

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Special Assembly meeting to order by teleconference in each community on May 28, 2020 at 3:00 p.m.

ROLL CALL

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

Advisory Members:

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

A quorum was present.

Staff Present:

Jacki Brandell, Assistant Finance Director
Tina Anderson, Clerk
Anne Bailey, Administrator
Laura Tanis, Communications Director
Ernie Weiss, Natural Resources Director
Mary Tesche, Assistant Administrator

Adoption of the Agenda:

MOTION

WARREN moved to adopt the agenda and second by DENISE.

Hearing no more, the agenda is adopted.

Conflict of Interest:

DENISE said she works at the Sand Point Police Dept. Mayor Osterback said no vested interest in the item on the agenda dealing the City of Sand Point Anchorage Airport Interdiction Team Officer.

WARREN said he is on the City of King Cove Council. Mayor Osterback feels he does not have any direct financial gain.

Community Roll Call and Public Comments on Agenda Items:

All Assembly and staff were participating by teleconference from their individual locations, for the purpose of following the mandates of social distancing and protecting the public health. Also broadcast on KSDP radio.

The Communications Director, Laura Tanis, will read any Public Comments e-mailed from the public.

Public Comments read by Communications Director: None.

PUBLIC HEARINGS

Public Hearing Ordinance 20-09, adopting the operating and capital budget for the Aleutians East Borough Fiscal Year 2021:

MOTION

CHRIS moved to adopt Ordinance 20-09 and second by JOSEPHINE.

DISCUSSION

In reviewing Public Hearing Ordinance 20-09, the Administrator said State of Alaska FY21 budget the Governor Dunleavy vetoed the school and harbor bond debt reimbursement 100%, so does not recommend putting in the FY21 budget. FY21 AEB raw fish tax revenue estimate is decreased by \$750,000 to \$3.35M; total expected revenues, \$6.269M; expected expenditures \$6.644M; transfer of \$766,916 for helicopter operations; surplus of \$16,500 for terminal; and a deficit of \$1,125,748.

Budget includes 1.4% COLA and \$800,000 contribution to AEBSD. Received an AEBSD requested amount of \$900,000. If Assembly would like to increase the AEBSD contribution will need to amend.

In order to compensate for deficit, recommend taking funds out of the Fund Fund balance as a short term fix.

Mayor Osterback opened to Public Hearing. Public comment letter from City of King Cove Mayor Henry Mack, read by Laura Tanis:

Mayor Mack's letter to the Mayor and Assembly supports funding for City of Sand Point Investigator, Officer Slease. Mayor Mack requests \$30,660 partial salary funding for City of King Cove Officer Schneider, to be funded from the FY21 Permanent Fund earnings, project contingency funding.

There were no more public comments to be read, Public Hearing closed.

CAROL supports keeping the AEBSD contribution amount at \$800,000. If additional funding is needed later, then consider increasing, at that time.

CHRIS agrees with Carol, and requested information on whether the AEBSD will have money left over from the present fiscal year to give back to AEB.

ROLL CALL

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

NAY: None

MOTION CARRIED

ORDINANCES

Introduction Ordinance 20-11, authorizing the mayor to negotiate and execute a sublease within the Cold Bay Terminal for air transportation services – Alaska Airlines:

MOTION

WARREN moved to accept Ordinance 20-11 and set for Public Hearing. Second by JOSEPHINE.

DISCUSSION

The Administrator said Alaska Airlines began passenger flights to Cold Bay May 16, 2020. Ordinance 20-10 passed at the May 14 Assembly meeting, is an emergency ordinance only valid for 60 days. Ordinance 20-11 will supersede 20-10 and stay in effect for perpetuity.

ROLL CALL

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

MOTION CARRIED

RESOLUTIONS

Resolution 20-64, authorizing the Mayor to appropriate the FY21 Permanent Fund Earnings to Designated Projects:

MOTION

WARREN moved to adopt Resolution 20-64 and second by DENISE.

DISCUSSION

The Administrator said the AEB is authorized to appropriate Permanent Fund earnings to the General Fund, not to exceed 4% of the five-year average fund market value. The AEB has been appropriating to projects. FY21 recommendation is \$1.724M for designated projects.

Recommended community projects:

Akutan Tsunami Community Shelter, \$100,000
Cold Bay Community Education Support, \$41,200
Cold Bay Loader, \$10,000
False Pass Front-End Loader, \$22,152
King Cove Delta Creek Turbine Runner Replacement \$51,648

Recommended AEB projects

Cold Bay Clinic additional costs due to Covid, \$75,000
Deferred Maintenance, \$250,000
Fisheries Research, \$150,000
Akutan and Sand Point Harbors Floats, \$800,000 (matching funds)
Sand Point School DEED Grant Match, \$100,000 (matching funds)

Project Contingency, \$124,449

ROLL CALL

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

MOTION CARRIED

Resolution 20-65, Assembly approving a plat of Hoodoo Fishing Lodge Airstrip, a re-subdivision of Interim Conveyance 167:

MOTION

WARREN moved to adopt Resolution 20-65 and second by CHRIS.

DISCUSSION

Ernie Weiss said in the packet is a memo and preliminary plat. The 18.31 acres is adjacent to US Survey 93, and Hoodoo Lodge property. May 14 the Assembly convened as Platting Board to consider this plat and forwarded to the Assembly for consideration. Nelson Lagoon Corporation President, Butch Gundersen, hopes to have the plat move forward to help with sale of Nelson Lagoon Corporation property to Hoodoo Lodge, to make improvements to the airstrip. If Resolution 20-65 is approved, then plat will be signed and submitted to the Dept. of Natural Resources, Recording Office to be recorded.

WARREN noted his concern about environmental concerns, and potential run-off into the river, if an incident were to occur at the site that could impact critical habitat.

ROLL CALL

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

NAY: None

MOTION CARRIED

Resolution 20-66, Assembly accepting Coronavirus Relief Funds in the amount of \$3,723,853.74 for costs that are for necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19), from the Alaska Dept. of Commerce, Community and Economic Development:

MOTION

JOSEPHINE moved to adopt and second by DENISE.

DISCUSSION

The Administrator said Covid-19 CARES Act, passed by Congress and signed by President Trump, establishing the Coronavirus Relief Fund, appropriating \$150 billion. The Legislature has approved the CARES Act funds distribution. Local government shares are broken out in three payments to be used for expenditures in response to Covid-19. First AEB payment is \$1,458,775, other two payments are \$1,132,539. If Resolution approved by Assembly, AEB will deposit in an AMLIP account to track earned interest. AEB will be required to submit a report to provide evidence on 80% distribution before second payment becomes available.

Funds can be used to support schools, hospitals, non-profits, businesses and individuals in need, but cannot replace lost funds and revenues. AEB plans to use on salary for employees that spent over 50% of their time on Covid-19 issues, and protection supplies.

Due to Covid-19, the airline passenger traffic through Cold Bay has increased and there is no place to social distance so will research shelter options. Other options brought up at workshop is chartering a plane between Sand Point and Cold Bay for passengers. Will also see if Eastern Aleutian Tribes could use funds.

DENISE asked when payments will be released. Bailey said as soon as we submit the grant agreement to State of Alaska.

(Paul arrived)
(Samantha left meeting)

WARREN asked who we answer to as to how we use the funds. Bailey said the State of Alaska regulations is outlined in grant agreement, but what the funds can and can't be used for is determined by the U.S. Treasury. Will be very careful as we move forward to avoid being audited and have to pay out of our pocket.

WARREN said, if funds can be used to turn the old Cold Bay School into a shelter, he supports.

CHRIS asked if the Assembly will see requests prior to approval. Bailey said anything big like school conversion or transfer to EAT, Inc. or AEBSD will be before the Assembly.

CHRIS said with the influx of air passengers coming into Cold Bay he also supports converting old school into a shelter.

DAILEY also supports converting the school into a shelter. Feels there needs to be a safe place, instead of people wandering around Cold Bay.

Mayor Osterback said shelter options are being discussed and Bailey is working with the City of Cold Bay Administrator.

JOSEPHINE asked if the CARES Act rules for use will change, as we go forward. Bailey is not sure, at this time. Everything related to Covid-19 changes frequently. We will go off of what we have, at this time, but don't know if the rules will change.

PAUL said an Alaska Airlines representative in Cold Bay said there is an issue with lack of baggage area that needs to immediately be addressed. Administrator will look into.

ROLL CALL

YEAS: Denise, Chris, Brenda, Warren, Carol, Josephine. Advisory: Dailey.

NAY: None

MOTION CARRIED

OLD BUSINESS

City of Sand Point Anchorage Airport Interdiction Team Officer:

Administrator said the Assembly requested additional information on the request to fund the Anchorage Airport Interdiction Team Officer, at the May 14 meeting. If Assembly chooses to fund, recommends to fund from the projects contingency line item.

Mayor Osterback said the City of Sand Point Community Grants request came in well after the March 16 deadline, which would make this request ineligible. After reviewing the State of Alaska letter regarding the effectiveness of Investigator Slease and the amount of drugs being stopped from coming into our region, feels the request should be considered because it benefits all the communities. If the Assembly funds the position, he recommends funding the \$93,162 from the contingency line item instead of the amount appropriated for

community grants. The City of Sand Point will still be required to provide a grant agreement for the funds.

MOTION

PAUL moved to appropriate \$93,162 from the project contingency line item for the Sand Point Anchorage Airport Interdiction Team Officer. Second by Carol.

DISCUSSION

CHRIS supports and asked if the appropriation will require a budget amendment. Mayor Osterback said there is money in the contingency fund line item already. So we do not have to go back in and re-appropriate money, it is available there.

CAROL supports the motion and having Investigator Slease in Anchorage has helped the entire Borough.

DAILEY said she supports and also agrees it will benefit the entire AEB.

ROLL CALL

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

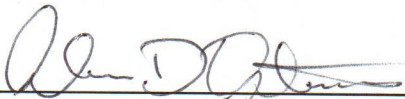
MOTION CARRIED

Next Meeting Date:


The next regular meeting is July 9, 2020.

ADJOURNMENT

JOSEPHINE moved to adjourn and second by WARREN. Hearing no more the meeting adjourned at 4:02 p.m.



Mayor Alvin D. Osterback



Tina Anderson, Clerk

Date: 7/9/20