutes
6. Financial Reports.
 - February Financial Report.
 - January, Investment Report.
7. Consent Agenda.
 - Resolution 19-46, Supporting the Reappointment of Robert Ruffner to the Alaska Board of Fisheries.
 - Resolution 19-47, Requesting No Further Cuts to ADF&G, and a Plan for Full Staffing and Management of the 2019 Summer Commercial Salmon Season Not Contingent on a Timely State Budget Process.

- Resolution 19-48, Supporting Continuation of Shared Fisheries Tax Programs and Opposing Legislation Introduced by the Governor Repealing the Sharing of Fisheries Tax Program Taxes with Qualifying Municipalities.
- Resolution 19-49, Opposing the Proposed FY20 State Subsidy Reduction for the University of Alaska.
- Resolution 19-50, supporting the funding of the Alaska Marine Highway System operating budget at sustainable levels until reform recommendations are enacted and maintaining funding replacement of the M/V Tustemena.
- Resolution 19-51, to Preserve the Power Cost Equalization Endowment Fund for its Intended Purpose of Assisting Alaskans and Alaskan Communities with the High Cost of Electricity.
- Resolution 19-52, Supporting Continued Sustainable Funding for the Alaska Public Broadcasting Commission and Public Broadcasting in Alaska.

8. Ordinances.

- Introduction Ordinance 19-07, amending Title 6, Chapter 6.04, Section 6.04.041, Subsection (E)(2) of the Aleutians East Borough Code of Ordinances.

9. Resolutions.

- Resolution 19-53, Supporting a Progressive Graduated Statewide Income Tax as Part of a Sustainable Budget for the State of Alaska.
- Resolution 19-54, approving a grant to the City of Akutan for the Akutan Harbor Utility Project in an amount not to exceed \$81,500.

10. New Business.

- Quarter Four, Aleutians East Borough Strategic Plan Update.
- Gulf of Alaska Groundfish Rationalization Discussion.
- Kelp Mariculture Discussion.

11. Reports and Updates.

12. Assembly Comments.

13. Public Comments.

14. Next Meeting Date.

15. Adjournment.

Conflict of Interests

Community Roll Call & Public Comment on Agenda Items

Minutes

CALL TO ORDER

Mayor Alvin D. Osterback called the Assembly meeting to order by teleconference in each community on February 14, 2019 at 3:02 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	Present
Samantha McNeley, Nelson Lagoon	Present
Tom Hoblet, False Pass	Absent -excused
Logan Thompson, Student Representative	Present -arrived late due to travel.

A quorum was present.

Staff Present:

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

Adoption of the Agenda:

PAUL moved to adopt the agenda with the addition below.

- Resolution 19-45, Assembly in support of the appointment of Nicole Kimball for NPFMC.

Second by Brenda.

Hearing no objections, the agenda is approved.

Community Roll Call and Public Comments on Agenda Items:

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

Presentation: Charmaine Ramos, Tribal Partnership Specialist – 2020 Census:

Charmaine provided overview to the 2020 Census. In her presentation she said, remote Alaska is counted using field operations, with paper questionnaires, and tribes are contacted to figure out best time to count. Will be recruiting online and providing village tribal offices employment forms. Positions are census takers, between January and April, 2020. All hired people will be fingerprinted and background checked.

In larger cities, mailers will be sent out and questionnaires to be accessed online or by a toll free contact number.

Brenda reminded Charmaine that some people live on boats in harbors. Charmaine added that she sends out maps and asks for local input as to where people are located. They hire someone to just do the boat harbors and processors, to make sure everyone is counted.

Conflict of Interests:

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. There were no conflict of interests.

Minutes, January 10, 2019 Assembly Minutes:

MOTION

CAROL moved to approve the January 10, 2019 Assembly Meeting Minutes and second by CHRIS.

Hearing no objections, **MOTION CARRIED.**

January Financial Reports:

MOTION

INGRID moved to approve the January Financial Report and second by JOSEPHINE.

DISCUSSION

The Administrator said Other revenue increased by \$29,000, due to ground leases and rent. AEB is working on collecting outstanding balances for the helicopter operation. Currently tracking along as we should be.

Paul asked where Essential Air Service funding will show up on the budget. Bailey said under Fund 22. She noted that FY20 won't show money from federal government, but just agreed to pay 50% transportation link.

ROLL CALL

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

December, Investment Report. In packet.

CONSENT AGENDA

- Resolution 19-38, supporting proposed amendments to the population caps within the Payment in Lieu of Taxes (PILT) formula.
- Resolution 19-39, in support of Public Employee Retirement System (PERS) reform.

MOTION

CHRIS moved to approve the Consent Agenda and second by WARREN.

DISCUSSION

The Administrator said Resolution 19-38 is in support of an amendment to the population caps within PILT. PILT compensates municipalities like AEB for non-taxable federal acreage within jurisdictions. FY2018 AEB received \$600,878, used for education and capital projects. National Association of Counties (NaCo) found that the current formula is unfavorable for populations under 5,000. Resolution 19-38 supports extending the

populations multipliers. An analysis was done by HeadWaters Economics, and based off their formula, AEB could have an increase of \$300,000. Recommends approval.

The Administrator said Resolution 19-39 supports PERS reform. AEB participates in PERS. Senate Bill 125 passed, setting the total based salaries in 2008. It eliminates the capabilities to eliminate and create departments. Based on this, it shows we have to pay an additional 22%, equaling \$46,000. AEB has paid over \$400,000 due to the Senate Bill requirement. Recommend approval.

ROLL CALL

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

PUBLIC HEARINGS

Public Hearing Ordinance 19-05, amending Title 4, Chapter 12.010, Section 4.12.010 of the Aleutians East Borough Code of Ordinances:

MOTION

INGRID moved to approve Ordinance 19-05 and second by BRENDA .

DISCUSSION

The Administrator reviewed saying this amends the election code to not allow a person to run for more than one assembly seat or more than one school board seat. One person may still serve on both boards at the same time.

Mayor Osterback opened for Public Hearing. Hearing none, Public Hearing closed.

ROLL CALL

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

Public Hearing Ordinance 19-06, amending Title 6, Chapter 6.04, Section 6.04.041, Subsection (E) of the Aleutians East Borough Code of Ordinances.

MOTION

PAUL moved to approve Ordinance 19-06 and second by BRENDA.

DISCUSSION

The Administrator said APCM reviewed in detail. This amendment changes the subsection, amending the Borough's asset classes, for diversification.

Mayor Osterback opened for Public Hearing. Hearing none, Public Hearing closed.

ROLL CALL

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

Ordinances *None*

RESOLUTIONS

Resolution 19-40, honoring Justine Gundersen for her many years of service to AEB:

MOTION

CAROL moved to approve Resolution 19-40 and second by BRENDA.

Mayor Osterback read the Resolution 19-40 for the public.

Mayor Osterback said he has enjoyed working with Justine. We've all spent time with Justine, in Nelson Lagoon. She is the most gracious host, took care of the Assembly making sure everyone is comfortable. He wished Justine good luck in all her future endeavors.

DISCUSSION

ROLL CALL

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

NAY: None

Resolution 19-41, authorizing the mayor to negotiate and execute a contract with Moffatt & Nichol (M&N) to provide engineering and project management services for Nelson Lagoon dock repairs project in an amount not to exceed \$120,311:

MOTION

BRENDA moved to approve Resolution 19-41 and second by CAROL.

DISCUSSION

The Administrator said M&N will provide project management, environmental permitting, bid phase services, and construction phase services. The price quoted, \$120,311, and money already budgeted. Recommend approval.

ROLL CALL

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

NAY: None

Resolution 19-42 authorizing the Mayor to dispose of one (1) manufactured modular building located in King Cove, Alaska by negotiation with the City of Akutan at less than fair market value:

MOTION

INGRID moved to approve Resolution 19-42 and second by BRENDA.

DISCUSSION

Mary Tesche said the modular provided support for hovercraft operation. On August 9, 2018, AEB conducted a sealed bid auction, with a minimum of \$45,000. AEB received no responses. Currently, Akutan has expressed interest. There is no adequate shelter for helicopter passengers, and the city would like to refit for passengers. Government to government transfer can be at less than fair market value.

ROLL CALL

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

NAY: None

Resolution 19-43, approving the projects and initiatives identified on the Borough Strategic Plan:

MOTION

CAROL moved to approve Resolution 19-43 and second by JOSEPHINE.

DISCUSSION

The Administrator said we had a planning work session in December to identify projects, present – March, 2020. In the packet, is the vision navigational charts. We took initiatives outlined in meeting, broke the projects out to quarters and assigned tasks to individuals. Completed projects have been removed.

ROLL CALL

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

Resolution 19-44, Assembly supporting the reappointment of Buck Laukitis to the NPFMC:

MOTION

WARREN moved to approve Resolution 19-44 and second by PAUL.

DISCUSSION

The Resource Director said NPFMC is the fishery management body controlling federal fisheries in our waters. Two seats are open, appointed by the governor. He recommends approval.

Paul said he is a very good candidate and the last fisherman left on the Council.

ROLL CALL

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

Resolution 19-45, Assembly supporting the appointment of Nicole Kimball to the NPFMC:

MOTION

PAUL moved to approve Resolution 19-45 and second by JOSEPHINE.

Mayor Osterback said Resolution 19-45, to support appointment of Nicole Kimball to the NPFMC, was brought forward to you by Assembly Member Gronholdt.

DISCUSSION

Paul said during the break some people attempted to call fishermen to get input. Mayor Osterback said there is some reluctance to go forward at this time until Assembly Members talk to their constituents. There are two ways that can be done, one is to table the vote and schedule a special meeting or submit a letter of support signed by the Mayor, after discussion with fishermen.

Paul said, for the record, Julie Bonney, Buck Laukitis, Stephanie Madsen, Theresa Petersen, Nicole Kimball, Rebecca Skinner, are all being considered to fill the two open seats.

Carol feels we need to get input from fishermen, prior to approving. Whoever we support for the seat has to be someone fishermen are comfortable working with. At this time, she does not support, until she hears from fishermen.

Paul said he does not see anything wrong with tabling to a special meeting.

Chris and Brenda also support tabling.

MOTION

CHRIS moved to table until February 20 at 10:00 a.m. Second by INGRID.

ROLL CALL

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

NAY: None

Resolution 19-45, TABLED until February 20 at 10:00 a.m.

OLD BUSINESS *None*

NEW BUSINESS *None*
(Logan and Emil arrived)

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

- Essential Air Service (EAS): U.S. DOT issued an order to Maritime Helicopters to provide EAS to Akutan. U.S. DOT has agreed to pay for 50% of the helicopter operation. The helicopter services agreement has been executed. AEB will continue to pay 50% of operations and will continue to provide fuel and hangar usage. All other responsibilities will be Maritime. Changes have been made to the reservation site and major customers have been informed. As of February 1, AEB is no longer doing the helicopter operation.
- Akun Breakwater Dock:
Energy & Water Appropriations Committee has signed off on the Army Corps of Engineers Continuing Authorities Program list. The Corps began having project team meetings, City of Akutan and AEB have been attending. They will be reviewing everything necessary throughout the feasibility process over the next two months. Initial determination first, then full blown feasibility study. AEB will be the sponsor, with Assembly approval, so the project can move towards the ultimate solution of a traditional vessel for the Akun/Akutan link.
- Nelson Lagoon Dock Repairs: Will work with Moffatt & Nichol. Goal is to go out to bid soon with possible construction summer, 2019.
- G.O. Bond information: Gathering information for a whitepaper. First bonds 1990. AEB has \$21.9M worth of bond debt and \$1.4M plus interest, paid annually.
- Fish Expo Cost: Expenses for Expo are \$9,278 and \$6,058 employee travel. Total approximately \$15,337.
- Governor's proposed budget: Lobbyist Mark Hickey is thoroughly reviewing the Governor's proposed budget reductions. Hickey will provide a summary and so will Alaska Municipal League.

Assistant Administrator report in packet. Highlights below:

- Akutan Harbor: Harbor Operations & Management plan draft completed. Once finalized will be sent to the Corps.

- Nelson Lagoon School Renovations: DOWL assessment completed. Final report was sent to Nelson Lagoon Tribal Council.
- Cold Bay Clinic: LCG Lantech, Inc. contract signed. They identified code change requirements and working on cost estimate for 2020 construction and looking at energy savings solutions.
- January Helicopter Operations: 262 passengers, 11,773 pounds of mail & freight, nine charters with 148 passengers.

Communications Director Report, in packet. Highlights below:

- Board of Fisheries: Attending meetings with fishermen in preparation for the Board of Fisheries meeting, and last minute details with meeting space and room rate for fishermen, for Board of Fish at Sheraton Hotel.
- GCI: There has been no movement on GCI appeal filed in November, regarding 26% decrease in Rural Health Care payments.
- In the Loop: AEB Planning Work Session presentations are In the Loop, December edition. More presentations will be in next month e-news edition.

Resource Director Report in packet. Highlights below:

- NPFMC: Advisory Panel (AP) Council considering restricting catcher processors acting as motherships for cod trawl, reducing onshore deliveries. Both also moved to begin the process to rationalize BSAI cod trawl.

AP voted to restart scoping work process on Gulf of Alaska cod and pollock trawl rationalization. The AP also moved to rationalize BSAI pot cod catcher vessels and catcher processors, 60' and over.

Weiss stressed the importance of people submitting input regarding rationalization.

- Board of Fisheries meeting: Public comments are on the state website, including the Mayor's comments, and Kate Reedy's socio-economic report. Board meeting February 21-26.
- Marine Transportation Advisory Board: As a member of the board, he is attending meetings. Huge concerns over Governor's proposed cuts to the AMHS.
- AEB Fish Tax: Bering Sea Pollock kept raw fish tax even, while other fish tax decreased.

Assistant Resource Director in packet. Highlights below:

- Board of Fish: Have been working with Eric Volk, on putting together environmental considerations, specifically regarding changes in Black Lake and recent changes in the Gulf of Alaska.
- Strategic Plan Initiatives: Will be working on natural resource diversification; strengthening fisheries advocacy on State and federal level; and climate change on AEB level.
- Electronic Monitoring Project: Saltwater installed the electronic monitoring systems on 14 trawlers and two tenders, in King Cove and Sand Point, for the Pollock A Season. Should have

the data collected soon to review. While in Sand Point was able to meet with Saltwater tech. Found a local, on-call tech, Jonathan Rotter, to locally service this project.

- Mariculture: Travelled to Sand Point and Akutan for potential site assessment and water sampling. Had shipping issues for water samples out of Sand Point and Akutan. Also did outreach to students in Akutan and plan to do similar in Sand Point on next visit.

Also, met with Akutan Trident plant manager to discuss kelp, which has manifested into a meeting with Kodiak Trident plant manager. She noted Silver Bay Seafoods plans for an oyster farm in Southeast Alaska. Mariculture is becoming important.

Maintenance Report:

- Akutan Trip: Everything is going good at the Akutan School. The visit gave a better understanding on the school operation.
- Sand Pt School Projects: All contractors should be complete today.
- AMLJIA: Did a walk through at AEB office building and Sand Point School to see where we are on compliance. Report is good, some organization needed and signs more visible.

ASSEMBLY COMMENTS

Mayor's Comments: Mayor Osterback noted his appreciation for all the work everyone is doing on the Board of Fisheries efforts.

PUBLIC COMMENTS

New, Eastern Aleutian Tribes CEO, Keja Whiteman, introduced herself, saying she plans to learn from the communities before she can have a clear vision. She has visited five of the eight clinics, so far. A lot of things are working well, and is getting feedback on what isn't. She is working on streamlining things, making things more efficient and effective. Eastern Aleutian Tribes (EAT) has received grants and now working toward filling the positions.

Keja plans to make sure the root structure is sustainable, staff is quality and following best practices. She is reviewing the agreement with the AEB, originally approved in 1993, for the \$150,000 received every year and making sure it is being spent as agreed to.

Ingrid, said she is a huge supporter of local health care. She voiced her concerns about EAT being short staffed in medical and behavioral health at our sites. She asked the CEO to share her strategies to overcome those issues, including issues with supplies shortages in the clinic for blood draws.

Whiteman said she has confidence in the staff, and are transitioning to a fully staffed organization. We are changing our philosophy, and also have a full-time employee coming to Sand Point starting mid-March. Has extended offer letters to two behavioral health employees and an offer letter to a medical mid-level provider. We have done major changes in recruitment and retention strategies. In regards to shortage in supplies, this goes back to inefficiency in the Anchorage office, in how inventory was being done. Nobody was assigned. There are other areas like patient travel. Someone goes on leave and no one doing backup, which is unacceptable and being remedied. She guaranteed that the process is being worked on and

within 24 hours of supply shortage, there were containers shipped out. All part of the transition. Really significant changes, and have signed three employee offer orders today. She plans to visit Sand Point in March.

NEXT MEETING DATE

Special Assembly Meeting February 20 at 10:00 a.m., Regular Assembly Meeting March 14, 2019.

ADJOURNMENT

CAROL moved to adjourn and second by INGRID. Hearing no more, the meeting adjourned at 5:03 p.m.

Alvin D. Osterback, Mayor

Tina Anderson, Clerk

Date: _____

CALL TO ORDER

Mayor Alvin D. Osterback called the Special Assembly meeting to order by teleconference in each community on February 20, 2019 at 10:00 a.m.

ROLL CALL

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

Advisory Members:

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

A quorum was present.

Staff Present:

Roxann Newman, Finance Director
Jacki Brandall, Finance Assistant
Tina Anderson, Clerk
Anne Bailey, Administrator
Ernie Weiss, Resource Director

Community Roll Call and Public Comments on Agenda Items:

The communities of Akutan, King Cove, Sand Point, and the Anchorage office were participating by teleconference. Also broadcast over KSDP radio.

Resolution 19-45, supporting appointment of Nicole Kimball to the North Pacific Fisheries Management Council:

MOTION

PAUL moved to approve Resolution 19-45 and second by CHRIS.

DISCUSSION

The Resource Director said, in talking to fishermen, all in agreement that Nicole Kimball would be the best person to represent our region.

Mayor Osterback read the resolution to the public.

Chris asked if other municipalities submitted a resolution of support and how nominations are chosen. Weiss said people can be nominated and the Governor makes his selection, which can also be someone not on the nomination list.

Mayor Osterback does not know what other municipalities have done. In talking to fishermen, no one has a problem and Kimball is the best choice.

ROLL CALL

YEAS: Carol, Ingrid, Paul, Chris, Josephine. Advisory: Logan, Dailey

NAY: None

MOTION CARRIED.

ADJOURNMENT

PAUL moved to adjourn and second by JOSEPHINE. Hearing no more, the meeting adjourned at 10:15 a.m.

Mayor Alvin D. Osterback

Tina Anderson, Clerk

Date: _____

Financial Report

ALEUTIANS EAST BOROUGH
***Revenue Guideline©**

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Current Period: FEBRUARY 18-19

		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 01 GENERAL FUND						
Active	R 01-201 INTEREST REVENUE	\$35,000.00	\$29,921.26	\$0.00	\$5,078.74	85.49%
Active	R 01-203 OTHER REVENUE	\$50,000.00	\$111,194.22	\$17,189.23	-\$61,194.22	222.39%
Active	R 01-206 AEBSD Fund Balance Refun	\$0.00	\$17,247.86	\$17,247.86	-\$17,247.86	0.00%
Active	R 01-218 AEB RAW FISH TAX	\$3,560,381.00	\$2,611,229.44	\$401,832.55	\$949,151.56	73.34%
Active	R 01-229 Southwest Cities LLC	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-233 STATE PERS ON-BEHALF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-265 STATE SHARED RAW FISH	\$2,093,686.72	\$1,887,896.03	\$0.00	\$205,790.69	90.17%
Active	R 01-266 STATE SHARED FISHFMA2	\$101,299.00	\$0.00	\$0.00	\$101,299.00	0.00%
Active	R 01-267 STATE SHARED FISHFMA3	\$35,222.00	\$0.00	\$0.00	\$35,222.00	0.00%
Active	R 01-268 State"Loss" Of Raw Fish Tax	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-270 STATE REVENUE OTHER	\$300,418.00	\$316,365.92	\$0.00	-\$15,947.92	105.31%
Active	R 01-276 AEB SCHOOL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-277 STATE BOND REBATE	\$1,000,882.00	\$915,777.00	\$0.00	\$85,105.00	91.50%
Active	R 01-291 PLO-95 PAYMNT IN LIEU O	\$559,000.00	\$0.00	\$0.00	\$559,000.00	0.00%
Active	R 01-292 USFWS LANDS	\$36,256.00	\$0.00	\$0.00	\$36,256.00	0.00%
Total Fund 01 GENERAL FUND		\$7,772,144.72	\$5,889,631.73	\$436,269.64	\$1,882,512.99	75.78%

ALEUTIANS EAST BOROUGH
***Expenditure Guideline©**

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Current Period: FEBRUARY 18-19

		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 01 GENERAL FUND						
DEPT 100 MAYORS OFFICE						
Active	E 01-100-000-300 SALARIES	\$80,766.00	\$53,843.84	\$6,730.48	\$26,922.16	66.67%
Active	E 01-100-000-350 FRINGE BENEFITS	\$29,232.00	\$25,300.00	\$3,162.50	\$3,932.00	86.55%
Active	E 01-100-000-400 TRAVEL AND PER	\$36,000.00	\$28,741.16	\$885.07	\$7,258.84	79.84%
Active	E 01-100-000-425 TELEPHONE	\$1,500.00	\$152.76	\$10.26	\$1,347.24	10.18%
Active	E 01-100-000-475 SUPPLIES	\$1,000.00	\$2,537.52	\$609.96	-\$1,537.52	253.75%
Active	E 01-100-000-554 AK LOBBIST	\$45,000.00	\$28,000.00	\$3,500.00	\$17,000.00	62.22%
Active	E 01-100-000-555 FEDERAL LOBBIS	\$75,600.00	\$44,100.00	\$0.00	\$31,500.00	58.33%
SUBDEPT 000		\$269,098.00	\$182,675.28	\$14,898.27	\$73,558.13	67.88%
Total DEPT 100 MAYORS OFFICE		\$269,098.00	\$182,675.28	\$14,898.27	\$73,558.13	67.88%
DEPT 105 ASSEMBLY						
Active	E 01-105-000-300 SALARIES	\$25,000.00	\$28,200.00	\$4,500.00	-\$3,200.00	112.80%
Active	E 01-105-000-350 FRINGE BENEFITS	\$90,000.00	\$90,697.95	\$12,837.45	-\$697.95	100.78%
Active	E 01-105-000-400 TRAVEL AND PER	\$40,000.00	\$33,943.85	\$3,369.99	\$6,056.15	84.86%
Active	E 01-105-000-475 SUPPLIES	\$3,000.00	\$2,915.99	\$15.99	\$84.01	97.20%
SUBDEPT 000		\$158,000.00	\$155,757.79	\$20,723.43	\$822.21	98.58%
Total DEPT 105 ASSEMBLY		\$158,000.00	\$155,757.79	\$20,723.43	\$822.21	98.58%
DEPT 150 PLANNING/CLERKS DEPARMENT						
Active	E 01-150-000-300 SALARIES	\$104,494.00	\$67,036.43	\$8,273.65	\$37,457.57	64.15%
Active	E 01-150-000-350 FRINGE BENEFITS	\$34,946.00	\$28,232.70	\$3,519.93	\$6,713.30	80.79%
Active	E 01-150-000-400 TRAVEL AND PER	\$12,500.00	\$7,053.30	\$0.00	\$5,446.70	56.43%
Active	E 01-150-000-425 TELEPHONE	\$7,500.00	\$5,609.58	\$838.83	\$1,890.42	74.79%
Active	E 01-150-000-450 POSTAGE/SPEED	\$1,000.00	\$291.78	\$0.00	\$708.22	29.18%
Active	E 01-150-000-475 SUPPLIES	\$5,000.00	\$2,895.69	\$608.00	\$2,104.31	57.91%
Active	E 01-150-000-526 UTILITIES	\$20,000.00	\$11,390.03	\$1,976.02	\$8,609.97	56.95%
Active	E 01-150-000-530 DUES AND FEES	\$5,000.00	\$4,438.65	\$1,500.00	\$561.35	88.77%
Active	E 01-150-000-650 ELECTION	\$10,000.00	\$4,950.00	\$0.00	\$5,050.00	49.50%
SUBDEPT 000		\$200,440.00	\$131,898.16	\$16,716.43	\$68,531.84	65.80%
Total DEPT 150 PLANNING/CLERKS DEPARMENT		\$200,440.00	\$131,898.16	\$16,716.43	\$68,531.84	65.80%
DEPT 151 Planning Commission						
Active	E 01-151-000-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-151-000-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-151-000-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-151-000-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 151 Planning Commission		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 200 ADMINISTRATION						
Active	E 01-200-000-300 SALARIES	\$177,893.00	\$108,145.19	\$13,968.56	\$69,747.81	60.79%
Active	E 01-200-000-350 FRINGE BENEFITS	\$66,438.00	\$45,383.33	\$6,131.28	\$21,054.67	68.31%
Active	E 01-200-000-380 CONTRACT LABO	\$110,000.00	\$51,101.82	\$0.00	\$58,898.18	46.46%
Active	E 01-200-000-381 ENGINEERING	\$25,000.00	\$0.00	\$0.00	\$25,000.00	0.00%
Active	E 01-200-000-382 ANCHORAGE OFFI	\$0.00	\$1,571.23	(\$11,847.68)	-\$1,571.23	0.00%
Active	E 01-200-000-400 TRAVEL AND PER	\$20,000.00	\$8,876.46	\$3,323.85	\$11,123.54	44.38%
Active	E 01-200-000-425 TELEPHONE	\$7,100.00	\$3,893.02	\$1,109.73	\$3,206.98	54.83%
Active	E 01-200-000-450 POSTAGE/SPEED	\$2,500.00	\$290.96	\$0.00	\$2,209.04	11.64%
Active	E 01-200-000-475 SUPPLIES	\$15,000.00	\$7,003.15	\$1,508.32	\$7,996.85	46.69%
Active	E 01-200-000-525 RENTAL/LEASE	\$23,404.00	\$12,634.28	\$2,525.06	\$10,769.72	53.98%
Active	E 01-200-000-530 DUES AND FEES	\$2,000.00	\$2,340.00	\$515.00	-\$340.00	117.00%
SUBDEPT 000		\$449,335.00	\$241,239.44	\$17,234.12	\$196,097.90	53.69%

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		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Total DEPT 200 ADMINISTRATION		\$449,335.00	\$241,239.44	\$17,234.12	\$196,097.90	53.69%
DEPT 201 Assistant Administrator						
Active	E 01-201-000-300 SALARIES	\$90,450.00	\$60,300.00	\$7,537.50	\$30,150.00	66.67%
Active	E 01-201-000-350 FRINGE BENEFITS	\$31,422.00	\$18,755.04	\$2,344.38	\$12,666.96	59.69%
Active	E 01-201-000-400 TRAVEL AND PER	\$10,000.00	\$8,226.54	\$1,490.20	\$1,773.46	82.27%
Active	E 01-201-000-425 TELEPHONE	\$2,000.00	\$810.75	\$197.96	\$1,189.25	40.54%
Active	E 01-201-000-475 SUPPLIES	\$2,500.00	\$957.04	\$331.78	\$1,542.96	38.28%
Active	E 01-201-000-525 RENTAL/LEASE	\$8,903.00	\$6,542.00	\$1,635.50	\$2,361.00	73.48%
SUBDEPT 000		\$145,275.00	\$95,591.37	\$13,537.32	\$48,940.04	65.80%
Total DEPT 201 Assistant Administrator		\$145,275.00	\$95,591.37	\$13,537.32	\$48,940.04	65.80%
DEPT 250 FINANCE DEPARTMENT						
Active	E 01-250-000-300 SALARIES	\$142,324.00	\$100,425.61	\$10,808.48	\$41,898.39	70.56%
Active	E 01-250-000-350 FRINGE BENEFITS	\$53,365.00	\$44,094.14	\$5,391.39	\$9,270.86	82.63%
Active	E 01-250-000-400 TRAVEL AND PER	\$10,000.00	\$4,556.08	\$0.00	\$5,443.92	45.56%
Active	E 01-250-000-425 TELEPHONE	\$8,000.00	\$6,614.75	\$789.45	\$1,385.25	82.68%
Active	E 01-250-000-450 POSTAGE/SPEED	\$1,000.00	\$999.05	\$0.00	\$0.95	99.91%
Active	E 01-250-000-475 SUPPLIES	\$7,500.00	\$7,807.18	\$660.03	-\$307.18	104.10%
Active	E 01-250-000-526 UTILITIES	\$5,000.00	\$2,508.01	\$762.14	\$2,491.99	50.16%
Active	E 01-250-000-550 AUDIT	\$65,500.00	\$54,308.91	\$0.00	\$11,191.09	82.91%
SUBDEPT 000		\$292,689.00	\$221,313.73	\$18,411.49	\$51,875.27	75.61%
Total DEPT 250 FINANCE DEPARTMENT		\$292,689.00	\$221,313.73	\$18,411.49	\$51,875.27	75.61%
DEPT 650 RESOURCE DEPARTMENT						
Active	E 01-650-000-300 SALARIES	\$153,034.00	\$87,022.56	\$12,752.82	\$66,011.44	56.86%
Active	E 01-650-000-350 FRINGE BENEFITS	\$61,462.00	\$37,929.84	\$5,538.90	\$23,532.16	61.71%
Active	E 01-650-000-380 CONTRACT LABO	\$80,000.00	\$53,000.00	\$18,000.00	\$27,000.00	66.25%
Active	E 01-650-000-400 TRAVEL AND PER	\$25,000.00	\$25,942.47	\$3,699.53	-\$942.47	103.77%
Active	E 01-650-000-402 NPFMC Meetings	\$15,000.00	\$1,600.00	\$0.00	\$13,400.00	10.67%
Active	E 01-650-000-403 BOF Meetings	\$50,000.00	\$24,545.99	\$3,245.99	\$25,454.01	49.09%
Active	E 01-650-000-425 TELEPHONE	\$3,000.00	\$2,020.94	\$966.45	\$979.06	67.36%
Active	E 01-650-000-475 SUPPLIES	\$3,500.00	\$4,955.32	\$2,044.55	-\$1,455.32	141.58%
Active	E 01-650-000-525 RENTAL/LEASE	\$8,903.00	\$10,853.16	\$3,346.80	-\$1,950.16	121.90%
SUBDEPT 000		\$399,899.00	\$247,870.28	\$49,595.04	\$138,929.79	61.98%
Total DEPT 650 RESOURCE DEPARTMENT		\$399,899.00	\$247,870.28	\$49,595.04	\$138,929.79	61.98%
DEPT 651 COMMUNICATION DIRECTOR						
Active	E 01-651-011-300 SALARIES	\$101,954.00	\$71,370.08	\$8,496.46	\$30,583.92	70.00%
Active	E 01-651-011-350 FRINGE BENEFITS	\$34,158.00	\$19,504.21	\$2,427.62	\$14,653.79	57.10%
Active	E 01-651-011-400 TRAVEL AND PER	\$12,000.00	\$67.20	\$0.00	\$11,932.80	0.56%
Active	E 01-651-011-425 TELEPHONE	\$2,400.00	\$1,873.41	\$197.96	\$526.59	78.06%
Active	E 01-651-011-475 SUPPLIES	\$2,500.00	\$1,998.32	\$60.20	\$501.68	79.93%
Active	E 01-651-011-525 RENTAL/LEASE	\$10,016.00	\$6,797.36	\$1,699.34	\$3,218.64	67.87%
Active	E 01-651-011-532 ADVERTISING	\$18,000.00	\$11,118.54	\$0.00	\$6,881.46	61.77%
SUBDEPT 011 PUBLIC INFORMATION		\$181,028.00	\$112,729.12	\$12,881.58	\$67,857.50	62.27%
Total DEPT 651 COMMUNICATION DIRECTOR		\$181,028.00	\$112,729.12	\$12,881.58	\$67,857.50	62.27%
DEPT 700 PUBLIC WORKS DEPARTMENT						
Active	E 01-700-000-300 SALARIES	\$70,325.00	\$46,883.36	\$5,860.42	\$23,441.64	66.67%
Active	E 01-700-000-350 FRINGE BENEFITS	\$31,024.00	\$17,671.62	\$2,197.46	\$13,352.38	56.96%
Active	E 01-700-000-400 TRAVEL AND PER	\$15,000.00	\$14,761.46	\$0.00	\$238.54	98.41%
Active	E 01-700-000-425 TELEPHONE	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.00%
Active	E 01-700-000-475 SUPPLIES	\$5,000.00	\$3,216.55	\$923.93	\$1,783.45	64.33%
Active	E 01-700-000-526 UTILITIES	\$2,000.00	\$1,833.75	\$698.64	\$166.25	91.69%
SUBDEPT 000		\$124,349.00	\$84,366.74	\$9,680.45	\$39,945.07	67.85%

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		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Total DEPT 700 PUBLIC WORKS DEPARTMENT		\$124,349.00	\$84,366.74	\$9,680.45	\$39,945.07	67.85%
DEPT 844 KCAP						
Active	E 01-844-000-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-844-000-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-844-000-380 CONTRACT LABO	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
Active	E 01-844-000-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-844-000-475 SUPPLIES	\$2,000.00	\$730.57	\$187.43	\$1,269.43	36.53%
Active	E 01-844-000-603 MAINTENANCE	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
SUBDEPT 000		\$122,000.00	\$730.57	\$187.43	\$121,269.43	0.60%
Total DEPT 844 KCAP		\$122,000.00	\$730.57	\$187.43	\$121,269.43	0.60%
DEPT 850 EDUCATION						
Active	E 01-850-000-700 LOCAL SCHOOL C	\$900,000.00	\$450,000.00	\$0.00	\$450,000.00	50.00%
Active	E 01-850-000-701 SCHOOL SCHOLA	\$35,000.00	\$0.00	\$0.00	\$35,000.00	0.00%
Active	E 01-850-000-756 STUDENT TRAVEL	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
SUBDEPT 000		\$955,000.00	\$450,000.00	\$0.00	\$505,000.00	47.12%
Total DEPT 850 EDUCATION		\$955,000.00	\$450,000.00	\$0.00	\$505,000.00	47.12%
DEPT 900 OTHER						
Active	E 01-900-000-500 EQUIPMENT	\$50,000.00	\$15,558.16	\$1,783.70	\$34,441.84	31.12%
Active	E 01-900-000-515 AEB VEHICLES	\$0.00	\$140.00	\$140.00	-\$140.00	0.00%
Active	E 01-900-000-526 UTILITIES	\$25,000.00	\$15,126.22	\$2,132.32	\$9,873.78	60.50%
Active	E 01-900-000-527 Aleutia Crab	\$58,522.00	\$31,384.88	\$0.00	\$27,137.12	53.63%
Active	E 01-900-000-551 LEGAL	\$100,000.00	\$78,087.78	\$1,155.00	\$21,912.22	78.09%
Active	E 01-900-000-552 INSURANCE	\$160,000.00	\$166,027.00	\$0.00	-\$6,027.00	103.77%
Active	E 01-900-000-600 REPAIRS	\$5,000.00	\$1,755.26	\$0.00	\$3,244.74	35.11%
Active	E 01-900-000-727 BANK FEES	\$15,000.00	\$10,345.15	\$808.15	\$4,654.85	68.97%
Active	E 01-900-000-752 CONTRIBUTION T	\$150,000.00	\$75,000.00	\$0.00	\$75,000.00	50.00%
Active	E 01-900-000-753 MISC EXPENSE	\$96,000.00	\$69,071.35	\$0.00	\$26,928.65	71.95%
Active	E 01-900-000-757 DONATIONS	\$23,500.00	\$13,500.00	\$0.00	\$10,000.00	57.45%
Active	E 01-900-000-759 KSDP-Contribution	\$10,000.00	\$10,000.00	\$0.00	\$0.00	100.00%
Active	E 01-900-000-760 REVENUE SHARIN	\$12,900.00	\$15,789.00	\$0.00	-\$2,889.00	122.40%
Active	E 01-900-000-943 WEB SERVICE	\$30,000.00	\$22,349.10	\$2,546.60	\$7,650.90	74.50%
SUBDEPT 000		\$735,922.00	\$524,133.90	\$8,565.77	\$195,626.38	71.22%
Total DEPT 900 OTHER		\$735,922.00	\$524,133.90	\$8,565.77	\$195,626.38	71.22%
Total Fund 01 GENERAL FUND		\$4,033,035.00	\$2,448,306.38	\$182,431.33	\$1,508,453.56	60.71%

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		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 20 GRANT PROGRAMS						
Active	R 20-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-203 OTHER REVENUE	\$0.00	\$6,738.93	\$6,738.93	-\$6,738.93	0.00%
Active	R 20-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-207 AEB Grant Revenue	\$84,124.93	\$0.00	\$0.00	\$84,124.93	0.00%
Active	R 20-209 AEB Grants	\$1,137,000.00	\$0.00	\$0.00	\$1,137,000.00	0.00%
Active	R 20-211 AEB Grant FY18	\$2,733,581.45	\$0.00	\$0.00	\$2,733,581.45	0.00%
Active	R 20-212 AEB Grants FY19	\$1,548,573.00	\$0.00	\$0.00	\$1,548,573.00	0.00%
Active	R 20-287 KCAP/09-DC-359	\$1,468,547.34	\$46,557.68	\$0.00	\$1,421,989.66	3.17%
Active	R 20-426 DCCED/Akutan Harbor Float	\$150,602.91	\$0.00	\$0.00	\$150,602.91	0.00%
Active	R 20-499 Cold Bay Airport-Apron&Taxi	\$130,517.11	\$130,517.11	\$0.00	\$0.00	100.00%
Active	R 20-813 Akutan Airport/CIP Trident	\$657,390.00	\$0.00	\$0.00	\$657,390.00	0.00%
Active	R 20-972 TRANSPORTATION PROJE	\$3,105,382.09	\$0.00	\$0.00	\$3,105,382.09	0.00%
Total Fund 20 GRANT PROGRAMS		\$11,015,718.83	\$183,813.72	\$6,738.93	\$10,831,905.11	1.67%

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		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 20 GRANT PROGRAMS						
DEPT 426 DCCED/Akutan Harbor Floats						
Active	E 20-426-000-850 CAPITAL CONSTR	\$150,602.91	\$0.00	\$0.00	\$150,602.91	0.00%
	SUBDEPT 000	\$150,602.91	\$0.00	\$0.00	\$150,602.91	0.00%
	Total DEPT 426 DCCED/Akutan Harbor Floats	\$150,602.91	\$0.00	\$0.00	\$150,602.91	0.00%
DEPT 427 Akutan Harbor Contribution						
Active	E 20-427-000-850 CAPITAL CONSTR	\$259,743.66	\$0.00	\$0.00	\$259,743.66	0.00%
	SUBDEPT 000	\$259,743.66	\$0.00	\$0.00	\$259,743.66	0.00%
Active	E 20-427-209-850 CAPITAL CONSTR	\$46,998.99	\$0.00	\$0.00	\$46,998.99	0.00%
	SUBDEPT 209 AEB Grant	\$46,998.99	\$0.00	\$0.00	\$46,998.99	0.00%
	Total DEPT 427 Akutan Harbor Contribution	\$306,742.65	\$0.00	\$0.00	\$306,742.65	0.00%
DEPT 499 Cold Bay Airport-Apron&Taxiway						
Active	E 20-499-049-850 CAPITAL CONSTR	\$130,517.11	\$130,517.11	\$0.00	\$0.00	100.00%
	SUBDEPT 049 DCCED-13-DC-501	\$130,517.11	\$130,517.11	\$0.00	\$0.00	100.00%
	Total DEPT 499 Cold Bay Airport-Apron&Taxiway	\$130,517.11	\$130,517.11	\$0.00	\$0.00	100.00%
DEPT 504 Nelson Lagoon Erosion						
Active	E 20-504-208-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-504-208-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	SUBDEPT 208 CDBG /Nelson Lagoon Erosion	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 20-504-209-850 CAPITAL CONSTR	\$35,076.58	\$0.00	\$0.00	\$35,076.58	0.00%
	SUBDEPT 209 AEB Grant	\$35,076.58	\$0.00	\$0.00	\$35,076.58	0.00%
	Total DEPT 504 Nelson Lagoon Erosion	\$35,076.58	\$0.00	\$0.00	\$35,076.58	0.00%
DEPT 516 Cold Bay Preschool						
Active	E 20-516-209-475 SUPPLIES	\$28,019.00	\$13,454.51	\$0.00	\$14,564.49	48.02%
	SUBDEPT 209 AEB Grant	\$28,019.00	\$13,454.51	\$0.00	\$14,564.49	48.02%
	Total DEPT 516 Cold Bay Preschool	\$28,019.00	\$13,454.51	\$0.00	\$14,564.49	48.02%
DEPT 520 Cold Bay Clinic						
Active	E 20-520-000-850 CAPITAL CONSTR	\$481,139.00	\$0.00	\$0.00	\$481,139.00	0.00%
	SUBDEPT 000	\$481,139.00	\$0.00	\$0.00	\$481,139.00	0.00%
Active	E 20-520-209-850 CAPITAL CONSTR	\$3,037,000.00	\$0.00	\$0.00	\$3,037,000.00	0.00%
	SUBDEPT 209 AEB Grant	\$3,037,000.00	\$0.00	\$0.00	\$3,037,000.00	0.00%
	Total DEPT 520 Cold Bay Clinic	\$3,518,139.00	\$0.00	\$0.00	\$3,518,139.00	0.00%
DEPT 802 CAPITAL - COLD BAY						
Active	E 20-802-000-850 CAPITAL CONSTR	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
	SUBDEPT 000	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
	Total DEPT 802 CAPITAL - COLD BAY	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
DEPT 813 Akutan Airport/CIP Trident						
Active	E 20-813-000-850 CAPITAL CONSTR	\$657,390.00	\$0.00	\$0.00	\$657,390.00	0.00%
	SUBDEPT 000	\$657,390.00	\$0.00	\$0.00	\$657,390.00	0.00%
	Total DEPT 813 Akutan Airport/CIP Trident	\$657,390.00	\$0.00	\$0.00	\$657,390.00	0.00%
DEPT 814 False Pass Harbor House						
Active	E 20-814-209-850 CAPITAL CONSTR	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
	SUBDEPT 209 AEB Grant	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
	Total DEPT 814 False Pass Harbor House	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
DEPT 815 Akutan Airport						
Active	E 20-815-210-972 TRANSPORTATIO	\$2,500,000.00	\$0.00	\$0.00	\$2,500,000.00	0.00%
	SUBDEPT 210 AEB Hovercraft Proceeds	\$2,500,000.00	\$0.00	\$0.00	\$2,500,000.00	0.00%
	Total DEPT 815 Akutan Airport	\$2,500,000.00	\$0.00	\$0.00	\$2,500,000.00	0.00%
DEPT 816 False Pass Harbor						

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	18-19 YTD Budget	18-19 YTD Amt	FEBRUARY MTD Amt	18-19 YTD Balance	% of YTD Budget
Active E 20-816-209-850 CAPITAL CONSTR	\$100,000.00	\$364.00	\$0.00	\$99,636.00	0.36%
SUBDEPT 209 AEB Grant	\$100,000.00	\$364.00	\$0.00	\$99,636.00	0.36%
Total DEPT 816 False Pass Harbor	\$100,000.00	\$364.00	\$0.00	\$99,636.00	0.36%
DEPT 862 NELSON LAGOON DOCK					
Active E 20-862-209-600 REPAIRS	\$915,246.00	\$0.00	\$0.00	\$915,246.00	0.00%
SUBDEPT 209 AEB Grant	\$915,246.00	\$0.00	\$0.00	\$915,246.00	0.00%
Total DEPT 862 NELSON LAGOON DOCK	\$915,246.00	\$0.00	\$0.00	\$915,246.00	0.00%
DEPT 864 SAND POINT AIRPORT BUILDING					
Active E 20-864-209-600 REPAIRS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 209 AEB Grant	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 864 SAND POINT AIRPORT BUILDING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 866 AEB PROJECTS					
Active E 20-866-209-506 SURVEYING	\$191,879.94	\$102,802.64	\$0.00	\$89,077.30	53.58%
Active E 20-866-209-888 PROJECT CONTIN	\$385,135.45	\$5,379.64	\$2,190.24	\$379,755.81	1.40%
SUBDEPT 209 AEB Grant	\$577,015.39	\$108,182.28	\$2,190.24	\$468,833.11	18.75%
Total DEPT 866 AEB PROJECTS	\$577,015.39	\$108,182.28	\$2,190.24	\$468,833.11	18.75%
DEPT 867 KCC Alternative Road					
Active E 20-867-000-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-380 CONTRACT LABO	\$147,017.23	\$0.00	\$0.00	\$147,017.23	0.00%
Active E 20-867-000-381 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$147,017.23	\$0.00	\$0.00	\$147,017.23	0.00%
Active E 20-867-168-300 SALARIES	\$5,650.00	\$0.00	\$0.00	\$5,650.00	0.00%
Active E 20-867-168-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-168-381 ENGINEERING	\$857,950.00	\$0.00	\$0.00	\$857,950.00	0.00%
Active E 20-867-168-400 TRAVEL AND PER	\$5,926.49	\$0.00	\$0.00	\$5,926.49	0.00%
Active E 20-867-168-850 CAPITAL CONSTR	\$599,118.17	\$46,557.68	\$0.00	\$552,560.49	7.77%
SUBDEPT 168 KCAP/09-DC-359	\$1,468,644.66	\$46,557.68	\$0.00	\$1,422,086.98	3.17%
Active E 20-867-210-972 TRANSPORTATIO	\$605,382.09	\$0.00	\$0.00	\$605,382.09	0.00%
SUBDEPT 210 AEB Hovercraft Proceeds	\$605,382.09	\$0.00	\$0.00	\$605,382.09	0.00%
Total DEPT 867 KCC Alternative Road	\$2,221,043.98	\$46,557.68	\$0.00	\$2,174,486.30	2.10%
DEPT 900 OTHER					
Active E 20-900-000-753 MISC EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 900 OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 20 GRANT PROGRAMS	\$11,339,792.62	\$299,075.58	\$2,190.24	\$11,040,717.04	2.64%

ALEUTIANS EAST BOROUGH
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Current Period: FEBRUARY 18-19

		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 22 OPERATIONS						
Active	R 22-203 OTHER REVENUE	\$0.00	\$562,500.00	\$187,500.00	-\$562,500.00	0.00%
Active	R 22-221 COLD BAY TERMINAL LEA	\$139,620.00	\$80,753.32	\$5,000.00	\$58,866.68	57.84%
Active	R 22-222 COLD BAY TERMINAL OTH	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-301 HELICOPTER/TICKETS	\$300,000.00	\$297,494.79	\$8,568.85	\$2,505.21	99.16%
Active	R 22-302 HELICOPTER/FREIGHT	\$95,000.00	\$47,639.56	\$4,535.02	\$47,360.44	50.15%
Total Fund 22 OPERATIONS		\$534,620.00	\$988,387.67	\$205,603.87	-\$453,767.67	184.88%

ALEUTIANS EAST BOROUGH
***Expenditure Guideline©**

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Current Period: FEBRUARY 18-19

		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 22 OPERATIONS						
DEPT 802 CAPITAL - COLD BAY						
Active	E 22-802-200-300 SALARIES	\$28,098.00	\$18,733.84	\$2,341.48	\$9,364.16	66.67%
Active	E 22-802-200-350 FRINGE BENEFITS	\$3,617.00	\$1,620.64	\$202.56	\$1,996.36	44.81%
Active	E 22-802-200-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-802-200-425 TELEPHONE	\$4,500.00	\$3,018.38	\$335.71	\$1,481.62	67.08%
Active	E 22-802-200-475 SUPPLIES	\$7,500.00	\$9,184.15	\$2,232.33	-\$1,684.15	122.46%
Active	E 22-802-200-526 UTILITIES	\$24,000.00	-\$1,142.19	\$991.07	\$25,142.19	-4.76%
Active	E 22-802-200-576 GAS	\$1,500.00	\$308.02	\$0.00	\$1,191.98	20.53%
Active	E 22-802-200-577 FUEL	\$15,000.00	\$8,937.10	\$1,842.02	\$6,062.90	59.58%
Active	E 22-802-200-603 MAINTENANCE	\$100,000.00	\$15,419.00	\$0.00	\$84,581.00	15.42%
Active	E 22-802-200-770 Depreciation Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 200 COLD BAY TERMINAL		\$184,215.00	\$56,078.94	\$7,945.17	\$128,136.06	30.44%
Total DEPT 802 CAPITAL - COLD BAY		\$184,215.00	\$56,078.94	\$7,945.17	\$128,136.06	30.44%
DEPT 845 HELICOPTER OPERATIONS						
Active	E 22-845-300-300 SALARIES	\$131,173.00	\$54,855.91	\$5,710.20	\$76,317.09	41.82%
Active	E 22-845-300-350 FRINGE BENEFITS	\$32,140.00	\$16,874.71	\$2,188.72	\$15,265.29	52.50%
Active	E 22-845-300-380 CONTRACT LABO	\$1,453,000.00	\$718,720.18	\$103,872.78	\$734,279.82	49.46%
Active	E 22-845-300-400 TRAVEL AND PER	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
Active	E 22-845-300-425 TELEPHONE	\$3,500.00	\$2,172.02	\$105.31	\$1,327.98	62.06%
Active	E 22-845-300-475 SUPPLIES	\$60,000.00	\$44,775.00	\$7,506.65	\$15,225.00	74.63%
Active	E 22-845-300-525 RENTAL/LEASE	\$24,000.00	\$10,500.00	\$0.00	\$13,500.00	43.75%
Active	E 22-845-300-526 UTILITIES	\$8,000.00	\$1,100.00	\$0.00	\$6,900.00	13.75%
Active	E 22-845-300-552 INSURANCE	\$18,200.00	\$0.00	\$0.00	\$18,200.00	0.00%
Active	E 22-845-300-576 GAS	\$12,000.00	\$8,479.66	\$1,731.44	\$3,520.34	70.66%
Active	E 22-845-300-577 FUEL	\$150,000.00	\$67,338.33	\$3,960.00	\$82,661.67	44.89%
Active	E 22-845-300-770 Depreciation Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 300 HELICOPTER OPERATIONS		\$1,897,013.00	\$924,815.81	\$125,075.10	\$886,685.91	48.75%
Total DEPT 845 HELICOPTER OPERATIONS		\$1,897,013.00	\$924,815.81	\$125,075.10	\$886,685.91	48.75%
DEPT 900 OTHER						
Active	E 22-900-000-660 Loss On Impairmen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 900 OTHER		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 22 OPERATIONS		\$2,081,228.00	\$980,894.75	\$133,020.27	\$1,014,821.97	47.13%

ALEUTIANS EAST BOROUGH
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Current Period: FEBRUARY 18-19

		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 24 BOND CONSTRUCTION						
Active	R 24-201 INTEREST REVENUE	\$0.00	\$72,802.08	\$0.00	-\$72,802.08	0.00%
Active	R 24-203 OTHER REVENUE	\$0.00	\$33,383.00	\$0.00	-\$33,383.00	0.00%
Active	R 24-227 COE-HARBOR PROJECTS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-259 BOND PROCEEDS	\$1,006,940.00	\$0.00	\$0.00	\$1,006,940.00	0.00%
Active	R 24-270 STATE REVENUE OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-277 STATE BOND REBATE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-817 Akutan Airport/FY09 AEB M	\$903,000.00	\$0.00	\$0.00	\$903,000.00	0.00%
Total Fund 24 BOND CONSTRUCTION		\$1,909,940.00	\$106,185.08	\$0.00	\$1,803,754.92	5.56%

ALEUTIANS EAST BOROUGH
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Current Period: FEBRUARY 18-19

	18-19 YTD Budget	18-19 YTD Amt	FEBRUARY MTD Amt	18-19 YTD Balance	% of YTD Budget
Fund 24 BOND CONSTRUCTION					
DEPT 809 Akutan Airport/Grant					
Active E 24-809-000-850 CAPITAL CONSTR	\$1,006,940.00	\$0.00	\$0.00	\$1,006,940.00	0.00%
SUBDEPT 000	\$1,006,940.00	\$0.00	\$0.00	\$1,006,940.00	0.00%
Total DEPT 809 Akutan Airport/Grant	\$1,006,940.00	\$0.00	\$0.00	\$1,006,940.00	0.00%
DEPT 817 Akutan Airport/FY 09 AEB Match					
Active E 24-817-000-850 CAPITAL CONSTR	\$903,000.00	\$0.00	\$0.00	\$903,000.00	0.00%
SUBDEPT 000	\$903,000.00	\$0.00	\$0.00	\$903,000.00	0.00%
Total DEPT 817 Akutan Airport/FY 09 AEB Match	\$903,000.00	\$0.00	\$0.00	\$903,000.00	0.00%
DEPT 833 FALSE PASS HARBOR					
Active E 24-833-000-850 CAPITAL CONSTR	\$339,073.39	\$7,363.00	\$0.00	\$331,710.39	2.17%
SUBDEPT 000	\$339,073.39	\$7,363.00	\$0.00	\$331,710.39	2.17%
Total DEPT 833 FALSE PASS HARBOR	\$339,073.39	\$7,363.00	\$0.00	\$331,710.39	2.17%
DEPT 839 AKUTAN HARBOR					
Active E 24-839-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 839 AKUTAN HARBOR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
DEPT 900 OTHER					
Active E 24-900-000-380 CONTRACT LABO	\$0.00	\$22,117.73	\$3,665.08	-\$22,117.73	0.00%
Active E 24-900-000-725 BOND INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 24-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$0.00	\$22,117.73	\$3,665.08	-\$22,117.73	0.00%
Total DEPT 900 OTHER	\$0.00	\$22,117.73	\$3,665.08	-\$22,117.73	0.00%
Total Fund 24 BOND CONSTRUCTION	\$2,249,013.39	\$29,480.73	\$3,665.08	\$2,219,532.66	1.31%

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Current Period: FEBRUARY 18-19

		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 30 BOND FUND						
Active	R 30-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-203 OTHER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-259 BOND PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 30 BOND FUND		\$0.00	\$0.00	\$0.00	\$0.00	0.00%

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Current Period: FEBRUARY 18-19

		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 30 BOND FUND						
DEPT 900 OTHER						
Active	E 30-900-000-725 BOND INTEREST	\$0.00	\$541,089.10	\$15,000.00	-\$541,089.10	0.00%
Active	E 30-900-000-726 BOND PRINCIPAL	\$0.00	\$1,450,000.00	\$0.00	-\$1,450,000.00	0.00%
SUBDEPT 000		\$0.00	\$1,991,089.10	\$15,000.00	-\$1,991,089.10	0.00%
Total DEPT 900 OTHER		\$0.00	\$1,991,089.10	\$15,000.00	-\$1,991,089.10	0.00%
Total Fund 30 BOND FUND		\$0.00	\$1,991,089.10	\$15,000.00	-\$1,991,089.10	0.00%

ALEUTIANS EAST BOROUGH
***Revenue Guideline©**

Current Period: FEBRUARY 18-19

		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 40 PERMANENT FUND						
Active	R 40-201 INTEREST REVENUE	\$0.00	-\$2,042,065.99	\$0.00	\$2,042,065.99	0.00%
Active	R 40-203 OTHER REVENUE	\$35,000.00	\$0.00	\$0.00	\$35,000.00	0.00%
Active	R 40-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 40-230 LAND SALES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 40 PERMANENT FUND		\$35,000.00	-\$2,042,065.99	\$0.00	\$2,077,065.99	-5834.47%

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Current Period: FEBRUARY 18-19

		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 40 PERMANENT FUND						
DEPT 900 OTHER						
Active	E 40-900-000-380 CONTRACT LABO	\$35,000.00	\$22,117.70	\$3,665.07	\$12,882.30	63.19%
Active	E 40-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000		<u>\$35,000.00</u>	<u>\$22,117.70</u>	<u>\$3,665.07</u>	<u>\$12,882.30</u>	<u>63.19%</u>
Total DEPT 900 OTHER		<u>\$35,000.00</u>	<u>\$22,117.70</u>	<u>\$3,665.07</u>	<u>\$12,882.30</u>	<u>63.19%</u>
Total Fund 40 PERMANENT FUND		<u>\$35,000.00</u>	<u>\$22,117.70</u>	<u>\$3,665.07</u>	<u>\$12,882.30</u>	<u>63.19%</u>

ALEUTIANS EAST BOROUGH
***Revenue Guideline©**

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Current Period: FEBRUARY 18-19

		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 41 MAINTENANCE RESERVE FUND						
Active	R 41-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-203 OTHER REVENUE	\$300,000.00	\$0.00	\$0.00	\$300,000.00	0.00%
Active	R 41-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-207 AEB Grant Revenue	\$109,280.46	\$0.00	\$0.00	\$109,280.46	0.00%
Active	R 41-230 LAND SALES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-276 AEB SCHOOL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 41 MAINTENANCE RESERVE FUND		\$409,280.46	\$0.00	\$0.00	\$409,280.46	0.00%

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***Expenditure Guideline©**

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Current Period: FEBRUARY 18-19

		18-19	18-19	FEBRUARY	18-19	% of YTD
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 41 MAINTENANCE RESERVE FUND						
DEPT 800 CAPITAL - SCHOOL						
Active	E 41-800-857-300 SALARIES	\$0.00	\$4,250.00	\$0.00	-\$4,250.00	0.00%
Active	E 41-800-857-350 FRINGE BENEFITS	\$0.00	\$367.63	\$0.00	-\$367.63	0.00%
Active	E 41-800-857-850 CAPITAL CONSTR	\$0.00	\$3,075.19	\$0.00	-\$3,075.19	0.00%
Active	E 41-800-857-888 PROJECT CONTIN	\$45,707.69	\$34,728.69	\$0.00	\$10,979.00	75.98%
SUBDEPT 857 FALSE PASS SCHOOL		\$45,707.69	\$42,421.51	\$0.00	\$3,286.18	92.81%
Active	E 41-800-865-888 PROJECT CONTIN	\$9,280.46	\$9,280.46	\$0.00	\$0.00	100.00%
SUBDEPT 865 Akutan School		\$9,280.46	\$9,280.46	\$0.00	\$0.00	100.00%
Active	E 41-800-866-888 PROJECT CONTIN	\$50,000.00	\$38,705.00	\$1,559.05	\$11,295.00	77.41%
SUBDEPT 866 NELSON LAGOON SCHOOL		\$50,000.00	\$38,705.00	\$1,559.05	\$11,295.00	77.41%
Active	E 41-800-867-850 CAPITAL CONSTR	\$0.00	\$176.00	\$176.00	-\$176.00	0.00%
Active	E 41-800-867-888 PROJECT CONTIN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 867 Sand Point School		\$0.00	\$176.00	\$176.00	-\$176.00	0.00%
Active	E 41-800-868-888 PROJECT CONTIN	\$46,308.88	\$45,385.88	\$2,938.00	\$923.00	98.01%
SUBDEPT 868 King Cove School		\$46,308.88	\$45,385.88	\$2,938.00	\$923.00	98.01%
Active	E 41-800-869-888 PROJECT CONTIN	\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
SUBDEPT 869 COLD BAY SCHOOL		\$50,000.00	\$0.00	\$0.00	\$50,000.00	0.00%
Total DEPT 800 CAPITAL - SCHOOL		\$201,297.03	\$135,968.85	\$4,673.05	\$65,328.18	67.55%
DEPT 900 OTHER						
Active	E 41-900-000-603 MAINTENANCE	\$300,000.00	\$167,493.88	\$52,034.93	\$132,506.12	55.83%
Active	E 41-900-000-753 MISC EXPENSE	\$0.00	\$6,809.17	\$1,128.75	-\$6,809.17	0.00%
Active	E 41-900-000-880 LAND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000		\$300,000.00	\$174,303.05	\$53,163.68	\$125,446.95	58.10%
Total DEPT 900 OTHER		\$300,000.00	\$174,303.05	\$53,163.68	\$125,446.95	58.10%
Total Fund 41 MAINTENANCE RESERVE FUND		\$501,297.03	\$310,271.90	\$57,836.73	\$190,775.13	61.89%

INVESTMENT REPORT

ALEUTIANS EAST BOROUGH

Account Statement - Period Ending January 31, 2019



ACCOUNT ACTIVITY

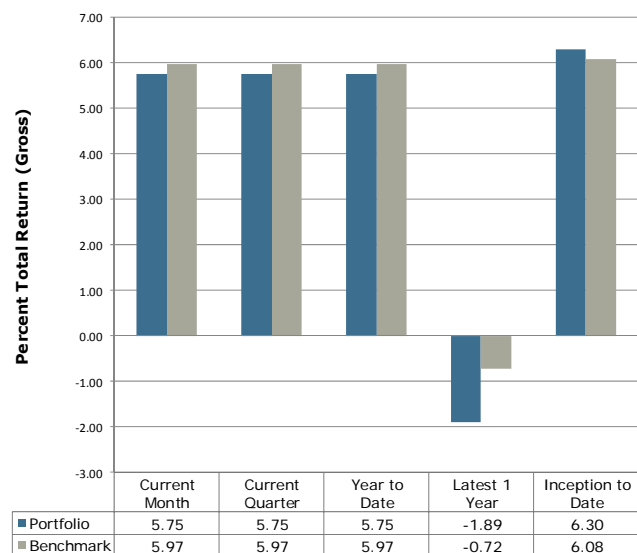
Portfolio Value on 12-31-18	40,859,900
Contributions	0
Withdrawals	-929
Change in Market Value	2,315,329
Interest	32,642
Dividends	0
Portfolio Value on 01-31-19	43,206,941

MANAGEMENT TEAM

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

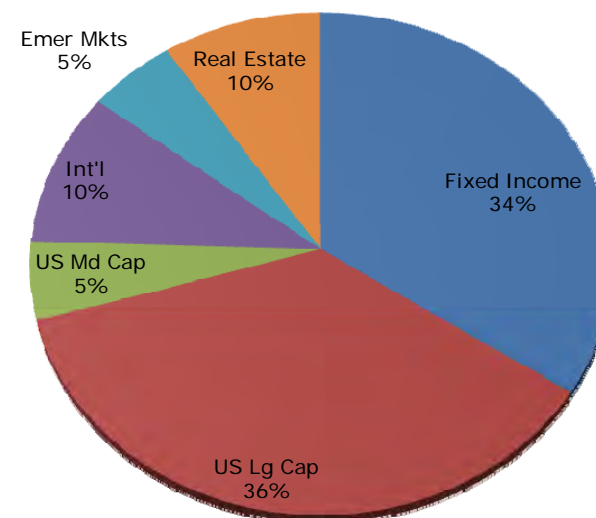
INVESTMENT PERFORMANCE

Current Account Benchmark:
Equity Blend



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Clients are encouraged to compare this report with the official statement from their custodian.

Alaska Permanent Capital Management Co.
PORTFOLIO SUMMARY AND TARGET
ALEUTIANS EAST BOROUGH
January 31, 2019

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (34.0%)	14,824,807	34.3	25% to 60%
Cash (0.0%)	24,610	0.1	na
Subtotal:	14,849,416	34.4	
EQUITY (56%)			
US Large Cap (36.0%)	15,599,247	36.1	30% to 50%
US Mid Cap (5.0%)	2,170,327	5.0	0% to 10%
Developed International Equity (10.0%)	4,265,905	9.9	5% to 15%
Emerging Markets (5.0%)	2,249,372	5.2	0% to 10%
Subtotal:	24,284,851	56.2	
ALTERNATIVE INVESTMENTS (10%)			
Real Estate (10.0%)	4,072,673	9.4	5% to 15%
Subtotal:	4,072,673	9.4	
TOTAL PORTFOLIO	43,206,941	100	

AEB/AKUTAN HARBOR - 2006 A

Account Statement - Period Ending January 31, 2019



ACCOUNT ACTIVITY

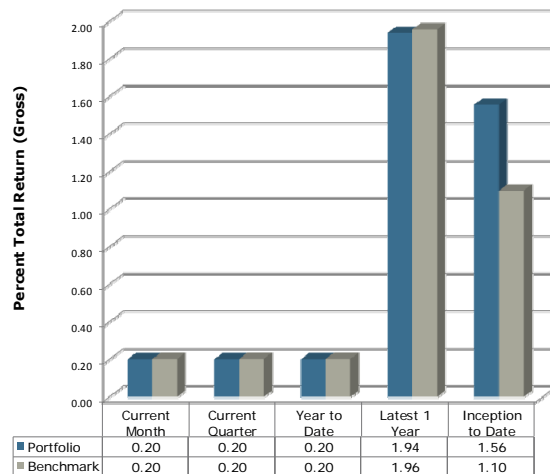
Portfolio Value on 12-31-18	1,552,537
Contributions	0
Withdrawals	-95
Change in Market Value	-559
Interest	3,689
Dividends	0
Portfolio Value on 01-31-19	1,555,573

MANAGEMENT TEAM

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

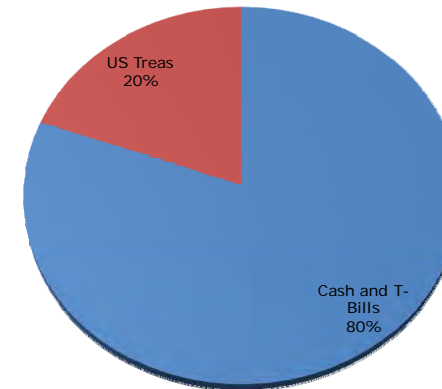
INVESTMENT PERFORMANCE

Current Account Benchmark:
FTSE 3-Month TBill



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 2.35% Average Maturity: 0.14 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB/AKUTAN HARBOR - 2006 A
January 31, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		27,204		27,204	1.75			
U.S. TREASURY									
300,000	US TREASURY NOTES 2.750% Due 02-15-19 Accrued Interest	100.08	300,234	100.01	300,042	19.29	8,250	3,811	2.38
					3,811	0.24			
			300,234		303,853	19.53		3,811	
TREASURY BILLS									
325,000	US TREASURY BILLS 0.000% Due 02-21-19	99.19	322,374	99.87	324,577	20.87	NA	0	2.28
500,000	US TREASURY BILL 0.000% Due 03-14-19	99.41	497,037	99.73	498,665	32.06	NA	0	2.31
405,000	US TREASURY BILLS 0.000% Due 06-20-19	98.98	400,871	99.08	401,274	25.80	NA	0	2.41
			1,220,283		1,224,516	78.72		0	
TOTAL PORTFOLIO			1,547,721		1,555,573	100	8,250	3,811	

AEB OPERATING FUND

Account Statement - Period Ending January 31, 2019



ACCOUNT ACTIVITY

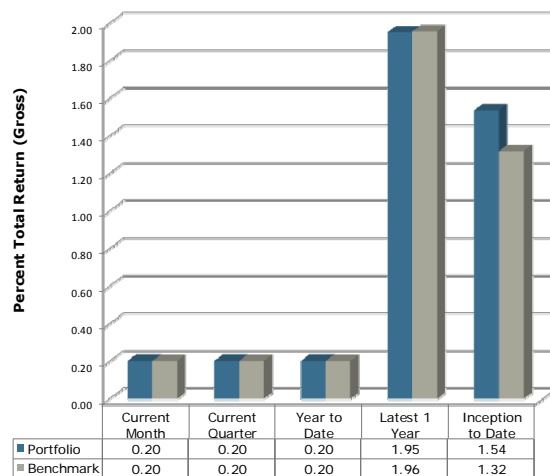
Portfolio Value on 12-31-18	2,595,819
Contributions	0
Withdrawals	-168
Change in Market Value	583
Interest	4,696
Dividends	0
Portfolio Value on 01-31-19	2,600,929

MANAGEMENT TEAM

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

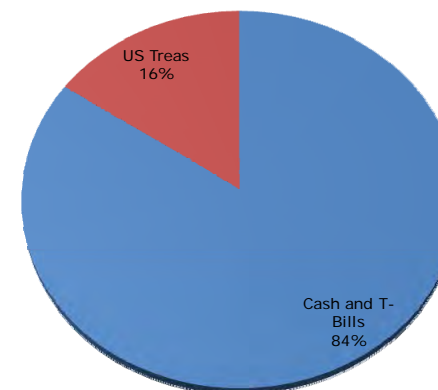
INVESTMENT PERFORMANCE

Current Account Benchmark:
FTSE 3-Month TBill



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 2.37% Average Maturity: 0.13 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB OPERATING FUND
January 31, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		24,235		24,235	0.93			
U.S. TREASURY									
400,000	US TREASURY NOTES 2.750% Due 02-15-19 Accrued Interest	100.08	400,312	100.01	400,056	15.38	11,000	5,082	2.38
					5,082	0.20			
			400,312		405,138	15.58		5,082	
TREASURY BILLS									
540,000	US TREASURY BILLS 0.000% Due 02-21-19	99.19	535,638	99.87	539,298	20.73	NA	0	2.28
1,125,000	US TREASURY BILL 0.000% Due 03-14-19	99.42	1,118,523	99.73	1,121,996	43.14	NA	0	2.31
515,000	US TREASURY BILLS 0.000% Due 06-20-19	98.98	509,749	99.08	510,262	19.62	NA	0	2.41
			2,163,910		2,171,556	83.49		0	
TOTAL PORTFOLIO			2,588,458		2,600,929	100	11,000	5,082	

ALEUTIANS EAST BOROUGH SERIES E BOND

Account Statement - Period Ending January 31, 2019



ACCOUNT ACTIVITY

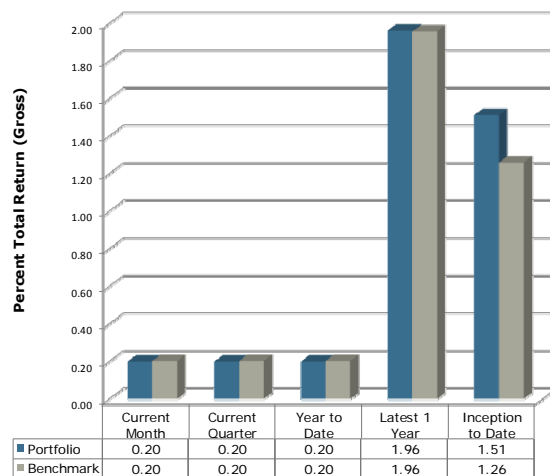
Portfolio Value on 12-31-18	2,533,488
Contributions	0
Withdrawals	-466
Change in Market Value	-2,633
Interest	7,702
Dividends	0
Portfolio Value on 01-31-19	2,538,091

MANAGEMENT TEAM

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

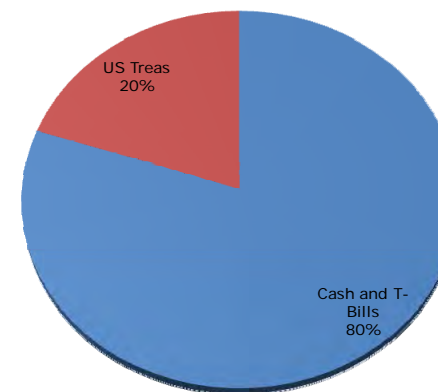
INVESTMENT PERFORMANCE

Current Account Benchmark:
FTSE 3-Month TBill



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 2.37% Average Maturity: 0.15 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
ALEUTIANS EAST BOROUGH SERIES E BOND
January 31, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		26,369		26,369	1.04			
U.S. TREASURY									
500,000	US TREASURY NOTES 2.750% Due 02-15-19 Accrued Interest	100.08	500,391	100.01	500,070	19.70	13,750	6,352	2.38
					6,352	0.25			
			500,391		506,422	19.95		6,352	
TREASURY BILLS									
115,000	US TREASURY BILLS 0.000% Due 02-21-19	99.19	114,071	99.87	114,850	4.53	NA	0	2.28
875,000	US TREASURY BILL 0.000% Due 03-14-19	99.41	869,864	99.73	872,664	34.38	NA	0	2.31
525,000	US TREASURY BILLS 0.000% Due 04-18-19	99.41	521,902	99.50	522,385	20.58	NA	0	2.37
500,000	US TREASURY BILLS 0.000% Due 06-20-19	98.98	494,902	99.08	495,400	19.52	NA	0	2.41
			2,000,740		2,005,300	79.01		0	
TOTAL PORTFOLIO			2,527,500		2,538,091	100	13,750	6,352	

* Callable security

AEB 2010 SERIES A GO BOND/KCAP

Account Statement - Period Ending January 31, 2019



ACCOUNT ACTIVITY

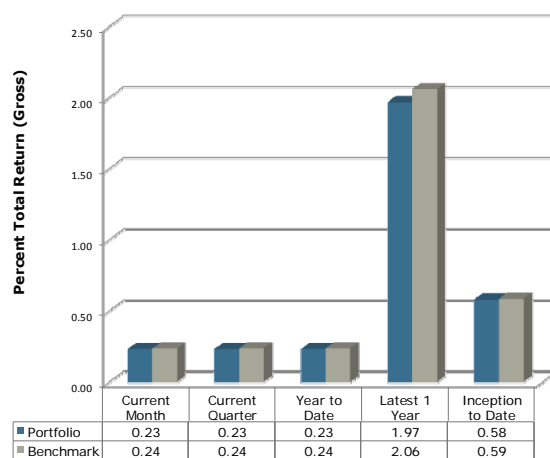
Portfolio Value on 12-31-18	1,043,331
Contributions	0
Withdrawals	-118
Change in Market Value	1,512
Interest	896
Dividends	0
Portfolio Value on 01-31-19	1,045,621

MANAGEMENT TEAM

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

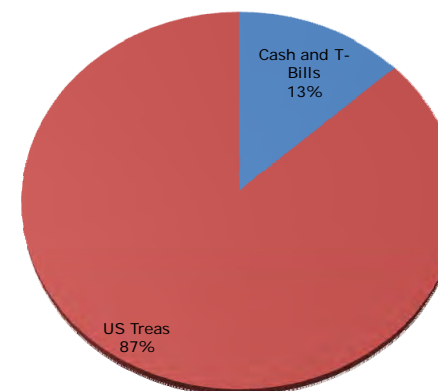
INVESTMENT PERFORMANCE

**Current Account Benchmark:
50% Bloomberg Barclays 1-3 Yr Gov/50%
FTSE 3mo Tbill**



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 2.39% Average Maturity: 0.45 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB 2010 SERIES A GO BOND/KCAP
January 31, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		24,478		24,478	2.34			
U.S. TREASURY									
200,000	US TREASURY NOTES 0.750% Due 02-15-19	99.05	198,102	99.94	199,878	19.12	1,500	693	2.24
175,000	US TREASURY NOTES 1.000% Due 03-15-19	98.92	173,113	99.84	174,715	16.71	1,750	672	2.37
50,000	US TREASURY NOTES 0.875% Due 06-15-19	99.14	49,572	99.43	49,713	4.75	437	58	2.43
200,000	US TREASURY NOTES 1.250% Due 06-30-19	99.68	199,367	99.51	199,016	19.03	2,500	221	2.45
80,000	US TREASURY NOTES 1.375% Due 01-15-20	98.61	78,891	98.89	79,113	7.57	1,100	52	2.56
100,000	US TREASURY NOTES 1.125% Due 03-31-20	98.77	98,770	98.40	98,398	9.41	1,125	383	2.53
105,000	US TREASURY NOTE 1.500% Due 06-15-20	98.51	103,437	98.66	103,597	9.91	1,575	208	2.50
	Accrued Interest				2,286	0.22			
			901,252		906,716	86.72		2,286	
TREASURY BILLS									
115,000	US TREASURY BILLS 0.000% Due 04-18-19	99.14	114,014	99.50	114,427	10.94	NA	0	2.37
TOTAL PORTFOLIO			1,039,744		1,045,621	100	9,987	2,286	

AEB 2010 SERIES B BOND/AKUTAN AIR

Account Statement - Period Ending January 31, 2019



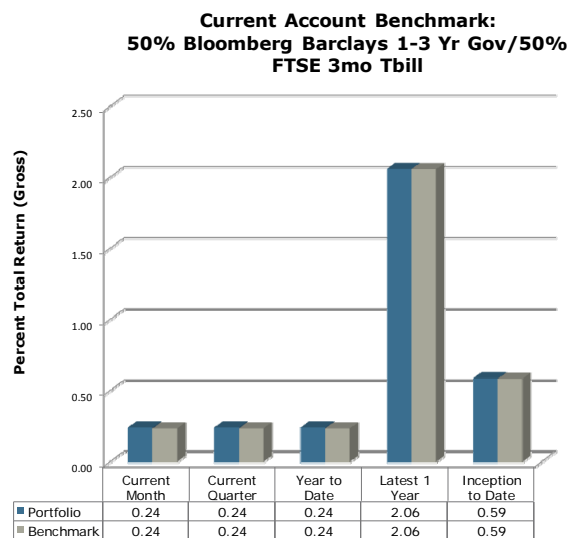
ACCOUNT ACTIVITY

Portfolio Value on 12-31-18	1,025,148
Contributions	0
Withdrawals	-103
Change in Market Value	1,620
Interest	871
Dividends	0
Portfolio Value on 01-31-19	1,027,537

MANAGEMENT TEAM

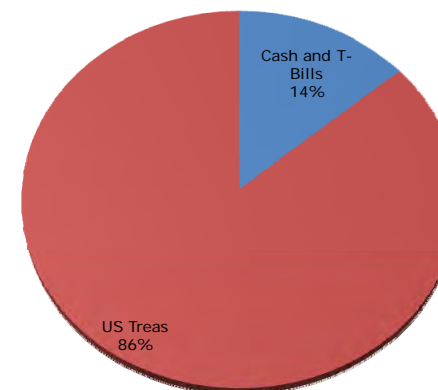
Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Paul Hanson, CFA®
Contact Phone Number:	907/272-7575

INVESTMENT PERFORMANCE



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



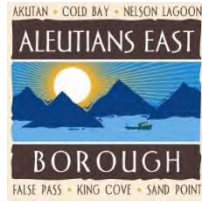
Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 2.40% Average Maturity: 0.54 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB 2010 SERIES B BOND/AKUTAN AIR
January 31, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATIONS INSTITUTI		27,511		27,511	2.68			
U.S. TREASURY									
125,000	US TREASURY NOTES 0.750% Due 02-15-19	99.05	123,809	99.94	124,924	12.16	937	433	2.24
100,000	US TREASURY NOTES 1.000% Due 03-15-19	99.54	99,535	99.84	99,837	9.72	1,000	384	2.37
100,000	US TREASURY NOTES 0.875% Due 05-15-19	98.58	98,578	99.55	99,555	9.69	875	189	2.43
150,000	US TREASURY NOTES 0.875% Due 06-15-19	98.56	147,838	99.43	149,139	14.51	1,312	173	2.43
100,000	US TREASURY NOTES 1.000% Due 11-15-19	97.86	97,859	98.80	98,805	9.62	1,000	215	2.54
100,000	US TREASURY NOTES 1.375% Due 01-15-20	98.61	98,613	98.89	98,891	9.62	1,375	65	2.56
110,000	US TREASURY NOTES 1.500% Due 04-15-20	98.10	107,912	98.81	108,690	10.58	1,650	494	2.51
105,000	US TREASURY NOTE 1.500% Due 06-15-20	98.51	103,437	98.66	103,597	10.08	1,575	208	2.50
	Accrued Interest				2,161	0.21			
			877,581		885,598	86.19		2,161	
TREASURY BILLS									
115,000	US TREASURY BILLS 0.000% Due 04-18-19	99.14	114,014	99.50	114,427	11.14	NA	0	2.37
TOTAL PORTFOLIO			1,019,107		1,027,537	100	9,725	2,161	

Consent Agenda



RESOLUTION 19-46

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH REQUESTING NO FURTHER CUTS TO ADF&G, AND A PLAN FOR FULL STAFFING AND MANAGEMENT OF THE 2019 SUMMER COMMERCIAL SALMON SEASON NOT CONTINGENT ON A TIMELY STATE BUDGET PROCESS.

WHEREAS, the subsistence and commercial harvest of fish resources in the western Gulf of Alaska, the Bering Sea and the Aleutian Islands are vital the social, cultural and economic health of the residents of the Aleutians East Borough, and

WHEREAS, the summer salmon season along the Alaska Peninsula and the Shumagin and Aleutian Islands is critical for our fishermen, shore-based processors and communities, and

WHEREAS, the Alaska seafood industry is the 2nd largest contributor to Alaska's economy and the largest private-sector employer in the State, and

WHEREAS, the Alaska Department of Fish & Game Commercial Fisheries Division budget has been significantly reduced in recent years,

WHEREAS, the Alaska seafood industry pays millions of dollars in taxes each year, exceeding current State spending on commercial fisheries management, and

WHEREAS, cuts to the ADF&G budget negatively impact State commercial fishery research and management programs that are critical to commercial fishery harvest opportunities, and

WHEREAS, reduced harvest opportunities in any fishery in our region results in fewer jobs, less income and decreased tax revenue for the State of Alaska and our coastal communities.

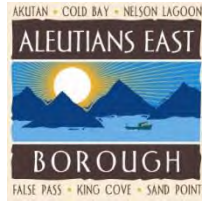
NOW THEREFORE BE IT RESOLVED that the Aleutians East Borough Assembly strongly requests Governor Dunleavy and the Alaska Legislature to not impose further cuts to the ADF&G budget and particularly to the Commercial Fisheries Division budget, and

BE IT FURTHER RESOLVED that AEB Assembly urges the legislature to affirm a plan for the Alaska 2019 summer salmon season to be fully staffed and managed, even if the legislature runs into special legislative sessions in the 2019 summer without a budget in place.

PASSED AND APPROVED by the Aleutians East Borough on this ___day of March 2019.

Alvin D. Osterback, Mayor

ATTEST: _____
Tina Anderson, Clerk



RESOLUTION 19-47

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY SUPPORTING THE REAPPOINTMENT OF ROBERT RUFFNER TO THE ALASKA BOARD OF FISHERIES

WHEREAS, Robert Ruffner of Soldotna Alaska began his first three year term on the Alaska Board of Fisheries in 2016, a term that is set to expire on July 1, 2019, and

WHEREAS, according to Alaska Statute 16.05.221(d), the Governor of Alaska shall appoint a person for expiring terms on the Board by April 1st, and submit that name to the Alaska Legislature for confirmation, and

WHEREAS, Mr. Ruffner is eligible and highly qualified to continue to serve on the Board, and

WHEREAS, Mr. Ruffner has extensive expertise in Alaska fish habitat, including groundbreaking work as the Executive Director of the Kenai Watershed Forum, and

WHEREAS, Mr. Ruffner is consistently able to bring different stakeholder groups together to find solutions collaboratively, including during his tenure on the Alaska Board of Fisheries, and

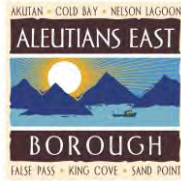
WHEREAS, Alaskans and Alaska's fishery resources would be well served by the reappointment of Robert Ruffner to the Alaska Board of Fisheries.

NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly supports the reappointment by Governor Dunleavy and confirmation by the Alaska Legislature of Robert Ruffner to the Alaska Board of Fisheries.

PASSED AND APPROVED by the Aleutians East Borough on this ___day of March 2019.

Alvin D. Osterback, Mayor

ATTEST: _____
Tina Anderson, Clerk



Agenda Statement

Date: March 7, 2019
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Resolution 19-48, supporting continuation of Shared Fisheries Tax Programs and opposing legislation introduced by the Governor repealing the Sharing of Fisheries Tax Program Tax Program Taxes with qualifying municipalities

The State of Alaska collects various taxes and fees on businesses engaged in the fishing and fish processing activities in Alaska. Under provisions of AS 43.75.130 the State provides a “Refund to local governments” of Fisheries Business and License Taxes of up to 50% of taxes collected to municipalities where fishery resources are processed and under provisions of AS 43.77.060 the State provides for “Revenue Sharing” with municipalities of the Fisheries Resource Landing Tax of up to 50% of taxes collected on floating fisheries where fishery products are landed. These two Fisheries Tax programs are a means of taxing fishing economic activity and reflects the partnership between State and municipalities in providing services that support the fishing industry in Alaska.

Municipalities receiving these Shared Fisheries Taxes provide services like education, water, waste water collection and treatment, road maintenance, docks, ports, boat harbors, fire protection, police services, emergency medical services, electricity, and building inspections in support of the fishing industry. These Shared Fisheries Taxes are significant general fund revenues that municipalities rely on as part of their tax base to provide municipal services that benefit residents and the fishing industry. The Aleutians East Borough is anticipating collection of \$2.2 million in FY19, which represents approximately 28% of the Borough’s budgeted general fund revenues. If these funds are not received in FY20, then the Borough budget will be negatively impacted.

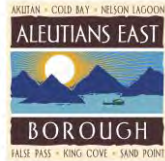
Proposed legislation House Bill 65 and its companion bill Senate Bill 63 in the 31st Legislature would repeal the provisions in the Shared Fisheries Taxes that share these State-collects taxes with qualified municipalities that support the fishing industry. The legislation would shift more costs for services like education to municipalities while at the same time reducing general tax revenue by in effect reducing municipal tax bases.

Attached are the following documents:

1. Alaska Statutes 43.75.130 and 43.77.060
2. House Bill 65
3. Senate Bill 63

RECOMMENDATION

Administration recommends approval of Resolution 19-48, supporting continuation of Shared Fisheries Tax Programs and opposing legislation introduced by the Governor repealing the Sharing of Fisheries Tax Program Tax Program Taxes with qualifying municipalities



RESOLUTION 19-48

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY SUPPORTING CONTINUATION OF SHARED FISHERIES TAX PROGRAMS AND OPPOSING LEGISLATION INTRODUCED BY THE GOVERNOR REPEALING THE SHARING OF FISHERIES TAX PROGRAM TAXES WITH QUALIFYING MUNICIPALITIES

WHEREAS, the State of Alaska collects various taxes and fees on businesses engaged in the fishing and fish processing activities in Alaska; and

WHEREAS, under provisions of AS 43.75.130 the State provides a “Refund to local governments” of Fisheries Business and License Taxes of up to 50% of taxes collected to municipalities where fishery resources are processed; and

WHEREAS, under provisions of AS 43.77.060 the State provides for “Revenue Sharing” with municipalities of the Fisheries Resource Landing Tax of up to 50% of taxes collected on floating fisheries where fishery products are landed; and

WHEREAS, these two Fisheries Tax programs are a means of taxing fishing economic activity and reflects the partnership between State and municipalities in providing services that support the fishing industry in Alaska; and

WHEREAS, municipalities receiving these Shared Fisheries Taxes provide services like education, water, waste water collection and treatment, road maintenance, docks, ports, boat harbors, fire protection, police services, emergency medical services, electricity, and building inspections in support of the fishing industry; and

WHEREAS, these Shared Fisheries Taxes are significant general fund revenues that municipalities rely on as part of their tax base to provide municipal services that benefit residents and the fishing industry; for example, the Aleutians East Borough is anticipating collection of \$2.2 million in FY19, which represents approximately 28% of the Borough’s budgeted general fund revenues; and

WHEREAS, proposed legislation House Bill 65 and its companion bill Senate Bull 63 in the 31st Legislature would repeal the provisions in the Shared Fisheries Taxes that share these State-collected taxes with qualified municipalities that support the fishing industry; and; and

WHEREAS, the legislation would shift more costs for services like education to municipalities while at the same time reducing general tax revenue by in effect reducing municipal tax bases.

NOW THEREFORE, BE IT RESOLVED, that the Aleutians East Borough supports the continuation of the Fisheries Business and License Tax and Fisheries Resource Landing Tax programs as currently operated to share proscribed taxes collected with qualifying municipalities; and

NOW THEREFORE, BE IT FURTHER RESOLVED, the Aleutians East Borough opposes passage of House Bill 65 and Senate Bill 63 that would repeal the sharing of State collected Fisheries Business and License Tax and Fisheries Resource Landing Tax with qualifying municipalities.

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

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk

Fisheries Business and License Taxes

AS 43.75.130. Refund to Local Governments.

- (a) Except as provided in (d) of this section, the commissioner shall pay
- (1) to each unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected in the municipality from taxes levied under this chapter;
 - (2) to each city located within a borough, 25 percent of the amount of tax revenue collected in the city from taxes levied under this chapter; and
 - (3) to each borough
 - (A) 50 percent of the amount of tax revenue collected in the area of the borough outside cities from taxes levied under this chapter; and
 - (B) 25 percent of the amount of tax revenue collected in cities located within the borough from taxes levied under this chapter.
- (b) For purposes of this section, tax revenue collected under AS [43.75.015](#) from a person entitled to a credit under AS [43.75.032](#) shall be calculated as if the person's tax had been collected without applying the credit.
- (c) [Repealed, Sec. 7 ch 79 SLA 1986].
- (d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, the commissioner shall pay
- (1) to each city that is located in a borough incorporated after June 16, 1987 the following percentages of the tax revenue collected in the city from taxes levied under this chapter:
 - (A) 45 percent of the taxes collected during the calendar year in which the borough is incorporated;
 - (B) 40 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;
 - (C) 35 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and
 - (D) 30 percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated; and
 - (2) to each borough that is incorporated after June 16, 1987 the following percentages of the tax revenue collected in the cities located within the borough from taxes levied under this chapter:
 - (A) 5 percent of the taxes collected during the calendar year in which the borough is incorporated;
 - (B) 10 percent of the taxes collected during the first calendar year after the calendar year in which the borough is incorporated;
 - (C) 15 percent of the taxes collected during the second calendar year after the calendar year in which the borough is incorporated; and
 - (D) 20 percent of the taxes collected during the third calendar year after the calendar year in which the borough is incorporated.
- (e) Notwithstanding the provisions of (d) of this section, a city may adopt an ordinance to transfer a portion of the funds received under (d)(1) of this section to the borough in which the city is located.
- (f) For purposes of this section, tax revenue collected under AS [43.75.015](#) from a person entitled to a credit under AS [43.75.035](#) or [43.75.036](#) shall be calculated as if the person's tax were collected without applying the credit; tax revenue collected does not include the amount of a tax credit recaptured under AS [43.75.035](#) (g) or [43.75.036](#)(g).
- (g) In this section, "tax revenue collected" includes the amount credited against taxes under AS [43.75.018](#) .

Fisheries Resource Landing Tax

AS 43.77.060. Revenue Sharing.

(a) Subject to appropriation by the legislature and except as provided in (b) of this section, the commissioner shall pay to each

(1) unified municipality and to each city located in the unorganized borough, 50 percent of the amount of tax revenue collected from taxes levied under this chapter on the fishery resource landed in the municipality and accounted for under AS [43.77.050](#) (b);

(2) city located within a borough, 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS [43.77.050](#) (b); and

(3) borough

(A) 50 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the area of the borough outside cities and accounted for under AS [43.77.050](#) (b); and

(B) 25 percent of the amount of the tax revenue collected from taxes levied under this chapter on fishery resources landed in cities located within the borough and accounted for under AS [43.77.050](#) (b).

(b) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and subject to appropriation by the legislature, the commissioner shall pay to each

(1) city that is located in a borough incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS [43.77.050](#) (b):

(A) 45 percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) 40 percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 35 percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) borough that is incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the cities located within the borough and accounted for under AS [43.77.050](#) (b):

(A) five percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) 10 percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 15 percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 20 percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated.

(c) Notwithstanding the provisions of (b) of this section, a city may adopt an ordinance to transfer a portion of the funds received under (b)(1) of this section to the borough in which the city is located.

(d) To the extent that appropriations are available for the purpose, and notwithstanding the requirement of AS [37.07.080](#) (e) that approval of the office of management and budget is required, an amount equal to 50 percent of the tax revenue that is collected under this chapter and is not subject to division with a municipality under (a) - (c) of this section shall be transmitted each fiscal year, without the approval of the office of management and budget, by the department to the Department of Commerce, Community, and Economic Development for disbursement to eligible municipalities under AS [29.60.450](#) .

(e) For purposes of this section, tax revenue collected under AS [43.77.010](#) from a person entitled to a credit under AS [43.77.035](#) or [43.77.045](#) shall be calculated as if the person's tax had been collected without applying the credits.

HOUSE BILL NO. 65

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/20/19

Referred: Fisheries, Community & Regional Affairs, Finance

A BILL**FOR AN ACT ENTITLED**

1 **"An Act repealing the fisheries business tax allocation to municipalities; repealing the**
 2 **refunds to local governments of fisheries business taxes; repealing revenue sharing for**
 3 **the fishery resource landing tax; providing for an effective date by amending the**
 4 **effective date of sec. 36, ch. 61, SLA 2014; and providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 29.60.800(a) is amended to read:

7 (a) There is established the harbor facility grant fund consisting of money
 8 appropriated to the fund. Each fiscal year, the legislature may appropriate money to
 9 the fund from the watercraft fuel tax account (AS 43.40.010(f)) and from the fisheries
 10 business tax collected under AS 43.75.015 [AFTER PAYMENTS TO
 11 MUNICIPALITIES ARE MADE UNDER AS 43.75.130]. The legislature may make
 12 other appropriations to the fund. The legislature may appropriate to the fund income
 13 earned on money in the fund.

14 * **Sec. 2.** AS 29.60.810 is amended to read:

1 **Sec. 29.60.810. Grant applications.** A municipality or regional housing
 2 authority that owns a harbor facility may submit to the Department of Transportation
 3 and Public Facilities an application for a harbor facility grant to be used for
 4 construction, expansion, major repair, or major maintenance of a harbor facility. The
 5 application must include information about the project requested by the department.
 6 For a proposed project to be eligible for a grant, the municipality or regional housing
 7 authority must provide evidence acceptable to the department that the

8 (1) proposed project is a capital improvement project and not part of a
 9 preventive maintenance program or regular custodial care program;

10 (2) municipality or regional housing authority will provide 50 percent
 11 of the total project cost as matching funds for the state grant and that money received
 12 by the municipality or regional housing authority from the state will not be used for
 13 the matching funds except money received under

14 (A) AS 29.60.850 - 29.60.879 (community assistance
 15 program);

16 (B) [AS 29.60.450, AS 43.75.130, AND 43.75.137 (SHARED
 17 FISHERIES BUSINESS TAXES);

18 (C)] AS 43.52.200 - 43.52.295 (excise tax on overnight
 19 accommodations on commercial passenger vessels); and

20 (C) [(D)] a transfer agreement between the state and a
 21 municipality for a sale under AS 35.10.120;

22 (3) municipality or regional housing authority has secured and will
 23 maintain adequate property loss insurance for the replacement cost of the harbor
 24 facility or has an adequate program of insurance;

25 (4) municipality or regional housing authority has a preventive
 26 maintenance plan for the harbor facility and will be adequately adhering to the
 27 preventive maintenance plan after completion of the proposed project.

28 * **Sec. 3.** AS 43.77.015(b) is amended to read:

29 (b) An obligation imposed by a contract subject to sec. 210(f), American
 30 Fisheries Act, P.L. 105-277, shall be treated as if it were a tax under this chapter for
 31 purposes of AS 43.77.020. [A PAYMENT MADE TO SATISFY THE OBLIGATION

1 IMPOSED BY THE CONTRACT SHALL BE TREATED AS IF IT WERE TAX
 2 REVENUE COLLECTED UNDER THIS CHAPTER FOR PURPOSES OF
 3 AS 43.77.060.]

4 * **Sec. 4.** AS 43.77.050(b) is amended to read:

5 (b) The tax collected under this chapter shall be paid into a separate account in
 6 the general fund. [THE ANNUAL BALANCE IN THE ACCOUNT MAY BE
 7 APPROPRIATED BY THE LEGISLATURE FOR REVENUE SHARING UNDER
 8 AS 43.77.060. THE AMOUNT OF ALL TAX CREDITS APPROVED BY THE
 9 COMMISSIONER UNDER AS 43.77.040(b) SHALL BE DEDUCTED FROM
 10 AMOUNTS PAID TO MUNICIPALITIES UNDER AS 43.77.060(a) - (c).]

11 * **Sec. 5.** AS 29.60.450; AS 43.75.130, 43.75.133, 43.75.137, and AS 43.77.060 are
 12 repealed.

13 * **Sec. 6.** Section 3, ch. 57, SLA 2003, is amended to read:

14 Sec. 3. AS 43.75.035 and [,] 43.75.036 [, AND 43.75.130(g)] are repealed.

15 * **Sec. 7.** Section 16, ch. 61, SLA 2014, is repealed.

16 * **Sec. 8.** Section 21, ch. 61, SLA 2014, is amended to read:

17 Sec. 21. AS 21.66.110(b); AS 21.96.070, 21.96.075(c)(2); AS 43.05.010(15);
 18 AS 43.20.014; AS 43.55.019; AS 43.56.018; AS 43.65.018; AS 43.75.018; and [,]
 19 43.75.130(g);] AS 43.77.045 [, AND 43.77.060(e)] are repealed.

20 * **Sec. 9.** Section 22, ch. 61, SLA 2014, is amended to read:

21 Sec. 22. AS 43.75.035 is [AND 43.75.130(f) ARE] repealed.

22 * **Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to
 23 read:

24 APPLICABILITY. Sections 1 - 5 of this Act apply to allocations and refunds to
 25 municipalities based on fisheries businesses and resource taxes under AS 43.75 and AS 43.77
 26 levied on and after January 1, 2018, and no allocations or refunds will be made to
 27 municipalities during fiscal year 2020.

28 * **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to
 29 read:

30 TRANSITION: REGULATIONS. The Department of Revenue may adopt regulations
 31 necessary to implement the changes made by this Act. The regulations take effect under

1 AS 44.62 (Administrative Procedure Act), but not before the effective date of the law
2 implemented by the regulation.

3 * **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 RETROACTIVITY OF REGULATIONS. Notwithstanding any contrary provision of
6 AS 44.62.240, if the Department of Revenue expressly designates in a regulation that the
7 regulation applies retroactively, a regulation adopted by the Department of Revenue to
8 implement, interpret, make specific, or otherwise carry out this Act may apply retroactively to
9 the effective date of the law implemented by the regulation.

10 * **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 RETROACTIVITY. Sections 1 - 5 of this Act are retroactive to January 1, 2019.

13 * **Sec. 14.** Section 36, ch. 61, SLA 2014, is amended to read:

14 Sec. 36. **Section** [SECTIONS 16 AND] 23 of this Act **takes** [TAKE] effect
15 December 31, 2020.

16 * **Sec. 15.** Section 6 of this Act takes effect on the effective date of sec. 3, ch. 57, 2003.

17 * **Sec. 16.** Section 8 of this Act takes effect on the effective date of sec. 21, ch. 61, SLA
18 2014.

19 * **Sec. 17.** Section 9 of this Act takes effect on the effective date of sec. 22, ch. 61, SLA
20 2014.

21 * **Sec. 18.** Except as provided in secs. 15 - 17 of this Act, this Act takes effect immediately
22 under AS 01.10.070(c).

SENATE BILL NO. 63

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/18/19

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act repealing the fisheries business tax allocation to municipalities; repealing the
2 refunds to local governments of fisheries business taxes; repealing revenue sharing for
3 the fishery resource landing tax; providing for an effective date by amending the
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 5 application must include information about the project requested by the department.
 6 For a proposed project to be eligible for a grant, the municipality or regional housing
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8 (1) proposed project is a capital improvement project and not part of a
 9 preventive maintenance program or regular custodial care program;

10 (2) municipality or regional housing authority will provide 50 percent
 11 of the total project cost as matching funds for the state grant and that money received
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14 (A) AS 29.60.850 - 29.60.879 (community assistance
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16 (B) [AS 29.60.450, AS 43.75.130, AND 43.75.137 (SHARED
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18 (C)] AS 43.52.200 - 43.52.295 (excise tax on overnight
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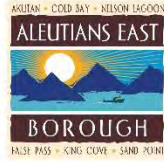
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17 * **Sec. 16.** Section 8 of this Act takes effect on the effective date of sec. 21, ch. 61, SLA
18 2014.

19 * **Sec. 17.** Section 9 of this Act takes effect on the effective date of sec. 22, ch. 61, SLA
20 2014.

21 * **Sec. 18.** Except as provided in secs. 15 - 17 of this Act, this Act takes effect immediately
22 under AS 01.10.070(c).



RESOLUTION 19-49

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY OPPOSING THE PROPOSED FY20 STATE SUBSIDY REDUCTION FOR THE UNIVERSITY OF ALASKA

WHEREAS, a strong university system is integral to an environment of economic and business development; and

WHEREAS, the University of Alaska system provides a wide variety of course offerings with tuition rates that are competitive with other institutions of higher learning; and

WHEREAS, the University of Alaska is involved in key research and academic activities involving the Arctic, Alaska fisheries, and economic and business development; and

WHEREAS, the University of Alaska provides educational opportunities to Alaskans living in rural communities; and

WHEREAS, the rural University campuses are important resources for Aleutians East Borough residents and contribute toward economic and workforce development; and

WHEREAS, any State that wishes to claim it is open for business to diversify its economy must have a vibrant and distinguished University system to support advances in technology and innovation; and

WHEREAS, the University of Alaska has had to absorb \$246 million in cuts since 2015; and

WHEREAS, the Governor has proposed a reduction of \$134 million in the University of Alaska budget in his proposed FY20 budget; and

WHEREAS, University President Jim Johnson testified before the Senate Finance Committee says the University system has dealt with funding cuts in recent years by reducing its workforce by about 1,300 employees, has raised tuition by about 8 percent over the past five years, and reduced classes and programs; and

WHEREAS, Johnson further warned the Senate Finance Committee that cuts proposed by the Governor in his FY20 budget, if adopted, could push the university system into a self-perpetuating downward spiral of more layoffs, tuition hikes, and cutbacks in classes and programs; and

WHEREAS, it is unclear how these cuts will be allocated throughout the university system, but there is an overwhelming fear that rural campuses may be eliminated or severely restructured; and

WHEREAS, the Borough would like the State to fully support the University of Alaska and for the University to maintain the level of academic programming and research in which it is

presently engaged and provided additional time to seek other revenue sources and cost containment measures that do not impact the quantity and quality of service it delivers.

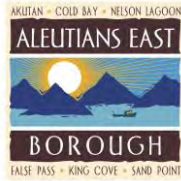
NOW THEREFORE, BE IT RESOLVED, that the Aleutians East Borough opposes the proposed FY20 State subsidy reduction for the University of Alaska.

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

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk



Agenda Statement

Date: March 5th, 2019
To: Mayor Osterback and Assembly
From: Mary Tesche, Assistant Administrator

Re: Resolution 19-50 supporting the funding of the Alaska Marine Highway System operating budget at sustainable levels until reform recommendations are enacted and maintaining funding for replacement of the M/V Tustumena

The Alaska Marine Highway System (AMHS) has been providing essential transportation to Alaska's coastal communities since 1963. The AMHS has 11 vessels that serve 33 Alaskan Communities, including the Aleutians East Borough communities of Akutan, Cold Bay, False Pass, King Cove, and Sand Point.

The AMHS is vital for coastal Alaskan communities, particularly those that are not located on the State's road systems. The AMHS has already sustained significant funding reductions that have reduced services throughout the system. Further reductions in the AMHS will harm tourism, commerce, economic development, and quality of life for nearly 100,000 Alaskans.

The Governor's FY20 budget proposes a 68% cut in the AMHS budget and a likely discontinuation of service on October 1st, 2019. The budget proposal suggests hiring a "qualified marine consultant" to recommend cuts to the ferry system, and a reallocation of about \$25 million in state match to leverage federal funds to build a badly needed replacement for the M/V Tustumena.

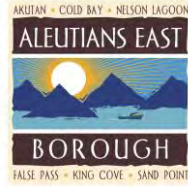
The Southeast Conference, an economic development organization for Southeast Alaska, is completing an AMHS Reform Plan to recommend changes in the way the AMHS is structured and managed to provide system services without increasing State contributions. The goal of the Reform Plan is to pursue legislation to transition the ferry system to a Public Corporation, creating a more sustainable organization. More information on the Reform Plan is attached to this memo.

Resolution 19-50 recognizes that cuts that lead to a discontinuation of AMHS services prior to completion of the Southeast Conference's AMHS Reform Plan and recommendations from a

“qualified marine consultant” are premature and will do damage to rural communities, governments, schools, and business that have few transportation alternatives. This resolution also requests that the State keep funding for replacement of the M/V Tustumena in place.

RECOMMENDATION

Administration recommends approval of Resolution 19-50 supporting the funding of the Alaska Marine Highway System operating budget at sustainable levels until reform recommendations are enacted and maintaining funding for replacement of the M/V Tustumena.



RESOLUTION 19-50

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY SUPPORTING THE FUNDING OF THE ALASKA MARINE HIGHWAY SYSTEM OPERATING BUDGET AT SUSTAINABLE LEVELS UNTIL REFORM RECOMMENDATIONS ARE ENACTED AND MAINTAINING FUNDING FOR REPLACEMENT OF THE M/V TUSTUMENA

WHEREAS, the Alaska Marine Highway System (AMHS) has been providing essential transportation to Alaska's coastal communities since 1963; and

WHEREAS, the AMHS has 11 vessels that serve 33 Alaskan communities stretching from Metlakatla to Unalaska, including five Aleutians East Borough communities; and

WHEREAS, the AMHS is vital for coastal Alaskan communities, particularly those that are not located on the State's road system; and

WHEREAS, the AMHS has already sustained significant funding reductions that have reduced services throughout the system; and

WHEREAS, further reductions in the AMHS will harm tourism, commerce, economic development, and quality of life for nearly 100,000 Alaskans; and

WHEREAS, the Southeast Conference is completing an AMHS Reform Plan to recommend changes in the way the AMHS is structured and managed to provide system services without increasing State contributions; and

WHEREAS, the Governor's proposed FY20 budget proposed a 68.4% cut in the AMHS budget and a likely discontinuation of service on October 1, 2019; and

WHEREAS, the Governor's budget further proposes the hiring of a "qualified marine consultant" to recommend cuts to the ferry system, and a reallocation of about \$25 million in state match to leverage federal funds to build a badly needed replacement for the M/V Tustumena; and

WHEREAS, cuts that lead to discontinuation of AMHS service prior to completion of the AMHS Reform Plan and recommendations from a "qualified marine consultant" are premature and will do damage to rural communities, governments, schools, and businesses that have few transportation alternatives.

NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly supports sustainable funding for the AMHS for FY20 pending completion and implementation of the AMHS Reform Plan.

BE IT FURTHER RESOLVED that any newly formed governing board for the AMHS include at least one representative from the Southwest Alaska region.

BE IT FURTHER RESOLVED that the State keep funding for replacement of the M/V Tustumena in place to replace a vessel that is operating beyond its intended life and has a recent history of extensive repairs that has kept the vessel out of service for extended periods of time.

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

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk

Alaska Marine Highway System Reform Initiative

An Urgent Need for AMHS Sustainability



The Alaska Marine Highway System (AMHS) Reform Steering Committee is pursuing legislation to transition the ferry system to a Public Corporation, creating a more sustainable organization.

Ferry service has declined in recent years due to budget reductions, an aging fleet, and an outdated approach to labor and management relations. Without significant change soon, the system is at risk of failure. Many coastal communities will be left without economic opportunities and critical linkages to Alaska's service and supply centers.



The new state-owned Public Corporation would:

- ◆ Manage the Alaska Marine Highway and its assets in a safe and efficient manner.
- ◆ Provide essential marine transportation services, connecting coastal communities with economic and service hubs and supporting the overall transportation needs of the state.
- ◆ Provide for continuity of operations and public accountability.

Benefits from the Public Corporation include infusion of private sector expertise through the Board of Directors, consistent leadership, greater alignment between management and labor, and less exposure to political influence.

Alaska's small population and long travel distances necessitate continued public funding.

Operating as a Public Corporation preserves access to federal capital funds and other financial advantages of government ownership and operation.

Changes Address Current Limitations



The most significant benefit of transitioning to a Public Corporation is aligning labor and management interests and strategically reducing operating costs.

As a line agency, AMHS currently experiences funding and schedule uncertainty, frequent turnover in politically appointed positions, indirect labor negotiations, short-term planning horizon, cumbersome procurement processes, and political influence over operational decisions.

The Executive Director will manage operations. Governor-appointed board members will ensure responsible use of resources and contribute experience in business, transportation, finance, and labor relations.

Stabilize State Funding and Grow Revenues

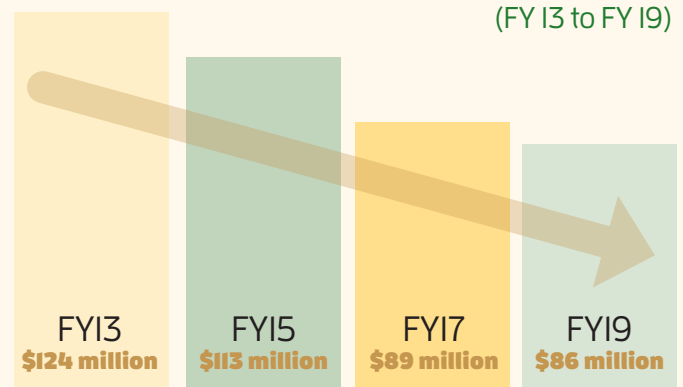
The Corporation will be better poised to capture opportunities resulting from public-private partnerships onboard and in the terminals.

The Public Corporation will be better positioned to structure service levels and rates to reflect Alaska's transportation needs.

Stable, predictable funding is critical as the state funding has a direct impact on service levels, revenue generation potential, and employee retention. The FY19 general fund amount for AMHS totaled \$86 million – a decrease of \$38 million in state general funds in the operating budget from FY13 to FY19.

Stable funding is also required to take full advantage of revenue opportunities. Scheduling uncertainty results in millions of dollars of operating revenue left untapped each year.

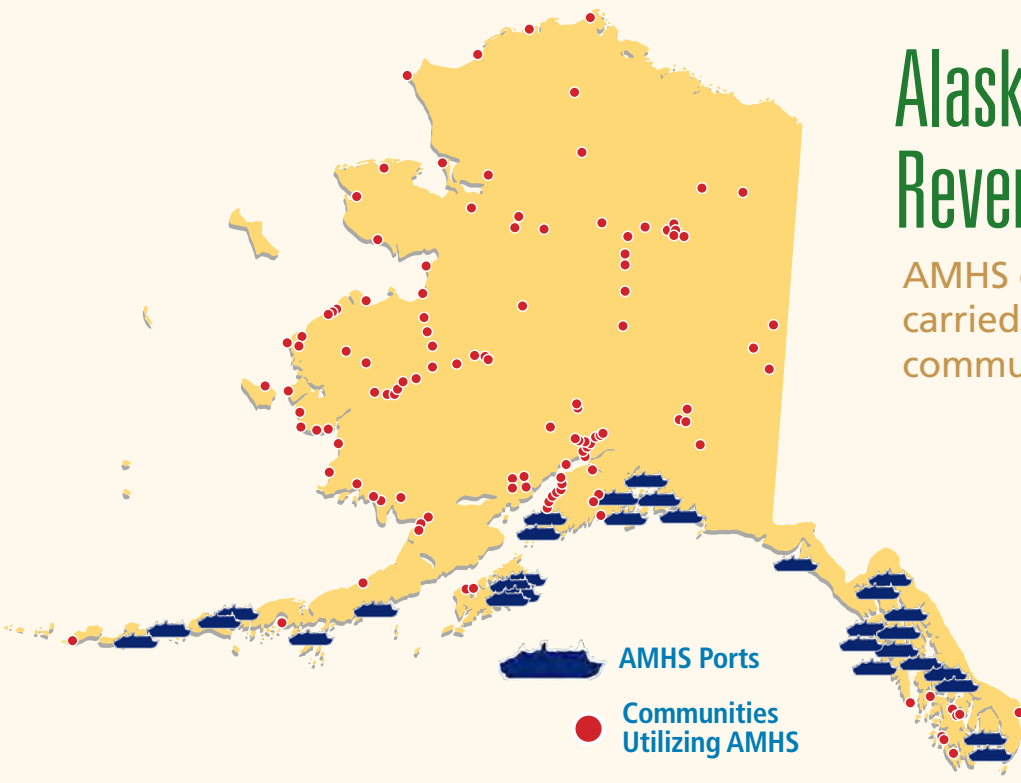
State General Fund Support for AMHS (FY 13 to FY 19)



Publishing schedules a year or more in advance allows residents and visitors alike to travel more frequently and generate much needed ferry revenue and economic activity throughout Alaska.

Alaskan Ridership and Revenue Significant

AMHS directly served 33 ports and carried residents from 175 Alaska communities in 2015.



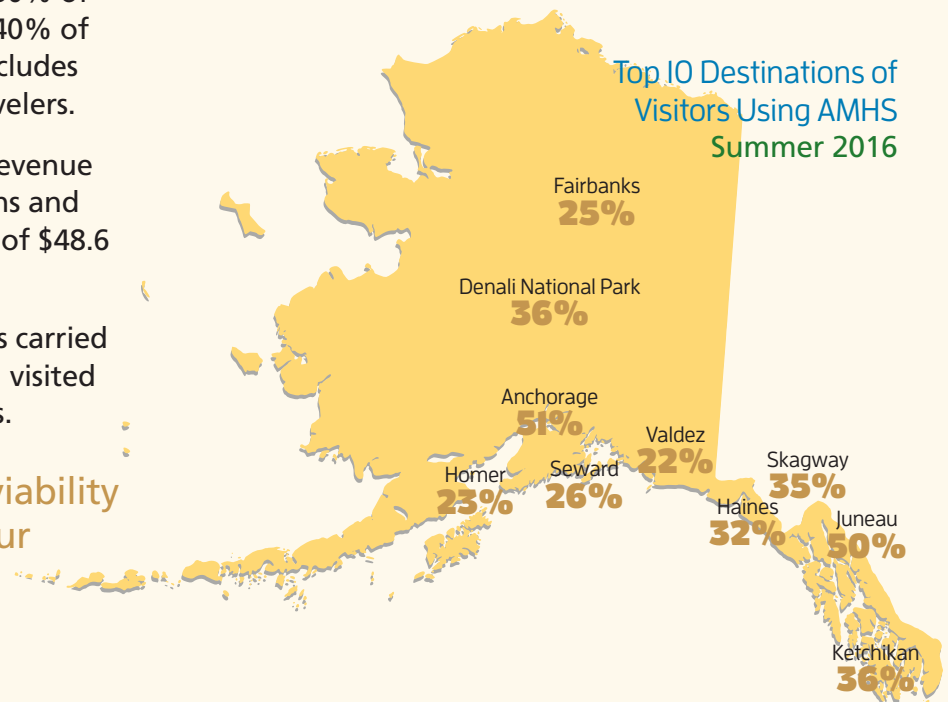
- ◆ Anchorage and Mat-Su residents accounted for 20,000 AMHS passenger bookings in 2015 and 15 percent of all AMHS revenue generated by Alaskans.
- ◆ Kenai and Interior residents (including Fairbanks) accounted for an additional 13,000 bookings and 10 percent of Alaska resident revenues.

Non-Residents Help Fuel the Ferries and the Economy

Travel by non-residents generates revenue and economies of scale in the system. In turn, Alaskans receive much more affordable and more frequent service.

- ◆ Non-resident travel accounts for 30% of passenger traffic and more than 40% of AMHS operating revenue. This includes visitors, military, and business travelers.
- ◆ Almost half of AMHS operating revenue is tied to Bellingham embarkations and disembarkations (\$22 million out of \$48.6 million in 2015).
- ◆ More than half of summer visitors carried by AMHS visited Anchorage, 36% visited Denali, and 25% visited Fairbanks.

Maintaining the long-term viability of the system is critical for our overall economy.



Optimizing the Fleet

Over time, the fleet and shore-side infrastructure will be standardized for further operating efficiencies.

The future system requires a mix of ocean-going vessels capable of serving Southwest Alaska, smaller feeder vessels suitable for serving Southcentral and Southeast Alaska, and mainline ferries that can connect to Bellingham.

We Can't Afford To Wait

Transitioning to a Public Corporation, coupled with forward funding, keeps Alaska's critical transportation and economic driver afloat.

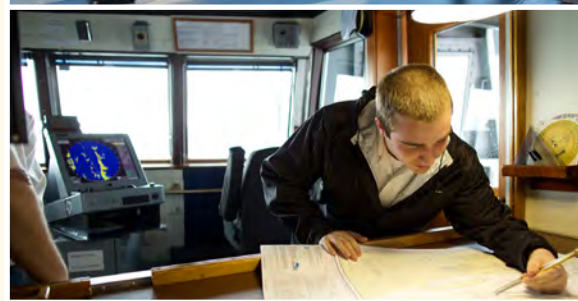
A Public Corporation will:

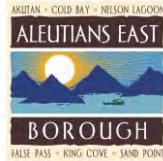
- ◆ Benefit from Board expertise in business and transportation.
- ◆ Provide greater latitude to control costs and enhance revenue.
- ◆ Provide needed management continuity.
- ◆ Build a productive relationship between management and labor.
- ◆ Develop fleet and business operations in a strategic and efficient manner.
- ◆ Serve as a reliable foundation for coastal community sustainability and statewide economic development.

Recommendations are based on the **AMHS Reform Project Strategic Business and Operational Plan**, which included an examination of AMHS operations and other ferry systems around the world, examples of Public Corporations in Alaska including the Alaska Railroad Corporation, and considerable input from Alaska residents.

Reports and project information are available at www.amhsreform.com.

Sources: *AMHS Reform Strategic Business and Operational Plan* (Elliott Bay Design Group and McDowell Group, 2017), *Alaska Visitor Statistics Program* (McDowell Group, 2017), *The Economic Impacts of the Alaska Marine Highway System* (McDowell Group, 2016).





RESOLUTION 19-51

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY TO PRESERVE THE POWER OF COST EQUALIZATION ENDOWMENT FUND FOR ITS INTENDED PURPOSE OF ASSISTING ALASKANS AND ALASKAN COMMUNITIES WITH THE HIGH COST OF ELECTRICITY

WHEREAS, the Power Cost Equalization (PCE) Program was established in 1985 as part of a Statewide Energy Plan to provide for a long-term stable funding source for provision of affordable levels of electric utility costs in high-cost service areas of the State; and

WHEREAS, the PCE program was established to assist rural residents at the same time state funds were used to construct major energy projects like the Four Dam Pool projects, Bradley Lake, and Alaska intertie that benefited more urban areas of Alaska; and

WHEREAS, in FY 2001 a PCE Endowment Fund was created and capitalized from the Constitutional Budget Reserve and Four Dam Pool proceeds and further capitalized in FY 2007 with General Funds; and

WHEREAS, the PCE Endowment Fund is invested and managed by the Alaska Department of Revenue on behalf of the Alaska Energy Authority with a goal of earning sufficient income to fund PCE payments to rural communities and resident that pay three to five times or more the amount for electricity that urban residents pay; and

WHEREAS, the PCE program serves 91 utilities, 194 communities, including the Aleutians East Borough communities of Akutan, Cold Bay, False Pass, Nelson Lagoon and Sand Point, and 83,510 customers; and

WHEREAS, the PCE Endowment has been very successful in growing to a level of a perpetual fund with a balance of \$1.01 billion as of November 2018; and

WHEREAS, the PCE Fund is the source of funding for the Community Assistance Program that provides funding to municipalities, reserves, and communities; and

WHEREAS, the Governor is proposing to dismantle the PCE Endowment Fund to help fill the State's budget gap and replace the endowment funding stream with annual appropriations from the general fund; and

WHEREAS, the proposal by the Governor is contrary to the original intent of the PCE program to remove uncertainty and competition with other State needs and goes against the promise to rural residents to have a sustainable program for energy assistance in lieu of the benefits of expensive hydroelectric projects and interties.

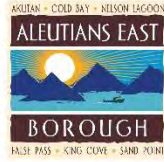
NOW THEREFORE, BE IT RESOLVED, that the Aleutians East Borough fully supports continuation of the Power Cost Equalization (PCE) Program with the PCE Endowment Fund kept intact to fulfill the historical intended purpose of the program and the promise made to rural Alaskans of assisting rural residents and communities in offsetting high electricity costs.

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

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk



RESOLUTION 19-52

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY SUPPORTING CONTINUED SUSTAINABLE FUNDING FOR THE ALASKA PUBLIC BROADCASTING COMMISSION AND PUBLIC BROADCASTING IN ALASKA

WHEREAS, public broadcasting plays a vital role in Alaska, particularly in rural parts of the State that often have no other sources of information; and

WHEREAS, the State of Alaska support provided through the Alaska Public Broadcasting Commission (APBC) is vital for rural radio stations, such as KSDP located in Sand Point, Alaska, that provide life-saving weather forecasting and warnings for mariners and fishermen, support and information for search and rescue efforts, public safety notifications, community announcements, state and national news, and local programming that fosters a sense of community in isolated cities and villages in Alaska; and

WHEREAS, many rural communities served by public broadcast do not have private radio stations or other sources of news, weather, sports, and entertainment; and

WHEREAS, the Governor is proposing in his FY20 budget funding cuts of about \$3.6 million totally eliminating the APBC and all State support for public broadcasting in Alaska; and

WHEREAS, the loss of this valuable asset of local and regional public broadcasting will probably close down rural stations that provide information to improve the safety, health, and well-being of rural Alaskans.

NOW THEREFORE, BE IT RESOLVED, that the Aleutians East Borough opposes elimination of State support for the Alaska Public Broadcasting Commission and funding to support public broadcasting in Alaska that provides timely, life-saving information, news, and entertainment to the residents of Alaska.

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

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk

Ordinances



Agenda Statement

Meeting Date: March 4th, 2019

To: Mayor Alvin D. Osterback and Borough Assembly

From: Anne Bailey, Administrator

Re: **Ordinance 19-07 Amending AEB Code Section 6.04.041, Subsection (E)(2) - Investments**

On February 14th, 2019, the Aleutians East Borough Assembly passed Ordinance 19-06 amending AEB Code Section 6.04.041, Subsection (E)(2) to amend the Borough's asset classes. Following the passage of Ordinance 19-06, Borough Administration was notified of a calculation error for an amended asset class. This resulting error is deemed to be substantive requiring the Assembly to reintroduce and pass this Ordinance approving the correction.

APCM recommends amending Title 6, Chapter 6.04, Section 6.04.041, Subsection (E)(2) of the Borough Code of Ordinances to correct the Borough's Target Percent Weight and Range Percent for its International Equity asset class. This amendment will allow APCM to incrementally reduce risk without materially changing the return expectations of the International Equity asset class. This amendment will help maintain prudent investment limitations.

The proposed changes are attached.

Recommendation

The administration recommends that the Assembly introduce and approve Ordinance 19-07 amending the AEB Code Section 6.04.041, Subsection (E)(2). The amendment has been recommended by APCM.

6.04.041 Permanent Fund Account.

- A. **Assembly Authority.** Unless the Assembly provides otherwise in its approved budget or an appropriation ordinance, the provisions of this section shall govern the deposit and crediting of funds to the Permanent Fund Account established under section 6.04.040 1(B).
- B. **Purpose.** It is the goal of the Assembly that the Permanent Fund Account grow in perpetuity and provide a permanent, potential source of fiscal support to further the Aleutians East Borough's goals and needs. It also seeks to preserve the purchasing power over time. At any time, the mayor may propose and the Assembly may, on its own initiative or upon the recommendation of the mayor, deposit in the Permanent Fund Account amounts from any lawfully available source.
- C. **Bond Covenant Considerations** Upon approval of the Assembly by resolution or ordinance, and subject to prior covenants made pursuant to authority granted under this section, the Borough may enter into a bond covenant requiring that prior to any deposit or transfer to the Permanent Fund Account, the current fiscal year debt service on the bonds shall be paid, or that one or more deposits shall be made to the debt service fund of the bonds until the balance of the debt service fund equals an amount not exceeding debt service payments on the bonds remaining due during the current fiscal year. Funds of appropriations subject to a pledge under this subsection shall be deposited in accordance with such pledge. When the pledge has been fulfilled, funds that subsequently become available that are appropriated for the debt service on the bonds shall be deposited to the Permanent Fund Account to the extent the appropriation to the Permanent Fund Account is unfunded. Debt service payments include payments of principal and interest on bonds for which a pledge pursuant to this section 6.04.041 has been made.
- D. **Spending Policy.** The Borough Assembly may only appropriate from the Permanent Fund Account to the General Fund as follows: In its discretion and consistent with this Chapter, the Borough Assembly 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 spending policy attempts to smooth the effects of market volatility and preserve the power of the fund.

If funds are appropriated from the Permanent Fund to the General Fund, the funds must be allocated to specific municipal functions.

(Ord. 12-01 (amended 01-08) Sec. 6.04.041(D))

- E. **Investments – Purpose and Limitations.** A purpose of the permanent fund is growth through prudent investment of fund assets. Notwithstanding the objectives of the Borough policy for the investment of its operating and other funds set out in Code Section 6.08.010(C), the investment of permanent fund assets shall be made to maintain safety of principal while maximizing total return. Investments shall be diversified to minimize the risk of loss resulting from a concentration of investments in a specific maturity, issuer, class of security, financial institution or, with respect to equity investments, in a specific company, industry or investment sector. Fund assets may be

invested in the instruments and securities set out in Code Section 6.08.030 and in the following securities:

- (1)
 - (a) Domestic Equities, which taken as a whole, attempt to replicate the Standard & Poor's 500 Index, including both mutual funds and exchange traded funds (ETF's).
 - (b) International Equities, which taken as a whole, attempt to replicate the Morgan Stanley Capital International Europe Australasia and Far East (MSCI EAFE) or a substantial similar Index, including both mutual fund and exchange traded funds (ETF's).
 - (c) Equities, which taken as a whole, attempt to replicate the universe of domestic real estate investment trusts as represented by the S&P REIT Index or the Cohen & Steers Realty Majors Portfolio Index, including both mutual funds and exchange traded funds (ETF's).
 - (d) Domestic Equities, which taken as a whole, attempt to replicate the Standard & Poor's 400 Mid Cap Index, including both mutual funds and exchange traded funds (ETF's).
 - (e) Emerging markets equity index funds, which taken as a whole, attempt to replicate the Morgan Stanley Capital International Emerging Markets or a substantially similar Index, including both mutual funds and exchange traded funds (ETF's).
 - (f) Global infrastructure equities, which taken as a whole, attempt to replicate the STOXX Global Broad Infrastructure Index, or a substantially similar index, including both mutual funds and exchange traded funds (ETFs).
 - (g) U.S. Treasury Inflation Protected Securities (TIPS), and/or mutual funds or ETFs which attempt to replicate the Bloomberg Barclays Capital U.S. Treasury Inflation Protected Securities Index, or a substantially similar index.
 - (h) Domestic equities, which taken as a whole, attempt to replicate the Standard & Poor's SmallCap 600 Index, or a substantially similar index, including both mutual funds and exchange traded funds (ETFs).
 - (i) Commodities, which taken as a whole, attempt to replicate a broad based commodity index, such as the Bloomberg Commodity Index or a substantially similar index, including mutual funds, exchange traded funds (ETFs) and exchange traded notes (ETNs);
- (2) Permanent Fund asset allocation plan and performance measurement targets.

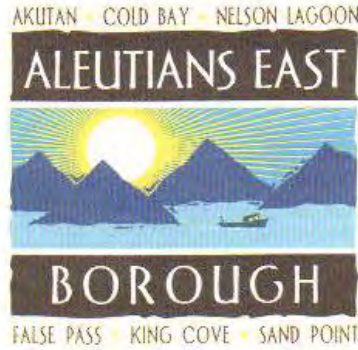
The asset allocation targets and ranges are as follows:

Asset Class	Target %	Range %
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	Weighting	
Domestic Equity	24	18-30
Mid Cap. Equity	7	2-12
Small Cap Equity	3	0-6
International Equity	12 10	6-18 5-15
Emerging Markets	5	0-10
Real Estate Equity	5	0-10
Infrastructure	5	0-10
Commodities	5	0-10
US Fixed Income	19	10-30
TIPS	10	0-15
Cash	5	0-10

- (3) The Performance of the investment advisors will be measured as follows:
- (a) Performance measurement for the Domestic Equity Allocation will be measured against the Target Weighting, using the Standard & Poor's 500 as the Benchmark.
 - (b) Performance measurement for the Mid/Small Cap Equity Allocation will be measured against the Target Weighting, using the Standard & Poor's 400 Mid Cap Index as the Benchmark.
 - (c) Performance measurement for the International Equity Allocation will be measured against the Target weighting using the Morgan Stanley Capital International Europe Australasia and Far East (MSCI EAFE) or a substantially similar Index for the Benchmark.
 - (d) Performance measurement for the Real Estate Allocation will be measured against the Target weighting using the Standard & Poor's REIT Index for the Benchmark.
 - (e) Performance measurement for the Fixed Income Allocation will be measured against the Target weighing using the Bloomberg Barclays ~~Lehman~~ Intermediate Gov/Credit Index for the Benchmark. The duration of the Fixed Income Allocation should be maintained between 80% and 120% of the duration of the Benchmark.
 - (f) Performance measurement for the Emerging Market Allocation will be measured against the Target weighting using the Morgan Stanley Capital International Emerging Market (MSCI Emerging) or a substantially similar Index for the Benchmark.
 - (h) Performance measurement for the infrastructure allocation will be measured against the target weighting, using the STOXX Global Broad Infrastructure Index or a substantially similar index as the benchmark.

- (i) Performance measurement for the U.S. Treasury Inflation Protected Securities (TIPS) allocation will be measured against the target weighting using the Bloomberg Barclays Capital U.S. Treasury Inflation Protected Securities 0-5 Index or a substantially similar index.
- (j) Performance measurement for the small cap equity allocation will be measured against the target weighting, using the Standard & Poor's SmallCap 600 Index or a substantially similar index as the benchmark.
- (k) Performance measurement for the cash/1—3 month treasuries will be measured against the target weighting, using the Citigroup 3-Month Treasury Bill Index or a substantially similar index as the benchmark.
- (l) Performance measurement of the commodity allocation will be measured against the target weighting, using a broad based index such as the Bloomberg Commodity Index or a substantially similar index.



ORDINANCE SERIAL NO. 19-07

AN ORDINANCE OF THE ALEUTIANS EAST BOROUGH AMENDING TITLE 6, CHAPTER 6.04, SECTION 6.04.041, SUBSECTION (E)(2) OF THE ALEUTIANS EAST BOROUGH CODE OF ORDINANCES

WHEREAS, the legislative power of the Aleutians East Borough (“Borough”) is vested in its Borough Assembly under Alaska State Statute Sec. 29.20.050; and

WHEREAS, the Borough’s Permanent Fund was created by the Borough Assembly in 1990; and

WHEREAS, Sec. 6.08.010 of the Code of the Aleutians East Borough of Alaska sets forth the investment policy and objectives for Borough monies; and

WHEREAS, under Sec. 6.08.010(C) of the Code, all Borough “investments shall be diversified to minimize the risk of loss”; and

WHEREAS, Sec. 6.04.041(E)(2) currently says the asset allocation targets and ranges are as follows:

Asset Class	Target % Weighting	Range %
Domestic Equity	24	18-30
Mid Cap. Equity	7	2-12
Small Cap Equity	3	0-6
International Equity	10	5-15
Emerging Markets	5	0-10
Real Estate Equity	5	0-10
Infrastructure	5	0-10
Commodities	5	0-10

US Fixed Income	19	10-30
TIPS	10	0-15
Cash	5	0-10

WHEREAS, pursuant to Sec. 6.04.041(E) “[n]otwithstanding the objectives of the Borough policy for the investment of its operating and other funds set out in Code Section 6.08.010(C), the investment of permanent fund assets shall be made to maintain safety of principle while maximizing total return”; and

WHEREAS, this amendment to Sec. 6.04.041(E) is consistent with Sec. 6.08.010(C) and Sec. 06.04.041(E) and is intended to ensure Borough permanent fund account investments be made to maintain safety of principle while maximizing total return.

NOW THEREFORE, BE IT ENACTED AS FOLLOWS:

Section 1. That Section 6.04.041 (E)(2) of the Borough Municipal Code is hereby amended to read as follows:

- (2) Permanent Fund asset allocation plan and performance measurement targets.

The asset allocation targets and ranges are as follows:

Asset Class	Target % Weighting	Range %
Domestic Equity	24	18-30
Mid Cap. Equity	7	2-12
Small Cap Equity	3	0-6
International Equity	12	6-18
Emerging Markets	5	0-10
Real Estate Equity	5	0-10
Infrastructure	5	0-10
Commodities	5	0-10
US Fixed Income	19	10-30
TIPS	10	0-15
Cash	5	0-10

Section 2. **Classification.** This ordinance is of a general and permanent nature and shall become part of the Borough Code.

Section 3. **Severability.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 4. **Effectiveness.** This ordinance shall become effective upon adoption.

Section 5. **Adoption of Sections.** Code Section 6.04.041(E)(2) is hereby repealed and Code Section 6.04.041(E)(2) as annexed hereto as part of this ordinance is hereby adopted as Code Section 6.04.041(E)(2) of the Code of Ordinances of the Aleutians East Borough

INTRODUCED: _____

ADOPTED: _____

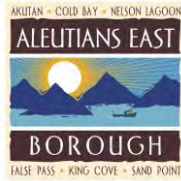
Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Borough Clerk

(SEAL)

Resolutions



Agenda Statement

Date: March 8, 2019
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Resolution 19-53, supporting a progressive graduated statewide income tax as part of a sustainable budget for the State of Alaska

The Aleutians East Borough recognizes that the State of Alaska may consider raising revenues as part of a comprehensive plan to address the State's budgetary shortfall. Broad-base taxes have previously been identified as part of potential revenue package to close the State's fiscal gap and construct a sustainable budget. Two options for a broad-based tax include a graduated income tax and a State sales tax.

A State sales tax is a regressive tax that would disproportionately burden low income Alaskans, especially Alaskans with large families. According to the IRS, "a regressive tax takes a larger percentage of income from low-income taxpayers than from high-income taxpayers." The amount of the State sales tax paid would increase with the price of the goods being purchased and would penalize rural residents of Alaska already facing higher prices for goods and services. A State sales tax would raise the already high cost of living for rural Alaskans, would potentially impact those Borough communities that already have a local sales tax and further jeopardize the viability of rural cities and villages. Sales taxes have historically been levied by municipal governments to pay for vital public services such as public safety, transportation, infrastructure maintenance, and education. Currently, the cities of False Pass, King Cove and Sand Point collect a sales tax that directly benefits the communities. Revenue collected from a State sales tax is not guaranteed to stay in communities from which it is collected.

A progressive graduated income tax would tax Alaskans based on income and ability to pay. Therefore, taxpayers with higher incomes are taxed at higher rates than those with lower incomes, making it based on the taxpayer's ability to pay. According to Investopedia¹, "the rationale is that people with a lower income will usually spend a greater percentage of their income to maintain their standard of living. Those who are richer can typically afford the basic

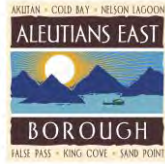
¹ <https://www.investopedia.com/terms/p/progressivetax.asp>

necessities in life (and then some).” A progressive graduated tax would tax all income earned in Alaska allowing the State to collect from out-of-state seasonal and year-round income earners that now benefit from government services without contributing toward the service support.

SWAMC recently passed a similar resolution at their February 28, 2019 Membership meeting in support of a progressive income tax. The resolution is attached.

RECOMMENDATION

Administration recommends approval of Resolution 19-53, supporting a progressive graduated statewide income tax as part of a sustainable budget for the State of Alaska.



RESOLUTION 19-53

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY SUPPORTING A PROGRESSIVE GRADUATED STATEWIDE INCOME TAX AS PART OF A SUSTAINABLE BUDGET FOR THE STATE OF ALASKA

WHEREAS, the Aleutians East Borough recognizes that the State of Alaska may consider raising revenues as part of a comprehensive plan to address the State's budgetary shortfall; and

WHEREAS, broad base taxes have previously been identified as part of a potential revenue package to close the State's fiscal gap and construct a sustainable budget; and

WHEREAS, options for a broad-based tax include a graduated income tax and a State sales tax; and

WHEREAS, a sales tax is a regressive tax that would disproportionately burden low income Alaskans, especially Alaskans with large families; and

WHEREAS, the amount of sales tax paid increases with the price of goods being purchased and penalizes rural residents of Alaska already facing higher prices for goods and services; and

WHEREAS, a sales tax uniformly imposed Statewide would require rural residents to shoulder a disproportionate share of any such tax; and

WHEREAS, imposing a sales tax would raise the already high cost of living for rural Alaskans, would potentially impact those communities that already have a local sales tax and further jeopardize the viability of rural cities and villages; and

WHEREAS, sales taxes have historically been levied by municipal governments to pay for vital public services such as public safety, transportation, infrastructure maintenance, and education; and

WHEREAS, a progressive graduated income tax would tax Alaskans based on income and ability to pay; and

WHEREAS, a progressive graduated income tax would tax all income earned in Alaska allowing the State to collect from out-of-state seasonal and year-round income earners that now benefit from government services without contributing toward the service support.

NOW THEREFORE, BE IT RESOLVED, that the Aleutians East Borough supports a progressive graduated income tax rather than a sales tax as part of any comprehensive plan to enact a sustainable State budget.

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

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk



MEMBERSHIP RESOLUTION FY19-05

A RESOLUTION BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE MEMBERSHIP SUPPORTING A PROGRESSIVE GRADUATED STATEWIDE INCOME TAX AS PART OF A SUSTAINABLE BUDGET FOR THE STATE OF ALASKA

WHEREAS, the Southwest Alaska Municipal Conference recognizes that the State of Alaska may consider raising revenues as part of a comprehensive plan to address the State's budgetary shortfall; and

WHEREAS, broad based taxes have previously been identified as part of a potential revenue package to close the State's fiscal gap and construct a sustainable budget; and

WHEREAS, options for a broad-based tax include a graduated income tax and a State sales tax; and

WHEREAS, the amount of sales tax paid increases with the price of goods being purchased and penalizes rural residents of Alaska already facing higher prices for goods and services; and

WHEREAS, a sales tax uniformly imposed Statewide would require rural residents to shoulder a disproportionate share of any such tax; and

WHEREAS, a sales tax is a regressive tax that would disproportionately burden low income Alaskans, especially Alaskans with large families; and

WHEREAS, imposing a sales tax would raise the already high cost of living for rural Alaskans and further jeopardize the viability of rural cities and villages; and

WHEREAS, sales taxes have historically been levied by municipal governments to pay for vital public services such as public safety, transportation, infrastructure maintenance, and education; and

WHEREAS, a progressive graduated income tax would tax Alaskans based on income and ability to pay; and

WHEREAS, a progressive income tax based on a percentage of Federal tax paid would tax all income earned in Alaska allowing the State to collect from out-of-state seasonal and year-round income earners that now benefit from government services without contributing toward this service support.

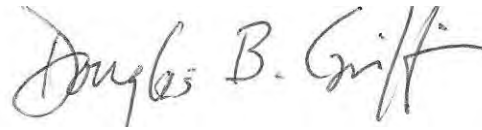
NOW BE IT RESOLVED that the Southwest Alaska Municipal Conference Membership supports a progressive graduated income tax rather than a sales tax as part of any comprehensive plan to enact a sustainable State budget.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Membership this 28th day of February 2019.

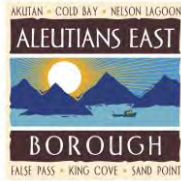
IN WITNESS THERETO:



Mary Swain, SWAMC President



Doug Griffin, SWAMC Executive Director



Agenda Statement

Date: March 6th, 2019
To: Mayor Osterback and Assembly
From: Mary Tesche, Assistant Administrator

Re: Resolution 19-54 approving a grant to the City of Akutan for the Akutan Harbor Utility Project in an amount not to exceed \$81,500

Pursuant to the Akutan Harbor Management Agreement (“Agreement”) executed on December 22, 2016, the City of Akutan (“City”) agreed to manage and operate the breakwater and mooring basin and future docks, floats, approaches, and appurtenant marine facilities located in the Akutan Harbor.

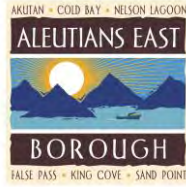
The City is actively pursuing the installation of electrical utilities at the Akutan Harbor, which includes but is not limited to: installing distribution lines connecting generators with step down transformers serving Float A and future Float B, service connections to Float A, and perimeter lighting around the rim road, installing area lighting around the perimeter rim road and Float A, and installing a bulk fuel supply at the head of the bay.

The City is requesting \$81,500 to cover the cost of a 15,000 gallon fuel tank and associated engineering fees required for installation. The additional tank would help reduce required fuel deliveries at the harbor as well as provide extra and accessible bulk fuel to the facility.

The funding would be spent from the Borough’s DCCED designated legislative grant (E-20-426-000-850) which is reserved for development activities related to the Akutan Harbor. The State has approved the funds to be used for this purpose.

RECOMMENDATION

Administration recommends approval of Resolution 19-54 approving a grant to the City of Akutan for the Akutan Harbor Utility Project in an amount not to exceed \$81,500.



RESOLUTION 19-54

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY APPROVING A GRANT TO THE CITY OF AKUTAN FOR THE AKUTAN HARBOR UTILITY PROJECT IN AN AMOUNT NOT TO EXCEED \$81,500

WHEREAS, Akutan, Alaska is a Second Class City located within the boundaries of the Aleutians East Borough (Borough); and

WHEREAS, the City of Akutan (City) operates and maintains a newly constructed harbor and harbor float at the head of Akutan Bay; and

WHEREAS, the City is now pursuing the construction and installation of an electric utility for the harbor and the existing float; and

WHEREAS, the Borough received \$300,000 for activities related to the harbor through an FY15 State of Alaska designated legislative grant; and

WHEREAS, there is still \$150,602 of grant funds remaining; and

WHEREAS, the City is requesting \$81,500 from the Borough to be used toward purchase of a 15,000 gallon fuel tank and associated engineering fees for the harbor utility project; and

WHEREAS, funding would be expended from the Borough's existing State of Alaska grant that is reserved for Akutan harbor construction activities; and

WHEREAS, the State grant funds must be used by June 30, 2020; and

WHEREAS, considering the Borough's significant investment into the success of the Akutan Harbor, the Assembly finds it is in the best interest of the Borough and the community to grant an amount not to exceed \$81,500 to the City of Akutan for the Akutan Harbor Utility Project.

NOW THEREFORE, BE IT RESOLVED, the Assembly approves granting an amount not to exceed \$81,500 to the City of Akutan for the Akutan Harbor Utility Project

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

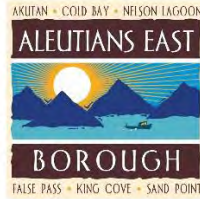
Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk

OLD BUSINESS

New Business



MEMORANDUM

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

Date: March 7, 2019

Re: Quarter 4 – Aleutians East Borough Strategic Plan Update

The Aleutians East Borough (Borough) conducted a Planning Work Session on December 13-15, 2017, to help identify projects and initiatives that would be included on the Borough's Strategic Plan that began March 1, 2018 and ended February 28, 2019.

An overview of the work accomplished can be found below and on the attached Vision Navigation Chart.

A few items to highlight are as follows:

- **Fisheries Advocacy**
 - The Fisheries Advocacy line item has been completed for the March 1, 2018 planning cycle. The Borough defined a Board of Fish Strategy; assessed and allocated funds, as needed; implemented a Board of Fish strategy and is in the process of assessing the Board of Fish strategy for effectiveness, which should be completed by the March 14, 2019 Assembly Meeting.

- **Marine Infrastructure**
 1. Akun Dock & Breakwater:
 - This project is a multi-year project.
 - During the March 1, 2018 planning cycle, the assessment of the current status of the project was completed.

 2. Nelson Lagoon Dock Repair:
 - This project is a multi-year project.
 - During the March 1, 2018 planning cycle, the Dock Harbor Management Agreement was executed, and an Engineer/Project manager was hired.

3. Akutan Harbor:
 - This project is a multi-year project.
 - During the March 1, 2018 planning cycle, the Steller Eider sign was posted, the salinity data report on North Creek was received from the Army Corps of Engineers and the Harbor Development & Operations Plan has been completed. The other items have been started but not completed at this time.

4. False Pass Harbor House Design
 - This project is a multi-year project.
 - During the March 1, 2018, the site location & ownership has been determined.

5. Cold Bay Dock Repairs:
 - This is a multi-year project; however, all the initiatives determined for the March 1, 2018 planning cycle were completed. Funds were appropriated for the feasibility study; the current state status with DOT&PF were determined; funding option and project partners were identified and the responsible party for completing the feasibility study on the dock was determined.
 - New initiatives have been determined for the March 1, 2019 to February 29, 2020 plan.

- **Transportation – King Cove & Cold Bay Road Airport Access**
 - This tract was completed in its entirety. Funding was appropriated for project activities.

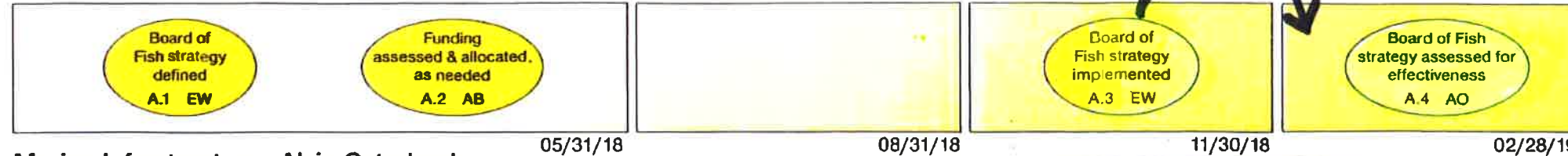
- **Government & Policy Advocacy**
 - This tract was completed in its entirety for the March 1, 2018 planning cycle. The lobbying strategy for helicopter operations (EAS) was defined; the existing EAS and mail contracts were determined; the lobbying strategy was initiated for the helicopter operations (EAS); the Akutan airlines service monitoring system was put into effect; the legislative agenda at the state and federal level were defined and the helicopter operation was transferred outside of the borough.
 - New initiatives have been determined for the March 1, 2019 to February 29, 2020 plan.

- **Social Infrastructure & Community Well-Being**
 1. Nelson Lagoon School Renovations
 - This tract was completed in its entirety.
 - The property transfer plan for the Nelson Lagoon School was completed; the Nelson Lagoon Tribal Council adopted a resolution; DOWL was hired for the assessment; the deed was transferred by the State; the assessment of the school was completed; the assessment results were delivered to the Nelson Lagoon Tribal Council and the borough involvement in the project was completed.

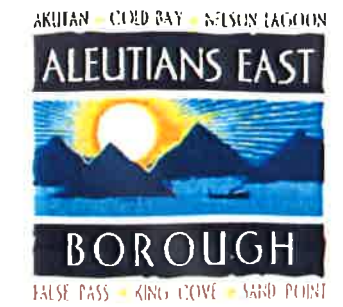
2. Cold Bay Clinic
 - This tract was almost completed, and new initiatives were added to the March 1, 2019 plan.
 - To dated, the assessment of current project status was completed; the responsible partner for purchasing equipment was identified; potential funding sources were identified, and funding options were researched and initiated.
 3. Cold Bay School
 - This tract was completed in its entirety for the March 1, 2018 planning cycle. The school building/property transfer plan was in place and the school building/property transfer plan was revised.
 - New initiatives have been determined for the March 1, 2019 to February 29, 2020 plan.
 - **Borough Property Survey**
 - This tract was almost completed and has continued to the March 1, 2019 plan.
 - To date, the code ordinance and plat for Port Moller was approved; all Municipal Entitlement Act properties were identified; survey instructions for Sandy River were received; the property survey plan for 2019 was designed; the survey company for Sandy River was hired; the Sand Point Airport property ownership item was determined and the property survey plan for 2019 was initiated.
 - **Borough Property Management**
 - This tract was not completed, and items have moved to the March 1, 2019 plan.
 - To date, the building punch-list items were identified; the lease subject matter expert/writer has been contracted and the building punch-list items were initiated.
 - **Communications**
 - This tract was completed in its entirety.
 - The capabilities of current communication infrastructure in each community was assessed; available providers and partners were identified; information on communications was distributed to the communities' a satisfaction survey was completed and the role of the borough in improving communication infrastructure was defined.
 - **Youth Advisory on AEB Assembly**
 - This tract was completed in its entirety.
 - The AEB code for youth involvement was researched; the Assembly was prepared; the program selection process was defined for youth participation; the training plan for youth representatives was defined' and the youth representative was assigned and the training plan for the youth representatives was completed.
 - **Internal Improvement**
 1. Office Technology & Connectivity
-

- This tract was completed in its entirety.
 - The general communication and technology assessment was completed; improvement opportunities were identified; the technology services RFP was written; the technology services RFP was issued, the technology services provider was contracted, the communications and technology plan has been designed, funded and completed.
2. Retention Schedule
- This tract was not completed, and items have moved to the March 1, 2019 plan.
 - The retention schedule has been approved by the Assembly and the retention schedule compliance needs were assessed.
3. HR Tools (Employee Handbook)
- This tract was not completed, and items have moved to the March 1, 2019 plan.
 - During the March 1, 2018 planning cycle, the current employee handbook was assessed, and the employee handbook update and execution plan was designed.
4. Budget Request Process
- This tract was completed in its entirety. The draft budget request process was outlined; Assembly and community feedback was received; the budget request process was approved, and the budget request process was implemented.
- **Borough Asset Management**
 - This tract was completed in its entirety. The database design was initiated; the database design was completed; the borough assess inventory was completed; the Borough asset history was documented, and the Borough asset database was updated.

Fisheries Advocacy - Ernie Weiss



Strategic Initiative A: Fisheries Advocacy
3-Year Goal:
 • Protect & strengthen our existing fisheries
1-Year Target:
 • Ensure expertise is ready & prepared for the next round of Board of Fisheries meetings



Vision Navigation® Chart #1
 03/01/18 - 02/28/19

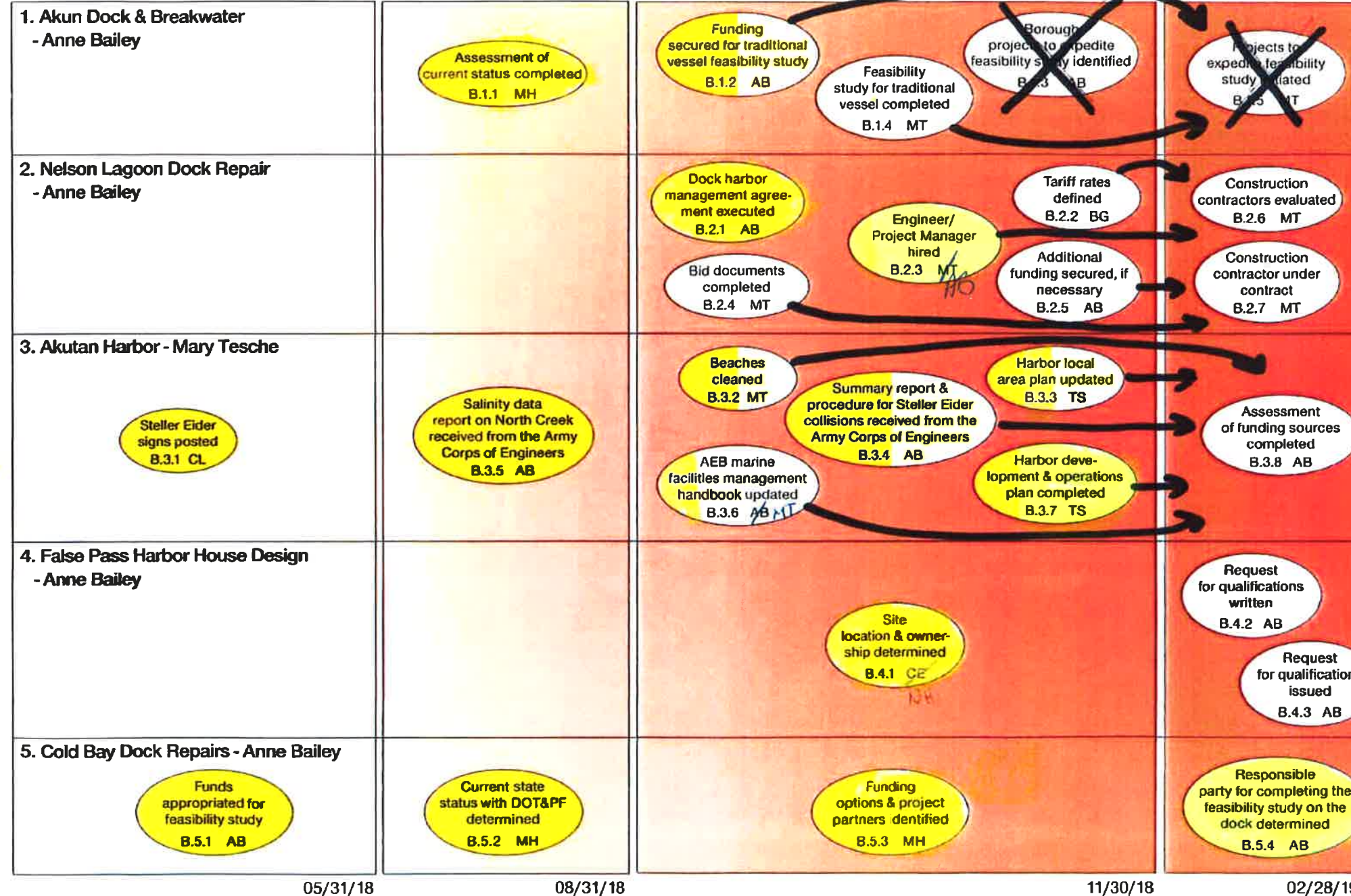
Purpose:
 To ensure the standard of living, well-being & future of our communities

Our Vision:
 Healthy People, Healthy Schools, Healthy Communities

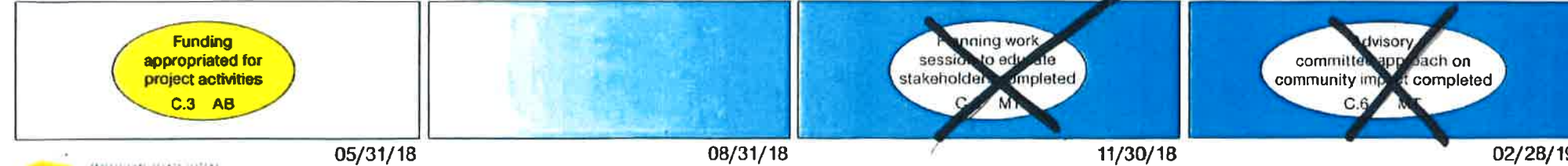
- Diversification of industry including our natural resources & community flexibility for borough stability (7) (22)
- Healthy people with a strong cultural identity (7) (16)
- Our schools & community are providing quality education including secondary education & vocational skills within the communities (4) (13)
- Planned infrastructure projects completed (8)
- Availability, utilization & development of connectivity (physical & electronic) (4)

- TA Tina Anderson
- AB Anne Bailey
- CE Chris Emrich
- BRG Brad Gilman
- BG Butch Gundersen
- JG Justine Gundersen
- GH Gary Hennigh
- MH Mark Hickey
- CL Charlotte Levy
- EM Emil Mobeck
- AO Alvin Osterback
- TS Tuna Scanlan
- AS Angela Simpson
- LT Laura Tanis
- MT Mary Tesche
- EW Ernie Weiss

Marine Infrastructure - Alvin Osterback

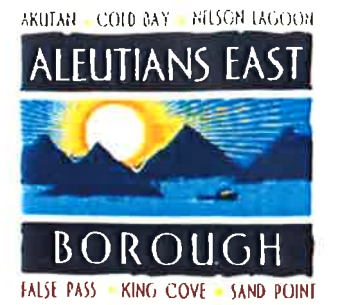
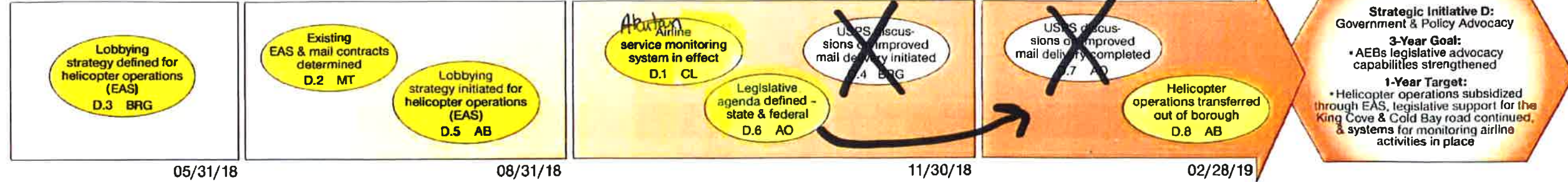


Transportation - King Cove & Cold Bay Road Airport Access - Anne Bailey

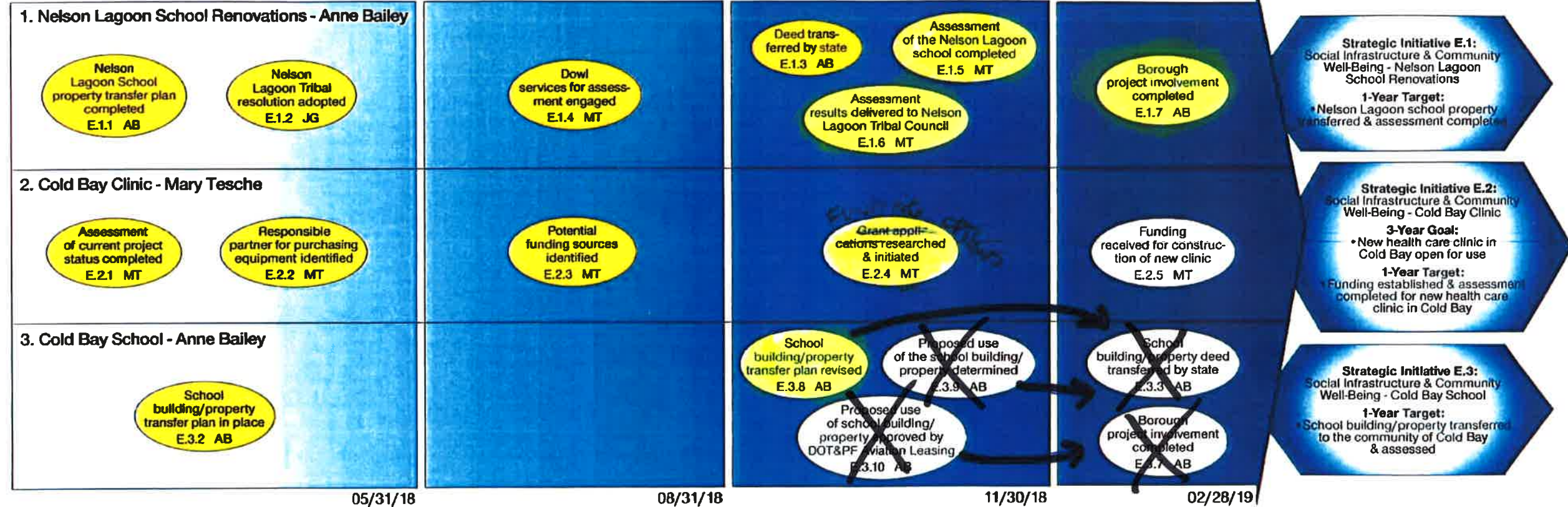


Strategic Initiative C: Transportation - King Cove & Cold Bay Road Airport Access
3-Year Goal:
 • Road between King Cove & Cold Bay opened for use
1-Year Target:
 • Community engagement & construction preparation initiated

Government & Policy Advocacy - Alvin Osterback



Social Infrastructure & Community Well-Being - Alvin Osterback



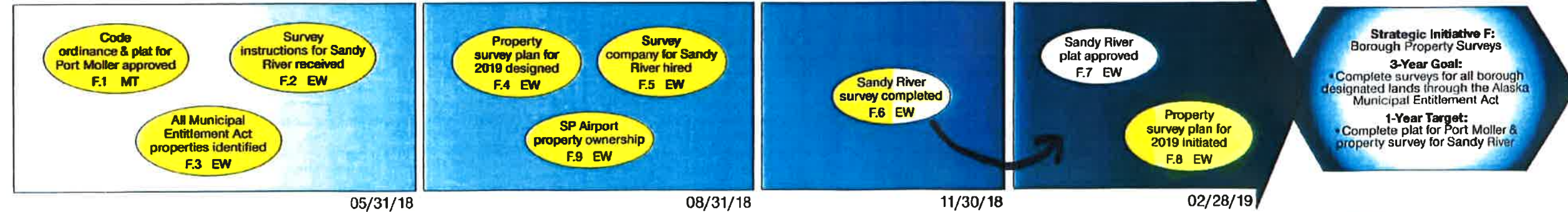
Vision Navigation® Chart #2
03/01/18 - 02/28/19

Purpose:
To ensure the standard of living, well-being & future of our communities

Our Vision:
Healthy People, Healthy Schools, Healthy Communities

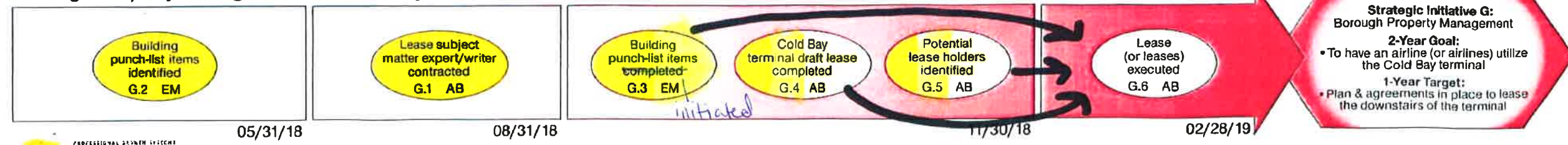
- ✳ Diversification of industry including our natural resources & community flexibility for borough stability (7) (22)
- ✳ Healthy people with a strong cultural identity (7) (16)
- ✳ Our schools & community are providing quality education including secondary education & vocational skills within the communities (4) (13)
- ✳ Planned infrastructure projects completed (8)
- ✳ Availability, utilization & development of connectivity (physical & electronic) (4)

Borough Property Surveys - Ernie Weiss



- TA Tina Anderson
- AB Anne Bailey
- CE Chris Emrich
- BRG Brad Gilman
- BG Butch Gundersen
- JG Justine Gundersen
- GH Gary Hennigh
- MH Mark Hickey
- CL Charlotte Levy
- EM Emil Mobeck
- AO Alvin Osterback
- TS Tuna Scanlan
- AS Angela Simpson
- LT Laura Tanis
- MT Mary Tesche
- EW Ernie Weiss

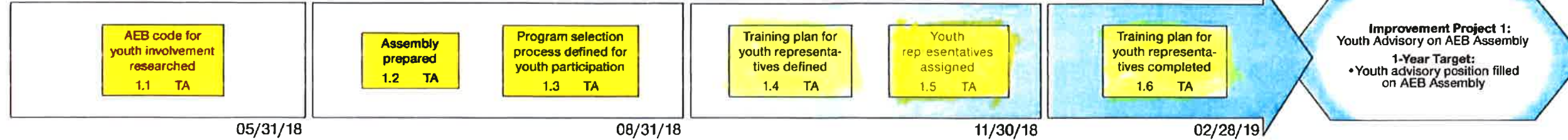
Borough Property Management - Anne Bailey



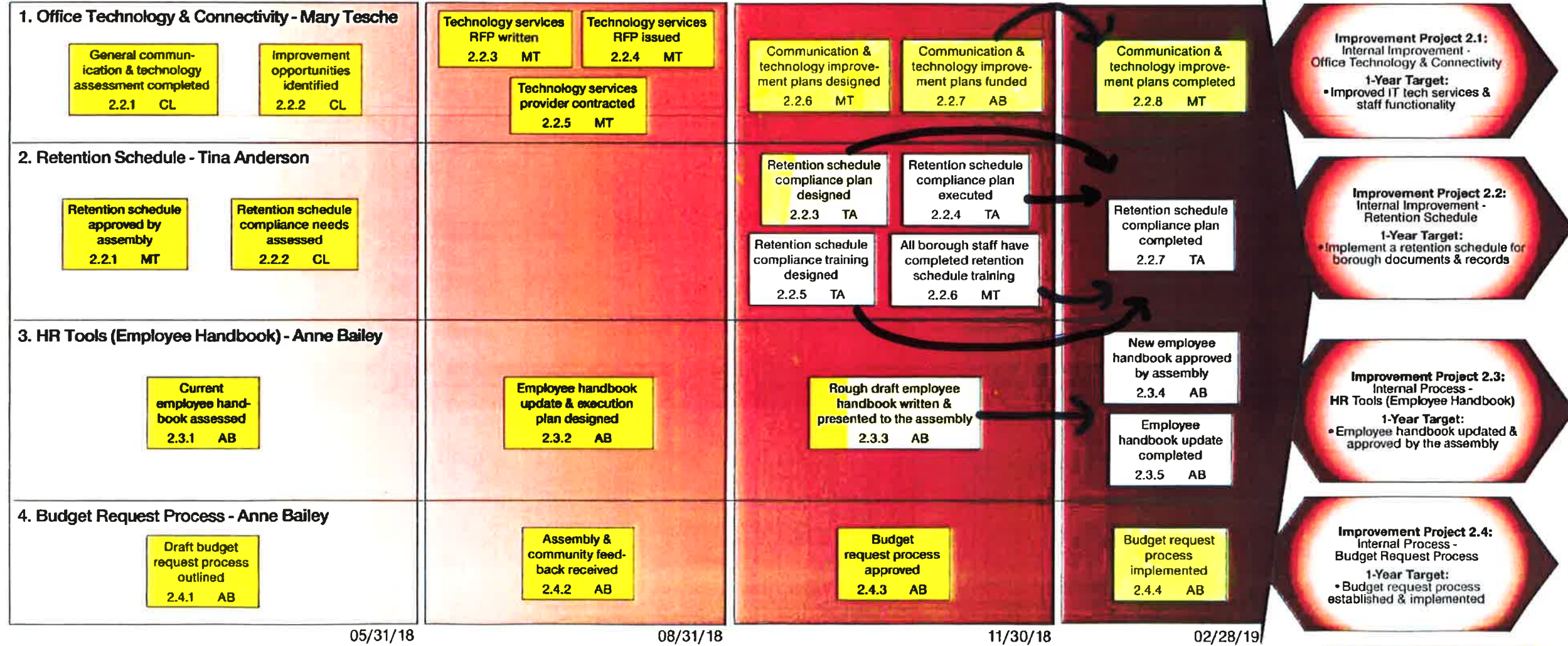
Communications - Laura Tanis



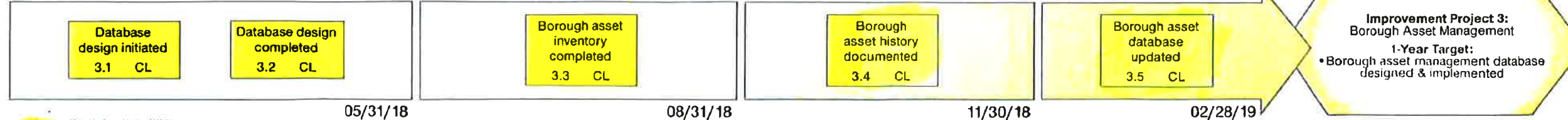
Youth Advisory on AEB Assembly - Tina Anderson



Internal Improvement - Anne Bailey



Borough Asset Management - Charlotte Levy



Vision Navigation® Chart #3
03/01/18 - 02/28/19

Purpose:
To ensure the standard of living, well-being & future of our communities

- Our Vision:**
 Healthy People, Healthy Schools, Healthy Communities
- Diversification of industry including our natural resources & community flexibility for borough stability (7) (22)
 - Healthy people with a strong cultural identity (7) (16)
 - Our schools & community are providing quality education including secondary education & vocational skills within the communities (4) (13)
 - Planned infrastructure projects completed (8)
 - Availability, utilization & development of connectivity (physical & electronic) (4)

- TA Tina Anderson
- AB Anne Bailey
- CE Chris Emrich
- BRG Brad Gilman
- BG Butch Gundersen
- JG Justine Gundersen
- GH Gary Hennigh
- MH Mark Hickey
- CL Charlotte Levy
- EM Emil Mobeck
- AO Alvin Osterback
- TS Tuna Scanlan
- AS Angela Simpson
- LT Laura Tanis
- MT Mary Tesche
- EW Ernie Weiss

Memo: GOA Groundfish Rationalization Discussion
To: Mayor Osterback, Aleutians East Borough Assembly
From: Ernie Weiss, Natural Resources Department
Date: March 8, 2019

This memo aims to inform an Assembly discussion about the current campaign for a catch share or cooperative management structure for Gulf of Alaska groundfish fisheries.

The Assembly has an opportunity to listen to fishermen and other stakeholders and help develop an approach that could benefit fishermen, communities and future generations.

Recent NPFMC Fishery rationalization plans

At the February 2019 North Pacific Fishery Management Council meeting, the Council adopted 2 motions that will move forward rationalization plans in the Bering Sea Pacific cod fisheries. The Council will move forward a previous push to rationalize BS cod trawl fisheries in a 'scoping document' slated for the October meeting. The Council also tasked staff with a discussion paper to "to consider some form of rationalization or cooperative management structure of the BSAI Pacific cod pot catcher vessel greater than or equal to 60 feet".

In February, the Council's Advisory Panel additionally passed a motion 12-8, and public testified to the council requesting that the Council pick up the *Gulf of Alaska Trawl Bycatch Management Program* again, that was postponed indefinitely in December 2016. However the Council did not move forward with any plans for the GOA during the February 2019 meeting.

At the meeting ADFG Deputy Commissioner Rachel Baker solicited stakeholder input on a ny future Gulf of Alaska groundfish cooperative management structure or catch share plan that the Council may develop. Stakeholders are encouraged to reach out to Rachel or to ADFG Extended Jurisdiction Program Manager Karla Bush, before the April 2019 NPFMC meeting.

WGOA fishermen input

In preparation for a discussion with the Assembly at this meeting, and to provide timely input to Ms. Baker, the Natural Resources Department asked local western Gulf of Alaska groundfish fishermen to attend a teleconference Monday evening March 4th on fairly short notice, as many of the fishermen were gearing up to participate in the South Pen State-waters pot gear Pacific cod season, opening March 7th. At the Monday 6:30pm teleconference, we had a group of fishermen at the Sand Point city chambers and fishermen at the King Cove harbor. Others on the line were Beth Stewart, Charlotte Levy and Ernie Weiss. While there is some disagreement about whether the WGOA fishermen should get out in front of this push for GOA rationalization, there were 3 main points of agreement:

- 1) The WGOA trawl fishermen need the NPFMC to establish a 'control date'.
- 2) There should be significant 'sideboards' on the WGOA for other rationalized fisheries.
- 3) Peninsula Fishermen's Coalition will update their [previous proposal](#) for trawl only.

Discussion

Background

Control Date

In the previous Gulf of Alaska Trawl Bycatch Management Program (GOA TBM) that began October 2012 for the CGOA, and in February 2013 for the WGOA there was a control date established March 1, 2013 for the WGOA. A control date may be used as a reference date for a future management action to limit new or speculative harvesting activity. The March 2013 date would work well for our fleet, but it is considered by most experienced fishery managers to exceed conventional limits reaching back in time. Some members of the Peninsula Fishermen's Coalition (PFC), advocate pushing for a new control date to be set at the April 2019 Council meeting.

Sideboards

The Council recognizes that rationalizing any specific fishery could provide opportunities for fishermen to change their fishing patterns and unfairly take advantage of other fisheries. The Council then establishes 'sideboard limits' for vessels and LLP licenses that receive those catch shares. Sideboards are intended to limit the ability of vessels in rationalized fisheries from exceeding historic levels of participation in other fisheries. Sideboards can be catch limits for a group of the vessels in a sector. Sideboard limits allow a vessel to fish up to that limit but not to exceed it. Sideboards do not guarantee a specific amount of TAC.

The AFA pollock sideboard on WGOA pollock is a whopping 60%, however AFA vessels never utilize close to that amount of the WGOA pollock quota.

GOA TBM history

In June 2013 GOA non-pollock trawl chinook bycatch limits were finalized by the Council.

In the NPFMC September 2013 GOA Trawl Bycatch Management discussion paper, 8 stakeholder proposals were summarized, including Peninsula Fishermen's Coalition [January 2013 proposal](#).

Fast forward to December 2016, the NPFMC meeting documents for GOA TBM included: 1) the [scoping process](#) for the EIS, 2) the preliminary draft [Social Impact Assessment](#), 3) a preliminary [draft economic analysis](#) and Regulatory Impact Review, and 4) a short errata describing the possible [coordination between state and federal](#) GOA trawl bycatch management. After reviewing the staff reports and considering public testimony in December 2016, Commissioner Cotten moved, and the Council voted to postpone further action on GOA TBM indefinitely.

During the recent GOA TBM development period, the Aleutians East Borough took several official actions:

- In January 2013 the Assembly passed [Resolution 13-16](#) touting nine goals for fishery management programs.
- In July 2014 the AEB contracted with Kate Reedy for a [social impact assessment](#) of the GOA TBM on AEB communities, published in August 2015.
- In February 2016, the AEB terminated the NFWF grant to examine community fishing associations (CFAs) as a way to mitigate negative impacts of the GOA TBM.
- In December 2016 the Assembly passed [Resolution 17-11](#) requesting the Council support the 'no action' alternative.

Other Rationalization programs

The Aleutians East Borough was organized and established over 30 years ago and has witnessed several fisheries in the region move from open access to some form of rationalization beginning with the formation of the Community Development Quota (CDQ) program in 1993 and implementation of the Halibut and Black Cod Individual Fishing Quota (IFQ) program in 1995. In 1998 the American Fisheries Act (AFA) allocated Bering Sea /Aleutian Islands (BSAI) Pollock quota and 10 years later Amendment 80 allocated other BSAI species to catcher processor vessels. The BSAI [Crab Rationalization](#) program in 2005 was promoted as benefitting harvesters, processors and communities through the allocation of quota to fishing vessels, with linkages to processors and communities. However, the community protection measures are mostly limited to 'right of first refusal' or ROFRs. The sale of quota and consolidation of the crab fishery has led to high 'lease rates' paid for the privilege to fish, and fewer local coastal community jobs.

A petition circa 2006 titled 'Processor Quota Shares...Are Bad for Fishermen and Coastal Communities' that garnered 350 signatures including signatures of several AEB Assembly members stated in part: "*Standards for limited access systems that promote diverse, independent community-based fishing fleets by enabling continued access to our fisheries and reasonable entry opportunities for future generations of local fishermen are necessary*". The first Gulf Rationalization initiative was set aside in 2006 at the request of Governor Palin.

Impacts to the GOA pollock and Pacific cod fisheries

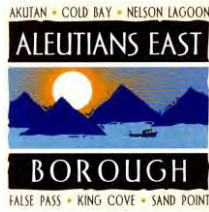
To reduce potential effects of fisheries on Steller sea lions, the Council and the National Marine Fisheries Service (NMFS) have implemented many measures over the years. In October 2001, following a federal court order for NOAA and the Council to further justify the fishery management program's impacts to Steller sea lions, a comprehensive and stringent suite of fishery management measures was developed by the Council's Steller Sea Lion Mitigation Committee to minimize potential competition for prey between fisheries and the endangered western stock of Steller sea lions, including seasonal and area allocations for groundfish in our region.

In September 2012, Borough Natural Resources Staff submitted several proposals to the Steller Sea Lion Mitigation Committee found [here](#), to offset some of the most impactful regulations. These and other similar proposals by our fishermen to address groundfish fisheries are unresolved. In December 2018 the Council opted to take no further action on WGOA pollock vessel size limits, to consider implementing a vessel size limit of 58 feet WGOA pollock fishery, and to establish a sideboard limit on catch of pollock by trawl vessels over 58 feet.

In December 2017 the Council initiated an action to evaluate modifications to the seasons, and allocations of pollock and Pacific cod in the western and central Gulf of Alaska. The Council is slated to take final action on the GOA pollock, cod seasons/allocations issue in Sitka in June 2019.

Questions that may merit further discussion:

- Should WGOA fishermen advocate for catch shares now? Are they a foregone conclusion?
- Should this action be limited to trawl? pot or jig gear?
- Species – only cod and pollock? What about WGOA flatfish and rockfish?
- What will the specific interactions between state and federal waters be?
- What are the benefits of a rationalized fishery versus the drawbacks?
- Can a program specific to the WGOA be developed that will demonstrate AEB values?



MEMORANDUM

To: Mayor Osterback, Aleutians East Borough Assembly
From: Charlotte Levy, Natural Resources Assistant Director
Date: March 14, 2019
RE: Discussion regarding options for advancing the kelp mariculture industry in the AEB

On October 31st, 2018, the Aleutians East Borough (AEB) was awarded a \$71,456 grant from the National Fish and Wildlife Foundation to site and develop implementation plans for pilot kelp mariculture farms in the borough. The primary objectives for the project are to create economic diversification for the AEB *and* to provide opportunities for AEB communities/stakeholders to participate in a new industry.

The seaweed mariculture industry has a global market valued at \$10 billion (2015) and is expected to double by 2024. However, this is a fledgling industry in the U.S. and Alaska. Processing capacity is limiting; the few existing operations are small-scale with limited production and either direct-market niche products to customers or sell to the one buyer in the state.

Processors in the area have expressed strong interest in the AEB kelp mariculture project, however Trident is the only one that is ready and willing to participate in the near future. The AEB Natural Resource Department (NRD) has discussed the possibility of working with Trident in a very limited capacity to further develop this industry, but there is also significant potential for keeping more value and profit within the communities through cooperative business models. Both options have associated risks and benefits, and are not necessarily mutually-exclusive.

Option 1: investigate the feasibility of developing a community-driven cooperative. This option could yield significant direct benefits to communities and stakeholders:

- Vertical integration would allow each step of the supply to remain within communities, maximizing profit for grower-owners and spurring job creation.
- Cooperatives have myriad benefits including: reduced risk; shared pool for capital expenditures; more control over co-op objectives, markets, prices, etc.
- A shared resource for training, research and development, technology and operational advancement, support when dealing with legislation and regulations, etc.

There may be several funding mechanisms that would support this research and also the continuation of developing pilot farm in the region, per the Strategic Plan track “Diversification of Natural Resources.” The NRD would like to submit a Letter of Intent for the following grants:

NOAA Social, Behavioral, and Economic Research Needs in Aquaculture 2019 (LOI due April 2nd)
NOAA Exploring New Aquaculture Opportunities 2019 (LOI due March 26th)

*If the Assembly supports LOI submission and the LOI is approved by NOAA for a full application, a Resolution to submit full applications would come before the Assembly during the April 2019 meeting.

Option 2: an informal and limited collaboration with Trident Seafoods. In exchange for the NRD Assistant Director's assistance with the siting and permitting of one separate Trident farm, Trident is willing to sign an MOU to the following effects:

- Trident is willing to consult with AEB on operational plans and opportunities before and after the farm is developed.
- Trident is willing to provide local hiring preference and/or opportunities for local training and education.
- Trident will be exploring the viability of mariculture processing operations at its Sand Point facility. If feasible, Trident is willing to provide markets to other farms in the region.

Such agreement would not be binding or processor exclusive, and would not prevent the AEB from owning and operating its own farms. The NRD will continue siting/permitting AEB farms, which may eventually be passed on to local entrepreneurs, or could maintained under the AEB as a new revenue stream and used as a demonstration farm for new entrants in the AEB region.

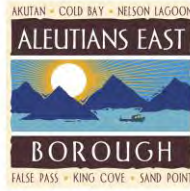
If approved, a collaboration could provide the following benefits:

- Overall advancement of the kelp mariculture industry:
 - specific benefit to the AEB region, as the first commercial-scale processing feasibility would occur at the Sand Point Trident facility.
 - expeditious market and product research and development
- Potential employment opportunities for locals who are interested in participating in kelp mariculture in a non-entrepreneurial role.
- Dedicated buyer for AEB pilot farms to mitigate the high-risk climate of a fledgling industry (until more processors enter), which will lead to an additional revenue stream for the AEB

Does the Assembly want us to: collaborate with Trident; explore alternative means e.g. cooperative; both; or neither.

Does the Assembly support the NRD submitting a Letter of Intent for the grants listed above?

REPORTS AND UPDATES



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

Akun Breakwater and Dock

I have been informed by the Army Corps of Engineers Project Manager that the Federal Interest Determination for the Akun Breakwater and Dock project will be on hold for a period. He stated that “Other projects in Civil Works have taken priority because of their impending deadlines. This will require the efforts of some of our PDT members to be directed away from Akun. This should not have any long-term implications for the project.” I will keep you informed of the projects progress as I learn more.

Nelson Lagoon Dock Repairs Project

On February 26, 2019, Moffatt & Nichol, Mary and I had a Nelson Lagoon Dock Repairs Project Kickoff meeting. We discussed the scope of work and the schedule for the project. The proposed schedule is as follows:

- 35% Design April 19, 2019
- 65% Design May 10, 2019
- 95% Design May 24, 2019
- Bid-ready PS&E June 7, 2019

Other Items

- I attended the National Association of Counties Conference in Washington DC on March 4-5, 2019. I attended the West Region Caucus Meeting, in which they largely talked about forestry issues and workshops about Opportunity Zones and Social Impact Partnerships to Pay for Results Act, Congressional Decision Making, and repaving the federal permitting process. I also attended the general sessions, in which Kellyanne Conway, U.S Secretary of Housing and Urban Development Ben Carson, Senator Marco Rubio and others spoke to us and I went to the PILT and Secure Rural Schools Press Conference (picture below). I also had the opportunity to meet with Senator Murkowski’s and Sullivan’s staff with other Alaska Municipal League Members. The main topics of discussion were Payment in Lieu of Taxes and the Secure Rural School Programs.
- Brad Gilman, the Borough Federal Lobbyist, has stated that the House and Senate Committees on Appropriations will not accept earmark requests this year. However, we will be submitting the following Borough Appropriations Requests to Congressman Young later this month: Programmatic Requests – Payment In Lieu of Taxes, Essential Air Service, and Section 107 Small Navigation Projects and Capital Project requests for the Akutan Harbor Float B Project, Sand Point Harbor Float A Project and the Cold Bay

Clinic, which are all shovel ready.

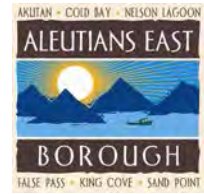
- Nils Andreassen, with the Alaska Municipal League, has been hosting meetings with municipalities that are negatively impacted by the proposed State budget cuts to school bond debt reimbursement and the shared fisheries business taxes. Nils has taken the comments and drafted letters that the Mayors of the impacted communities are signing and will be sending them to the Governor.
- I attended the SWAMC Conference on February 27-28, 2019. It was great seeing everyone from the region that attended.
- I have also been prepping documents for the March 14th Assembly Meeting, helping to complete the FY18 Audit, beginning to prep the Borough's FY20 budget, attending meetings regarding school maintenance, the King Cove to Cold Bay Road and the Cold Bay Clinic and am continuously conducting other day to day operations.
- I will also be out of the office on personal leave from March 29 – April 2, 2019.

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



Payment In Lieu of Taxes and Secure Rural Schools Press Conference at the House Triangle at the U.S. Capitol Building

To: The Honorable Mayor Osterback, AEB Assembly
From: Mary Tesche, Assistant Administrator
Subject: Assembly Report
Date: March 5th, 2019



Strategic Plan Update

- Akutan Harbor – The updated Akutan Harbor Development and Operations plan has been submitted to the Army Corps. The mitigation measure work will continue into the Strategic Plan year 2 with help from the City and our AEB employees in Akutan.

I also continue to work with the City of Akutan on logistics for its harbor utility project.

- Cold Bay Clinic – A project kickoff meeting was held with LCG Lantech Inc. and the City of Cold Bay on February 15th. The group discussed the current floor plan and some potential changes to the design that could result in construction cost savings, as well as potential savings during operations. LCG is currently working on design code changes that will be completed by next meeting scheduled for March 11th.

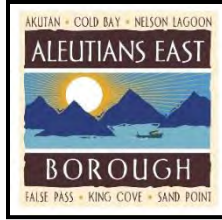
Additionally the Borough, the City, and EAT will meet on March 7th to discuss the current status of the project and next steps as we continue with design updates and finishing the cost estimate. I will also be making a visit to EAT's new clinic in Whittier on March 8th to see the new space and see how EAT's operations there may be applied to the new clinic in Cold Bay.

- Sand Point School – This quarter I am tasked with obtaining a quote from DOWL for the Sand Point School Capital Improvement Project grant application to the State of Alaska. DOWL has sent us a scope and budget for the preliminary work that will be necessary to get us to the application stage, which we are reviewing. I will keep the Assembly informed on the progress of this task.

Other Items

- I participated in the Board of Fish meetings February 18th-26th. Thank you to all who made the meeting a success.
- I attended the SWAMC annual meeting February 27th-28th.
- I have been participating in several discussions regarding the Governor's proposed budget, including discussions led by the Alaska Municipal League on potential impacts.
- I continue to assist with other projects and daily operations, such as the Nelson Lagoon Dock repair and the Cold Bay terminal lease.

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



To: Honorable Mayor Alvin Osterback and Aleutians East Borough Assembly
From: Laura Tanis, AEB Communications Director
Through: Anne Bailey, AEB Administrator
Subject: Communications Director's Report to the Assembly
Date: March 7, 2019

Board of Fish:

It was very busy during the eight days Area M fishermen, AEB administration, staff and community leaders spent at the Anchorage Sheraton for the Alaska Board of Fisheries meeting, which focused on Alaska Peninsula/Aleutian Islands/Chignik Finfish (Feb. 21 – 26, 2019). AEB staff set up the room two days in advance to get the Kuskokwim East meeting room set up for fishermen so they could meet to discuss strategy, have testimony printed up, etc. I helped with printing up testimony whenever needed. I also kept track of the Board's votes, and posted them on AEB's Facebook page, as they occurred.



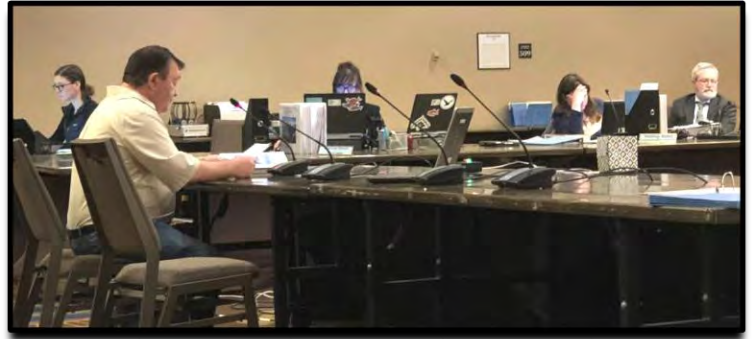
Area M fishermen, AEB administration, staff and community leaders met in the Kuskokwim East room at the Sheraton to discuss strategy and draft testimony.

Media Relations:

I worked with Ernie, Denby Lloyd, Eric Volk and some of our fishermen to draft a press release regarding the results of the Board of Fish meeting, in case we decided to release it.

The day after the meeting ended, Ernie and I worked together to provide corrections to an Alaska Journal of Commerce reporter's story focusing on the meeting. The headline originally stated that the Board left Chignik plans at status quo, which was incorrect. Ernie provided a document containing a play by play for the reporter, including the fact that Area M seine fishermen gave up fishing time in the Dolgoi area during the month of June. Other changes that were brought to the reporter's attention included the realignment of the setnet fishing schedule in June with the drift net and seine net fishers in June; and an increase in closed fishing in the South Peninsula in an effort to allow more Chignik-bound sockeye to pass through. The reporter also referred to Area M

as a subsection of the Chignik Management Area, rather than its own management area, so we corrected her on that fact. Another point of contention was the caption in the photo used of the F/V Heather Marlene. After contacting the paper’s managing editor, he agreed to change the wording “status quo” since several changes *had* occurred. He also eliminated the reference to the nets being “full of sockeye” when they were actually empty. Denby Lloyd and Pat Martin also weighed in and provided corrections to the reporter.



AEB Mayor Alvin D. Osterback testifies at the Alaska Board of Fisheries.

A freelance reporter for the Los Angeles Times contacted me regarding the Governor’s proposed cuts to the Alaska Marine Highway System. Mary and I worked with Mayor Osterback to draft a quote for him to use. Afterwards, he asked for people to contact in AEB communities that would be affected. I’m not sure if the L.A. Times ran the story. I have been monitoring the newspaper, but I haven’t seen a story published on it yet.

In the Loop:

As I write this report, I’m working on the latest edition of In the Loop, which will contain stories on presentations provided at SWAMC. Those include presentations by Ben Stevens, Gov. Dunleavy’s policy director; and Alaska lawmakers Rep. Bryce Edgmon, Rep. Louise Stutes and Senator Gary Stevens, who provided a legislative update on what’s going on in Juneau.

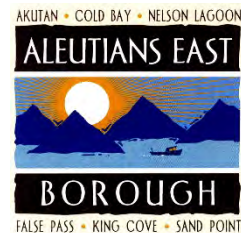
Upcoming Projects:

- Writing stories for next In the Loop newsletter.
- Wrapping up research/work on annual report.

Recent Meetings Attended:	Location:	Date:
Alaska Board of Fisheries	Sheraton - Anchorage	Feb. 19 – 26, 2019
SWAMC	Hotel Captain Cook	Feb. 27 -28, 2019
AEB Staff Meeting	Anchorage/Teleconf.	March 12, 2019

As always, I’m happy to help get the word out about an event or issue in your community. Please call or email me any time with information.

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



North Pacific Fishery Management Council

As described in the GOA Groundfish Rationalization Discussion paper included in your packet, a process has started to develop a catch share plan for BSAI cod fisheries. Stakeholders have been requested to contact the State with any input regarding a possible future plan for a GOA groundfish catch share plan. After the Assembly meeting we'll contact Deputy Commissioner Rachel Baker with any input you may have.

At the upcoming April meeting, a significant agenda item for the AEB is *BSAI Trawl CV Pacific Cod Mothership Adjustments*. Recently, increased deliveries by cod catcher vessels to catch processors acting as motherships, have reduced onshore deliveries of cod. This final action will limit the number of vessels acting as motherships and limit the amount of cod to be delivered to offshore motherships.

At the June meeting in Sitka, the Council will take final action to make modifications to GOA pollock and Pacific cod seasonal allocations. Also in Sitka, we will hear the salmon bycatch genetic reports, usually scheduled for April, but postponed this year due to the government shutdown.

NPFMC member nominations

Two Alaska members of the Council have term expiring this year:

Buck Laukitis & Theresa Petersen. Last month the AEB recommended that the Governor nominate Buck Laukitis and Nicole Kimball for those seats on the Council.

The Governor has until March 15th to make his recommendations to the Secretary of Commerce, including alternates for each seat. The AEB can again make recommendations to the Secretary based on the nominee list. The Secretary has until June to appoint the Council members.

Alaska Board of Fisheries

A recap of the February Board of Fish meeting actions and preparations leading up to the meeting is captured in a memo to follow the Natural Resources reports in this packet. I'll just say here that I appreciate all the efforts by the Mayor and Assembly, staff, fishermen and others that helped in the effort to protect our salmon fisheries. Thank you.

The Board's Statewide finfish meeting starts Saturday March 9th. There are 3 proposals I am closely following at the Statewide meeting: Proposal 169 to repeal and readopt the Policy for Statewide Salmon Goals, Proposal 170 to amend the Policy for the Management of Sustainable Salmon Fisheries and Proposal 171 to modify the criteria for the allocation of fishery resources among personal use, sport and commercial fisheries. I am hopeful that none of these are passed. Since Proposals 169 & 170 by former ADFG employee Jeff Fox are opposed by the department, I don't believe they have much chance at the Board. Proposal 171 by the Kenai River Sportfishing Association is allocative and the department is neutral on it. Sand Point AC voted to oppose 171. The Anchorage AC that I am a member of opposed all 3 of these proposals.

Board of Fish appointees

Two members of the Alaska Board of Fisheries have terms expiring this year:

Robert Ruffner and Israel Payton. In your Assembly packet is a resolution of support for member Ruffner. The Governor has until April 1 to submit his list of appointees to the legislature for confirmation.

The Joint Board of Fisheries and Game meets March 21-25 at the Sheraton to discuss Advisory Committees and the process for adopting regulations. One proposal on this agenda has caught my eye, and that I am interested in testifying on: Proposal 28 to allow advisory committee representatives to be at the table during deliberations for those proposals the advisory committee authored. To my understanding, AC's were at the table during some deliberations years ago.

February 15th trip to Kodiak



All geared up for the tour of Trident's Star of Kodiak plant.



Productive dialogue with AEB NR Staff, area fishermen and ADFG salmon fishery managers.

Recent meetings attended

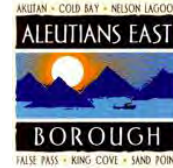
AEB Fishermen's Workgroup meeting	Teleconference	2/18/19
AEB Fishermen's Workgroup meeting	Anchorage Sheraton	2/20/19
Board of Fisheries AK Pen/AI/Chignik finfish meeting	Anchorage Sheraton	2/21-2/26/19
EM Trawl Committee (Charlotte)	AFSC, Seattle	3/4 -3/5/19

Upcoming meetings/planning to attend

Board of Fisheries Statewide Finfish meeting	Anchorage Sheraton	3/8-3/11/19
House Transportation Committee hearing on AMHS	Legislature, Juneau	3/12/19
Joint Board of Fish & Game	Anchorage Sheraton	3/21-3/25/19
North Pacific Fishery Management Council	Anchorage Hilton	4/1-4/9/19

Please call if you have any questions or concerns.

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



Board of Fish

The NRD has compiled a post-Board of Fish report that details the majority of our activities leading up to and during the meeting. The majority of my time was spent serving as clearinghouse for testimony and written comments, analyzing and rewriting the SEDM management plan, and working with fishermen and support staff. I believe the unity and effort of the fishermen, as well as employing a new strategy contributed greatly to the success of this meeting, and possibly future meetings. I am grateful to the many who served as mentor to me during this process.

Projects

- **EM:** I attended the Trawl EM Committee meeting in Seattle March 4-5. The committee provided updates on project, and will be developing an ad-hoc subcommittee to develop a coordination plan in the Gulf. We anticipate seeking additional funding for the WGOA EM project to develop tools to improve the EM data. I will sit on this subcommittee for the AEB and work with project partners on a new proposal.
- **Kelp Mariculture:** I have included a memo for discussion regarding potential options for moving forward with the kelp mariculture project. As this is a nascent industry, there is still significant groundwork that needs to be done. However, due to state and federal interest in aquaculture, various funding mechanisms have become available. There are two NOAA grants that may be suitable for this project, discussed in the memo.

I am planning a return trip to Sand Point to continue siting in March. Due to the tight time constrictions and the complexity of permitting, I plan to focus on Sand Point for this upcoming permitting window. The 2019 permit applications are due April 30.

Meetings

- February 27/28 - SWAMC
- March 4/5 - Trawl EM Committee Meeting
- April & May - Trawl EM Coordination Subcommittee Meetings

Other

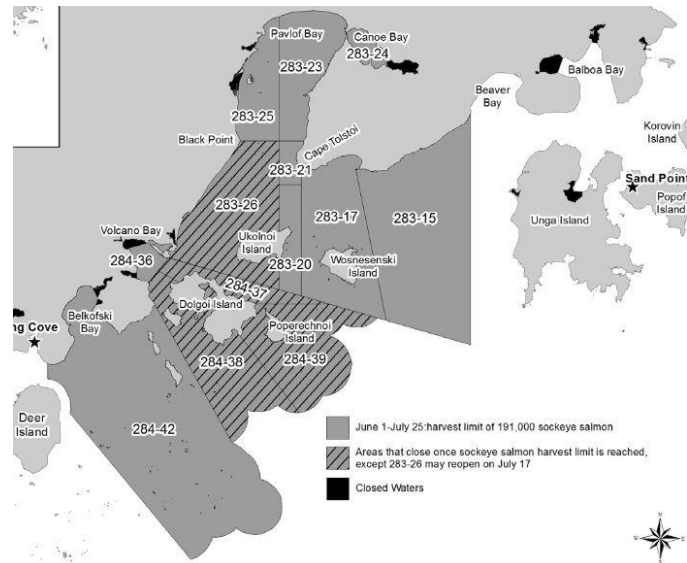
- On February 15th we traveled to Kodiak to meet with ADFG Department staff, which appeared to be very successful in building rapport with staff. Pat Martin, Eric Volk and I met again with staff at the BOF meeting to discuss the SEDM management plan brought up during workgroup meetings - there was concern from staff regarding the manageability of the proposed plan, however it was good opportunity to explain our concerns.
- During SWAMC I met with speaker and climatologist Dr. Nicholas Bond from the University of Washington. We discussed work his work applying long-term data sets to stakeholder interests, and the possibility of doing something for our stakeholders as part of the AEB Strategic Plan track for "Climate Change."

Memo: Board of Fisheries February 2019 Meeting Review
To: Mayor Osterback, Aleutians East Borough Assembly
From: Natural Resources Department Staff
Date: March 8, 2019

For the past year the Natural Resources Department has been making preparations for the Alaska Board of Fisheries Alaska Peninsula/Chignik/BSAI finfish meeting February of 2019; what we believed could be the most consequential fishery management meetings in recent history. In public reports to the Assembly, staff has been intentionally vague describing our preparations in effort to conceal sensitive strategic plans. This memo will briefly outline for the current Assembly and for future reference, the preparations for, and actions at the February 2019 meeting.

Results

At the conclusion of the meeting, stakeholders and staff felt satisfied with the outcome and felt accomplished in our efforts. Official Preliminary Summary of Board Actions can be found [here](#). There were several proposals before the Board that would have completely restructured the summer salmon management plans and devastated our fishery. Further, the unexpected economic disaster in Chignik in 2018 put Area M at a major disadvantage in making our arguments. We believe outcomes of the meeting were fair and appropriate for both Area M and Area L fishermen.



There were two main concessions made in the South Peninsula June Salmon Management plan that could be perceived to relieve pressure on Chignik bound stocks, if you agree that some restrictions in Area M were warranted for Chignik-bound stocks:

1. Proposal 136, amended using language in Record Copy (RC) 131, realigned the set net schedule in June. Set-netters will begin June 6th with a 64-hour opening, then start again with the other gear groups on June 10th. This plan will increase the amount of closure windows with NO gear in South Peninsula waters by 72% in June.
2. Proposal 138 amended with substitute language found in RC 128, prohibited seiners from fishing in the Dolgoi area in June - the area in our region with the highest composition of Chignik-bound stocks, based on the Western Alaska Salmon Stock Identification Project ([WASSIP](#))

Preparation Activities

Support Staff Team

A major contributor to the success of this Board of Fisheries cycle was developing a strong team of support staff that included subject-matter experts. During 2018 the AEB began working with the Area M Seiners Association and Concerned Area M Fishermen (CAMF). Together we assembled the following team: Eric Volk (retired ADFG Chief Scientist), Kate Reedy (Anthropologist), Denby Lloyd (ex-ADFG Commissioner), Ed Dersham (ex-Board Member), Larry Edfelt (ex-Board Member), Marc Slonim and Mike Stanley (legal), in addition to the expertise of CAMF members Brad Barr, Pat Martin, Tom Wooding and Steve Brown, Area M Seiners and AEB NRD staff.

Outreach

An important strategy for setting up a successful outcome at the Board meeting was to conduct outreach with Board members and Department staff. AEB NR Department staff attended every Board meeting this cycle, including the meeting in Dillingham, in an effort to gain more face time with Board members. Additionally, staff traveled to communities to meet with Board members: in February 2019 Eric Volk and Brad Barr traveled to Fairbanks to see Board Member Huntington, and on February 14th Eric along with A.J. Newman and Melvin Larsen traveled to Kenai to see Member Ruffner.

On February 15th, Eric, Charlotte and Ernie traveled with Shannon Carroll of Trident and several fishermen to Kodiak to meet with ADFG staff responsible for Area M and Chignik salmon management. Eric facilitated the meeting due to his longstanding positive relationship with staff. The purpose of the trip was to strengthen the relationship between Department staff and stakeholders; a tradition we hope continues annually. The meeting was a success, and resulted in an open discussion regarding Department stance on conservation of Chignik stocks, the immature test fishery, the state of Black Lake, the SEDM management plan, and other issues.

Advisory Committee (AC) Involvement

All of our local ACs, Sand Point AC, King Cove AC, False Pass AC and Nelson Lagoon AC were active this Board of Fish cycle. There are several important steps in the Boards process for public input. That process starts with submitting proposals. Then comes public written comment and AC's comments on proposals. At the meeting is individual and AC testimony before the Board, participation in the 'Committee of the Whole', submission of RCs during the meeting and finally, engaging individually with Board members during breaks. And all of our fishermen and AC members contributed to the effort. Natural Resource Staff has been participating at AC meetings by teleconference, and have traveled to both Sand Point and to King Cove. We've also monitored Lower Bristol Bay AC and Chignik AC meetings.

Fishermen's Steering Committee

One major concern among stakeholders that emerged from past board cycles, was the tendency for certain gear groups or areas to make "deals" or decisions at Board meetings that do not fairly represent all stakeholders. To mitigate this concern, the NRD proposed the idea of a fishermen-led workgroup to act as a steering committee, providing guidance for support staff and to make unified decisions regarding proposals. During the December 2018 Assembly meeting, the Assembly supported this idea and the workgroup was formed. Fishermen from each area/community/gear type were nominated or volunteered to participate. Dan Cumberlidge was elected the chair of the group, and his leadership was instrumental to the success of the group. The group met on several occasions leading up to the meeting, to discuss their stance on proposals and potential concessions, developing PC's, RC's and testimony, and strategy. Once the meeting began, the workgroup met every day -sometimes more than once- to regroup and strategize as needed.

A defining characteristic of the group formation was the unprecedented sense of unity between the different groups. Concerned Area M Fishermen (CAMF), who have perfected the art of advocating in front of the Board, were invaluable to the process. The CAMF provided sound advice on preparing for Board of Fish, tips for dealing with Board Members, writing and giving effective testimony, and strategy. The ultimate KEY to success was the fishermen remaining unified through the process, and being amenable to feedback and compromise.

Public Comment (PC), Record Copy (RC) and Testimony Development

In contrast to prior years, this year the steering committee began coordinating efforts far in advance of the Board meeting. The process began with the committee identifying common overarching themes, as well as arguments that address specific topics or proposals that could be used to develop written comments and testimony.

Overarching themes included:

- The Chignik crisis in 2018 was a fishery failure, and not a biological crisis.
- The fishery failure was not the fault of Area M fishermen and intercept fisheries.
- ADFG Management has successfully managed this fishery long-term, and made the appropriate decision to use emergency order authority. It would have been inappropriate to permanently alter regulation as knee-jerk response to one failed escapement goal.
- Reallocation of fishing opportunity in Area M would impose significant long-term hardship on Area M fishermen and communities in exchange for minimal conservation gain.

Support staff worked diligently before and during the meeting to assist with testimony writing. All testimony and RC's were assumed to be submitted with approval from the committee and were funneled through the NRD Assistant Director, to ensure our stance was unified and arguments were in sync. NRD staff submitted PCs, RCs, testified and participated in the Committee of the Whole. Specifically:

- Consultant Eric Volk submitted a PC regarding Harvest Rate vs. Stock Composition ([PC21](#)) which supported his testimony and responses to Board questions, and was also used to clarify misinformation presented during the Committee of the Whole process.
- Director Ernie Weiss submitted a PC on behalf of the AEB Mayor ([PC04](#)), an RC regarding harvest of Chinook salmon ([RC72](#)) which he presented during the Committee of the Whole, and also provided [testimony](#) regarding common themes and a call for status quo.
- Assistant Director Charlotte Levy submitted an RC regarding Black Lake habitat and changes in the Gulf ([RC37](#)) which other stakeholders referenced, Area M conservation impacts ([RC70](#)) which she testified on, and submitted amended language for a new SEDM management plan ([RC74](#)) which she presented during the Committee of the Whole.

War Room

The AEB staff were consistently available and constantly assisting in everything from writing, editing and printing documents, to providing sustenance, and listening to practice testimony. In addition to testimony writing, the support staff and fishermen were constantly developing RCs to appropriately reflect changes in our strategy and to respond to new proposals or misinformation/biased information presented by other groups. Toward the end of the meeting, a few key fishermen took a strong leadership role by facilitating the negotiation of concessions that were equitable and acceptable among all of the stakeholders, and writing the corresponding management plans.

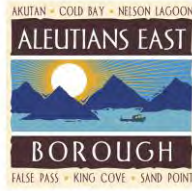
Acknowledgements

The NRD would like to extend gratitude to the Area M Seiners Association, CAMF, the local Fish & Game Advisory Committees, the communities, Aleut Corp, and processors. Thank you Mayor Osterback, Assembly and to the entire AEB staff. Most importantly, thank you to all of the fishermen who collectively worked hard to make this Board cycle a success.

Amy & Jack Foster deserve our special thanks and mention. Jack and Amy offered proposals in April and were in serious preparations with staff leading up to and during the February meeting, when a medical emergency came up. We appreciate the family's hard work and effort want to convey our best wishes.

Board of Fish Timeline Overview

October 2017	Municipal Elections: Incoming Mayor Osterback prioritizes 2019 Board of Fisheries meeting. NRD Director Ernie Weiss begins preparations by contacting Eric Volk, retired ADFG Chief Scientist and WASSIP Advisory Panel Chair.
November 2017	AEB staff, fishermen and Eric Volk attend Pacific Marine Expo and fishermen's meeting. Eric Volk is contracted with AEB.
April 2018	Eric Volk attends NPFMC and Salmon genetics reports in Anchorage, and meets with fishermen to discuss proposals to be submitted by local Fish & Game Advisory Committees (ACs).
June 2018	Chignik run failure develops and the Department takes the unusual step of issuing an emergency order to reduce fishing time in the last two June openings for the South Peninsula from 88 to 40 hours.
July 2-5, 2018	Eric Volk, Laura Tanis and Ernie Weiss traveled to Sand Point to observe ADFG staff conduct the Immature salmon test fishery. The test fishery issue was the subject of several proposals and results from the test fishery have kept fishermen on the beach in previous years.
July 17, 2018	Board Emergency Petition meeting: several petitions are submitted concerning Chignik, aimed to halt or severely restrict South Peninsula salmon fisheries. The Board determined that the Chignik situation was an emergency, and took action to continue the Department's existing closures of both the Dolgoi and Southeast District Mainland areas through August 8 unless Chignik Lake interim escapement goals were met.
August 2018	Proposal books are published with 8 proposals that sought to make permanent regulatory changes to Area M management plans that would negatively impact our fishermen and communities.
October 1, 2018	Charlotte Levy (B.S. Fisheries and Wildlife Sciences) is hired as Natural Resources Assistant Director
October 15-16, 2018	At the Board Work Session, the failed Chignik ACR was introduced by Chignik groups in the public comments (PC008), and one board member made a failed attempt to bring it forward as a Board-Generated Proposal. Submitted as an Agenda Change Request, it was deemed a late proposal in cycle, and thus rejected.
December 2018	Dr. Kate Reedy, PhD is contracted with AEB to conduct a Social Impact Assessment and executive summary to be submitted as public comment.
December 13, 2018	AEB Assembly supports the formation of a Fishermen's Steering Committee.
January 2019	Teleconference meetings of the workgroup & Advisory Committees, research, writing and one-on-one discussions with individual fishermen
February 4, 2019	Eric Volk and Brad Barr travel to Fairbanks to meet with Board Member Huntington
February 14, 2019	Eric Volk, A.J. Newman and Melvin Larsen travel to Kenai to meet with Board Member Ruffner
February 15 2019	Eric Volk, Ernie Weiss, Charlotte Levy, Shannon Carroll, Melvin Larsen, Dan Cumberlidge, Corey Wilson, Mike Kurtz, and A.J. Newman traveled to Kodiak to meet with ADFG staff.
February 18, 2019	Fishermen's Steering Committee meets to discuss proposals that will be withdrawn and further discuss the new SEDM management plan strategy.
February 19-20, 2019	AEB Staff and support team begin preparations at the AEB War Room.
February 21-26, 2019	Board of Fisheries Alaska Peninsula/Chignik/Bering Sea-Aleutian Islands Finish meeting begins.



To: Honorable Mayor Osterback and AEB Assembly
From: Emil Mobeck, Maintenance Director
Subject: Assembly Report
Date: 3/14/19

Ongoing Maintenance Projects

The Maintenance at the Sand Point School has been completed.

- Wired AK arrived on the 5th of February, and completed their tasks on their scope of work, and had left on the 15th of February due to a couple of cancelled flights. They repaired the shocking hazard in the Gym lights, and also made separate circuits in the wood, and metal shop so the equipment would not overload breakers.
- Long building Technologies arrived on the 4th of February, completed all their scope of work as well, and had left on the 15th as scheduled. They made sure that all the dampers and actuators were working properly for the heating.
- Bering Industrial arrived on the 4th of February their materials arrived here on the first of February, and I had transported those to the school for them. They installed a new fan in the pool control room, added new plumbing for the two Elementary class rooms, and new lines with hotter water for the dish washer.
- The Work has been completed by all the contractors, and they all worked together, and everything worked out great.

Strategic Plan Update

OSHA Requirement Compliance –
Making sure we have our Osha form 300A posted.

Other Borough Related Items

Thank You to all that participated in the BoF plans this year it was a very good turn out, and it couldn't have been any better. I attended and tried making my points heard, then I went down to SWAMC to learn more about our local region Economics for our Municipalities. I will be planning to attend an Osha compliance class here at the end of March.

Upcoming Projects

I am planning on replumbing the Borough office heating circulation so there is more equal heat in the building, the material was sent in with the plumber that came in for the school so there was some savings there. Still working with the State to get our last project refunded before this new Budget goes through.

If you have any questions, comments or concerns please contact me at (907) 383-2699 or emobeck@aeboro.org.

LEGISLATIVE REPORT #19-03

Dunleavy Administration Submits Amended FY 2020 Budgets

- On February 13, Governor Dunleavy followed through with previous statements and submitted new FY 2020 operating and capital budgets proposing reductions of more than \$1.6 billion compared to the current fiscal year. While expected, the shockwaves from seeing his proposals in detail are reverberating throughout the state.
- The following list highlights most of the major changes identified to date. Implementation of many proposals requires accompanying changes in state law. Three bills (SB 57, SB 58, SB 59) are described below in this report. How agencies plan to implement these reductions is not immediately known – many departments and units did not see these proposals until this week.
 - Public Education: Proposals including slashing state aid under K-12 foundation formula by about 23% plus repeal of one-time \$30 million provided last session, and elimination of all pre-K funding and the WWAMI medical education program. Bill to reduce the Base Student Allocation is expected. Public Transportation is flat funded. Figures on impact by school district will be sent when available.
 - Community Assistance: Distribution of \$30 million for FY 2020 remains, but the balance of \$60 million in the fund is swept into the general fund. This means no program after FY 2020.
 - School Debt & Other Debt Reimbursements: Funding for all school debt reimbursement is eliminated. Other municipal debt reimbursement for certain port and harbor and power projects is also cut, with repeal of the relevant statute proposed under SB 59.
 - Power Cost Equalization Program: Program is funded for FY 2020, but entire PCE Fund is swept back into the general fund. No details on what happens in future years.
 - PERS/TRS Retirement Contributions: The new budget includes funding for the state's FY 2020 additional share for the Public Employees Retirement System and Teachers Retirement System. No indication yet on whether legislation will be proposed to change the matching rates or other plan arrangements.
 - Alaska Marine Highway System: Operations funding is reduced by \$84 million or 68%, with another \$10 million cut in vessel maintenance, reservations and shoreside management.
 - Possible Cancellation of M/V Tustumena Replacement Project: Language section of revised capital budget re-appropriates the general funds set aside as match for this project. Suggests a decision has been made to cancel the project.

- Sharing State Fisheries Taxes: Proposes elimination of all sharing of the state fisheries business and fishery resource landing taxes with coastal communities. The amount totaled over \$32 million in FY 2019. It is not clear whether legislation will be introduced to implement these changes.
- Commercial Fisheries Division: A small decrease of about 5% is proposed.
- Medicaid: A reduction of \$270 million in general funds is proposed, with a total cut of over \$750 million including federal and other funding.
- Senior Citizen Benefits Program: No funding is included in FY 2020. SB 58 ends the program on June 30, 2019.
- Alaska Permanent Fund Dividend: Funding is included to pay a full dividend in October 2019.
- University of Alaska: The University of Alaska faces a \$134 million cut, or about 40% of its total budget.

Alaska State House Organizes

- The House organized this week following submission of Governor Dunleavy's proposed FY 2020 budget with over \$1.6 billion in cuts. Rep. Bryce Edgmon (U-Dillingham) returns as Speaker. Three Republicans gained leadership positions – Rep. Chuck Kopp (Anchorage) as Rules Chair, Rep. Steve Thompson (Fairbanks) as Majority Leader, and Rep. Tammie Wilson (North Pole) as Finance Co-Chair. Rep. Neal Foster (D-Nome) serves as the other Finance Co-Chair and Rep. Louise Stutes (R-Kodiak) serves as the House Majority Whip.
- The new 25-member majority is composed of 19 members from last year's House majority plus 6 new Republicans – with Reps. Gary Knopp (Kenai), Jennifer Johnston (Anchorage) and Bart LeBon (Fairbanks) in addition to the three members in leadership. Other committee assignments have not been announced.

Governor Signs Directives

- Governor Dunleavy signed two directives of interest. The first one directs the hiring of a marine consultant to identify reductions of the state's financial obligations and liabilities related to AMHS. It specifically calls for looking at possible public/private partnerships. New reports suggest one plan is to tie up ferries over next winter.
- The second one directs DOT/PF to explore options to reduce the number of public airports operated by the state, with the intent to reduce the state's financial obligations and liabilities.

Summary of State Legislation

Below is a list of legislative measures of interest, divided into five main topics: fiscal plan measures, general municipal issues, education measures, fishery & resource issues, and energy matters. House measures are described first, followed by Senate measures. Companion bills (measures in both bodies) are listed together, with priority given to bills sponsored by majority members. More information about these measures can be found at [Alaska State Legislature](#).

Check out what your legislators are doing in Juneau! New bills are in **BLUE**, change in status in **RED**, and passed bills in **GREEN**.

Fiscal Plan Measures

Measure	Summary	Status
HJR 1 by Rauscher	Proposes a constitutional amendment to prohibit a broad-based individual income or statewide sales tax without the approval of the voters in Alaska.	HJR 1 not introduced yet
HJR 3 by Tuck	Proposes a constitutional amendment to enshrine dividend in the constitution and require use of “prudent investor rule” for Permanent Fund corpus.	HJR 3 not introduced yet
SJR 1 by Wielechowski	Proposes a constitutional amendment to guarantee a Permanent Fund (PF) dividend using a Percent of Market Value (POMV) method.	SJR 1 pending Senate State Affairs
SJR 2 by Begich	Proposes a constitutional amendment for annual dividends and to support state services. Sets draw at 5% of POMV, with 40% for dividends, 40% for services and 20% for inflation-proofing.	SJR 2 pending Senate State Affairs
SJR 4 by governor	Proposing a constitutional amendment requiring the vote of the people for new taxes or an increase to existing taxes.	SJR 4 pending Senate State Affairs
SJR 5 by governor	Proposing a constitutional amendment to enshrine the PF dividend formula in the Constitution. Requires subsequent vote of the people to change the program in the future.	SJR 5 pending Senate State Affairs
SJR 6 by governor	Proposing a constitutional amendment that creates a new spending cap that permits minimal increases based on population increase and 50% of inflation.	SJR 6 pending Senate State Affairs

Measure	Summary	Status
SB 14 by Wielechowski	Repeals oil tax per barrel oil tax credit. May generate between \$1 to \$1.5 billion annually.	SB 14 pending Senate Resources
SB 17 by Wielechowski	Proposes a special appropriation of \$2.39 billion to pay supplemental PF dividends.	SB 17 pending Senate State Affairs
SSSB 20 by governor	FY 2020 Operating Budget : sponsor substitute introduced 2/13 proposing over \$1.6 billion in reductions. Details at beginning of report.	Pending Senate Finance Scheduled Senate FIN 2/18-2/22
SB 23 by governor	Funds back payment of PF dividends for years 2016, 2017 & 2018. Amounts range from \$1,100 to \$1,300 per year. Payment spread over three years. Passage is contingent on enactment of SB 24.	SB 23 pending Senate State Affairs
SB 24 by governor	Sets eligibility requirement for recipients of back payment for PF dividends. Must be eligible both in current year and the previous year	SB 24 pending Senate State Affairs
SB 39 by governor	FY 2018 bill supplemental appropriations bill proposing repeal of \$20 million in K-12 funds approved last session for this school year and \$3 million in VPSO funding, and removal of \$10 million from AMHS Fund.	Pending Senate Finance Heard & held Senate FIN 1/29
SB 50 by Bishop	Establishes an annual employment tax of \$30 on wages and net earnings from self-employment. Permits use of proceeds to fund education facilities.	Referred Senate Labor & Commerce, Finance

General Municipal Issues

Measure	Summary	Status
HJR 2 by Claman	Proposes constitutional amendment to limit regular legislative sessions to ninety days.	HJR 1 not introduced yet
HB 2 by Rauscher	Proposes relocation of the legislature and regular legislative sessions to Anchorage.	HB 1 not introduced yet
HB 17 by Rauscher SB 1 by Wilson	Repeals the certificate of need (CON) program for health care facilities. Amends definition of “residential psychiatric treatment center”.	HB 17 not introduced yet SB 1 pending Senate HSS

Measure	Summary	Status
HB 25 by Sullivan-Leonard	Amends definition of “peace officers” to include employees of a private police organization and places such groups under regulation by the Alaska Police Standards Council.	HB 25 not introduced yet
SB 5 by Stevens	Requires Permanent Fund Corporation to manage certain municipal investment assets if requested.	SB 5 pending Senate C&RA
SB 32 by governor	One of four bills to repeal and replace SB 91, which became law in 2016. Relates to the classification of crimes, sentencing and probation of offenders. Strengthens drug & sexual offense laws and creates a new crime of terroristic threatening.	SB 32 pending Senate State Affairs Heard & held Judiciary 2/6, 2/8, 2/9. Discharged from Judiciary 2/11. State Affairs referral added 2/11
SB 33 by governor	One of four bills to repeal and replace SB 91. Repeals the pretrial service provisions and places the authority and discretion back in the hands of the court.	SB 33 pending Senate State Affairs Heard & held STA 2/7, 2/14. Scheduled STA 2/19, 2/21
SB 34 by governor	One of four bills to repeal and replace SB 91. This bill will repeal the sentencing caps on technical violations of probation and parole.	SB 34 pending Senate State Affairs Heard & held STA 2/7, 2/12, 2/14. Scheduled STA 2/19, 2/21
SB 35 by governor	One of four bills to repeal and replace SB 91. Deals with sex offenses and tightens registration requirements. Updates laws to reflect the growing use of new technology that perpetrates harassment.	SB 35 pending Senate Judiciary Heard & held JUD 2/13, 2/15. Scheduled JUD 2/18, 2/22
SB 45 by Shower	Authorizes a municipality or Regional Educational Attendance Area (REAA) to impose term limits on school board members. Requires a vote of qualified voters for REAAs.	Referred Senate Education, Community & Regional Affairs
SB 46 by Kiehl	Allows teachers and other public employees a choice between a defined benefit pension versus the current defined contribution 401K plan. Same bill introduced in previous legislatures.	Referred Senate Community & Regional Affairs, Finance
SB 52 by Micciche	Omnibus bill relating to the manufacture, distribution, bartering, licensing, possession and the sale of alcoholic beverages in Alaska. Provides that only the ABC Board may issue, renew, transfer, relocate, suspend or revoke a license under Title 4.	Referred Senate L&C, Judiciary, Finance

Measure	Summary	Status
SB 57 by governor	Repeals ability of municipalities to levy tax on oil and gas exploration, production, and pipeline property. Excludes value in determining required local contribution for education.	SB 57 referred Senate C&RA, Finance
SB 58 by governor	Repeals the Senior Benefits Program on June 30, 2019. Currently, program expires on June 30, 2024.	SB 58 referred Senate H&SS, Finance
SB 59 by governor	Repeals statutes requiring state reimbursement of debt for various programs, including certain port and harbor and power projects. Impacts Kodiak Electric, Aleutians East and Lake and Peninsula Boroughs.	SB 59 referred Senate Finance

Education Measure

Measure	Summary	Status
HB 11 by Rauscher	Allows current or former state troopers to elect participation in a defined benefit retirement plan. Does not apply to teachers, other law enforcement or other public employees.	HB 11 not introduced yet
HB 24 by Kreiss-Tompkins	Expands scope of teacher certificates for teachers fluent in an Alaska Native or foreign language initially for a one-year period.	HB 24 not introduced yet
SB 6 by Begich, Kawasaki	Defines pre-elementary programs within school districts and provides a new grant program.	SB 6 pending Senate Education
SB 30 by Stevens	Establishes new middle college program for public school students at the University of Alaska.	SB 30 referred Senate Education, Finance Heard & held EDU 1/29
SB 31 by Stevens	Requires establishment of a foundational curriculum for first year of lower division courses to ensure more transferability of credits between programs at the University of Alaska.	SB 31 referred Senate Education, Finance Heard & held Senate EDU 1/31
SB 53 by Stevens	Requires biennial report to the legislature regarding accreditation status of the University of Alaska.	Referred Senate Education, Finance Scheduled EDU 2/21
SB 56 by Costello	Amends state law to require school districts to provide physical education.	Referred Senate Education

Fishery & Resources Issues

Measure	Summary	Status
HB 19 by Knopp	Exempts some water taxi operators from regulation as transportation services by the Big Game Commercial Services Board.	HB 19 not introduced yet
SB 22 by Stevens	Relates to management of enhances stocks of shellfish, authorizes certain nonprofits to engage in shellfish enhancement projects, and increases salmon hatchery permit fees from \$100 to \$1000.	SB 22 pending Senate Finance Moved from Senate Resources 2/11

Energy Matters

Measure	Summary	Status
HB 32 by Kreiss-Tompkins	Makes federally recognized tribes and non-profits eligible for loans from the Alaska energy efficiency revolving loan fund.	HB 32 not introduced yet
SB 48 by Begich	Adds goal to the state energy policy that at least 50 percent of the energy used by the state be obtained from clean energy sources by 2025.	SB 48 referred Senate C&RA, Resources
SB 49 by Begich	Sets goal to spend \$100 million to retrofit public facilities and schools by 2025 and adds public schools to energy audit program.	SB 49 referred Senate C&RA, State Affairs

LEGISLATIVE REPORT #19-04

Senate Hearings on Supplemental Payments of Prior Years' PFD

- On February 28, the Senate State Affairs heard public testimony on Governor Dunleavy's proposal to provide back payment of Permanent Fund dividends (PFD) for years 2016, 2017 & 2018. The dividend payments were reduced by Governor Walker in 2016, and cut by the legislature in 2017 and 2018.
- Amounts range from \$1,100 to \$1,300 per year, spread over three years. This proposal provides a total of over \$3,600 per person if an individual is eligible for all three payments. The total draw from the Earnings Reserve Account is estimated at about \$2 billion.
- Over 100 people testified at the first hearing, with about 2/3rds testifying in opposition. One memorable testifier in opposition stated, "I can't take my PFD and go and buy a teacher". Readers can find a news article summarizing the hearing at [PFD Back Payments Testimony](#). The committee is scheduled to hear additional testimony on March 5 and 7 starting at 3:30 PM each day. Chair Senator Mike Shower indicated he will continue to hear testimony as long as people show up to testify.

House Begins Budget Work

- After losing a month at the beginning of session trying to organize, the House Finance Committee and the budget subcommittees are in full swing reviewing Governor Dunleavy's proposed FY 2020 budgets. As has been the case in Senate Finance, both majority and minority members are expressing significant concern over the depth of many of the cuts.
- The current plan is for the House to finish the budget subcommittee work within the next three weeks. The House has tentatively scheduled public testimony on its proposed operating budget for Saturday, March 23.

AMHS Plan to Tie Up Ferries by October 1

- The Department of Transportation & Public Facilities indicates it plans to shut down ferry operations by the end of September under the proposed Dunleavy budget. The department is unwilling to say if it plans to restart service later. The proposed budget reduces Alaska Marine Highway System (AMHS) operations by about \$96 million, or 68%.
- The department is hiring a marine consultant to look at options including divestiture, with a goal to develop a plan by August 1 of this year. Southeast and Southwest Alaska Conferences, ferry unions and coastal Alaska legislators are mobilizing to oppose or at least minimize the impacts from this proposal. More information can be found at [AMHS FY 2020 Service Notification](#).

Capitol News

- Nothing has been decided on the FY 2020 budget. Most observers predict it will take 120 days (or more) for the legislature to pass its version of the budget. Doing it by then provides sufficient time for the legislature to consider meeting in special session to try to override funding vetoes by the governor. A total of 45 votes out of 60 will be needed.
- A few themes are beginning to emerge behind the scenes. Both minority and majority legislators in both bodies are expressing a range of negative reactions to the Dunleavy budget – ranging from skepticism to significant concern to outright opposition. See [Lawmakers Move Away From Dunleavy's Budget](#).
- Another common theme centers on the need to reduce the 2019 dividend by up to 50% or more to offset a portion of the proposed reductions. Cutting the 2019 dividend by 50% (or down to a check of \$1,500 per person) would reduce the projected FY 2020 deficit from \$1.6 billion to \$650 million. The House is more likely to reduce the dividend by a larger amount than what the Senate will accept, with a corresponding difference with the Senate likely proposing more severe cuts.
- What the governor can do in FY 2020 to reduce K-12 education funding is more limited as a result of the legislature's decision last session to forward fund the FY 2020 K-12 budget (along with the one-time addition of \$30 million). Governor Dunleavy's proposed budget slashes foundation formula changes by about 23%. Experts agree it will take an affirmative action by the legislature repealing funding or enacting a law to reduce the Base Student Allocation to cut K-12 funding in FY 2020.
- Bills have been introduced by the governor to eliminate fishery taxes revenue sharing (HB 65/SB 63) and the school construction debt reimbursement program (HB 66/SB 64).



Budget Standoff in Juneau?

Summary of State Legislation

Below is a list of legislative measures of interest, divided into five main topics: fiscal plan measures, general municipal issues, education measures, fishery & resource issues, and energy matters. House measures are described first, followed by Senate measures. Companion bills (measures in both bodies) are listed together, with priority given to bills sponsored by majority members. More information about these measures can be found at Alaska State Legislature.

Check out what your legislators are doing in Juneau! New bills are in **BLUE**, change in status in **RED**, and passed bills in **GREEN**.

Fiscal Plan Measures

Measure	Summary	Status
HJR 1 by Rauscher	Proposes a constitutional amendment to prohibit a broad-based individual income or statewide sales tax without the approval of the voters in Alaska.	HJR 1 referred to House STA, Judiciary, Finance
HJR 3 by Tuck	Proposes a constitutional amendment to enshrine dividend in the constitution and require use of “prudent investor rule” for Permanent Fund corpus.	HJR 3 referred to House STA, Judiciary, Finance
SJR 1 by Wielechowski	Proposes a constitutional amendment to guarantee a Permanent Fund (PF) dividend using a Percent of Market Value (POMV) method.	SJR 1 pending Senate State Affairs
SJR 2 by Begich	Proposes a constitutional amendment for annual dividends and to support state services. Sets draw at 5% of POMV, with 40% for dividends, 40% for services and 20% for inflation-proofing.	SJR 2 pending Senate State Affairs
SJR 4 by governor HJR 5 by governor	Proposing a constitutional amendment requiring the vote of the people for new taxes or an increase to existing taxes.	SJR 4 pending Senate State Affairs HJR 5 referred House STA, Judiciary, Finance
SJR 5 by governor HJR 6 by governor	Proposing a constitutional amendment to enshrine the PF dividend formula in the Constitution. Requires subsequent vote of the people to change the program in the future.	SJR 5 pending Senate State Affairs HJR 6 referred House STA, Judiciary, Finance

Measure	Summary	Status
SJR 6 by governor HJR 7 by governor	Proposing a constitutional amendment that creates a new spending cap that permits minimal increases based on population increase and 50% of inflation.	SJR 6 pending Senate State Affairs HJR 7 referred House STA, Judiciary, Finance
SB 14 by Wielechowski	Repeals oil tax per barrel oil tax credit. May generate between \$1 to \$1.5 billion annually.	SB 14 pending Senate Resources
SB 17 by Wielechowski	Proposes a special appropriation of \$2.39 billion to pay supplemental PF dividends.	SB 17 pending Senate State Affairs
SSSB 20 by governor HB 39 by governor	FY 2020 Operating Budget: sponsor substitute introduced 2/13 proposing over \$1.6 billion in reductions. Details at beginning of report.	SB 20 pending Senate Finance HB 39 referred House Finance Scheduled House FIN 3/8
SB 23 by governor HB 46 by governor	Funds back payment of PF dividends for years 2016, 2017 & 2018. Amounts range from \$1,100 to \$1,300 per year. Payment spread over three years. Passage is contingent on enactment of SB 24.	SB 23 scheduled Senate State Affairs 3/5, 3/7 HB 46 referred House STA, Judiciary, Finance
SB 24 by governor HB 47 by governor	Sets eligibility requirement for recipients of back payment for PF dividends. Must be eligible both in current year and the previous year	SB 24 scheduled Senate State Affairs 3,5, 3/7 HB 47 referred House STA, Judiciary, Finance
SB 39 by governor HB 54 by governor	FY 2018 bill supplemental appropriations bill proposing repeal of \$20 million in K-12 funds approved last session for this school year and \$3 million in VPSO funding, and removal of \$10 million from AMHS Fund.	Pending Senate Finance HB 54 referred House Finance. Scheduled 3/8
SB 50 by Bishop	Establishes an annual employment tax of \$30 on wages and net earnings from self-employment. Permits use of proceeds to fund education facilities.	Pending Senate Labor & Commerce

General Municipal Issues

Measure	Summary	Status
HJR 2 by Claman	Proposes constitutional amendment to limit regular legislative sessions to ninety days.	HJR 2 referred House STA, Judiciary, Finance
HR 5 by Edgmon	Establishes a new House Special Committee on Tribal Affairs.	Awaits transmittal to the governor 2/25
HB 2 by Rauscher	Proposes relocation of the legislature and regular legislative sessions to Anchorage.	HB 2 referred House C&RA, STA, Finance
HB 17 by Rauscher SB 1 by Wilson	Repeals the certificate of need (CON) program for health care facilities. Amends definition of “residential psychiatric treatment center”.	HB 17 referred House H&SS, Finance SB 1 pending Senate H&SS
HB 25 by Sullivan-Leonard	Amends definition of “peace officers” to include employees of a private police organization and places such groups under regulation by the Alaska Police Standards Council.	HB 25 referred House C&RA, L&C, Finance
HB 43 by Rauscher	Exempts state from observing daylight savings time. Requires petition to U.S. Dept. of Transportation to place Alaska in all or part of the Pacific Standard Time zone.	HB 43 referred House STA, Finance
HB 76 by Rasmussen	Adopts the 2018 International Residential Code as the state residential code. If a municipality has its own construction code, it has to meet or exceed the state code within two years.	HB 76 referred House C&RA, L&C
SB 5 by Stevens	Requires Permanent Fund Corporation to manage certain municipal investment assets if requested.	SB 5 pending Senate C&RA
SB 32 by governor HB 49 by governor	One of four bills to repeal and replace SB 91, which became law in 2016. Relates to the classification of crimes, sentencing and probation of offenders. Strengthens drug & sexual offense laws and creates a new crime of terroristic threatening.	SB 32 scheduled Senate STA 3/5 HB 49 referred House Judiciary, Finance
SB 33 by governor HB 50 by governor	One of four bills to repeal and replace SB 91. Repeals the pretrial service provisions and places the authority and discretion back in the hands of the court.	SB 33 pending Senate State Affairs HB 50 referred House STA, Judiciary, Finance

Measure	Summary	Status
SB 34 by governor HB 51 by governor	One of four bills to repeal and replace SB 91. This bill will repeal the sentencing caps on technical violations of probation and parole.	SB 34 scheduled Senate State Affairs 3/4, 3/8 HB 51 referred House STA, Judiciary, Finance
SB 35 by governor HB 52 by governor	One of four bills to repeal and replace SB 91. Deals with sex offenses and tightens registration requirements. Updates laws to reflect the growing use of new technology that perpetrates harassment.	SB 35 scheduled Senate Judiciary 3/4, 3/8 HB 52 referred House Judiciary, Finance
SB 45 by Shower	Authorizes a municipality or Regional Educational Attendance Area (REAA) to impose term limits on school board members. Requires a vote of qualified voters for REAAs.	Pending Senate Education
SB 46 by Kiehl	Allows teachers and other public employees a choice between a defined benefit pension versus the current defined contribution 401K plan. Same bill introduced in previous legislatures.	Pending Senate Community & Regional Affairs
SB 52 by Micciche	Omnibus bill relating to the manufacture, distribution, bartering, licensing, possession and the sale of alcoholic beverages in Alaska. Provides that only the ABC Board may issue, renew, transfer, relocate, suspend or revoke a license under Title 4.	Pending Senate L&C
SB 57 by governor HB 59 by governor	Repeals ability of municipalities to levy tax on oil and gas exploration, production, and pipeline property. Excludes value in determining required local contribution for education.	SB 57 pending Senate C&RA HB 59 referred House RES, C&RA, Finance
SB 58 by governor HB 60 by governor	Repeals the Senior Benefits Program on June 30, 2019. Currently, program expires on June 30, 2024.	SB 58 pending Senate H&SS HB 60 referred House C&RA, H&SS, Finance
SB 59 by governor HB 61 by governor	Repeals statutes requiring state reimbursement of debt for various programs, including certain port and harbor and power projects. Impacts Kodiak Electric, Aleutians East and Lake and Peninsula Boroughs.	SB 59 pending Senate Finance HB 61 referred House Education, Finance
SB 62 by governor HB 64 by governor	Permits the legislature to appropriate half of the proceeds from the Alcoholic Beverage Excise Tax to be directed for Community Assistance program.	SB 62 referred Senate C&RA, Finance HB 64 referred House H&SS, L&C, Finance

Measure	Summary	Status
SB 63 by governor HB 65 by governor	Repeals the statutes that provide revenue sharing to municipalities from the Fisheries Business Taxes and the Fishery Resource Landing Tax.	SB 63 referred Senate C&RA, Finance HB 65 referred House Fisheries, C&RA, Finance
SB 64 by governor HB 66 by governor	Repeals all statutory authority that requires state aid to municipalities for reimbursement of school construction bonded debt.	SB 64 referred Senate Education, Finance HB 66 referred House C&RA, EDU, Finance
SB 67 by governor HB 69 by governor	Repeals the Alaska Public Broadcasting Commission as of June 30, 2019, transferring its assets to Alaska non-profit public broadcasting entities.	SB 67 referred Senate STA, Finance HB 69 referred House C&RA, STA, Finance

Education Measure

Measure	Summary	Status
HB 11 by Rauscher	Allows current or former state troopers to elect participation in a defined benefit retirement plan. Does not apply to teachers, other law enforcement or other public employees.	HB 11 referred House Labor & Commerce, Finance
HB 24 by Kreiss-Tompkins	Expands scope of teacher certificates for teachers fluent in an Alaska Native or foreign language initially for a one-year period.	HB 24 referred House Education, Labor & Commerce
HB 67 by governor SB 65 by governor	Adds responsibility to Department of Labor & Workforce Development to coordinate and monitor state career and technical education programs with DEED, U of A and others.	HB 67 referred House EDU, L&C, Finance SB 65 referred Senate L&C, Finance
HB 75 by Rasmussen	Expands download requirements and funding options for Internet services for school districts.	HB 75 referred House Education, Finance
SB 6 by Begich, Kawasaki	Defines pre-elementary programs within school districts and provides a new grant program.	SB 6 pending Senate Education
SB 30 by Stevens	Establishes new middle college program for public school students at the University of Alaska.	SB 30 pending Senate Education,

Measure	Summary	Status
SB 31 by Stevens	Requires establishment of a foundational curriculum for first year of lower division courses to ensure more transferability of credits between programs at the University of Alaska.	SB 31 pending Senate Education
SB 53 by Stevens	Requires biennial report to the legislature regarding accreditation status of the University of Alaska.	Moved 2/26, referred Finance
SB 56 by Costello HB 70 by Rasmussen	Amends state law to require school districts to provide physical education.	SB 56 scheduled Senate Education 3/5 HB 70 referred House C&RA, Education

Fishery & Resources Issues

Measure	Summary	Status
HB 19 by Knopp	Exempts some water taxi operators from regulation as transportation services by the Big Game Commercial Services Board.	HB 19 referred House Transportation, Resources
HB 35 by Stutes	Allows members of the Board of Game or Fisheries to deliberate and participate on certain matters even if they or an immediate family member have a personal or financial interest.	HB 35 referred House Fisheries, Resources Scheduled FSH 3/7
HB 74 by governor SB 70 by governor	Repeals the Ocean Rangers Program providing observers onboard large commercial vessels to monitor compliance with marine discharge and pollution laws. Effective date is Jan. 1, 2020.	HB 74 Referred House STA, Resources, Finance SB 70 referred Senate Resources, Finance
SB 22 by Stevens HB 41 by Ortiz	Relates to management of enhances stocks of shellfish, authorizes certain nonprofits to engage in shellfish enhancement projects, and increases salmon hatchery permit fees from \$100 to \$1000.	SB 22 pending Senate Finance HB 41 referred House Fisheries, Finance
SB 61 by Stevens	Increases amount allowed for reimbursement to a fishing vessel owner under existing insurance policies from 50% to 100% for claims made by a fisherman, subject to certain limitations.	Referred Senate L&C, Finance Scheduled Senate L&C 3/5

Energy Matters

Measure	Summary	Status
HB 32 by Kreiss-Tompkins	Makes federally recognized tribes and non-profits eligible for loans from the Alaska energy efficiency revolving loan fund.	HB 32 referred House C&RA, Finance
SB 48 by Begich	Adds goal to the state energy policy that at least 50 percent of the energy used by the state be obtained from clean energy sources by 2025.	SB 48 pending Senate C&RA
SB 49 by Begich	Sets goal to spend \$100 million to retrofit public facilities and schools by 2025 and adds public schools to energy audit program.	SB 49 pending Senate C&RA



Wearing RED for ED, Deception Island, Antarctica



Thank You

Jesse Devin Justin Logan Lila Faith

Lindsey Edmond

Dear Aleutians East Borough,

Thank you so much for your generous donation to Close Up 2019. We really appreciate your support and are looking forward to our trip to Washington D.C.

Thank you,

Close Up 2019
Sand Point

Assembly Comments

Public Comments

Date & Location of Next Meeting

Adjournment