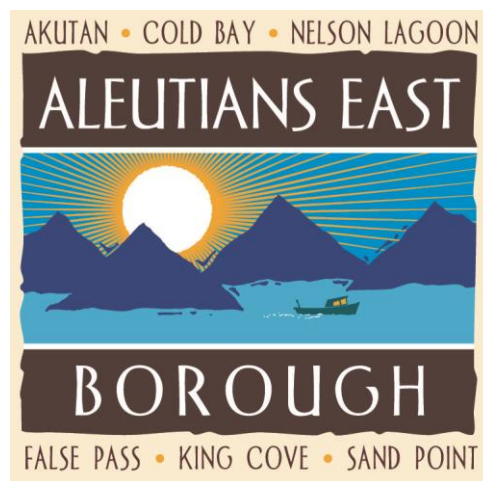


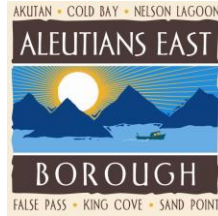
Aleutians East Borough Special Assembly Meeting



Meeting: Thursday, May 23, 2019 – 1:00 p.m.

Roll Call & Establishment of a Quorum

Adoption of Agenda



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

Date: Thursday, May 23, 2019
Time: Meeting: 1:00 p.m. (no workshop)

Location: City of False Pass Office building and by teleconference in each designated community location below:

King Cove AEB office
Nelson Lagoon Corp.
Sand Point AEB office

Akutan -city office
Cold Bay City Office/ Community Center
Anchorage office – 3380 C St

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

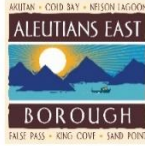
ASSEMBLY MEETING AGENDA

1. Roll Call & Establishment of Quorum.
2. Adoption of the Agenda.
3. Conflict of Interest.
4. Community Roll Call and Public Comments on Agenda Items.
5. Public Hearings.
 - Public Hearing Ordinance 19-09, adopting the operating and capital budget for FY2020.
6. Resolutions.
 - Resolution 19-59, Aleutians East Borough supporting the no action alternative in the draft EIS for the proposed Pebble Mine project.
 - Resolution 19-68, authorizing the Mayor to appropriate the FY20 Permanent Fund Earnings to designated projects and to re-appropriate Nelson Lagoon Erosion Funds in Department 504.
 - Resolution 19-69, Assembly authorizing a onetime and final payment in the amount of \$80,000 to the King Cove Corporation for past King Cove Corporation King Cove Access Project Expenditures.
7. Next Meeting Date.
8. Adjournment.

Conflict of Interests

Community Roll Call & Public Comment on Agenda Items

Public Hearings



MEMORANDUM

To: Alvin D. Osterback, Mayor
From: Anne Bailey, Borough Administrator
Date: May 14, 2019

Re: Ordinance 19-09, Adopting the Operating and Capital Budget for FY20

The Governor's proposed FY20 budget, includes the removal of School Bond Debt Reimbursement, Harbor Bond Debt Reimbursement and the Shared Fisheries Tax Program from the State of Alaska Budget. The House and Senate are in the process of completing their budgets and then the Governor will have the ability to do a line item veto. Therefore, Administration does not anticipate the State budget being completed by July 1, 2019, which is the beginning of the Borough's fiscal year.

Administration is recommending that we anticipate not receiving the items listed above and go into the budget with a "worst case scenario" mind set. Without these funds the Borough will not receive approximately \$3,200,000 in FY20, which equates to roughly 40% of the Borough's anticipated revenues. Administration hopes that the final approved State budget will include bond debt reimbursement and the Shared Fisheries Tax Program funds or at least a portion of these revenue sources. If they are included, then Administration will present a budget amendment to the Assembly for consideration at that time.

The proposed FY20 Budget Summary is as follows:

Expected FY20 Revenue:	\$5,111,621.92
Expected FY20 Expenditures: (Funds 01, 30 and 41)	\$6,719,952.00
Expected FY20 Helicopter Transfer:	\$804,516.00
Expected FY20 Cold Bay Terminal Transfer:	(\$12,022.00)
Expected FY20 Deficit:	(\$2,400,824.08)

This assumes 0% in State Revenues for Shared Fisheries Business Tax Programs and Bond Debt Reimbursement, a 3% Cost of Living increase for employees and funding education at \$800,000.

There are a few options that the Borough Assembly may consider which would reduce the deficit:

1. Provide the minimum required education contribution, which is \$517,841 rather than \$800,00, which is a difference of \$282,159.
2. Not fund the 3% Cost of Living increase for employees, which equates to a \$28,064 of potential savings.

With these budget changes outlined above the deficit would decrease to \$2,090,601.80, which is a difference of \$310,223.

Based off the May 9, 2018 Assembly Work Session/Meeting, the Assembly seemed interested in funding the \$800,000 in education and keeping the 3% Cost of Living increase.

In order to compensate for the deficit, Administration is recommending that we take funds out of the General Fund Fund Balance. Please note, this is a short-term fix which is not sustainable, since these funds are limited. Throughout the next year, Administration will be looking at long term solutions (i.e. new sources of revenue and additional cuts) for the FY21 budget cycle.

For your reference, I have included a table outlining possible budget scenarios if the State funds 0%, 25%, 50%, 75% or 100% of the Shared Fisheries Tax Line Items and the Debt Reimbursement.

State Budget Scenarios and Its Impacts on the Borough Budget

	0%	25%	50%	75%	100%
Interest Income	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
AEB Fish Tax	\$4,100,000	\$4,100,000	\$4,100,000	\$4,100,000	\$4,100,000
Other Revenue	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Shared Fishery Tax	-	\$523,421.68	\$1,046,843.36	\$1,570,265.04	\$2,093,686.72
Extraterritorial Tax	-	\$25,324.75	\$50,649.50	\$75,974.35	\$101,299.00
Landing Tax	-	\$8,805.50	\$17,611.00	\$26,416.50	\$35,222.00
Debt Reimbursement	-	\$250,220.50	\$500,441.00	\$750,661.50	\$1,000,882.00
Community Assistance Program	\$316,365.92	\$316,365.92	\$316,365.92	\$316,365.92	\$316,365.92
Payment in Lieu of Taxes	\$559,000.00	\$559,000.00	\$559,000.00	\$559,000.00	\$559,000.00
USF&WS Lands	\$36,256.00	\$36,256.00	\$36,256.00	\$36,256.00	\$36,256.00
TOTAL	\$511,621.92	\$5,919,394.35	\$6,727,166.78	\$7,534,939.21	\$8,342,711.64
AEB Surplus	(\$2,400,824.08)	(\$1,593,051.65)	(\$785,279.22)	\$22,493.21	\$830,265.64

This memo includes an outline of the:

- FY20 Fund 01 General Fund Anticipated Revenues
- FY20 Fund 01 General Fund Expenditure Adjustment Recommendations
- FY20 Fund 22 Cold Bay Terminal Anticipated Revenues
- FY20 Fund 22 Cold Bay Terminal Expenditure Adjustment Recommendations
- FY20 Fund 22 Helicopter Operations Anticipated Revenues
- FY20 Fund 22 Helicopter Operation Expenditure Adjustment Recommendations
- FY20 Fund 30 Bond Fund Expenditure Adjustment Recommendations
- FY20 Fund 41 Maintenance Reserve Fund Expenditure Adjustment Recommendations
- FY20 Fund 20 Grant Program Overview

A memo regarding the Aleutians East Borough Raw Fish Tax from FY 2009 to FY 2018 and the Ordinance outlining the FY20 budget in its entirety are also attached.

USFWS Lands: \$36,256

The Borough anticipates receiving \$36,256 from USFWS in FY20.

TOTAL Anticipated \$5,111,621.92
Revenues:

FY20 Fund 01 General Fund Expenditure Adjustment Recommendations

Fund 01 General Fund Budget Adjustment Recommendations

Salaries: 0% or 3% COLA Adjustment

The Anchorage Consumer Price Index for the preceding fiscal year is 3% as shown at the following link:

<http://live.laborstats.alaska.gov/cpi/index.cfm>.

According to Section 9.05 B. of the Employee Handbook, “Cost of Living adjustments funded by the Assembly will be given annually to regular employees and will be based on the Consumer Price Index for Anchorage as computed for the preceding year.”

Therefore, the Assembly can decide whether they fund a cost of living adjustment for FY20 or not.

The budget assumes a 3% COLA increase. If the Assembly decides not to fund the COLA, then the budget will decrease by approximately \$28,064.

Mayor: \$83,189 Salaries Line Item

Increase the existing Salaries Line Item (E 01-100-000-300 SALARIES) from \$80,766 to \$83,189. This incorporates the 3% COLA increase.

\$38,000 Fringe Line Item

Increase the existing Fringe Line Item (E 01-100-000-350 FRINGE BENEFITS) from \$29,232 to \$38,000. This reflects what we anticipate the fringe to be for FY 20.

\$40,000 Travel Line Item

Increase the existing Travel Line Item (E 01-100-000-400 TRAVEL AND PER DIEM) from \$36,000 to \$40,000. This better reflects what we anticipate the travel to be for FY20.

\$1,800 Phone Line Item

Increase the existing Phone Line Item (E 01-100-000-425 TELEPHONE) from \$1,500 to \$1,800 to mirror the expenditures made in FY19.

\$3,800 Supplies Line Item

Increase the existing Supplies Line Item (E 01-100-000-475 SUPPLIES) from \$1,000 to \$3,800. This better reflects what we anticipate the needs will be for FY20.

Mayor's Operating Budget Changes

The Mayor's Office Operating Budget would increase in the amount of \$18,291.00, totaling \$287,389.

Assembly:

\$37,000 Meeting Fee Line Item

Increase the existing Meeting Fee Line Item (E01-105-300 SALARIES) from \$25,000 to \$37,000. This reflects what we anticipate the expenditures to be for FY20.

\$140,000 Fringe Line Item

Increase the existing Fringe Line Item (E 01-105-000-350 FRINGE BENEFITS) from \$90,000 to \$140,000. This reflects what we anticipate the fringe to be for FY20.

\$4,000 Supplies Line Item

Increase the existing Fringe Line Item (E 01-105-000-475 SUPPLIES) from \$3,000 to \$4,000. This reflects what we anticipate the supply budget needs will be for FY20.

Assembly Operating Budget Changes

The Assembly's Operating Budget would increase in the amount of \$63,000, totaling \$221,000.

Administration:

\$187,481 Salaries Line Item

Increase the existing Salaries Line Item (E 01-200-000-300 SALARIES) from \$177,893 to \$187,481. This incorporates the Administrator's salary agreed upon at the May 9, 2019 meeting, the 3% COLA increase for the department, which includes the Administrator and the Administrative Assistant and the merit-based pay adjustment the Administrator will receive for her 10th year of Borough employment in FY20.

\$72,500.00 Fringe Line Item

Increase the existing Fringe Line Item (E 01-200-000-350 FRINGE BENEFITS) from \$66,438 to \$72,500. This reflects what we anticipate the fringe to be for FY20.

\$20,000 Deduction from Contract Labor Line Item

Deduct \$20,000 from the Contract Labor Line Item (E 01-200-000-380 CONTRACT LABOR) Leaving \$90,000 for contract labor needs. These funds may be used for any contract labor that is needed throughout the year including but not limited to: PGS and retention schedule assistance.

\$2,500 Deduction from the Travel Line Item

Deduct \$2,500 from the Travel Line Item (E 01-200-000-400 TRAVEL AND PER DIEM). This will reduce the travel line item from \$20,000 to \$17,500.

\$1,000 Deduction from Phone Line Item

Deduct \$1,000 from the Phone Line Item (E 01-200-000425 TELEPHONE) leaving \$6,100. This reflects what we anticipate the expenditures to be for FY20.

\$500 Deduction from Postage Line Item

Deduct \$500 from the Postage Line Item (E 01-200-000-450 POSTAGE/SPEED) leaving \$2,000. This better reflect what we anticipated to be expended in FY20.

\$5,000 Deduction from Supplies Line Item

Deduct \$5,000 from the Supplies Line Item (E 01-200-000-475 SUPPLIES) leaving \$10,000. This better reflects what was expended in FY19.

\$13,161 Deduction from Rent Line Item

Deduct \$13,161 from the Rent Line Item (E 01-200-000-525 RENT/LEASE) leaving \$10,243. The rent line item is for Anchorage offices. Due to adding an employee in the Natural Resources Department and office changes the Administration rent has decreased.

\$2,500 Administration Dues and Fees Line Item

Increase the existing Administration Dues and Fees Line Item (E 01-200-000-530) from \$2,000 to \$2,500 based off what was expended in FY19.

Administration Operating Budget Changes

Administration's Operating Budget would decrease in the amount of \$26,011, totaling \$423,324.

Assistant Administrator: \$93,164 Salary Line Item

Increase the existing Salary Line Item (E 01-201-000-300 SALARIES) from \$90,450 to \$93,164. This incorporates the 3% COLA increase.

\$32,000 Fringe Line Item

Increase the existing Fringe Line Item (E 01-201-000-350 FRINGE BENEFITS) from \$31,422 to \$32,000 to better reflect what will be expended in FY20.

\$250 Deduction from Phone Line Item

Deduct \$250 from the Phone Line Item (E 01-201-000-425 TELEPHONE) leaving \$1,750. This better reflects what we anticipate will be expended in FY20.

\$500 Deduction from the Supplies Line Item

Deduct \$500 from the Supplies Line Item * E 01-201-000-475 SUPPLIES leaving \$2,000. This better reflects what we anticipate will be expended in FY20.

\$10,108 Rent Line Item

Increase the existing Rent Line Item (E 01-201-000-525 RENTAL/LEASE) from \$8,902 to \$10,108. This reflects the fees for the Assistant Administrator's office space in the Anchorage office.

Assistant Administrator Operating Budget Changes

The Assistant Administrator's Operating Budget would increase by \$3,747, totaling \$149,022.

Clerk/Planning:

\$107,629 Salary Line Item

Increase the existing Salary Line Item (E 01-150-000-300 SALARIES) from \$104,494 to \$107,629. This incorporates the 3% COLA increase for the department.

\$43,000 Fringe Line Item

Increase the existing Fringe Line Item (E 01-150-000-350 FRINGE) from \$34,946 to \$43,000 to better reflect what will be expended in FY20.

Clerk/Planning Department's Operating Budget Changes

The Clerk/Planning Department's Operating Budget would increase by \$11,189, totaling \$211,629.

Finance:

\$146,594 Salary Line Item

Increase the existing Salary Line Item (E 01-250-000-300 SALARIES) from \$142,324 to \$146,594. This incorporates the 3% COLA increase for the department.

\$70,000 Fringe Line Item

Increase the existing Fringe Line Item (E 01-250-000-250 FRINGE BENEFITS) from \$53,365 to \$70,000 to better reflect what will be expended in FY20.

\$10,000 Phone Line Item

Increase the existing Phone Line Item (E 01-250-000-425 TELEPHONE) from \$8,000 to \$10,000 to better reflect what we anticipate the phone line expenditures to be in FY20.

\$2,500 Postage Line Item

Increase the existing Postage Line Item (E 01-250-000-450 POSTAGE/SPEED) from \$1,000 to \$2,500 to better reflect what we anticipate the postage expenditures to be in FY20.

\$9,000 Supplies Line Item

Increase the existing Supplies Line Item (E 01-250-000-475 SUPPLIES) from \$7,500 to \$9,000 to better reflect what we anticipate the supplies expenditures to be in FY20.

\$75,000 Audit Line Item

Increase the existing Audit Line Item (E 01-250-000-550 AUDIT) from \$65,500 to \$75,000. This better reflects the BDO fees for FY20 and other fees associated with the audit.

Finance Department Operating Budget Changes

The Finance Operating Budget would increase in the amount of \$35,405, totaling \$328,094.

Natural Resources:

\$167,926 Salaries Line Item

Increase the existing Salaries Line Item (E 01-650-000-300 SALARIES) from \$153,034 to \$167,926. This incorporates a \$10,000 raise for the Natural Resources Assistant Director and the 3% COLA increase for the department.

\$65,000 Fringe Line Item

Increase the existing Fringe Line Item (E 01-650-000-350 FRINGE BENEFITS) from \$61,462 to \$65,000 to better reflect what we anticipate the fringe benefit costs to be in FY20.

\$80,000 Contract Deduction

Deduct \$80,000 from the Contract Line Item (E 01-650-000-380 CONTRACT LABOR) from \$80,000 to \$0. Erik Volk's contract with the Borough ends at the end of April, and it is assumed that this will not be renewed in FY20.

\$30,000 Travel and Per Diem Line Item

Increase the existing Travel and Per Diem Line Item (E 01-650-000-400 TRAVEL AND PER DIEM) from \$25,000 to \$30,000 to better reflect the departments travel needs in FY20.

\$1,500 Phone Line Item Deduction

Deduct \$1,500 from the Phone Line Item (E 01-650-000-425 TELEPHONE) from \$3,000 to \$1,500 to better reflect what we anticipate the phone charges to be in FY20.

\$6,000 Supplies Line Item

Increase the existing Supplies Line Item (E 01-650-000-475 SUPPLIES) from \$3,500 to \$6,000 to adequately equip and accommodate the departments supply needs in FY20.

\$35,000 BOF Meeting Deduction

Deduct \$35,000 from the BOF Meeting Line Item (E01-650-000-403 BOF Meetings). This will decrease the \$50,000 to \$15,000.

\$26,046 Rent Line Item

Increase the existing Rent Line Item from \$8,903 to \$26,046. The increase reflects the occupation of two offices in Anchorage by the Department staff, instead of just one office.

Natural Resources Department Operating Budget Changes

The Natural Resources Department Operating Budget would decrease in the amount of \$73,427, totaling \$326,472.

Communications:

\$105,013 Salaries Line Item

Increase the existing Salaries Line Item (E 01-651-000-300 SALARIES) from \$101,954 to \$105,013. This incorporates the 3% COLA increase.

\$3,000 Travel and Per Diem Deduction

Deduct \$3,000 from the Travel and Per Diem Line Item (E 01-651-011-400 TRAVEL AND PER DIEM). The travel line item changes

from \$12,000 to \$9,000. This reflects the anticipated needs for travel in FY20.

\$10,502 Rental Line Item

Increase the existing Rent Line Item (E 01-651-011-525 RENTAL/LEASE) from \$10,016 to \$10,502. This reflects the cost of the Anchorage office in FY20.

Communication Department's Operating Budget Changes

The Communication Department's Operating Budget would increase in the amount of \$545, totaling \$181,573.

Maintenance:

\$72,435 Salaries Line Item

Increase the existing Salaries Line Item (E 01-700-000-300 SALARIES) from \$70,325 to \$72,435. This incorporates the 3% COLA increase.

\$20,000 Travel & Per Diem Line Item

Increase the existing Travel and Per Diem Line Item (E 01-700-000-400 TRAVEL AND PER DIEM) from \$15,000 to \$20,00. This better reflects the travel needs for FY20.

Maintenance Department's Operating Budget Changes

The Maintenance Department's Operating Budget would increase in the amount of \$7,110, totaling \$131,459.

KCAP:

\$500 Supplies Deduction

Deduct \$500 from the Supplies Line Item (E 01-855-000-475 SUPPLIES). This will reduce the line item from \$2,000 to \$1,500 and better reflect what we anticipate will be expended in FY20.

\$125,000 Maintenance Line Item

Increase the existing Maintenance Line Item (E 01-844-000-603 MAINTENANCE) from \$100,000 to \$125,000. This is for

maintaining the existing road and better reflects what is needed to do the job in FY20.

\$20,000 Contract Labor Deduction

Deduct \$20,000 from the Contract Line Item (E 01-844-000-380 CONTRACT LABOR). This will decrease the line item from \$20,000 to \$0. These funds were not used in FY19 and is not needed in FY20.

KCAP Operating Budget Changes

The KCAP Operating Budget would increase in the amount of \$4,500, totaling \$126,500.

Education:

\$100,000 Local School Contribution Deduction

Deduct \$100,000 from the existing Local School Contribution Line Item (E 01-850-000-700 LOCAL SCHOOL CONTRIBUTION). The contribution will change from \$900,000 to \$800,000. Historically, the Borough has approved \$800,000 on an annual basis for education.

Education Department Operating Budget Changes

The Education Department's Operating Budget would decrease in the amount of \$100,000, totaling \$855,000.

Other Equipment:

\$15,000 Equipment Deduction

Deduct \$15,000 from the existing Equipment Line Item (E 01-900-000-500 EQUIPMENT) reducing it from \$50,000 to \$35,000. This better reflects what we anticipate will be needed in FY20.

Other AEB Vehicles:

\$500 AEB Vehicles Line Item

Increase the existing AEB Vehicles Line Item (E 01-900-000-515 AEB VEHICLES) from \$0 to \$500. This better reflects what we anticipated for car maintenance in FY20.

Other Insurance:

\$185,000 Insurance Line Item

Increase the existing Insurance Line Item (E 01-900-000-552 INSURANCE) from \$160,000 to \$185,000. The increase is due to adding the Borough's non-owned aircraft insurance, which is approximately \$15,000 per year, to this line item and other

unanticipated insurance costs that occurred in FY 19. This coverage was previously reflected under the helicopter insurance line item.

Other Miscellaneous: \$56,000 Miscellaneous Deduction

Deduct \$56,000 from the existing Miscellaneous Line Item (E 01-900-000-753 MISC EXPENSE) reducing it from \$96,000 to \$40,000. The FY19 budget included the FY2018 PERS Salary Floor amount and we are proposing to move \$46,000 of this to its own line item in Dept 900. We anticipate that \$40,000 will be enough to cover expenditures in FY20.

Other NLG Rev. Sharing \$16,000 NLG Revenue Sharing Line Item

Increase the existing Nelson Lagoon Revenue Sharing Line Item (E 01-900-000-760 REVENUE SHARING) from \$12,900 to \$16,000. This better reflects what was reflected in the FY19 financials and what should be expected in FY20.

**Other Web Service/
Tech Support: \$36,552 Web Service Line Item**

Increase the existing Web Service Line Item (E 01-900-000-943 WEB SERVICE) from \$30,000 to \$36,552, which we anticipate will be the expenditures for FY20.

PERS: \$46,000 PERS Line Item Addition

Propose adding a PERS Line item in the amount of \$46,000. These funds were previously reflected in the Misc Line Item. In FY19, the State of Alaska indicated that the Borough's FY 2008 salary floor was not met during FY 2018, this resulted in an additional contribution amount due of \$46,786.02, which is 22% of the shortfall. We believe that these monies should be reflected separately in the financials.

Other Operating Budget: Other Operating Budget Changes

The "Other" Operating Budget would increase in the amount of \$10,152.00, totaling \$746,074.

TOTAL Recommended Operating Budget: \$3,987,536.00 with \$855,000 in Education Funding and 3%COLA

FY20 Fund 22 Cold Bay Terminal Anticipated Revenues

Fund 22 Terminal Operations Revenue

Remaining Construction Loan: \$0

Remaining FAA Reimbursement: \$0

Other Income: \$0

Cold Bay Terminal Lease: \$139,620

This is rent payments we receive from FAA and NWS for the second floor of the Cold Bay Terminal.

TOTAL Anticipated Revenue: \$139,620

FY20 Fund 22 Cold Bay Terminal Expenditure Adjustment Recommendations

Fund 22 Cold Bay Terminal Operations Budget Adjustment Recommendations

Department 802 Capital – Cold Bay

Fringe: \$117 Fringe Benefit Deduction

Deduct \$117 from the existing Fringe Benefits Line Item (E 01-22-802-200-350 FRINGE BENEFITS) leaving \$3,500. This better reflects what we expended in FY19.

Maintenance: \$75,000 Maintenance Deduction

Deduct \$75,000 from the existing Maintenance Line Item (E 22-802-200-603 MAINTENANCE) leaving \$25,000 for deferred maintenance needs. Administration is proposing to use Permanent Fund Earnings to do the tenant improvements and bracing work for the facility.

Supplies: \$20,000 Supplies Line Item

Increase the existing Supplies Line Item (E 22-802-200-475 SUPPLIES) from \$7,500 to \$20,000. This better reflects the expenditures that are needed for this, which include but are not limited to Elevator Services, the land lease and cleaning supplies.

Utilities: \$30,000 Utilities Line Item

Increase the existing Utilities Line Item (E 22-802-200-526 UTILITIES) from \$24,000 to \$30,000. This better reflects what we anticipate the utility costs to be in FY20.

TOTAL Operating Budget: \$127,598.00

Based off the Cold Bay Terminal Operation Revenues and Expenditures the Borough should anticipate receiving a \$12,022 surplus.

FY20 Fund 22 Helicopter Operations Anticipated Revenues

Other Revenue: \$343,600

This includes Maritime payments for services the Borough provides for the helicopter operation. A breakdown for the anticipated revenue source is:

- Hangar Space \$48,600
- Transportation Services \$169,000
- Fuel Usage \$126,000

- TOTAL \$343,600

Helicopter/Tickets: \$0

The Borough is no longer collecting revenues for helicopter ticket sales.

Helicopter Freight: \$0

The Borough is no longer collecting revenues for helicopter freight.

Total Anticipated Revenue \$343,600

FY20 Fund 22 Helicopter Operations Expenditure
Adjustment Recommendations

Fund 22 Helicopter Operations Budget Adjustment Recommendations

Department 845 Helicopter Operations

Salaries: \$61,173 Salaries Deduction

Deduct \$61,173 from the existing Salaries Line Item (E 22-845-300-300 SALARIES) leaving \$70,000. Now that the Maritime runs the helicopter operation our employment needs have changed.

Fringe Benefits: \$5,840 Fringe Benefits Deduction

Deduct \$5,840 from the existing Fringe Benefits Line Item (E 22-845-300-350 FRINGE BENEFITS) leaving \$26,300. Now that the Maritime runs the helicopter operation our employment needs have changed, and our fringe benefit needs have decreased.

Travel: \$5,000 Travel and Per Diem Deduction

Deduct \$5,000 from the existing Travel and Per Diem Line Item (E 22-845-300-400 TRAVEL AND PER DIEM) leaving \$0. These funds are not needed for helicopter operations in FY20.

Telephone: \$2,500 Telephone Deduction

Deduct \$2,500 from the existing Telephone Line Item (E 22-845-300-425) from \$2,500 to \$1,000. This reflects more accurately what we anticipate expending in FY20.

Supplies: \$20,000 Supplies Deduction

Deduct \$20,000 from the existing Supplies Line Item (E 22-845-300-475 SUPPLIES) leaving \$40,000. This reflects more accurately what we anticipate expending in FY20.

Contract: \$592,184 Contract Deduction

Deduct \$592,184 from the existing Contract Line Item (E 22-845-300-380 CONTRACT) leaving \$860,816. The Borough has agreed

to pay this amount in FY20 (\$70,566.50 per month for June 1 through December 31, 2019 and \$72,902.70 per month for January 1 through June 30, 2020 totaling \$860,815.20).

Fuel: \$20,000 Fuel Deduction

Deduct \$20,000 from the existing Fuel Line Item (E 22-845-300-577 FUEL) leaving \$130,000. This better reflects what we anticipate our fuel needs being for FY20.

Insurance: \$18,200 Insurance Deduction

Deduct \$18,200 from the existing Insurance Line Item (E 22-845-300-522 INSURANCE) leaving this at \$0. This was for non-owned aircraft liability insurance that has been transferred to account E 01-900-000-552 Insurance.

Rental/Lease: \$24,000 Rental/Lease Deduction

Deduct \$24,000 from the existing Rental/Lease Line Item (E 22-845-300-525) leaving \$0. This was for the helicopter rental home. We are no longer responsible for paying for this.

Total Operating Budget: \$1,148,116

Based off the Helicopter Operation Revenues and Expenditures the Borough should anticipate operating at a deficit of \$804,516.

FY20 Fund 30 Bond Fund Expenditure Adjustment Recommendations

Bond Interest: \$962,416

Based on the draft FY18 Audit, the Borough owes \$912,416 in interest in FY20.

Bond Principal: \$1,520,000

Based on the draft FY18 Audit, the Borough owes \$1,520,000 in principal in FY20.

FY20 Fund 41 Maintenance Reserve Fund Expenditure Adjustment Recommendations

Other Maintenance Reserve: \$50,000 Maintenance Deduction

Deduct \$50,000 from the existing Maintenance Line Item (E 41-900-000-603 MAINTENANCE) leaving \$250,000 available in this line item for school maintenance. Administration is proposing to use \$450,000 of Permanent Funds Earning pay for school maintenance projects, which would be shown in Fund 20.

FY20 Fund 20 Grant Program Overview

Fund 20 Grant Programs

Permanent Fund Earnings: \$1,647,000 in Permanent Fund Earnings reflected in the budgets Revenues and Expenditure Line Item

The \$1,647,000 is 4% of the permanent fund distribution amount and is based off APCM’s reading of the Borough ordinance (5-year average market value assuming fiscal year end 6/30).

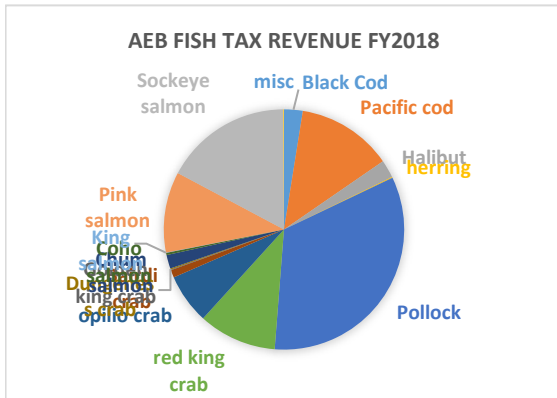
The recommended appropriations of the Permanent Fund Earnings are shown below:

Project	Amount
City of Cold Bay – Community Education Support (Community Budget Request)	\$22,600.00
City of False Pass – Septic Vacuum Truck (Community Budget Request)	\$27,222.00
City of Sand Point – WAANT Task Force Funds (Community Budget Request)	\$87,239.00
Cold Bay Clinic (Strategic Plan)	\$300,000.00
Cold Bay Dock Feasibility Study (Strategic Plan)	\$50,000.00
Cold Bay Terminal Maintenance	\$300,000.00
False Pass Harbor House (Strategic Plan)	\$50,000.00
Mariculture (Strategic Plan)	\$50,000.00
King Cove Access Project – FY 20	\$52,982.77
Property Surveys (Strategic Plan)	\$75,000.00
Sand Point School Grant Application (Strategic Plan)	\$50,000.00
School Maintenance	\$450,000.00
Project Contingency Fund	\$131,956.23
TOTAL	\$1,647,000.00

Approval of the Permanent Fund Earnings appropriations will be presented to the Assembly in Resolution 19-68. This will allow the Borough to keep documentation, approved by the Assembly, on where these funds are appropriated.

Aleutians East Borough raw fish tax

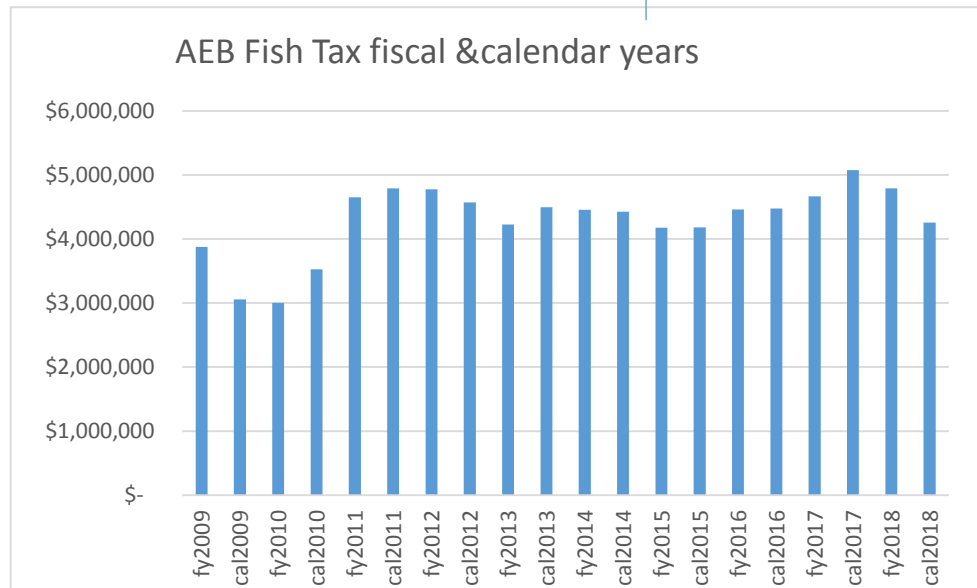
- data from Fish Tax program Annual Reports



fiscal years	fish tax
2009	\$ 3,874,225
2010	\$ 3,002,596
2011	\$ 4,647,348
2012	\$ 4,774,692
2013	\$ 4,223,863
2014	\$ 4,455,153
2015	\$ 4,172,857
2016	\$ 4,458,238
2017	\$ 4,665,348
2018	\$ 4,787,485

fish tax	
fy2009	\$ 3,874,225
cal2009	\$ 3,056,444
fy2010	\$ 3,002,596
cal2010	\$ 3,525,270
fy2011	\$ 4,647,348
cal2011	\$ 4,791,288
fy2012	\$ 4,774,692
cal2012	\$ 4,568,180
fy2013	\$ 4,223,863
cal2013	\$ 4,495,148
fy2014	\$ 4,455,153
cal2014	\$ 4,423,585
fy2015	\$ 4,172,857
cal2015	\$ 4,182,032
fy2016	\$ 4,458,238
cal2016	\$ 4,473,187
fy2017	\$ 4,665,348
cal2017	\$ 5,071,616
fy2018	\$ 4,787,485
cal2018	\$ 4,255,425

average last 5	\$ 4,507,816
average last 10	\$ 4,306,181
average last 5 drop high & low	\$ 4,526,246
average last 10 drop high & low	\$ 4,408,966
average last 5 drop high year	\$ 4,437,899
average last 10 drop high year	\$ 4,252,702
average last 10 drop 2 high years	\$ 4,187,454



The AEB Natural Resources Department recommends a conservative approach to revenue forecasts for the near future, based on environmental uncertainty and recent fishery trends. Although salmon forecasts for the westward region look promising for 2019, the mainstay of AEB fish tax revenue, BSAI pollock, is more difficult to predict. For all species, our fish tax is a calculation of amount of product over the dock times the price paid. More competition among processors is likely to raise ex-vessel prices.

ORDINANCE 19-09

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

Section 1. Classification	This is a non-code ordinance
Section 2. Effective Date	This ordinance becomes effective upon Adoption.
Section 3. Severability	The terms, provisions, and sections of this Ordinance are severable.
Section 4. Content	The operating and capital budget for the Aleutians East Borough for Fiscal Year 2020 is adopted as follows:

REVENUES	FY20 BUDGET
Local	
Interest Income	\$35,000.00
AEB Fish Tax	\$4,100,000.00
AEBSD Refund	
Other Revenue	\$65,000.00
State	
Shared Fishery Tax	\$0.00
Extraterritorial Fish Tax	\$0.00
Landing Tax	\$0.00
Debt Reimbursement	\$0.00
State Aid to Local Government	\$316,365.92
Federal	
Payment in Lieu of Taxes	\$559,000.00
USF&WS Lands	\$36,256.00
Total FY20 Revenues	\$5,111,621.92

OPERATING FUND EXPENDITURES

Mayor	\$287,389.00
Assembly	\$221,000.00
Administration	\$423,324.00
Assistant Administrator	\$149,022.00
Clerk/Planning	\$211,629.00
Planning Commission	\$0.00
Finance	\$328,094.00
Natural Resources	\$326,472.00
Communications Manager	\$181,573.00
Maintenance Director	\$131,459.00
Educational Support	\$855,000.00
KCAP	\$126,500.00
Other	
Gen.Fund	
Equipment	\$35,000.00
KSDP	\$10,000.00
AEB Vehicles	\$500.00
Repairs	\$5,000.00
Utilities	\$25,000.00
Aleutia Crab	\$58,522.00
Legal	\$100,000.00
Insurance	\$185,000.00
Bank Fees	\$15,000.00
EATS	\$150,000.00
Misc.	\$40,000.00
Donations	\$23,500.00
NLG Rev. Sharing	\$16,000.00
Web Service/Tech	\$36,552.00
PERS	\$46,000.00
Total Other	\$746,074.00
Total General Fund	\$3,987,536.00
Capital Projects	\$0.00
Bond Projects	\$0.00
Debt Services	\$2,482,416.00
Maintenance Reserve	\$250,000.00
Total Expenditure	\$6,719,952.00
Transfer to Helicopter	\$804,516.00

Operation	
Transfer to Terminal Operator	(\$12,022.00)
AEB Surplus	(\$2,400,824.08)
Fund 20, AEB Community Grant, Revenues	\$1,647,000.00
Fund 20, AEB Community Grant, Exp.	\$1,647,000.00
Fund 22, Helicopter, Revenues	\$343,600.00
Fund 22, Helicopter, Expenditures	\$1,148,116.00
Fund 22, Terminal Operations, Revenues	\$139,620.00
Fund 22, Terminal Operations, Expenditures	\$127,598.00
Fund 24, Bond Project, Revenues	\$0.00
Fund 24, Bond Project, Expenditures	\$0.00
Fund 30, Bond Payments, Revenues	\$0.00
Fund 30, Bond Payments, Expenditures	\$2,482,416.00
Fund 40, Permanent Fund, Revenues	\$35,000.00
Fund 40, Permanent Fund, Expenditures	\$35,000.00
Fund 41, Maintenance Reserve, Revenues	\$250,000.00
Fund 41, Maintenance Reserve, Expenditures	\$250,000.00

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

Date Introduced: 5/09/2019

Date Adopted: _____

Mayor

ATTEST:

Clerk

Proposed FY20 Aleutians East Borough Budget

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

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

REVENUES	FY19	Proposed Changes FY20		
Local	Interest Income	\$ 35,000.00	\$ -	\$ 35,000.00
	AEB Fish Tax	\$ 3,560,381.00	\$ 539,619.00	\$ 4,100,000.00
	AEBSD Refund			
	Other Revenue	\$ 50,000.00	\$ 15,000.00	\$ 65,000.00
State	Shared Fishery Tax	\$ 2,093,686.72	\$ (2,093,686.72)	\$ -
	Extraterritorial Fish Tax	\$ 101,299.00	\$ (101,299.00)	\$ -
	Landing Tax	\$ 35,222.00	\$ (35,222.00)	\$ -
	Debt Reimbursement	\$ 1,000,882.00	\$ (1,000,882.00)	\$ -
	State Aid to Local Governments	\$ 300,418.00	\$ 15,947.92	\$ 316,365.92
Federal	Payment in Lieu of Taxes	\$ 559,000.00	\$ -	\$ 559,000.00
	USF&WS Lands	\$ 36,256.00	\$ -	\$ 36,256.00
	Total FY Revenues	\$ 7,772,144.72	\$ (2,660,522.80)	\$ 5,111,621.92
Operating Fund Expenditures				
	Mayor	\$ 269,098.00	\$ 18,291.00	\$ 287,389.00
	Assembly	\$ 158,000.00	\$ 63,000.00	\$ 221,000.00
	Administration	\$ 449,335.00	\$ (26,011.00)	\$ 423,324.00
	Assistant Administrator	\$ 145,275.00	\$ 3,747.00	\$ 149,022.00
	Clerk/Planning	\$ 200,440.00	\$ 11,189.00	\$ 211,629.00
	Planning Commission	\$ -	\$ -	\$ -
	Finance	\$ 292,689.00	\$ 35,405.00	\$ 328,094.00
	Natural Resources	\$ 399,899.00	\$ (73,427.00)	\$ 326,472.00
	Communication Manager	\$ 181,028.00	\$ 545.00	\$ 181,573.00
	Maintenance Director	\$ 124,349.00	\$ 7,110.00	\$ 131,459.00
	Educational Support	\$ 955,000.00	\$ (100,000.00)	\$ 855,000.00
	KCAP	\$ 122,000.00	\$ 4,500.00	\$ 126,500.00
	Other GF			
	Equipment	\$ 50,000.00	\$ (15,000.00)	\$ 35,000.00
	AEB Vehicles	\$ -	\$ 500.00	\$ 500.00
	Repairs	\$ 5,000.00	\$ -	\$ 5,000.00
	Utilities	\$ 25,000.00	\$ -	\$ 25,000.00
	Aleutia Crab	\$ 58,522.00	\$ -	\$ 58,522.00
	Legal	\$ 100,000.00	\$ -	\$ 100,000.00
	Insurance	\$ 160,000.00	\$ 25,000.00	\$ 185,000.00
	Bank Fees	\$ 15,000.00	\$ -	\$ 15,000.00
	EATS	\$ 150,000.00	\$ -	\$ 150,000.00

Misc.	\$ 96,000.00	\$ (56,000.00)	\$ 40,000.00
Donations	\$ 23,500.00	\$ -	\$ 23,500.00
KSDP	\$ 10,000.00	\$ -	\$ 10,000.00
NLG Rev. Sharing	\$ 12,900.00	\$ 3,100.00	\$ 16,000.00
Web Service/Tech Support	\$ 30,000.00	\$ 6,552.00	\$ 36,552.00
PERS	\$ -	\$ 46,000.00	\$ 46,000.00
	\$ 735,922.00	\$ 10,152.00	\$ 746,074.00
Total General Fund	\$ 4,033,035.00	\$ (45,499.00)	\$ 3,987,536.00
Capital Projects			
Bond Projects			
Debt Services	\$ 1,547,150.00	\$ 935,266.00	\$ 2,482,416.00
Maintenance Reserve	\$ 300,000.00	\$ (50,000.00)	\$ 250,000.00
Total Expenditure	\$ 5,880,185.00	\$839,767.00	\$6,719,952.00
Transfer to Helicopter Operation	\$ 1,502,013.00	\$ (697,497.00)	\$ 804,516.00
Transfer to Terminal Operation	\$ 44,595.00	\$ (56,617.00)	\$ (12,022.00)
AEB Surplus	\$ 345,351.72		(\$2,400,824.08)

Fund 20 Community Grants AEB, Revenues	\$ 1,548,573.00	\$ 98,427.00	\$ 1,647,000.00
Community Grants AEB, Expenditures	\$ 1,548,573.00	\$ 98,427.00	\$ 1,647,000.00
Fund 22, Helicopter, Revenues	\$ 395,000.00	\$ (51,400.00)	\$ 343,600.00
Fund 22, Helicopter, Expenditures	\$ 1,897,013.00	\$ (748,897.00)	\$ 1,148,116.00
Fund 22, Terminal Operations, Revenues	\$ 139,620.00	\$ -	\$ 139,620.00
Fund 22, Terminal Operations, Expenditures	\$ 184,215.00	\$ (56,617.00)	\$ 127,598.00
Fund 24, Bond Project, Revenues	\$ -	\$ -	\$ -
Fund 24, Bond Project, Expenditures	\$ -	\$ -	\$ -
Fund 30, Bond Payments, Revenues	\$ -	\$ -	\$ -
Fund 30, Bond Payments, Expenditures	\$ -	\$ 2,482,416.00	\$ 2,482,416.00
Fund 40, Permanent Fund, Revenues	\$ 35,000.00	\$ -	\$ 35,000.00
Fund 40, Permanent Fund, Expenditures	\$ 35,000.00	\$ -	\$ 35,000.00
Fund 41 Maintenance Reserve, Revenues	\$ 300,000.00	\$ (50,000.00)	\$ 250,000.00
Fund 41 Maintenance Reserve, Expenditures	\$ 300,000.00	\$ (50,000.00)	\$ 250,000.00

Proposed FY20 General Fund Budget (Fund 01)

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

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

	FY19	Proposed Changes	FY20
Mayor's Office			
Salary	\$ 80,766.00	\$ 2,423.00	\$ 83,189.00
Fringe	\$ 29,232.00	\$ 8,768.00	\$ 38,000.00
Travel	\$ 36,000.00	\$ 4,000.00	\$ 40,000.00
Phone	\$ 1,500.00	\$ 300.00	\$ 1,800.00
Supplies	\$ 1,000.00	\$ 2,800.00	\$ 3,800.00
Lobbying, federal	\$ 75,600.00	\$ -	\$ 75,600.00
Lobbying, state	\$ 45,000.00	\$ -	\$ 45,000.00
Total Mayor's Office	\$ 269,098.00	\$ 18,291.00	\$ 287,389.00
Assembly			
Meeting Fee	\$ 25,000.00	\$ 12,000.00	\$ 37,000.00
Fringe	\$ 90,000.00	\$ 50,000.00	\$ 140,000.00
Travel	\$ 40,000.00	\$ -	\$ 40,000.00
Supplies	\$ 3,000.00	\$ 1,000.00	\$ 4,000.00
Total Assembly	\$ 158,000.00	\$ 63,000.00	\$ 221,000.00
Administration			
Salary	\$ 177,893.00	\$ 9,588.00	\$ 187,481.00
Fringe	\$ 66,438.00	\$ 6,062.00	\$ 72,500.00
Engineering	\$ 25,000.00	\$ -	\$ 25,000.00
Contract	\$ 110,000.00	\$ (20,000.00)	\$ 90,000.00
Travel & per diem	\$ 20,000.00	\$ (2,500.00)	\$ 17,500.00
Phone	\$ 7,100.00	\$ (1,000.00)	\$ 6,100.00
Postage	\$ 2,500.00	\$ (500.00)	\$ 2,000.00
Supplies	\$ 15,000.00	\$ (5,000.00)	\$ 10,000.00
Rent	\$ 23,404.00	\$ (13,161.00)	\$ 10,243.00
Dues & fees	\$ 2,000.00	\$ 500.00	\$ 2,500.00
Total Administration	\$ 449,335.00	\$ (26,011.00)	\$ 423,324.00
Assistant Administrator			
Salary	\$ 90,450.00	\$ 2,714.00	\$ 93,164.00
Fringe	\$ 31,422.00	\$ 578.00	\$ 32,000.00
Travel	\$ 10,000.00	\$ -	\$ 10,000.00
Phone	\$ 2,000.00	\$ (250.00)	\$ 1,750.00
Supplies	\$ 2,500.00	\$ (500.00)	\$ 2,000.00
Rent	\$ 8,903.00	\$ 1,205.00	\$ 10,108.00
Total Assistant Administrator	\$ 145,275.00	\$ 3,747.00	\$ 149,022.00
Clerk/Planning			
Salary	\$ 104,494.00	\$ 3,135.00	\$ 107,629.00

Fringe	\$ 34,946.00	\$ 8,054.00	\$ 43,000.00
Travel & per diem	\$ 12,500.00	\$ -	\$ 12,500.00
Phone	\$ 7,500.00	\$ -	\$ 7,500.00
Postage	\$ 1,000.00	\$ -	\$ 1,000.00
Supplies	\$ 5,000.00	\$ -	\$ 5,000.00
Utilities	\$ 20,000.00	\$ -	\$ 20,000.00
Dues & fees	\$ 5,000.00	\$ -	\$ 5,000.00
Elections	\$ 10,000.00	\$ -	\$ 10,000.00
Total Clerk/Planning	\$ 200,440.00	\$ 11,189.00	\$ 211,629.00

Planning Commission

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

Finance

Salary	\$ 142,324.00	\$ 4,270.00	\$ 146,594.00
Fringe	\$ 53,365.00	\$ 16,635.00	\$ 70,000.00
Travel & per diem	\$ 10,000.00	\$ -	\$ 10,000.00
Phone	\$ 8,000.00	\$ 2,000.00	\$ 10,000.00
Postage	\$ 1,000.00	\$ 1,500.00	\$ 2,500.00
Supplies	\$ 7,500.00	\$ 1,500.00	\$ 9,000.00
Utilities	\$ 5,000.00	\$ -	\$ 5,000.00
Audit	\$ 65,500.00	\$ 9,500.00	\$ 75,000.00
Total Finance	\$ 292,689.00	\$ 35,405.00	\$ 328,094.00

Natural Resources

Salary	\$ 153,034.00	\$14,892.00	\$ 167,926.00
Fringe	\$ 61,462.00	\$ 3,538.00	\$ 65,000.00
Contract	\$ 80,000.00	\$ (80,000.00)	\$ -
Travel & per diem	\$ 25,000.00	\$ 5,000.00	\$ 30,000.00
Phone	\$ 3,000.00	\$ (1,500.00)	\$ 1,500.00
Supplies	\$ 3,500.00	\$ 2,500.00	\$ 6,000.00
NPFMC	\$ 15,000.00	\$ -	\$ 15,000.00
BOF Meeting	\$ 50,000.00	\$ (35,000.00)	\$ 15,000.00
Rent	\$ 8,903.00	\$ 17,143.00	\$ 26,046.00
Total Natural Resources	\$ 399,899.00	\$ (73,427.00)	\$ 326,472.00

Communication Director

Salary	\$ 101,954.00	\$ 3,059.00	\$ 105,013.00
Fringe	\$ 34,158.00	\$ -	\$ 34,158.00
Travel & per diem	\$ 12,000.00	\$ (3,000.00)	\$ 9,000.00
Phone	\$ 2,400.00	\$ -	\$ 2,400.00
Supplies	\$ 2,500.00	\$ -	\$ 2,500.00

Rent	\$ 10,016.00	\$ 486.00	\$ 10,502.00
Advertising/promotions	\$ 18,000.00	\$ -	\$ 18,000.00
Total Communications	\$ 181,028.00	\$ 545.00	\$ 181,573.00

Maintenance Director

Salary	\$ 70,325.00	\$ 2,110.00	\$ 72,435.00
Fringe	\$ 31,024.00	\$ -	\$ 31,024.00
Travel & per diem	\$ 15,000.00	\$ 5,000.00	\$ 20,000.00
Phone	\$ 1,000.00	\$ -	\$ 1,000.00
Supplies	\$ 5,000.00	\$ -	\$ 5,000.00
Utilities	\$ 2,000.00	\$ -	\$ 2,000.00
Total Public Works	\$ 124,349.00	\$ 7,110.00	\$ 131,459.00

KCAP

Salary	\$ -	\$ -	\$ -
Fringe	\$ -	\$ -	\$ -
Travel & per diem	\$ -	\$ -	\$ -
Supplies	\$ 2,000.00	\$ (500.00)	\$ 1,500.00
Maintenance	\$ 100,000.00	\$ 25,000.00	\$ 125,000.00
Contract	\$ 20,000.00	\$ (20,000.00)	\$ -
Total KCAP	\$ 122,000.00	\$ 4,500.00	\$ 126,500.00

Education

Local Contribution	\$ 900,000.00	\$ (100,000.00)	\$ 800,000.00
Scholarships	\$ 35,000.00	\$ -	\$ 35,000.00
Student travel	\$ 20,000.00	\$ -	\$ 20,000.00
Total Educational Support	\$ 955,000.00	\$ (100,000.00)	\$ 855,000.00

Other

Equipment	\$ 50,000.00	\$ (15,000.00)	\$ 35,000.00
AEB Vehicles	\$ -	\$ 500.00	\$ 500.00
Utilities	\$ 25,000.00	\$ -	\$ 25,000.00
Aleutia Crab	\$ 58,522.00	\$ -	\$ 58,522.00
Legal	\$ 100,000.00	\$ -	\$ 100,000.00
Insurance	\$ 160,000.00	\$ 25,000.00	\$ 185,000.00
Repairs	\$ 5,000.00	\$ -	\$ 5,000.00
Bank Fees	\$ 15,000.00	\$ -	\$ 15,000.00
EATS	\$ 150,000.00	\$ -	\$ 150,000.00
Misc.	\$ 96,000.00	\$ (56,000.00)	\$ 40,000.00
Donations	\$ 23,500.00	\$ -	\$ 23,500.00
KSDP	\$ 10,000.00	\$ -	\$ 10,000.00
NLG Rev. Sharing	\$ 12,900.00	\$ 3,100.00	\$ 16,000.00
Web Service/Tech Support	\$ 30,000.00	\$ 6,552.00	\$ 36,552.00
PERS	\$ -	\$ 46,000.00	\$ 46,000.00
Total Other	\$ 735,922.00	\$ 10,152.00	\$ 746,074.00

TOTAL OPERATING BUDGET	\$ 4,033,035.00	\$ (45,499.00)	\$ 3,987,536.00
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Proposed FY20 Helicopter and Cold Bay Terminal Budgets (Fund 22)

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

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

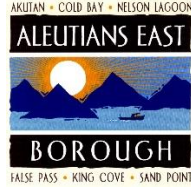
	FY19	Proposed Changes	FY20
Fund 22 Terminal Operations			
Revenues			
Remaining construction Loan/	\$ -		\$ -
Remaining FAA reimbursement	\$ -		\$ -
Other Income	\$ -		\$ -
Leases	\$ 139,620.00		\$ 139,620.00
TOTAL REVENUES	\$ 139,620.00		\$ 139,620.00
Expenses			
Salary	\$ 28,098.00	\$ -	\$ 28,098.00
Fringe	\$ 3,617.00	(\$117.00)	\$ 3,500.00
Maintenance	\$ 100,000.00	(\$75,000.00)	\$ 25,000.00
Travel & Perdiem	\$ -	\$ -	\$ -
Phone, Internet	\$ 4,500.00	\$ -	\$ 4,500.00
Supplies	\$ 7,500.00	\$ 12,500.00	\$ 20,000.00
Rental/Lease			
Utilities	\$ 24,000.00	\$6,000.00	\$30,000.00
Fuel/Gas	\$ 1,500.00	\$ -	\$ 1,500.00
Fuel/diesel	\$ 15,000.00	\$ -	\$15,000.00
TOTAL EXPENDITURES	\$ 184,215.00	\$ (56,617.00)	\$ 127,598.00
Fund 22 Helicopter Operations			
Revenues			
Medivacs	\$ 5,000.00	\$ (5,000.00)	\$ -
Freight	\$ 90,000.00	\$ (90,000.00)	\$ -
Other Income			
Tickets, fees, etc.	\$ 300,000.00	\$ (300,000.00)	\$ -
Hangar		\$ 48,600.00	\$ 48,600.00
Transportation		\$ 169,000.00	\$ 169,000.00
Fuel		\$ 126,000.00	\$ 126,000.00
TOTAL REVENUES	\$ 395,000.00	\$ (51,400.00)	\$ 343,600.00
Expenses			
Salary	\$ 131,173.00	\$ (61,173.00)	\$ 70,000.00
Fringe	\$ 32,140.00	\$ (5,840.00)	\$ 26,300.00

Travel	\$	5,000.00	\$	(5,000.00)	\$	-
Phone/Internet	\$	3,500.00	\$	(2,500.00)	\$	1,000.00
Supplies	\$	60,000.00	\$	(20,000.00)	\$	40,000.00
Contract	\$	1,453,000.00	\$	(592,184.00)	\$	860,816.00
Fuel/gas	\$	12,000.00	\$	-	\$	12,000.00
Fuel/diesel	\$	150,000.00	\$	(20,000.00)	\$	130,000.00
Insurance	\$	18,200.00	\$	(18,200.00)	\$	-
Utilities	\$	8,000.00	\$	-	\$	8,000.00
Rent/Lease	\$	24,000.00	\$	(24,000.00)	\$	-
TOTAL EXPENDITURES	\$	1,897,013.00	\$	(748,897.00)	\$	1,148,116.00

FY19 Amounts/Estimate

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

Resolutions



Agenda Statement

To: Mayor Osterback, Aleutians East Borough Assembly
From: Natural Resources Department Staff
Date: May 10, 2019
RE: AEB comments on USACE Draft EIS for the Pebble Mine Project

The Natural Resources Department (NRD) submitted the following memo and Resolution 19-59 for the April 11, 2019 Assembly Meeting by request of an Assembly Member. During that meeting the memo and resolution were not discussed due to failure to obtain a second to the motion. During the May 9, 2019 Assembly Meeting, the Assembly moved to have the issue brought back to the table for the May 23, 2019 Assembly Meeting. The NRD has provided the original memo and resolution for the Assembly's review, as well as a new option for the Assembly to consider.

The purposes of this memo are to review the portions of the Pebble Project, as outlined in the draft EIS, that would impact the AEB, and recommend AEB comment on the draft EIS in the form of a resolution. This memo focuses on direct, indirect or cumulative impacts to AEB fishermen from the open pit mine and associated infrastructure. Potential impacts that are localized to the region of the project and do not have potential impacts on the AEB will not be addressed in this memo.

Historically, the AEB has supported development projects and may choose to do so again in the future. It may be prudent to maintain consistency and standardize the process of taking a position on development projects. One option would be to:

1. Adopt the general process of assessing proposed development projects on a case-by-case basis for its potential impacts on renewable salmon resources, and further, the impact of those renewable salmon resources to the AEB when making a decision to support or oppose the project, and
2. Include language in the resolution to USACE that explicitly outlines that AEB opposition to development is circumstantial

However, if the Assembly does not consider this necessary, another option would be to keep the resolution as it is written.

RECOMMENDATION

The NRD recommends the AEB Assembly support Resolution 19-XX that opposes the Pebble Mine Project, either as written **or** with the caveat that we include the following language:

“WHEREAS, the Aleutians East Borough is not necessarily opposed to development, but must assess each project on a case-by-case basis to consider potential impacts on renewable fisheries stocks that are of vital importance to Aleutians East Borough communities and fishermen, and”

Area M Sockeye Fishery

The Pebble Mine project area is within the neighboring Lake and Peninsula Borough (LPB) to the East of the AEB. Although the Draft EIS provides a thorough analysis on the localized project area, analysis on potential impacts to the AEB are lacking or non-existent. The mine site is within the Kaktuli River and Upper Talarik Creek (UTC) watersheds. The Kaktuli watershed is approximately 83 miles upstream of the Nushagak river and 109 miles upstream of Bristol Bay. The UTC watershed is approximately 39 miles upstream from the Kvichak river, and 89 miles upstream of Bristol Bay. Both Nushagak and Kvichak support some of the largest and most important salmon stocks in the Bristol Bay.

According to the Alaska Peninsula, Atka-Amlia Islands, Aleutian Islands, and Chignik Area Commercial Salmon Fishing Regulations found in 5 AAC 09.365, South Unimak and Shumagin Islands June Salmon Management Plan (a): “The South Unimak and Shumagin Islands June fisheries harvest both sockeye salmon and chum salmon in a mixed stock fishery during the month of June. **The sockeye salmon are predominantly Bristol Bay and Alaska Peninsula origin.** The chum salmon are bound for a number of areas, including Japan, Russia, the Arctic-Yukon-Kuskokwim, Bristol Bay, the Alaska Peninsula, and southcentral Alaska. These salmon stocks have historically been harvested along the south Alaska Peninsula during the month of June. This management plan is intended to be consistent with the Policy for the Management of Sustainable Salmon Fisheries (5 AAC 39.222) and the Policy for the Management of Mixed Stock Salmon Fisheries (5 AAC 39.220).”

The Western Alaska Sockeye Salmon Stock Identification Program ([WASSIP](#)) confirms that the Bristol Bay reporting group is a major contributor to the sockeye harvest in the South Alaska Peninsula June fishery, particularly in the Unimak District, Ikatan area and Shumagin Islands Section., albeit at very low overall harvest rates. It is clear from ADFG regulations and from the WASSIP study that impacts to the Bristol Bay sockeye resource would necessarily result in negative socio-economic impacts for AEB fishermen. Potential impacts on AEB fishermen not addressed in the DEIS can be surmised from impacts to the local fisheries described in the DEIS, and are outlined below. However, **further analysis in the final EIS is warranted and should include impacts to AEB residents and fishermen.**

Pebble Project Purpose and Need

The *purpose* of the project, as stated by the applicant Pebble Limited Partnership (PLP), is “*to produce commodities, including copper, gold, and molybdenum from the Pebble deposit in a manner that is commercially viable, using proven technologies that are suitable for the project’s remote location.*” PLP’s *need* statement is “*to meet the increasing global demand for commodities such as copper, gold, and molybdenum*”. USACE has determined that the overall project purpose is: “*to develop and operate a copper, gold, and molybdenum mine in Alaska to meet current and future demand.*”

Pebble Project Draft Environmental Impact Analysis (www.pebbleprojecteis.com)

The U. S. Army Corps of Engineers (USACE) is soliciting public comment on the draft Environmental Impact Statement (DEIS) for the Pebble Mine project, as required by the National Environmental Policy Act (NEPA). The public comment period is open March 1 through May 31,

2019. The DEIS looks at the No Action Alternative and action alternatives for a functioning Pebble mine project that meet the purpose and need statement and are reasonable and practicable under Council on Environmental Quality (CEQ) standards. The EIS also analyzes environmental impacts of each alternative including direct, indirect and cumulative effects.

Alternatives Analysis

The DEIS of the proposed project outlines the No Action Alternative and Action Alternative 1 – the applicants proposed alternative, and two additional variant alternatives that discuss the transportation corridor, pipeline and ports and lightering locations. This memo focuses on the No Action Alternative and Action Alternative 1 for the applicants proposed mine. In general, the No Action Alternative would not contribute to any direct, indirect or cumulative effects on salmon or salmon habitat.

From DEIS Section 4.27 Spill Risk

...The ADEC spills database does not provide information on the number of trailers involved in trucking-related spills. PLP is proposing to haul diesel tanks on three separate trailers.

...No studies have been identified that analyze fuel spill rates on private, controlled-access industrial roads, such as the proposed mine and port access roads (ARCADIS 2013).

From DEIS Section 4.6 Environmental Consequences

“Potential impacts include: Short- or long-term direct and indirect changes in salmon populations, or harvestability of returning salmon, which reduce the number of returning adult spawners available for harvest by commercial permit holders and thus reducing:

- wholesale fisheries value, payments to permit holders and crew, and expenditures into local economies;
- delivery of fish to processors, revenue generated by processed fish, and employment of and payments to processing labor;
- generation of tax revenue to state and local governments through sales tax, real property tax, and raw fish tax;

Reduction in consumer willingness to buy Bristol Bay salmon due to a perceived loss of quality, resulting in a lower price paid to commercial harvesters.”

Concerns resulting from Action Alternative 1 potential impacts include but are not limited to the following:

- Although the DEIS purports that most potential risks identified have a low probability of occurrence, the magnitude, extent and longevity of impacts would be disastrous.
- The DEIS has a section regarding Spill Risk which identifies activities with risk that span beyond the localized project site – this non-exhaustive list includes diesel fuel, natural gas, copper-gold ore concentrate, chemical reagents, bulk and pyritic tailings, and untreated contact water. Although the section is comprehensive, many of the scenarios are theoretical – some scenarios have few existing studies to draw comparable assumptions from, many of the scenarios are circumstantial (severity would depend on timing, location, etc.), and do not

explore secondary and tertiary impacts on affected ecosystems. The concerns for fishermen are addressed, but not given due consideration.

- Substantial generation of “fugitive dust” containing particles of mined metal, specifically copper, which has been found to negatively impact the olfactory system of salmon even in trace amounts (2-200 ppm/88,263 ft³ of water). Salmon use their olfactory senses for prey-predator interactions, mating, and homing to their natal streams. Copper is identified as a toxic inorganic substance under AK and EPA water quality standards for Aquatic Life, and appropriate limits are listed in the DEIS *Table K3.18-1: Criteria Used for Comparison to Water and Sediment Quality Data*. However, Copper was not considered under the analyses of Fugitive Dust Constituents of Concern in *Table 4.14-1: Calculated Mine Site Post-Dust Deposition Metal Concentrations in Soil* due to use of air quality indices only.

From DEIS Section 4.24.2.1 Habitat Loss

In terms of magnitude and extent of impacts, project construction, operations, and closure at the mine site would have a footprint of 8,806 acres (10.7 square miles), of which 3,458 acres are wetlands or other waters. Duration of impacts to these affected areas would be long term, lasting throughout the life of the project, and they would be certain to occur if the project is permitted and constructed.”

From DEIS Section 4.6.6.2 Alternative 1 Applicants Proposed Alternative

Pebble Mine Expanded Development Scenario - The Pebble Mine Expanded Development Scenario would result in an additional 78 years of mining/milling and include a larger open pit mine with expanded and new storage facilities for tailings and waste rock.

From DEIS Section 4.24.6 Cumulative Impacts

Reasonably foreseeable future actions (RFFAs) combined with natural events, have the potential to contribute to adverse effects on aquatic resources by altering flow regimes and drainage patterns; direct habitat loss; diminishing water quality from riverbank erosion, turbidity, and sedimentation; changes in water chemistry; fish displacement and injury; and degrading the extent of productive habitat conditions.

Consultation

The USACE has invited 38 federally recognized tribes throughout the region to consult during the EIS decision process, including neighboring Port Heiden Village Council and the Chignik Tribal Councils. No tribes within the AEB have been invited for consultation. Likewise, the LPB and the State of Alaska have been invited to participate as cooperating agencies, but the AEB has not been invited or consulted.

Direct, indirect and cumulative impacts of the project, and resulting mitigation measures are calculated in the DEIS for communities and activities near to the proposed project, not for neighboring communities or fishing activities in the AEB.

From DEIS Section 3.4 Environmental Justice: “Historically, minority and low-income populations have suffered a greater share of adverse environmental and health impacts related to industry and development projects relative to the benefits. In addition, impacts to Alaska Native populations may be different from impacts on the general population due to a community’s distinct cultural practices (CEQ 1997). Therefore, agencies would consider impacts to subsistence and sociocultural characteristics as a component of the environmental justice analysis.”

Mitigation

NEPA requires agencies to consider mitigation measures to avoid or reduce environmental impacts, or to compensate through mitigation, any unavoidable impacts. Mitigation can be achieved through project design and use of best management practices.

The AEB has historically been open to the idea of responsible development in our region, although some local attitudes on mineral development in the region have shifted. In 2008 during the scoping period for the EIS of a proposed oil & gas lease sale the North Aleutian Basin of the outer continental shelf, the AEB requested analysis and developed mitigation measures for topics of particular local interest in any future development in the AEB region. Limited support for regional mineral development in the AEB region presumed that projects would bring local employment opportunities, municipal tax revenue and possible access to inexpensive energy. Examples of the AEB Oil & gas development mitigation measures can be found here: <http://www.aebfish.org/aebmitigation.pdf>.

The proposed Pebble project may offer opportunities like temporary employment to local LPB residents. However, salmon is the cultural and economic foundation for all of our communities. AEB resident fishermen harvest salmon that are bound for Bristol Bay. Any of the potential negative impacts to salmon runs would directly affect AEB fishermen. Since there is no discernable direct benefit to the AEB or AEB residents from the development of the proposed mine, but potential for significant risk due to myriad of possible failures associated with the

From DEIS Section 5.3.1 Applicant's Proposed Avoidance and Minimization

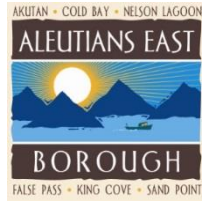
PLP's description of measures to avoid and minimize impacts to waters of the US (WOUS) is included in Tab 23 of the Pebble Project Department of the Army Application for Permit POA-2017-271 (PLP 2019a). Notable measures identified include the following:

- The project plan has been limited to mining the near-surface portion of the Pebble deposit. This has significantly reduced the footprint of the open pit, tailings storage facility (TSFs), and mine facilities, as well as eliminated the need for a permanent waste rock storage facility.
- The layout was designed to consolidate the majority of the site infrastructure in a single drainage, the North Fork Kuktuli, and avoid the placement of waste rock or tailings in the Upper Talarik Creek drainage.
- The transportation corridor incorporates a ferry crossing of Iliamna Lake to connect the mine site to a marine port on Cook Inlet, reducing the total access road length and associated impacts relative to a longer access road around Iliamna Lake. The road alignment was further refined to avoid areas of known subsistence and recreational use, and to minimize wetland impacts.
- A natural gas pipeline and gas-fired electrical generation to power the project reduce air emissions and the need to transport and store diesel fuel for power generation.
- The segregated pyritic TSF, a fully lined facility, minimizes water quality impacts and facilitates closure. At closure, pyritic tailings will be backhauled to the pit for subaqueous storage in the pit lake and the pyritic TSF will be reclaimed.
- Pyritic waste rock will be stored in the pyritic TSF during operations, after which it will be backhauled to the pit for sub-aqueous storage in the pit lake. This avoids the need for post-closure management of the pyritic TSF or a separate pyritic waste rock facility.
- The use of an advanced surplus water release strategy to distribute water to downgradient streams and reduce the effect of flow changes on fish habitat.

Additionally, many of the Applicant-proposed mitigation measures identified in Table 5-2 relate directly to avoiding and minimizing impacts to aquatic resources.

project, it could be said that the AEB has nothing to gain but everything to lose from any of the alternatives except the No Action Alternative.

The AEB Natural Resources Department (NRD) believes that the No Action Alternative is the least environmentally damaging alternative, and is in the public's best interest long-term. While the project has the potential to fulfill the stated purpose and need to develop a non-renewable resource, it could come at the expense of one of Alaska's most valuable renewable resources, sockeye salmon from Bristol Bay. Bristol Bay sockeye returns are of utmost importance to the fishermen and communities of the AEB. The proposed project has the potential to adversely impact wetlands and to seriously degrade parts of the Bristol Bay watershed where the salmon are reared. Salmon are already being stressed from the effects of climate change and changing ocean conditions, including overall rising ocean temperatures and ocean acidification. Any threat to the renewable Bristol Bay sockeye resource is an unacceptable risk in our judgement. The Pebble project is an avoidable risk. We would suggest that supporting the **No Action Alternative** is the only option in the best interest of the AEB.



RESOLUTION 19-59

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH SUPPORTING THE NO ACTION ALTERNATIVE IN THE DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR THE PROPOSED PEBBLE MINE PROJECT.

WHEREAS, the US Army Corp of Engineers (USACE) has prepared a Draft Environmental Impact Statement (DEIS) to analyze the impacts of permitting dredge and/or fill materials discharge as part of the open pit mine proposed by the Pebble Limited Partnership, and

WHEREAS, the comment period for the DEIS began March 1, 2019 and ends July 1, 2019, and

WHEREAS, the alternatives considered in the DEIS are the proposed open pit mine with several variations for the transportation corridor and pipeline route, and the No Action alternative, and

WHEREAS, the potential impacts of the proposed mine to communities and fishermen of the Aleutians East Borough are not fully analyzed, if at all, in the DEIS, and

WHEREAS, the possibility of a proposed project mine tailings storage facility failure cannot be eliminated and would be devastating to salmon habitat in Bristol Bay, and

WHEREAS, any harmful impacts to Bristol Bay sockeye salmon habitat will negatively impact Aleutians East Borough residents and fishermen, and

WHEREAS, the only alternative presented in the DEIS for the proposed Pebble project that will have zero impacts on Aleutians East Borough fishermen and fisheries is the No Action alternative.

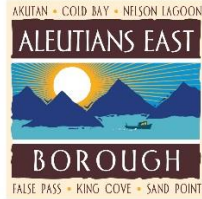
NOW THEREFORE BE IT RESOLVED that the Aleutians East Borough Assembly is opposed to the Pebble Mine project as proposed and suggest that the USACE incorporate impacts and mitigation to AEB communities in the final EIS, and

BE IT FURTHER RESOLVED that if the project proposers cannot guarantee zero negative impacts from the project to AEB communities and fisheries, the AEB Assembly recommends that the USACE should issue a final record of decision denying the project application.

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

Alvin D. Osterback, Mayor

ATTEST: _____
Tina Anderson, Clerk



AGENDA STATEMENT

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

Date: May 15, 2019

Re: **Resolution 19-68, authorizing the Mayor to appropriate the FY20 Permanent Fund Earnings to designated projects and to reappropriate Nelson Lagoon Erosion Funds in Department 504**

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

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

Contingent upon the approval of Ordinance 19-09, which adopts the operating and capital budget for the Aleutians East Borough (“Borough”) Fiscal Year 2020, \$1,647,000 in Permanent Fund Earnings will be approved for FY20.

Borough Administration recommends appropriation of the Permanent Fund Earnings to projects outlined in the:

1. Borough’s Strategic Plan
2. Borough Maintenance Needs
3. Community Budget Request Items (overview of all the Community Budget Requests is attached)

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

City of Cold Bay Community Education	\$22,600 Addition to Sub Department 516 Cold Bay Preschool Line Item E 20-516-209-475 Supplies
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Support:

Propose adding \$22,600 to Line Item E 20-516-209-475 Supplies for the Cold Bay Preschool. This was requested by the City of Cold Bay through the budget request process. The funds would be appropriated from the FY20 Permanent Fund Earnings. (Request attached.)

City of False Pass

False Pass Septic Truck: \$27,222 Addition to Fund 20 for a False Pass Septic Truck

Propose adding a Department Line Item to Fund 20 in the amount of \$27,222 for a False Septic Truck. This was requested by the City of False Pass through the budget request process. The funds would be appropriated from the FY20 Permanent Fund Earnings. (Request attached.)

**City of Sand Point
WAANT Task Force
Funds:**

\$87,239 Addition to Fund 20 for the WAANT Task Force

Propose adding a Department Line Item to Fund 20 in the amount of \$87,239 for the WAANT Task Force. This was requested by the City of Sand Point through the budget request process to pay for one calendar year of salary for the City of Sand Point Police Department's Western Alaska Alcohol and Narcotics Taskforce (WAANT) employee. The funds would be appropriated from the FY20 Permanent Fund Earnings. (Request attached.)

Cold Bay Clinic:

\$300,000 Addition to Sub Department 209 AEB Grant Line Item E 20-520-209-850 CAPITAL CONSTRUCTION

Propose adding \$300,000 to Line Item E 20-520-209-850 CAPITAL CONSTRUCTION for the Cold Bay Clinic. This project is on the Borough's strategic plan. The funds would be appropriated from the FY 20 Permanent Fund Earnings.

Cold Bay Dock Feasibility Study:

\$50,000 Addition to Sub Department Capital – Cold Bay Line Item E 20-802-000-850

Propose adding \$50,000 to Line Item E 20-802-000-850 CAPITAL CONSTRUCTION for the Cold Bay Dock Feasibility Study totaling \$150,000 for the project. This project is on the Borough's strategic plan. The funds would be appropriated from the FY 20 Permanent Fund Earnings.

Cold Bay Terminal Maintenance:

\$300,000 Addition to Fund 20 for Cold Bay Terminal Maintenance

Propose adding a Department Line Item to Fund 20 in the amount of \$300,000 to complete maintenance in the Cold Bay Terminal (tenant improvements and FAA work). The funds would be appropriated from the FY20 Permanent Fund Earnings.

False Pass Harbor House: \$50,000 Addition to Department 814 False Pass Harbor House Line Item E 20-814-209-850 CAPITAL CONSTRUCTION

Propose adding \$50,000 to Line Item E 20-814-209-850 CAPITAL CONSTRUCTION for the False Pass Harbor House totaling \$150,000 for the project. This project is on the Borough's strategic plan. The funds would be appropriated from the FY 20 Permanent Fund Earnings.

Mariculture: \$50,000 Addition to Fund 20 for Mariculture

Propose adding a Department Line Item to Fund 20 in the amount of \$50,000 to foster the mariculture initiative the Borough has taken on. This project is on the Borough's strategic plan under the diversification of natural resources initiative. The funds would be appropriated from the FY20 Permanent Fund Earnings.

King Cove Access Project: \$52,982.77 Addition to Sub Department 867 KCC Alternative Road Line Item E 20-867-000-380 CONTRACT LABOR

Propose adding \$52, 982.77 to Line Item E 20-867-000-380 CONTRACT LABOR for lobbying, litigation, media and other expenses for the road. Per the March 2019 financials, there is \$147,017.23 in this account. \$100,000 was appropriated in FY19 and is tied into a MOA the Borough and City of King Cove have for King Cove Road costs. The remaining amount available is \$47,017.23, which is remaining from prior appropriations. The \$47,0123 and the \$52,982.77 total \$100,000, which would be appropriated via a MOA for King Cove Access Project expenditures. The funds would be appropriated from the FY 19 Permanent Fund Earnings.

Property Surveys: \$75,000 Addition to Line Item E 20-866-209-506 SURVEYING

Propose adding \$75,000 to Line Item E 20-866-209-506 SURVEYING for Borough lands. Per the March 2019 financials, there is \$68,554.99 in this account. With the \$75,000 addition there would be \$143,554.99 available to complete the Sand River and

Bear Lake surveys. The funds would be appropriated from the FY 20 Permanent Fund Earnings.

Sand Point School Grant Application:

\$50,000 Addition to Fund 20 for the Sand Point School Grant Application

Propose adding a Department Line Item to Fund 20 in the amount of \$50,000 for the Sand Point School Capital Improvement Project Grant. This project is on the Borough's strategic plan. The funds would be appropriated from the FY20 Permanent Fund Earnings.

School Maintenance:

\$450,000 Addition to Fund 20 for School Maintenance

Propose adding a Department Line Item to Fund 20 in the amount of \$450,000 to complete maintenance needs in the Borough owned schools. The funds would be appropriated from the FY20 Permanent Fund Earnings.

Project Contingency:

\$131,956.23 Addition to Line Item E 20-866-209-888 PROJECT CONTINGENCY

Propose adding \$131,956.23 to Line Item E 20-8660209-888 PROJECT CONTINGENCY. Having funds in this line item for unanticipated projects and needs has been extremely valuable. The funds would be appropriated from the FY 20 Permanent Fund Earnings.

Borough Administration also recommends the following changes:

Cold Bay Airport - Apron & Taxiway:

Remove Department 499 Cold Bay Airport – Apron and Taxiway from the Borough Financial Statements

The funds available in this account were from a State of Alaska Department of Commerce, Community and Economic Development Grant. These funds have been expended in their entirety and the grant has been closed out. Propose removing this from the Borough financial statements.

Nelson Lagoon Erosion:

Reappropriate funds from Dept 504 Nelson Lagoon Erosion Sub Department 209 AEB Grant to Department 862 Nelson Lagoon Dock

Borough funds were appropriated toward the erosion project. The Borough involvement for this project has ended. Per the March 2019 financials, there are \$35,076.58 remaining in this account.

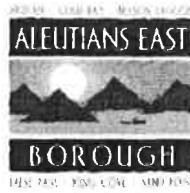
Recommend reappropriating these funds to Dept 862 Nelson Lagoon Dock for the Nelson Lagoon Dock Project.

Nelson Lagoon Dock: \$35,076.58 Addition to Dept 862 Nelson Lagoon Dock

Propose reappropriating \$35,076.58 from Dept 504 Nelson Lagoon Erosion Supdept 209 AEB Grant to account number E 20-862-209-600 REPAIRS for the Nelson Lagoon Dock.

**Fiscal Year 2020
Community Budget Requests Overview**

Community	Request	Amount Requested
City of Akutan	Akutan Community Tsunami Shelter	\$243,750.00
	TOTAL FUNDING REQUEST	\$243,750.00
City of Cold Bay	Community Education Support	\$22,600.00
	TOTAL FUNDING REQUEST	\$22,600.00
City of False Pass	Septic Vacuum Truck	\$27,220.76
	Fuel Truck	\$76,718.76
	TOTAL FUNDING REQUEST	\$103,939.52
City of King Cove	Public Health, Safety, and Usefulness Utility Upgrades	\$572,000
	TOTAL FUNDING REQUEST	\$572,000
City of Sand Point	New Harbor Floats	\$6,000,000.00
	City of Sand Point Harbor Pavement	\$3,000,000.00
	WAANT Task Force Funds	\$87,239.00
	Mud Bay Lift Station Rehab	\$120,000.00
	Telescopic Forklift Replacement	\$110,000.00
	City of Sand Point Solid Waste Truck	\$150,000.00
	Water Treatment Plant Energy Efficiency Upgrades	\$60,000.00
	Municipal Building Boiler Replumbing	\$75,000.00
	TOTAL FUNDING REQUEST	\$9,602,239.00
Village of Nelson Lagoon	Did not receive a request.	
	TOTAL AMOUNT OF COMMUNITY REQUESTS	\$10,544,528.52



Aleutians East Borough Community Budget Request Form

Project Title: Community Education Support

Community Priority: High

Recipient: City of Cold Bay

FY2020 Borough Funding Request: \$22,600.00

Brief Project Description:

Early Education & Preschool & Family School Support
* Community Education Support *

Funding Plan:

Total Project Cost:
Funding Already Secured: In-Kind
FY2020 Borough Funding Request: \$22,600.00
Project Deficit:

Explanation of Other Funds:

The City of Cold Bay will be providing in-kind funds in the following manner. The city allows the preschool and school age kids use of the library during the day for these activities. The city spends on average about \$18,000 for electricity, heating fuel in this building and will be taking on the added expense of \$5,976 for the internet from the reduction of OWL funding to maintain the internet in the library, if the state deletes PLAG's funding the city will be adding an additional \$7,000.00 to it's budget cost.

Detailed Project Description and Justification:

The City of Cold Bay would like to request funding from the Aleutians East Borough FY 2020 budget for the following items as outlined below. We believe that this request is in line with the borough's strategic plan, recognizing that education is one of the top priorities in developing and maintaining healthy families and communities.

Total Request: \$22,600.00

Early Education & Preschool & School Support

Community Education Support: \$22,600.00

Parent's as Teachers: Level 1: \$6,800.00

Parent's as Teachers: Level 2: \$6,800.00

(130 Days = Stipends)

Holiday Theme Activities = \$1,000.00

Art Supplies = \$1,500.00

Large/Fine Motor Skills = \$2,000.00

Books = \$500.00

Science/Exploration = \$1,500.00

Teacher Materials/Items = \$1,500.00

Outdoor Play Equipment = \$1,000.00

This request is specifically designed to support the children and families in our community that do not have access to regular "brick-and-mortar" schools. The make-up of our community continues to flex and change as it has over the past few years and doesn't allow for the district to open a full time facility so that our students have certified teachers delivering Alaska State Standards as well as other programs. The monies will allow parent teachers to offer a wider variety of opportunities for their students such as access to Alaska State Battle of the Books, art projects, science lessons and meet the challenges of developing fine and gross motor skills.

We also feel offering direct support to our families will encourage them to put down roots as well as helping them meet the challenges that come with home education programs. We further believe this is an investment as a selling point for future residents of Cold Bay and it may even present a factor in part-time residents to consider Cold Bay as their permanent residence.

Thank you for your time and consideration on behalf of the children and families of Cold Bay. We are working hard to develop our community so that it can grow with the changing times.

Project Timeline:

School Year - September 2019 to May 2020
--

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City of Cold Bay

Supporting Documentation: Please attached any supporting documentation to this form (i.e. engineering cost estimates, resolutions of support, etc....).

Grant Recipient Contact Information:

Name: Angela Simpson
Address: PO Box 10
Phone Number: (907) 532-2401
Email: administratorcoldbay@gci.net

This project has been through a public review process at the local level and it is a community priority. Yes No

N/A



City of Cold Bay
P.O. Box 10
1 Water Way
Cold Bay, AK 99571

March 13, 2019

Aleutians East Borough
Attn: Anne Bailey, Administrator
3380 C Street, Suite 205
Anchorage, Alaska 99503

Dear Ms. Bailey,

The City of Cold Bay would like to request funding from the Aleutians East Borough FY 2020 budget for the following items as outlined below. We believe that this request is in line with the borough's strategic plan, recognizing that education is one of the top priorities in developing and maintaining healthy families and communities.

Total Request: \$22,600.00

Early Education & Preschool & School Support

Community Education Support: \$22,600.00

Parent's as Teachers: Level 1: \$6,800.00

Parent's as Teachers: Level 2: \$6,800.00
(130 Days = Stipends)

Holiday Theme Activities = \$1,000.00
Large/Fine Motor Skills = \$2,000.00
Teacher Materials/Items = \$1,500.00
Outdoor Play Equipment = \$1,000.00

Art Supplies = \$1,500.00
Books = \$500.00
Science/Exploration = \$1,500.00

This request is specifically designed to support the children and families in our community that do not have access to regular "brick-and-mortar" schools. The make-up

of our community continues to flex and change as it has over the past few years and doesn't allow for the district to open a full time facility so that our students have certified teachers delivering Alaska State Standards as well as other programs. The monies will allow parent teachers to offer a wider variety of opportunities for their students such as access to Alaska State Battle of the Books, art projects, science lessons and meet the challenges of developing fine and gross motor skills.

We also feel offering direct support to our families will encourage them to put down roots as well as helping them meet the challenges that come with home education programs. We further believe this is an investment as a selling point for future residents of Cold Bay and it may even present a factor in part-time residents to consider Cold Bay as their permanent residence.

Thank you for your time and consideration on behalf of the children and families of Cold Bay. We are working hard to develop our community so that it can grow with the changing times. If you would like more specific information on any line item listed above, please contact Angela Simpson at our city office (532-2401).

Sincerely,

A handwritten signature in cursive script that reads "Dailey M. Schaack". The signature is written in dark ink and is positioned above the typed name.

Dailey Schaack, Mayor



Aleutians East Borough Community Budget Request Form

Project Title: Septic vacuum truck

Community Priority: 1

Recipient: City of False Pass

FY2020 Borough Funding Request:

Brief Project Description:

Priority equipment need - in order to haul septic waste.

Funding Plan:

Total Project Cost: \$77,220.76
Funding Already Secured: \$50,000
FY2020 Borough Funding Request: 27,220.76
Project Deficit: 27220.76

Explanation of Other Funds:

City of False Pass is putting \$50,000 towards this equipment as it is much needed.

Project Timeline:

We hope to have this ordered and arriving in False Pass by June 2019.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City of False Pass

Supporting Documentation: Please attached any supporting documentation to this form (i.e. engineering cost estimates, resolutions of support, etc....).

Grant Recipient Contact Information:

Name: City of False Pass

Address: 180 Unimak Drive, False Pass, AK 99583

Phone Number: 907 548 2319

Email: cityoffalsepass@ak.net

This project has been through a public review process at the local level and it is a community priority. Yes No



Nikki Hoblet <mayor@falsepass.net>

25L 102W 11' T 21,500 lbs

Emailing: 4628 (1), 4628 (2), 4628 (3), 4628 (4), 4628 (5), 4628 (6), 4628 (7), 4628 (8), 4628 (9), 4628 (10), 4628 (11)

4 messages

Ken Williams <kenwilliamsps@comcast.net>
To: mayor@falsepass.net

Wed, Feb 20, 2019 at 2:13 PM

Nikki,

Here are the pictures and specs on the single axle vacuum truck.

- . 2005 International 7400 single axle truck #4628
- . VIN #1HTWCAAN05J031447
- . DT-466HT: 285 horsepower turbo diesel engine with engine brake
- . Allison MD-3560WR- 6 speed automatic transmission
- . 33,000# gross vehicle weight rating
- . DS I-120W- 12,000# front axle
- . Meritor RS-21-160: 21,000# rated rear axle on spring suspension
- . Locker differential with 6.14 axle ratio
- . Power steering & Air brakes
- . Air conditioning, cruise control, tilt steering wheel
- . Heated & motorized mirrors, AM/FM/CD
- . Air ride cab suspension, 50 gallon fuel tank, Drivers air ride seat
- . 175" wheelbase, 11 R 22.5 tires on budd wheels
- . 1,500 gallon Cusco Fab vacuum tank, Serial #T04028
- . US DOT SPEC 407, Shell SA526-70, .187" thickness
- . Curbside cat walk, Street and curbside underbody toolboxes
- . Moro PM100 rotary vane pump with reversing valve- 460 cfm
- . (2) 18" top hatches
- . (1) 18" rear hatch with 6" air valve, reduced to 3" male camlock
- . (1) 4" rear outlet with air valve, reduced to 3" male camlock
- . Sight glasses, Rear work lights
- . Hose lays & extended rear tail shelf with pipe vise
- . EX Major Utility company unit with 27,266 miles & 3,042 PTO hours!

Priced at \$79,500

YOUR MUNICIPAL PRICE is \$69,500 including the following services:

6,275
1,445.76

- . An Annual DOT Inspection
- . Full functional and operational inspection
- . Chassis service to include engine oil and filter, fuel filter, air filter & chassis lube
- . Tires and brakes in excess of 50% remaining
- . No broken glass or tears in the interior
- . Detailed

Thank you for your time and consideration of our equipment. We look forward to earning your business!

Sincerely,

Ken Williams
Sales Manager

253-863-7646
Cell: 253-405-0854

Puget Sound Truck

Your message is ready to be sent with the following file or link attachments:

- 4628 (1)
- 4628 (2)
- 4628 (3)
- 4628 (4)
- 4628 (5)
- 4628 (6)
- 4628 (7)
- 4628 (8)
- 4628 (9)
- 4628 (10)
- 4628 (11)

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

12 attachments



4628 (1).jpg
115K



4628 (2).jpg
100K

4628 (3).jpg
130K



4628 (4).jpg
128K



4628 (5).jpg
121K



4628 (6).jpg
112K



4628 (7).jpg
98K



Requested by: Ken Williams	Phone: (253) 863-7646	Origin: Seattle, WA	Destination: False Pass, AK
Company: Puget Sound Truck Sales	Fax/Email: kenwilliamspsstis@comcast.net	Ship date:	Bid Date:
Address:	Prepared by: Josh Brinkmeyer	Preparer phone: 206-749-6618	Preparer email: jbrink@lynden.com
City, state, zip:	Description: Trucks		

Trucks		POL: SEATTLE		POD: FALSE PASS		Destination: False Pass, AK		Dock to Dock		TOTAL ESTIMATE:			
Qty	Item No.	Pkg. Type	Description	Length	Width	Height	Weight	Min Qty	Rated As	Rate	Basis	Estimate	Ttl. Weight
1	1740-002	EACH	Breakbulk - Truck	23' 0"	8' 6"	9' 0"	18,000	1	23.00	\$251.00	PLF	\$5,773.00	18,000
1	1740-002	EACH	Breakbulk - Truck	25' 0"	8' 6"	11' 0"	21,500	1	25.00	\$251.00	PLF	\$6,275.00	21,500
			Fuel Surcharges: subject to the rate in effect at the time of shipment.							24.00	PCT	\$2,891.52	
			SFT: 408.00 / CFT: 4097.00							SUBTOTAL:		\$14,939.52	39,500
			SFT: 408.00 / CFT: 4097.00							TOTAL ESTIMATE:		\$14,939.52	39,500

Rates apply between Carrier's terminals only, and do not include pickup or delivery.

Vehicles received for shipment must not have over one-quarter (1/4) tank combustible fuels. Vehicles received containing more than 1/4 tank of fuel will be assessed an Excess Fuel Drain charge as per Carrier's tariff STB AKMR 100, series, Rule 987.

Personal effects loaded in autos or vehicles will be accepted; however, Carrier accepts no liability for such goods. Factory installed equipment will be considered as a part of the basic auto, boat, or vehicle and will not be subject to this liability waiver.

Automobiles must be prepaid in full prior to shipment.

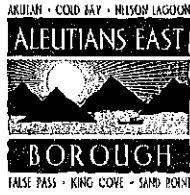
Personal Property Restrictions: Personal effects are not permitted in the front seat or on the floor behind the driver's seat, and must not obstruct visibility through the windows. 360 degree visibility is required. Personal effects are not permitted on roof or racks unless loaded to a car-top carrier designed specifically for such use.

Personal Property Restrictions - Pickup Trucks: Personal property is not permitted above the level of bed sides and must be adequately secured and protected by shipper. Load is subject to carrier inspection and approval.

Gross Vehicle Weight Rating (GVWR) for Autos/Vehicles may not exceed the maximum, legal gross weight as specified by the manufacturer; autos/vehicles will be inspected prior to Carrier accepting receipt of the auto/vehicle to verify the published legal gross vehicle weight. Owners of an auto/vehicle exceeding the legal gross vehicle weight may opt to either remove cargo from the auto/vehicle to lower its weight or proceed to warehouse receiving for the transfer of excess cargo weight to pallets; cargo transferred from the auto/vehicle to pallets will be billed as less than container load (LCL) cargo at the appropriate commodity rates as listed in this tariff. The gross vehicle weight can typically be found stamped on the inside of the driver door jam.

Diesel powered vehicles or machinery transported during the cold weather months will need to be winterized for shipment. Carrier has no liability for this cargo if the customer fails to properly winterize their vehicle or machinery. If through no fault of the carrier, vehicle is inoperable, a charge of \$213.00 will be assessed.

FOR ALL SHIPMENTS GOING FROM SEATTLE TO WESTERN ALASKA: Please deliver cargo to AML YARD 5, 6700 West Marginal Way SW, Seattle, WA 98106. Toll-Free: 1-800-426-3113



Aleutians East Borough Community Budget Request Form

Project Title: WAANT Task Force Funds

Community Priority: ³

Recipient: City of Sand Point

FY2020 Borough Funding Request: \$80,000

Brief Project Description:

The City of Sand Point requests funding the from the AEB to pay for one calendar year of salary for the City of Sand Point Police Department's Western Alaska Alcohol and Narcotics Taskforce (WAANT) employee to fight the flow of drugs into our city and region.

Funding Plan:

Total Project Cost: \$87,239
Funding Already Secured: \$0, but requesting additional funds
FY2020 Borough Funding Request: \$87,239
Project Deficit: \$87,239

Explanation of Other Funds:

The City will be forced to cover this amount if other funds are not secure, per the terms of the grant.

Detailed Project Description and Justification:

The City of Sand Point has taken the lead to address the flow of narcotics into the community by applying for, and receiving, a four-year JAG grant from the Department of Justice. The funds from this grant has been used to pay for the salary of a Sand Point Police Department (SPPD) officer to be stationed with the WAANT team located in Anchorage. The purpose of the WAANT team is to interdict drugs and alcohol before it can leave Anchorage on various passenger, cargo and mail flights to all of western Alaska, including all communities in the Aleutians East Borough. Having a SPPD officer attached to WANNT has resulted in a tremendous in-flow of drugs not only in Sand Point but also communities across the region.

The JAG grant funds three years of the WAANT position and requires the city to fund, regardless of source, the fourth year of the position. At this point, the city will have to cover the fourth year cost of \$87,000 to cover the salary. This is a considerable imposition on the city, especially when other communities across AEB and the region are benefiting from the position. If the AEB were to cover the cost of the fourth year, the entire borough would benefit from the position in Anchorage that has significantly reduced the flow of drugs into our communities.

Project Timeline:

The funding would need to be in place from October 1, 2019 and run through September 30, 2020 as current grant funding ends September 30, 2019.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City of Sand Point

Supporting Documentation: Please attached any supporting documentation to this form (i.e. engineering cost estimates, resolutions of support, etc....).

Grant Recipient Contact Information:

Name: Jordan Keeler

Address: 3380 C Street, Suite 205, Anchorage, AK 99503

Phone Number: 907-274-7561

Email: jkeeler@sandpointak.org

This project has been through a public review process at the local level and it is a community priority. Yes No

WAANT INVESTIGATOR

October 2019 - September 2020

~~July 2019~~ – ~~June 2020~~

Wage:	\$31.62 an hour for 6 mo. \$32.25 for 6 mo. =	\$66,425
Medical:	\$1000 per month =	\$12,000
PERS:	\$329 per month for 6 mo. \$335 for 6 mo. =	\$3,984
Overtime:	15% of Base Pay* =	\$9,964
	TOTAL	<u>\$92,373</u>
	Less Fed Share:**	\$5,134
	Total City Obligation:	\$87,239

*These overtime funds will only be used if case load demands.

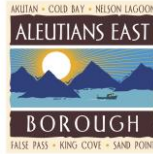
**Only 2 months of Fed Share in fiscal year 2019-2020

I am requesting a budget amendment to add \$29,600 to the remainder of the 2017/2018 budget. I am also seeking a commitment to approve the additional wages for the WAANT Investigator to the budget for 2018/2019 and 2019/2020. This will fulfill our obligations for the current grant. I will also look at applying for another grant to start when the current one ends in 2019.

As you know grant funding is on the decline and there is no guarantee we will receive another one.

Also, by becoming a member of WAANT we will receive equal shares of forfeitures from arrests and convictions.

This proposal is amended due to not paying back the overpayment of the draws that were done in 2016/17. The amount that will be drawn monthly is reduced from \$3,472.16 to \$2,567.95 over the remaining 20 months.



RESOLUTION 19-68

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO APPROPRIATE THE FY 2020 PERMANENT FUND EARNINGS TO DESIGNATED PROJECTS AND TO REAPPROPRIATE NELSON LAGOON EROSION FUNDS IN DEPARTMENT 504

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

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

WHEREAS, Alaska Permanent Capital Management has determined that the Permanent Fund Earnings distribution for FY 2020 is \$1,647,000; and

WHEREAS, the Borough approved Ordinance 19-09, which adopts the operating and capital budget for the Aleutians East Borough (“Borough”) Fiscal Year 2020 and approves the FY 2020 Permanent Fund Earnings distribution in the amount of \$1,647,000; and

WHEREAS, Borough Administration recommends that the Permanent Fund Earnings be distributed to projects outlined in the Borough Strategic Plan, Borough maintenance needs and a few Community Budget Requests; and

WHEREAS, the Borough has \$35,076.58 available in Department 504 for the Nelson Lagoon Erosion Project; and

WHEREAS, the Borough is no longer involved in the Nelson Lagoon Erosion project; and

WHEREAS, Borough Administration recommends reappropriating the funds in Department 504 to Department 862 Nelson Lagoon Dock.

NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the Mayor to appropriate the FY 2020 Permanent Fund Earnings in the amount of \$1,647,000 to the projects outlined in Exhibit A.

NOW THEREFORE, BE IT FURTHER RESOLVED, the Aleutians East Borough Assembly to reappropriate the \$35,076.58 in Department 504 to Department 862.

PASSED AND ADOPTED by the Aleutians East Borough on this 23rd day of May, 2019.

Alvin D. Osterback, Mayor

ATTEST:

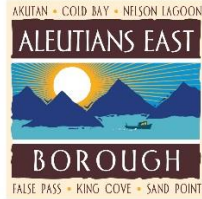
Tina Anderson, Clerk

Exhibit A

**Resolution 19 - 68
FY 20 Permanent Fund Earnings Appropriation**

Project	Amount
City of Cold Bay – Community Education Support (Community Budget Request)	\$22,600.00
City of False Pass – Septic Vacuum Truck (Community Budget Request)	\$27,222.00
City of Sand Point – WAANT Task Force Funds (Community Budget Request)	\$87,239.00
Cold Bay Clinic (Strategic Plan)	\$300,000.00
Cold Bay Dock Feasibility Study (Strategic Plan)	\$50,000.00
Cold Bay Terminal Maintenance	\$300,000.00
False Pass Harbor House (Strategic Plan)	\$50,000.00
Mariculture (Strategic Plan)	\$50,000.00
King Cove Access Project – FY 20	\$52,982.77
Property Surveys (Strategic Plan)	\$75,000.00
Sand Point School Grant Application (Strategic Plan)	\$50,000.00
School Maintenance	\$450,000.00
Project Contingency Fund	\$131,956.23
TOTAL	\$1,647,000.00

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



AGENDA STATEMENT

To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator
Date: May 15, 2019

Re: Resolution 19-69, authorizing a onetime and final payment in the amount of \$80,000 to the King Cove Corporation for past King Cove Corporation King Cove Access Project Expenditures and acknowledging that any future payment to the King Cove Corporation or any other organization for past, present or future Borough related projects are subject to contingencies

On April 12, 2018, the Aleutians East Borough received a letter of request from King Cove Corporation (“KCC”) stating that “A few years back, KCC presented a letter of request to the AEB for some form of reimbursement for costs incurred in regard to the road between King Cove and Cold Bay. At that time, we were told to resubmit a letter when the hovercraft was sold.” They have since submitted the attached letter requesting reimbursement in the amount of \$102,409.59 for amounts donated to the City of King Cove and reimbursement from travel that the KCC paid to the Borough. They continue to state that these reimbursement requests “amounts do not count the travel between King Cove-Anchorage-King Cove for Della Trumble and other shareholders participating in the process.”

The reimbursement amounts KCC is requesting are as follows:

City of King Cove Payments

5/4/2011	\$15,000.00
6/2/2011	\$20,000.00
7/6/2012	\$55,000.00
Total	\$90,000.00

Aleutians East Borough Payments

5/19/2016	\$2,343.50
10/13/2015	\$2,007.50

5/22/2014	\$1,955.90
9/19/2012	\$1,929.49
8/1/2011	\$1,847.70
4/23/2010	\$1,560.50
11/10/2009	\$765.00
Total	\$12,409.59

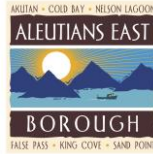
For a grand total of \$102,409.59.

The backup documentation for these expenses are attached for your reference.

The Borough Assembly met on April 11, 2019 and May 9, 2019 to discuss the KCC request. At the May 9, 2019 Assembly Meeting the Assembly moved to pay the KCC \$40,000 in FY2020 and \$40,000 in FY2021 with contingencies. Both payments to the to the KCC will be appropriated from the Borough Hovercraft Sale Proceeds account E 20-867-210-972 TRANSPORTATION. The contingencies include:

- This is a onetime and final payment.
- Any future payment(s) to KCC or any other organization for any past Borough related project expenses would require a formal written agreement to fulfill the request. Any present or future Borough related project payment requests would have to be pre-approved and agreed to in writing. Sample MOU attached for consideration.

Resolution 19-69 and a draft MOA between the Borough and the KCC memorializing this is attached.



RESOLUTION 19-69

**A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY
AUTHORIZING A ONETIME AND FINAL PAYMENT IN THE AMOUNT OF \$80,000
TO THE KING COVE CORPORATION FOR PAST KING COVE CORPORATION
KING COVE ACCESS PROJECT EXPENDITURES AND ACKNOWLEDGING THAT
ANY FUTURE PAYMENTS TO THE KING COVE CORPORATION OR ANY OTHER
ORGANIZATION FOR PAST, PRESENT, OR FUTURE BOROUGH RELATED
PROJECTS ARE SUBJECT TO CONTINGENCIES**

WHEREAS, On April 12, 2018 the Aleutians East Borough (“Borough”) received a letter of request from the King Cove Corporation (“KCC”) requesting reimbursement for \$102,409.59 for costs incurred by the KCC in regard to the road between King Cove and Cold Bay; and

WHEREAS, due to the amount of the request, the decision on funding the reimbursement request falls outside the Mayor’s spending authority and is therefore at the discretion of the Assembly; and

WHEREAS, the Borough Assembly met on April 11, 2019 and May 9, 2019 to discuss the KCC request;

WHEREAS, at the May 9, 2019 Assembly Meeting the Assembly moved to pay the KCC \$40,000 in FY2020 and \$40,000 in FY2021 with contingencies; and

WHEREAS, both payments to the KCC will be appropriated from the Borough Hovercraft Proceeds account E 20-867-210-972 TRANSPORTATION; and

WHEREAS, the contingencies include that this is a onetime and final payment and any future payment(s) to KCC or any other organization for any past Borough related project expenses would require a formal written agreement to fulfill the request and any present or future Borough related project payment requests would have to be pre-approved and agreed to in writing.

NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes a onetime and final payment in the amount of \$80,000 to the King Cove Corporation for past King Cove Corporation King Cove Access Project Expenditures as outlined in the attached Memorandum of Agreement; and

NOW THEREFORE, BE IT FURTHER RESOLVED, the Aleutians East Borough Assembly acknowledges that any future payments to the King Cove Corporation or any other organization for any past Borough related project expenses require a formal written agreement to

fulfill the request and any present or future Borough related project payment requests must be pre-approved and agreed to in writing,

PASSED AND ADOPTED by the Aleutians East Borough on this 23rd day of May, 2019.

Alvin D. Osterback, Mayor

ATTEST:

Tina Anderson, Clerk

**MEMORANDUM OF AGREEMENT BETWEEN THE ALEUTIANS EAST BOROUGH
AND THE KING COVE CORPORAION REGARDING THE PAYMENT OF
EXPENSES ASSOCIATED WITH
THE KING COVE ACCESS PROJECT**

This Memorandum of Agreement (“Agreement”) is entered into between the **ALEUTIANS EAST BOROUGH** (“Borough”) and the **KING COVE CORPORATION** (“KCC”). The Borough and the KCC are collectively referred to herein as the “Parties.”

WITNESSETH

WHEREAS, On April 12, 2018 the Aleutians East Borough (“Borough”) received a letter of request from the King Cove Corporation (“KCC”) requesting reimbursement for \$102,409.59 for costs incurred by the KCC regarding the road between King Cove and Cold Bay; and

WHEREAS, due to the amount of the request, the decision on funding the reimbursement request falls outside the Mayor’s spending authority and is therefore at the discretion of the Assembly; and

WHEREAS, the Borough Assembly met on April 11, 2019 and May 9, 2019 to discuss the KCC request;

WHEREAS, at the May 9, 2019 Assembly Meeting the Assembly moved to pay the KCC \$40,000 in FY2020 and \$40,000 in FY2021 with contingencies; and

WHEREAS, both payments to the KCC will be appropriated from the Borough Hovercraft Proceeds account E 20-867-210-972 TRANSPORTATION; and

WHEREAS, the contingencies include that this is a onetime and final payment and any future payment(s) to KCC or any other organization for any past Borough related project expenses would require a formal written agreement to fulfill the request and any present or future Borough related project payment requests would have to be pre-approved and agreed to in writing.

Whereas, the Parties wish to enter into a new Agreement that accurately reflects the onetime and final payment to the KCC.

Now therefore, in consideration of the mutual covenants and agreements contained herein and for the benefits and uses flowing therefrom to each of them, respectively, as a result hereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for their mutual reliance, the Parties agree to the terms of the MOA as follows:

1. **Payment of KCAP Expenses.** The Borough will pay the KCC a onetime and final payment in the amount of \$80,000 out of the \$102,409.59 requested in the attached April 12, 2018 letter.

- a. **Method of Reimbursement.** The Borough shall pay \$40,000 in FY2020 and \$40,000 in FY2021 out of the Borough Hovercraft Sale Proceeds account E 20-867-210-972 TRANSPORTATION.
- 2. **Contingencies.** This is a onetime and final payment to the KCC for past King Cove Access Project expenditures and any present or future Borough related project payment requests between the Parties will have to be pre-approved and agreed to in writing.
- 3. **Amendments.** Amendments to this Agreement may only be made in a writing executed by both Parties, subject to the approval of the Aleutians East Borough Assembly.
- 4. **Complete Agreement.** This Agreement represents the Parties' entire understanding of their mutual rights and duties with respect to the payment of non-personnel-related KCAP expenses.
- 5. **Method of Execution.** This Agreement may be signed in counterparts and all counterparts so executed shall constitute one contract, binding on the all parties hereto, even though all parties are not signatory to the same counterpart.
- 6. **Effective Date.** The foregoing amendments and revisions to the Employment Agreement shall be effective immediately upon execution by the Parties.

ALEUTIANS EAST BOROUGH:

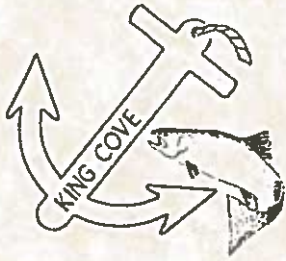
KING COVE CORPORATION

Anne Bailey, Administrator

Dean Gould, President

Date

Date



KING COVE CORPORATION

P.O. Box 38
King Cove, AK. 99612
907, 497-2312

Fax: 907, 497-2444
e-mail: kcc@arctic.net

April 12, 2018

Mr. Alvin Osterback, Mayor
PO Box 429
Sand Point, Ak 99661

Honorable Mayor Osterback:

Alvin, this is a letter of request from the King Cove Corporation. A few years back, King Cove Corporation presented a letter of request to AEB for some form of reimbursement for costs incurred in regard to the road between King Cove and Cold Bay. At that time, we were told to resubmit a letter when the hovercraft was sold.

Attached is an request and the amounts donated to the City of King Cove and reimbursements from travel that we paid to AEB. Please note that these amounts do not count the travel between King Cove-Anchorage-King Cove for Della Trumble and other shareholders participating in the process.

Amount paid to The City of King Cove and AEB

5/4/2011	City of King Cove	15,000.00
6/2/2011		20,000.00
7/6/2012		55,000.00
5/19/2016	AEB	2,343.50
10/13/2015		2,007.50
5/22/2014		1,955.90
9/19/2012		1,929.49
8/1/2011		1,847.70
4/23/2010		1,560.50
11/10/2009		765.00

Requested Dean Gould, President 102,409.59

Thank
you.

Sincerely,

Date & Location of Next Meeting

Adjournment