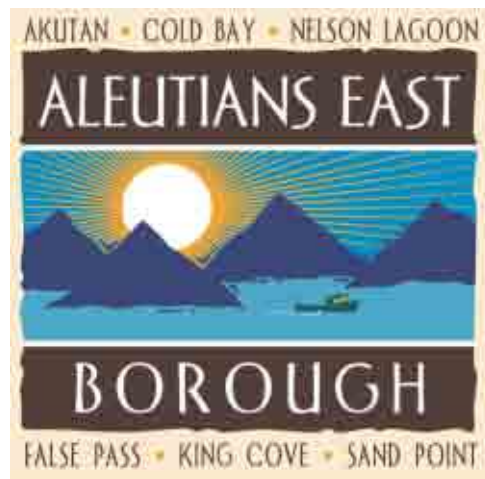


Aleutians East Borough Assembly Meeting

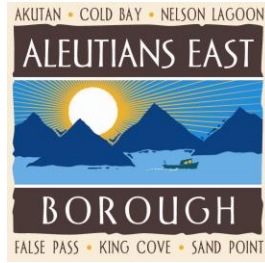


Workshop: Monday, April 22, 2013 – 1:00 p.m.

Meeting: Monday, April 22, 2013 – 3:00 p.m.

Roll Call & Establishment of a Quorum

Adoption of Agenda



Agenda

Assembly Meeting

(packet available on website www.aleutianseast.org)

Date: April 22, 2013

Time: Workshop: 1:00 p.m. Meeting: 3:00 p.m.

Location: Cold Bay Community Center

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

1. Roll Call & Establishment of Quorum
2. Adoption of the Agenda.
3. Community Roll Call and Public Comment on Agenda Items.
4. Minutes
 - March 14, 2013 Minutes
5. Financial Reports
 - Financial Report, March 2013
 - Investment Report, March 2013
6. Consent Agenda
 - Resolution 13-21, Honoring U.S. Senator Daniel Akaka for his years of support for the Izembek Refuge Land Exchange and Road.
 - Resolution 13-22, Supporting the appointment of Duncan Fields to NPFMC.
 - Introduction Ordinance 13-07, authorizing the Mayor to negotiate and execute a tidelands lease within Alaska Tidelands Survey No. 1161 for construction, operation and maintenance of a dock at False Pass Harbor.
7. Ordinances
 - Introduction Ordinance 13-06, Adopting the FY 14 Budget.
8. Old Business *None*
9. New Business *None*
10. Reports and Updates
11. Assembly Comments
12. Public Comments
13. Next Meeting Date and Time
14. Adjournment

Community Roll Call & Public Comment on Agenda Items

Minutes

Aleutians East Borough
March 14, 2013
6:00 P.M.

CALL TO ORDER

Mayor Mack called the March 14, 2013 Assembly meeting to order at 6:00 p.m. at the by teleconference in each community.

ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Present
Bill Cumberlidge	Present
Ken McHugh	Present
Joe Bereskin, Sr.	Present
Brenda Wilson	Present

Advisory Members:

Nikki Hoblet, False Pass	Present
Harold Kremer III, Cold Bay	Present
Justine Gundersen, Nelson Lagoon	Present

A quorum was present.

Staff Present:

Rick Gifford, Administrator
Tina Anderson, Clerk
Ernie Weiss, Resource Director
Laura Tanis, Communications Manager
Anne Bailey, Community Development Coordinator

Adoption of Agenda:

MOTION

Paul moved to adopt the agenda with the following change:

New Business, CCI Automated Technologies Contract for Sand Point School Heating System.

Second by Bill. There were no objections, MOTION PASSED.

COMMUNITY ROLL CALL AND PUBLIC COMMENT ON AGENDA ITEMS:

All communities were present.

City of King Cove Mayor, Henry Mack, noted his appreciation to Assembly for support of sending participation to Board of Fisheries meeting. He also noted appreciation with the group that attended the Washington D.C. trip on the access project to Cold Bay and thanked Laura Tanis for her work in bringing it up to the media. Without AEB dedication, we wouldn't be this far along. AEB Mayor Mack said the King Cove young people that attended the Washington D.C. trip really stepped up and did a great job also.

Minutes, February 19, 2013:

MOTION

Brenda moved to adopt the February 19, 2013 Minutes and second by Ken. Hearing no objections minutes are approved as presented.

Financial Report, February 2013:

MOTION

Brenda moved to approve the February Financial Report and second by Bill. Hearing no objections the financial report is approved.

Investment Report, February 2013:

Sent to Assembly by e-mail. No comments.

RESOLUTIONS

Resolution 13-20, Assembly requesting the State of Alaska to extend the lapse date for the FY2009 King Cove Access appropriation and to amend the appropriation to require no local match:

MOTION

Carol moved to adopt with the amendment and second by Brenda.

Amendment to 6th WHEREAS:

*...and if it is not approved, **the AEB would use grant funds for either/both: 1) partially fund any subsequent and prudent technical research and legal actions in response to this action; and 2) to determine an alternative access and implement it; and***

DISCUSSION

The Administrator said AEB received a \$2M grant to build the 11.9 miles of road to NE Corner. The money was to be matched with the \$2M AEB Bond, however, federal stimulus money was used. So, most of that money is still available. The 5-year grant lapses June 30 and Resolution 13-20 is a request to extend the grant for a road extension to Cold Bay if approved or to look at alternatives if that doesn't happen.

ROLL CALL

Brenda-yes, Bill-yes, Joe-yes, Marvin-yes, Paul-yes, Carol-yes, Ken-yes. Advisory: Harold-yes, Nikki-yes, Justine-yes. MOTION PASSED.

PUBLIC HEARING

Public Hearing Ordinance 13-05, Amending the FY 2013 budget:

MOTION

Brenda moved to adopt Ordinance 13-05 and second by Bill.

DISCUSSION

Paul said we discussed adding \$50,000 expense to the budget for a contract to repair and upgrade the Sand Point School heating system, which is 25% of proposed contract. He asked where it would go on the budget. The Administrator said Fund 41, Maintenance Reserve has about \$287,000 in revenue having only spent \$54,000. He feels there is adequate funding to pay that 25% in Fund 41 and will review with the Finance Director.

Mayor Mack opened for Public Hearing. Hearing none Public Hearing closed.

FURTHER DISCUSSION

Paul said budget incorporates some of the additional expenditures for hovercraft. Feels AEB has to come to terms on how much money is being spent on the hovercraft link in Akutan. He added that, at the workshop, staff assured the Assembly they are working on a solution. Mayor Mack said he hopes to have a real concrete proposal before the Assembly soon.

ROLL CALL

Ken-yes, Marvin-yes, Bill-yes, Joe-yes, Paul-yes, Brenda-yes, Carol-yes. Advisory: Justine-yes, Nikki-yes, Harold-yes. MOTION PASSED.

OLD BUSINESS None

NEW BUSINESS

CCI Automated Technologies for Sand Point School Heating System Contract:

MOTION

Bill moved to accept the CCI Automated Technologies Contract for Sand Point School Heating System and second by Ken.

DISCUSSION

Paul said he had an opportunity to tour the heating system at the Sand Point School with school maintenance, Bob Nyberg, who is doing an excellent job at the school. After tour, he feels all recommended upgrades are necessary and will support.

ROLL CALL

Carol-yes, Bill-yes, Brenda-abstain, Paul-yes, Ken-yes, Marvin-yes, Joe-yes. Advisory: Harold-yes, Nikki-yes, Justine-yes. MOTION PASSED.

AEBSD FY2014 Contribution Request – Discussion item:

Mayor Mack said we received the School Districts FY14 contribution request. This is a discussion item at this time since AEB FY14 budget is yet to be developed.

Paul said AEBSD Superintendent, Tim Stathis, gave a thorough report to the Assembly at the workshop. AEB normal procedure is to put budget forward during the next couple meetings. He added in the Superintendent's report, enrollment concerns in small sites and large sites were also addressed.

The Superintendent asked for an indication or a statement at this time stating that this is the cost of doing business and to acknowledge that you understand the issues on the table about why the School District faces this deficit. He asked the Assembly if they support the idea that the small school sites need to remain open. He said if the schools make count and generates revenue, the School District would give back money to AEB. If no statement, he asked if this is an item that will be on the table as a yea or nay. Mayor Mack said AEB has not seen a complete breakdown of the budget in order to evaluate the contribution to the School District. We will be evaluating our revenue stream and expenditures including contribution to the School District this coming week. Paul said, in the past, the Assembly has always worked with the School District to meet their needs and does not see anything different this year. The Assembly will review the School District needs as well as the other budget items that AEB has. He feels with confidence that the Assembly will support the School District as much as they can.

REPORTS AND UPDATES

Reports in packet.

ASSEMBLY COMMENTS

None

PUBLIC COMMENTS

City of King Cove Administrator, Gary Hennigh, reiterated City of King Cove Mayor Henry Mack's appreciation for support of AEB in the trip to Washington D.C. Next Tuesday is the earliest Secretary of the Interior, Ken Salazar can make his decision and hopes he makes it before he leaves office in two weeks. He said that the effectiveness of the group in dealing with lots of media was a success due to Laura Tanis, Communications Manager. She made a huge effort to get the group to deal with media people, which helped deliver our message to media. He thanked Mayor Stanley Mack and acknowledged that King Cove would not be where we are if we were not a part of AEB.

Cold Bay resident, Paul Schaack, asked the Superintendent to look into the situation in Cold Bay if there are not 10 students. He suggested keeping the certified teacher and utilize a city facility to limit the expenses of the school building. He felt losing the teacher would cause a mass exodus of families with kids. The Superintendent said his recommendation is to keep the school open at this time with the help of AEB funding that school, but there is ability to compromise and have the teaching place in an alternative location as a cost savings measure to the AEB when discussing the deficit that was presented.

NEXT MEETING DATE AND TIME

April 22, in Cold Bay by ferry.

ADJOURNMENT

Paul moved to adjourn and second by Bill. Hearing no more the meeting adjourned at 6:34 p.m.

Mayor

Date

Clerk

Date

Financial Report

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*Revenue Guideline©

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Current Period: MARCH 12-13

		12-13 YTD Budget	12-13 YTD Amt	MARCH MTD Amt	12-13 YTD Balance	% of Budget
Fund 01 GENERAL FUND						
Active	R 01-201 INTEREST REVENUE	\$35,000.00	\$11,654.14	\$3,808.06	\$23,345.86	33.30%
Active	R 01-203 OTHER REVENUE	\$90,000.00	\$110,673.18	\$15,000.00	-\$20,673.18	122.97%
Active	R 01-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-206 AEBSD Fund Balance Refun	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-218 AEB RAW FISH TAX	\$3,200,779.00	\$2,759,920.78	\$493,176.17	\$440,858.22	86.23%
Active	R 01-229 Southwest Cities LLC	\$0.00	\$30,000.00	\$0.00	-\$30,000.00	0.00%
Active	R 01-233 STATE PERS ON-BEHALF	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-265 STATE RAW FISH TAX	\$2,033,096.94	\$2,033,096.94	\$0.00	\$0.00	100.00%
Active	R 01-266 STATE EXTRATERRITORIA	\$243,084.00	\$219,390.89	\$219,390.89	\$23,693.11	90.25%
Active	R 01-267 STATE FISH LANDING TAX	\$53,571.00	\$60,622.86	\$10,846.37	-\$7,051.86	113.16%
Active	R 01-268 State "Loss" Of Raw Fish Tax	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-270 STATE REVENUE OTHER	\$542,712.00	\$575,711.00	\$0.00	-\$32,999.00	106.08%
Active	R 01-276 AEB SCHOOL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 01-277 STATE BOND REBATE	\$1,045,464.00	\$645,881.00	\$41,178.00	\$399,583.00	61.78%
Active	R 01-291 PLO-95 PAYMNT IN LIEU O	\$559,000.00	\$0.00	\$0.00	\$559,000.00	0.00%
Active	R 01-292 USFWS LANDS	\$36,266.00	\$15,123.00	\$0.00	\$21,133.00	41.71%
	Total Fund 01 GENERAL FUND	\$7,838,962.94	\$6,462,073.79	\$783,199.49	\$1,376,889.15	82.44%

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*Expenditure Guideline©

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Current Period: MARCH 12-13

		12-13 YTD Budget	12-13 YTD Amt	MARCH MTD Amt	12-13 YTD Balance	% of Budget
Fund 01 GENERAL FUND						
DEPT 100 MAYORS OFFICE						
Active	E 01-100-000-300 SALARIES	\$71,468.00	\$53,601.12	\$5,955.68	\$17,866.88	75.00%
Active	E 01-100-000-350 FRINGE BENEFITS	\$27,810.00	\$20,508.36	\$2,279.06	\$7,301.64	73.74%
Active	E 01-100-000-400 TRAVEL AND PER	\$36,000.00	\$24,926.23	\$984.00	\$11,073.77	69.24%
Active	E 01-100-000-425 TELEPHONE	\$2,400.00	\$1,012.17	\$109.47	\$1,387.83	42.17%
Active	E 01-100-000-475 SUPPLIES	\$1,000.00	\$504.99	\$0.00	\$495.01	50.50%
Active	E 01-100-000-554 AK LOBBIST	\$36,000.00	\$33,864.27	\$3,500.00	\$2,135.73	94.07%
Active	E 01-100-000-555 FEDERAL LOBBIS	\$75,600.00	\$56,700.00	\$12,600.00	\$18,900.00	75.00%
	SUBDEPT 000	\$250,278.00	\$191,117.14	\$25,428.21	\$59,160.86	76.36%
	Total DEPT 100 MAYORS OFFICE	\$250,278.00	\$191,117.14	\$25,428.21	\$59,160.86	76.36%
DEPT 105 ASSEMBLY						
Active	E 01-105-000-300 SALARIES	\$25,000.00	\$12,800.00	\$2,000.00	\$12,200.00	51.20%
Active	E 01-105-000-350 FRINGE BENEFITS	\$56,000.00	\$46,798.40	\$4,769.80	\$9,201.60	83.57%
Active	E 01-105-000-400 TRAVEL AND PER	\$40,000.00	\$29,296.50	\$1,000.00	\$10,703.50	73.24%
Active	E 01-105-000-425 TELEPHONE	\$4,500.00	\$3,236.24	\$474.99	\$1,263.76	71.92%
Active	E 01-105-000-475 SUPPLIES	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
	SUBDEPT 000	\$126,000.00	\$92,131.14	\$8,244.79	\$33,868.86	73.12%
	Total DEPT 105 ASSEMBLY	\$126,000.00	\$92,131.14	\$8,244.79	\$33,868.86	73.12%
DEPT 150 PLANNING/CLERKS DEPARMENT						
Active	E 01-150-000-300 SALARIES	\$83,866.00	\$62,130.72	\$6,488.84	\$21,735.28	74.08%
Active	E 01-150-000-350 FRINGE BENEFITS	\$33,524.00	\$22,689.85	\$2,566.82	\$10,934.15	67.38%
Active	E 01-150-000-400 TRAVEL AND PER	\$12,500.00	\$4,500.00	\$0.00	\$7,900.00	36.80%
Active	E 01-150-000-425 TELEPHONE	\$7,500.00	\$4,989.06	\$875.14	\$2,510.95	66.52%
Active	E 01-150-000-450 POSTAGE/SPEED	\$1,500.00	\$111.93	\$0.00	\$1,388.07	7.46%
Active	E 01-150-000-475 SUPPLIES	\$9,000.00	\$3,573.06	\$0.00	\$5,426.94	39.70%
Active	E 01-150-000-526 UTILITIES	\$15,000.00	\$18,778.72	\$1,098.80	-\$3,778.72	125.19%
Active	E 01-150-000-530 DUES AND FEES	\$5,000.00	\$3,753.80	\$0.00	\$1,246.20	75.08%
Active	E 01-150-000-650 ELECTION	\$25,000.00	\$5,479.77	\$0.00	\$19,520.23	21.92%
Active	E 01-150-000-670 Planning Commissio	\$4,300.00	\$0.00	\$0.00	\$4,300.00	0.00%
	SUBDEPT 000	\$197,190.00	\$126,006.90	\$11,029.60	\$71,183.10	63.90%
	Total DEPT 150 PLANNING/CLERKS DEPARMENT	\$197,190.00	\$126,006.90	\$11,029.60	\$71,183.10	63.90%
DEPT 200 ADMINISTRATION						
Active	E 01-200-000-300 SALARIES	\$168,792.00	\$130,570.73	\$14,306.54	\$38,221.27	77.36%
Active	E 01-200-000-350 FRINGE BENEFITS	\$64,234.00	\$59,810.23	\$7,097.13	\$4,423.77	93.11%
Active	E 01-200-000-380 CONTRACT LABO	\$18,000.00	\$13,500.00	\$0.00	\$4,500.00	75.00%
Active	E 01-200-000-382 ANCHORAGE OFFI	\$0.00	\$14,254.62	\$3,641.92	-\$14,254.62	0.00%
Active	E 01-200-000-400 TRAVEL AND PER	\$25,500.00	\$40,665.75	\$260.00	-\$15,165.75	159.47%
Active	E 01-200-000-425 TELEPHONE	\$8,000.00	\$5,179.46	\$639.86	\$2,820.54	86.32%
Active	E 01-200-000-450 POSTAGE/SPEED	\$2,500.00	\$1,504.92	\$0.00	\$995.08	60.20%
Active	E 01-200-000-475 SUPPLIES	\$18,120.00	\$8,516.28	\$366.84	\$9,603.72	47.00%
Active	E 01-200-000-500 EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-200-000-525 RENTAL/LEASE	\$36,980.00	\$18,689.22	\$1,178.58	\$18,290.78	50.54%
Active	E 01-200-000-530 DUES AND FEES	\$2,500.00	\$2,390.00	\$0.00	\$110.00	95.60%
	SUBDEPT 000	\$342,626.00	\$295,081.21	\$27,490.87	\$47,544.79	86.12%
	Total DEPT 200 ADMINISTRATION	\$342,626.00	\$295,081.21	\$27,490.87	\$47,544.79	86.12%
DEPT 250 FINANCE DEPARTMENT						
Active	E 01-250-000-300 SALARIES	\$120,458.00	\$91,757.18	\$11,539.80	\$28,700.82	76.17%
Active	E 01-250-000-350 FRINGE BENEFITS	\$51,161.00	\$37,104.50	\$4,341.87	\$14,056.50	72.52%
Active	E 01-250-000-400 TRAVEL AND PER	\$4,000.00	\$3,387.00	\$1,087.00	\$613.00	84.68%
Active	E 01-250-000-425 TELEPHONE	\$5,000.00	\$2,922.01	\$41.71	\$2,077.99	58.44%

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*Expenditure Guideline©

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Current Period: MARCH 12-13

		12-13 YTD Budget	12-13 YTD Amt	MARCH MTD Amt	12-13 YTD Balance	% of Budget
Active	E 01-250-000-450 POSTAGE/SPEED	\$2,500.00	\$1,539.53	\$0.00	\$960.47	61.58%
Active	E 01-250-000-475 SUPPLIES	\$10,500.00	\$10,944.36	\$1,520.89	-\$444.36	104.23%
Active	E 01-250-000-526 UTILITIES	\$4,000.00	\$3,235.04	\$202.35	\$764.96	80.88%
Active	E 01-250-000-550 AUDIT	\$45,000.00	\$39,313.61	\$0.00	\$5,686.39	87.36%
Active	E 01-250-000-600 REPAIRS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000		\$242,619.00	\$190,203.23	\$18,733.62	\$52,415.77	78.40%
Total DEPT 250 FINANCE DEPARTMENT		\$242,619.00	\$190,203.23	\$18,733.62	\$52,415.77	78.40%
DEPT 650 RESOURCE DEPARTMENT						
Active	E 01-650-000-300 SALARIES	\$72,520.00	\$54,390.06	\$6,043.34	\$18,129.94	75.00%
Active	E 01-650-000-350 FRINGE BENEFITS	\$30,040.00	\$21,264.14	\$2,459.10	\$8,775.86	70.79%
Active	E 01-650-000-380 CONTRACT LABO	\$75,000.00	\$56,250.00	\$6,250.00	\$18,750.00	75.00%
Active	E 01-650-000-400 TRAVEL AND PER	\$35,000.00	\$26,169.02	(\$514.41)	\$8,830.98	74.77%
Active	E 01-650-000-401 SEMD SAMPLING	\$89,000.00	\$89,000.00	\$0.00	\$0.00	100.00%
Active	E 01-650-000-402 NPFMC Meetings	\$15,000.00	\$5,499.00	\$0.00	\$9,501.00	36.66%
Active	E 01-650-000-403 BOF Meetings	\$25,000.00	\$27,359.57	\$5,413.00	-\$2,359.57	109.44%
Active	E 01-650-000-425 TELEPHONE	\$3,000.00	\$1,379.78	\$198.87	\$1,620.22	45.99%
Active	E 01-650-000-475 SUPPLIES	\$7,000.00	\$4,410.66	\$2.52	\$2,589.34	63.01%
Active	E 01-650-000-525 RENTAL/LEASE	\$6,000.00	\$5,540.33	\$725.28	\$459.67	92.34%
Active	E 01-650-000-679 Fisheries Developm	\$15,000.00	\$15,000.00	\$0.00	\$0.00	100.00%
SUBDEPT 000		\$372,560.00	\$306,262.56	\$20,577.70	\$66,297.44	82.20%
Total DEPT 650 RESOURCE DEPARTMENT		\$372,560.00	\$306,262.56	\$20,577.70	\$66,297.44	82.20%
DEPT 651 PUBLIC INFORMATION						
Active	E 01-651-011-300 SALARIES	\$88,018.00	\$66,721.02	\$7,334.78	\$21,296.98	75.80%
Active	E 01-651-011-350 FRINGE BENEFITS	\$32,736.00	\$23,871.54	\$2,805.54	\$8,864.46	72.92%
Active	E 01-651-011-400 TRAVEL AND PER	\$15,000.00	\$14,131.99	\$1,357.80	\$868.01	94.21%
Active	E 01-651-011-425 TELEPHONE	\$2,400.00	\$1,230.41	\$181.60	\$1,169.59	51.27%
Active	E 01-651-011-450 POSTAGE/SPEED	\$250.00	\$0.00	\$0.00	\$250.00	0.00%
Active	E 01-651-011-475 SUPPLIES	\$4,500.00	\$773.45	\$2.52	\$3,726.55	17.19%
Active	E 01-651-011-525 RENTAL/LEASE	\$6,800.00	\$5,721.65	\$815.94	\$1,078.35	84.14%
Active	E 01-651-011-532 ADVERTISING	\$15,000.00	\$2,872.78	\$0.00	\$12,127.22	19.15%
SUBDEPT 011 PUBLIC INFORMATION		\$164,704.00	\$115,322.84	\$12,498.18	\$49,381.16	70.02%
Total DEPT 651 PUBLIC INFORMATION		\$164,704.00	\$115,322.84	\$12,498.18	\$49,381.16	70.02%
DEPT 700 PUBLIC WORKS DEPARTMENT						
Active	E 01-700-000-300 SALARIES	\$75,625.00	\$62,348.04	\$6,302.04	\$13,276.96	82.44%
Active	E 01-700-000-350 FRINGE BENEFITS	\$29,602.00	\$22,511.21	\$2,486.96	\$7,090.79	76.06%
Active	E 01-700-000-400 TRAVEL AND PER	\$11,000.00	\$13,102.00	\$0.00	-\$2,102.00	119.11%
Active	E 01-700-000-425 TELEPHONE	\$1,500.00	\$815.19	\$97.33	\$684.81	54.35%
Active	E 01-700-000-475 SUPPLIES	\$8,000.00	\$7,544.74	\$0.00	\$455.26	94.31%
Active	E 01-700-000-500 EQUIPMENT	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	E 01-700-000-526 UTILITIES	\$1,500.00	\$1,646.72	\$35.42	-\$146.72	109.78%
SUBDEPT 000		\$128,727.00	\$107,967.90	\$8,921.75	\$20,759.10	83.87%
Total DEPT 700 PUBLIC WORKS DEPARTMENT		\$128,727.00	\$107,967.90	\$8,921.75	\$20,759.10	83.87%
DEPT 844 KCAP						
Active	E 01-844-000-300 SALARIES	\$2,500.00	\$0.00	\$0.00	\$2,500.00	0.00%
Active	E 01-844-000-350 FRINGE BENEFITS	\$2,000.00	\$0.00	\$0.00	\$2,000.00	0.00%
Active	E 01-844-000-400 TRAVEL AND PER	\$0.00	\$959.13	\$0.00	-\$959.13	0.00%
Active	E 01-844-000-425 TELEPHONE	\$1,120.00	\$360.78	\$49.51	\$759.22	32.21%
Active	E 01-844-000-475 SUPPLIES	\$600.00	\$829.73	\$194.47	-\$229.73	138.29%
Active	E 01-844-000-525 RENTAL/LEASE	\$7,580.00	\$5,540.33	\$725.28	\$2,039.67	73.09%
SUBDEPT 000		\$13,800.00	\$7,689.97	\$969.26	\$6,110.03	55.72%
Total DEPT 844 KCAP		\$13,800.00	\$7,689.97	\$969.26	\$6,110.03	55.72%

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*Expenditure Guideline©

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Current Period: MARCH 12-13

		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
DEPT 850 EDUCATION						
Active	E 01-850-000-700 LOCAL SCHOOL C	\$1,231,000.00	\$750,000.00	\$0.00	\$481,000.00	60.93%
Active	E 01-850-000-701 SCHOOL SCHOLA	\$20,000.00	\$16,838.00	\$16,838.00	\$3,162.00	84.19%
Active	E 01-850-000-703 School Contribution	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
Active	E 01-850-000-756 STUDENT TRAVEL	\$5,000.00	\$5,000.00	\$5,000.00	\$0.00	100.00%
SUBDEPT 000		<u>\$1,316,000.00</u>	<u>\$771,838.00</u>	<u>\$21,838.00</u>	<u>\$544,162.00</u>	<u>58.65%</u>
Total DEPT 850 EDUCATION		\$1,316,000.00	\$771,838.00	\$21,838.00	\$544,162.00	58.65%
DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB						
Active	E 01-860-000-300 SALARIES	\$72,520.00	\$56,056.74	\$6,043.34	\$16,463.26	77.30%
Active	E 01-860-000-350 FRINGE BENEFITS	\$27,256.00	\$21,332.84	\$2,459.10	\$5,923.16	78.27%
Active	E 01-860-000-400 TRAVEL AND PER	\$10,000.00	\$2,292.90	\$0.00	\$7,707.10	22.93%
Active	E 01-860-000-425 TELEPHONE	\$4,000.00	\$483.01	\$65.32	\$3,516.99	12.08%
Active	E 01-860-000-450 POSTAGE/SPEED	\$250.00	\$0.00	\$0.00	\$250.00	0.00%
Active	E 01-860-000-475 SUPPLIES	\$4,500.00	\$535.46	\$2.52	\$3,964.54	11.90%
Active	E 01-860-000-525 RENTAL/LEASE	\$7,000.00	\$5,025.76	\$725.28	\$1,974.24	71.80%
SUBDEPT 000		<u>\$125,526.00</u>	<u>\$85,726.71</u>	<u>\$9,295.56</u>	<u>\$39,799.29</u>	<u>68.29%</u>
Total DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB		\$125,526.00	\$85,726.71	\$9,295.56	\$39,799.29	68.29%
DEPT 900 OTHER						
Active	E 01-900-000-500 EQUIPMENT	\$13,200.00	\$12,191.45	\$0.00	\$1,008.55	92.36%
Active	E 01-900-000-515 AEB VEHICLES	\$10,000.00	\$1,965.00	\$0.00	\$8,035.00	19.65%
Active	E 01-900-000-525 RENTAL/LEASE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-526 UTILITIES	\$13,000.00	\$23,430.55	\$449.96	-\$10,430.55	180.24%
Active	E 01-900-000-527 Aleutia Crab	\$58,522.00	\$0.00	\$0.00	\$58,522.00	0.00%
Active	E 01-900-000-551 LEGAL	\$150,000.00	\$148,211.17	\$21,846.26	\$1,788.83	98.81%
Active	E 01-900-000-552 INSURANCE	\$180,000.00	\$135,794.83	\$0.00	\$44,205.17	75.44%
Active	E 01-900-000-600 REPAIRS	\$10,000.00	\$7,206.23	\$0.00	\$2,793.77	72.06%
Active	E 01-900-000-727 BANK FEES	\$2,000.00	\$250.00	\$0.00	\$1,750.00	12.50%
Active	E 01-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-752 CONTRIBUTION T	\$150,000.00	\$75,000.00	\$0.00	\$75,000.00	50.00%
Active	E 01-900-000-753 MISC EXPENSE	\$96,000.00	\$95,802.27	\$0.00	\$197.73	99.79%
Active	E 01-900-000-757 DONATIONS	\$23,500.00	\$7,000.00	\$0.00	\$16,500.00	29.79%
Active	E 01-900-000-760 REVENUE SHARIN	\$32,000.00	\$32,000.00	\$0.00	\$0.00	100.00%
Active	E 01-900-000-770 Depreciation Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-900-000-943 WEB SERVICE	\$22,000.00	\$19,358.18	\$1,848.00	\$2,641.82	87.99%
SUBDEPT 000		<u>\$760,222.00</u>	<u>\$558,209.68</u>	<u>\$24,144.22</u>	<u>\$202,012.32</u>	<u>73.43%</u>
Total DEPT 900 OTHER		\$760,222.00	\$558,209.68	\$24,144.22	\$202,012.32	73.43%
Total Fund 01 GENERAL FUND		\$4,040,252.00	\$2,847,557.28	\$189,171.76	\$1,192,694.72	70.48%

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		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 20 GRANT PROGRAMS						
Active	R 20-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-203 OTHER REVENUE	\$0.00	\$57,316.11	\$0.00	-\$57,316.11	0.00%
Active	R 20-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-207 AEB Grant Revenue	\$296,000.00	\$0.00	\$0.00	\$296,000.00	0.00%
Active	R 20-254 KCAP Road Completion	\$707,444.26	\$0.00	\$0.00	\$707,444.26	0.00%
Active	R 20-287 KCAP/09-DC-359	\$1,958,992.03	\$0.00	\$0.00	\$1,958,992.03	0.00%
Active	R 20-422 DENALI COMMISSION/FAL	\$313,421.00	\$182,717.00	\$0.00	\$130,704.00	58.30%
Active	R 20-424 EDA/Akutan Harbor Floats	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
Active	R 20-499 Cold Bay Airport-Apron&Taxi	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
Active	R 20-512 Nelson Lagoon #810758 AC	\$3,743.14	\$3,555.28	\$0.00	\$187.86	94.98%
Active	R 20-516 Library Grant Program	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	R 20-517 CIAP-COLD BAY BOAT RA	\$34,384.99	\$39,138.79	\$0.00	-\$4,753.80	113.83%
Active	R 20-518 CIAP-Create A Resource La	\$255,050.00	\$0.00	\$0.00	\$255,050.00	0.00%
Active	R 20-811 US FISH&WILDLIFE MARITI	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-813 Akutan Airport/CIP Trident	\$900,000.00	\$0.00	\$0.00	\$900,000.00	0.00%
Total Fund 20 GRANT PROGRAMS		\$7,470,535.42	\$282,727.18	\$0.00	\$7,187,808.24	3.78%

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	12-13 YTD Budget	12-13 YTD Amt	MARCH MTD Amt	12-13 YTD Balance	% of Budget
Fund 20 GRANT PROGRAMS					
DEPT 422 DENALI COMMISSION/FALSE PASS					
Active E 20-422-000-850 CAPITAL CONSTR	\$313,421.00	\$182,717.00	\$0.00	\$130,704.00	58.30%
SUBDEPT 000	\$313,421.00	\$182,717.00	\$0.00	\$130,704.00	58.30%
Total DEPT 422 DENALI COMMISSION/FALSE PASS	\$313,421.00	\$182,717.00	\$0.00	\$130,704.00	58.30%
DEPT 424 EDA/Akutan Harbor Floats					
Active E 20-424-000-850 CAPITAL CONSTR	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
SUBDEPT 000 NO DESCR	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
Total DEPT 424 EDA/Akutan Harbor Floats	\$1,000,000.00	\$0.00	\$0.00	\$1,000,000.00	0.00%
DEPT 499 Cold Bay Airport-Apron&Taxiway					
Active E 20-499-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000 NO DESCR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-499-049-850 CAPITAL CONSTR	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
SUBDEPT 049 DCCED-13-DC-501	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
Total DEPT 499 Cold Bay Airport-Apron&Taxiway	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
DEPT 502 Cold Bay Dock/Grant					
Active E 20-502-000-600 REPAIRS	\$71,000.00	\$0.00	\$0.00	\$71,000.00	0.00%
SUBDEPT 000 NO DESCR	\$71,000.00	\$0.00	\$0.00	\$71,000.00	0.00%
Total DEPT 502 Cold Bay Dock/Grant	\$71,000.00	\$0.00	\$0.00	\$71,000.00	0.00%
DEPT 512 Nelson Lagoon-Hazard Impact					
Active E 20-512-000-380 CONTRACT LABO	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
SUBDEPT 000	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
Total DEPT 512 Nelson Lagoon-Hazard Impact	\$3,743.14	\$0.00	\$0.00	\$3,743.14	0.00%
DEPT 513 COLD BAY APRON PROJECT					
Active E 20-513-000-850 CAPITAL CONSTR	\$225,000.00	\$0.00	\$0.00	\$225,000.00	0.00%
SUBDEPT 000 NO DESCR	\$225,000.00	\$0.00	\$0.00	\$225,000.00	0.00%
Total DEPT 513 COLD BAY APRON PROJECT	\$225,000.00	\$0.00	\$0.00	\$225,000.00	0.00%
DEPT 516 Library Grant Program					
Active E 20-516-000-475 SUPPLIES	\$2,000.00	\$565.33	\$0.00	\$1,434.67	28.27%
SUBDEPT 000	\$2,000.00	\$565.33	\$0.00	\$1,434.67	28.27%
Total DEPT 516 Library Grant Program	\$2,000.00	\$565.33	\$0.00	\$1,434.67	28.27%
DEPT 517 CIAP-COLD BAY BOAT RAMP					
Active E 20-517-000-300 SALARIES	\$0.00	\$8,400.00	\$0.00	-\$8,400.00	0.00%
Active E 20-517-000-350 FRINGE BENEFITS	\$0.00	\$887.90	\$0.00	-\$887.90	0.00%
Active E 20-517-000-380 CONTRACT LABO	\$2,414.68	\$6,781.14	\$0.00	-\$4,366.46	280.00%
Active E 20-517-000-400 TRAVEL AND PER	-\$1,164.00	\$2,438.00	\$0.00	-\$3,602.00	-209.45%
Active E 20-517-000-475 SUPPLIES	\$9,646.48	\$9,138.61	\$0.00	\$507.87	94.74%
SUBDEPT 000	\$10,897.16	\$27,625.65	\$0.00	-\$16,728.49	253.51%
Total DEPT 517 CIAP-COLD BAY BOAT RAMP	\$10,897.16	\$27,625.65	\$0.00	-\$16,728.49	253.51%
DEPT 518 CIAP-Create A Resource LandUse					
Active E 20-518-000-850 CAPITAL CONSTR	\$255,050.00	\$28,526.46	\$19,366.92	\$226,523.54	11.18%
SUBDEPT 000 NO DESCR	\$255,050.00	\$28,526.46	\$19,366.92	\$226,523.54	11.18%
Total DEPT 518 CIAP-Create A Resource LandUse	\$255,050.00	\$28,526.46	\$19,366.92	\$226,523.54	11.18%
DEPT 802 CAPITAL - COLD BAY					
Active E 20-802-000-850 CAPITAL CONSTR	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
SUBDEPT 000	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
Total DEPT 802 CAPITAL - COLD BAY	\$60,000.00	\$0.00	\$0.00	\$60,000.00	0.00%
DEPT 803 CAPITAL - FALSE PASS					

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	12-13 YTD Budget	12-13 YTD Amt	MARCH MTD Amt	12-13 YTD Balance	% of Budget
Active E 20-803-000-850 CAPITAL CONSTR	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
SUBDEPT 000	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
Active E 20-803-059-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 059 FY12 CIP	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total DEPT 803 CAPITAL - FALSE PASS	\$14,070.13	\$0.00	\$0.00	\$14,070.13	0.00%
DEPT 806 CAPITAL - SAND POINT					
Active E 20-806-000-850 CAPITAL CONSTR	\$120,000.00	\$120,000.00	\$0.00	\$0.00	100.00%
SUBDEPT 000	\$120,000.00	\$120,000.00	\$0.00	\$0.00	100.00%
Total DEPT 806 CAPITAL - SAND POINT	\$120,000.00	\$120,000.00	\$0.00	\$0.00	100.00%
DEPT 812 AKUTAN AIRPORT/FEASIBILITY					
Active E 20-812-000-684 STOCK ID FEASIBI	\$24,000.00	\$4,000.00	\$0.00	\$20,000.00	16.67%
SUBDEPT 000	\$24,000.00	\$4,000.00	\$0.00	\$20,000.00	16.67%
Total DEPT 812 AKUTAN AIRPORT/FEASIBILITY	\$24,000.00	\$4,000.00	\$0.00	\$20,000.00	16.67%
DEPT 813 Akutan Airport/CIP Trident					
Active E 20-813-000-850 CAPITAL CONSTR	\$900,000.00	\$0.00	\$0.00	\$900,000.00	0.00%
SUBDEPT 000 NO DESCR	\$900,000.00	\$0.00	\$0.00	\$900,000.00	0.00%
Total DEPT 813 Akutan Airport/CIP Trident	\$900,000.00	\$0.00	\$0.00	\$900,000.00	0.00%
DEPT 867 KCC Alternative Road					
Active E 20-867-000-300 SALARIES	\$0.00	\$13,050.00	\$1,275.00	-\$13,050.00	0.00%
Active E 20-867-000-350 FRINGE BENEFITS	\$0.00	\$13,865.27	\$2,144.15	-\$13,865.27	0.00%
Active E 20-867-000-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-381 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-000-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	\$0.00	\$26,915.27	\$3,419.15	-\$26,915.27	0.00%
Active E 20-867-168-300 SALARIES	\$17,800.00	\$0.00	\$0.00	\$17,800.00	0.00%
Active E 20-867-168-350 FRINGE BENEFITS	\$8,985.46	\$0.00	\$0.00	\$8,985.46	0.00%
Active E 20-867-168-381 ENGINEERING	\$943,500.00	\$0.00	\$0.00	\$943,500.00	0.00%
Active E 20-867-168-400 TRAVEL AND PER	\$5,926.49	\$0.00	\$0.00	\$5,926.49	0.00%
Active E 20-867-168-850 CAPITAL CONSTR	\$982,780.08	\$0.00	\$0.00	\$982,780.08	0.00%
SUBDEPT 168 KCAP/09-DC-359	\$1,958,992.03	\$0.00	\$0.00	\$1,958,992.03	0.00%
Active E 20-867-169-300 SALARIES	\$0.00	\$450.00	\$0.00	-\$450.00	0.00%
Active E 20-867-169-350 FRINGE BENEFITS	\$0.00	\$505.39	\$0.00	-\$505.39	0.00%
Active E 20-867-169-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active E 20-867-169-753 MISC EXPENSE	\$7,100.00	\$0.00	\$0.00	\$7,100.00	0.00%
Active E 20-867-169-850 CAPITAL CONSTR	\$741,058.88	\$0.00	\$0.00	\$741,058.88	0.00%
SUBDEPT 169 KCAP Road Completion	\$748,158.88	\$955.39	\$0.00	\$747,203.49	0.13%
Total DEPT 867 KCC Alternative Road	\$2,707,150.91	\$27,870.66	\$3,419.15	\$2,679,280.25	1.03%
DEPT 900 OTHER					
Active E 20-900-000-507 FY13 POLLOCK S	\$128,000.00	\$76,565.65	\$0.00	\$51,434.35	59.82%
Active E 20-900-000-511 FY12 ACOUSTIC T	\$5,218.70	\$0.00	\$0.00	\$5,218.70	0.00%
Active E 20-900-000-753 MISC EXPENSE	\$0.00	\$126,234.71	\$0.00	-\$126,234.71	0.00%
Active E 20-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000 NO DESCR	\$133,218.70	\$202,800.36	\$0.00	-\$69,581.66	152.23%
Total DEPT 900 OTHER	\$133,218.70	\$202,800.36	\$0.00	-\$69,581.66	152.23%
Total Fund 20 GRANT PROGRAMS	\$7,839,551.04	\$594,105.46	\$22,786.07	\$7,245,445.58	7.58%

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		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 22 OPERATIONS						
Active	R 22-203 OTHER REVENUE	\$1,375,000.00	\$1,218,940.00	\$0.00	\$156,060.00	88.65%
Active	R 22-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-221 COLD BAY TERMINAL LEA	\$139,620.00	\$103,080.88	\$11,635.11	\$36,539.12	73.83%
Active	R 22-222 COLD BAY TERMINAL OTH	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-246 HOVERCRAFT/MEDEVACS	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
Active	R 22-246 HOVERCRAFT /TICKETS	\$330,000.00	\$51,199.40	\$17,702.00	\$278,800.60	15.51%
Active	R 22-247 HOVERCRAFT/ VEHICLES	\$0.00	\$1,000.00	\$0.00	-\$1,000.00	0.00%
Active	R 22-248 HOVERCRAFT/ FREIGHT	\$100,000.00	\$94,436.95	\$34,606.90	\$5,563.05	94.44%
Total Fund 22 OPERATIONS		\$1,949,620.00	\$1,468,657.23	\$63,944.01	\$480,962.77	75.33%

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		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 22 OPERATIONS						
DEPT 802 CAPITAL - COLD BAY						
Active	E 22-802-200-300 SALARIES	\$24,000.00	\$18,768.00	\$2,072.00	\$5,232.00	82.52%
Active	E 22-802-200-350 FRINGE BENEFITS	\$3,617.00	\$1,978.16	\$217.14	\$1,638.84	57.69%
Active	E 22-802-200-380 CONTRACT LABO	\$35,000.00	\$36,551.53	\$4,241.05	-\$1,551.53	104.43%
Active	E 22-802-200-400 TRAVEL AND PER	\$3,000.00	\$27,322.00	\$0.00	-\$24,322.00	910.73%
Active	E 22-802-200-425 TELEPHONE	\$4,500.00	\$3,199.32	\$344.64	\$1,300.68	78.67%
Active	E 22-802-200-475 SUPPLIES	\$15,000.00	\$2,683.22	\$148.65	\$12,316.78	23.22%
Active	E 22-802-200-525 RENTAL/LEASE	\$5,335.00	\$7,206.38	\$0.00	-\$1,871.38	135.08%
Active	E 22-802-200-526 UTILITIES	\$24,000.00	\$13,322.30	\$1,435.73	\$10,677.70	56.54%
Active	E 22-802-200-551 LEGAL	\$100,000.00	\$113,142.89	\$676.14	-\$13,142.89	113.14%
Active	E 22-802-200-576 GAS	\$1,500.00	\$119.33	\$119.33	\$1,380.67	7.96%
Active	E 22-802-200-577 FUEL	\$15,000.00	\$16,909.86	\$3,888.15	-\$1,909.86	112.73%
Active	E 22-802-200-770 Depreciation Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 200 COLD BAY TERMINAL		<u>\$230,952.00</u>	<u>\$241,202.99</u>	<u>\$13,142.83</u>	<u>-\$12,784.81</u>	<u>104.44%</u>
Total DEPT 802 CAPITAL - COLD BAY		\$230,952.00	\$241,202.99	\$13,142.83	-\$12,784.81	104.44%
DEPT 843 Hovercraft Operation						
Active	E 22-843-100-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-380 CONTRACT LABO	\$2,560,000.00	\$2,286,132.45	\$204,628.58	\$273,867.55	89.30%
Active	E 22-843-100-425 TELEPHONE	\$2,500.00	\$1,513.81	\$120.00	\$986.19	60.55%
Active	E 22-843-100-475 SUPPLIES	\$300,000.00	\$815,034.58	\$91,112.19	-\$515,034.58	273.63%
Active	E 22-843-100-500 EQUIPMENT	\$0.00	\$81,582.50	\$0.00	-\$81,582.50	0.00%
Active	E 22-843-100-526 UTILITIES	\$5,000.00	\$3,713.95	\$0.00	\$1,286.05	74.28%
Active	E 22-843-100-552 INSURANCE	\$215,000.00	\$262,020.19	\$213,060.00	-\$47,020.19	121.87%
Active	E 22-843-100-576 GAS	\$10,000.00	\$8,206.98	\$0.00	\$3,793.02	62.07%
Active	E 22-843-100-577 FUEL	\$445,000.00	\$273,641.33	\$0.00	\$171,358.67	67.39%
Active	E 22-843-100-770 Depreciation Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 100 HOVERCRAFT OPERATION		<u>\$3,537,500.00</u>	<u>\$3,729,845.79</u>	<u>\$508,920.77</u>	<u>-\$242,836.73</u>	<u>105.44%</u>
Total DEPT 843 Hovercraft Operation		\$3,537,500.00	\$3,729,845.79	\$508,920.77	-\$242,836.73	105.44%
Total Fund 22 OPERATIONS		\$3,768,452.00	\$3,971,048.78	\$522,063.60	-\$255,621.54	105.38%

ALEUTIANS EAST BOROUGH

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Current Period: MARCH 12-13

		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 24 BOND CONSTRUCTION						
Active	R 24-201 INTEREST REVENUE	\$0.00	\$31,519.73	\$2,605.70	-\$31,519.73	0.00%
Active	R 24-203 OTHER REVENUE	\$0.00	\$96,483.94	\$0.00	-\$96,483.94	0.00%
Active	R 24-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-227 COE-HARBOR PROJECTS	\$2,052,245.00	\$0.00	\$0.00	\$2,052,245.00	0.00%
Active	R 24-259 BOND PROCEEDS	\$1,171,609.64	\$0.00	\$0.00	\$1,171,609.64	0.00%
Active	R 24-270 STATE REVENUE OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 24-277 STATE BOND REBATE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total Fund 24 BOND CONSTRUCTION	\$3,223,854.64	\$128,003.67	\$2,605.70	\$3,095,850.97	3.97%

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Current Period: MARCH 12-13

		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 24 BOND CONSTRUCTION						
DEPT 809 Akutan Airport/Grant						
Active	E 24-809-000-850 CAPITAL CONSTR	\$2,708,552.94	\$1,383,455.63	\$0.00	\$1,325,097.31	51.08%
	SUBDEPT 000	\$2,708,552.94	\$1,383,455.63	\$0.00	\$1,325,097.31	51.08%
	Total DEPT 809 Akutan Airport/Grant	\$2,708,552.94	\$1,383,455.63	\$0.00	\$1,325,097.31	51.08%
DEPT 830 KING COVE HARBOR						
Active	E 24-830-000-850 CAPITAL CONSTR	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
	SUBDEPT 000	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
	Total DEPT 830 KING COVE HARBOR	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
DEPT 833 FALSE PASS HARBOR						
Active	E 24-833-000-850 CAPITAL CONSTR	\$416,215.75	\$18,249.32	\$0.00	\$397,966.43	4.38%
	SUBDEPT 000	\$416,215.75	\$18,249.32	\$0.00	\$397,966.43	4.38%
	Total DEPT 833 FALSE PASS HARBOR	\$416,215.75	\$18,249.32	\$0.00	\$397,966.43	4.38%
DEPT 839 AKUTAN HARBOR						
Active	E 24-839-000-850 CAPITAL CONSTR	\$1,171,609.64	\$92,588.14	\$0.00	\$1,079,021.50	7.90%
	SUBDEPT 000	\$1,171,609.64	\$92,588.14	\$0.00	\$1,079,021.50	7.90%
	Total DEPT 839 AKUTAN HARBOR	\$1,171,609.64	\$92,588.14	\$0.00	\$1,079,021.50	7.90%
DEPT 862 NELSON LAGOON DOCK						
Active	E 24-862-000-850 CAPITAL CONSTR	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
	SUBDEPT 000	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
	Total DEPT 862 NELSON LAGOON DOCK	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
DEPT 867 KCC Alternative Road						
Active	E 24-867-169-850 CAPITAL CONSTR	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
	SUBDEPT 169 KCAP Road Completion	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
	Total DEPT 867 KCC Alternative Road	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
DEPT 900 OTHER						
Active	E 24-900-000-380 CONTRACT LABO	\$0.00	\$23,772.12	\$3,055.77	-\$23,772.12	0.00%
Active	E 24-900-000-725 BOND INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 24-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 24-900-000-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	SUBDEPT 000	\$0.00	\$23,772.12	\$3,055.77	-\$23,772.12	0.00%
	Total DEPT 900 OTHER	\$0.00	\$23,772.12	\$3,055.77	-\$23,772.12	0.00%
	Total Fund 24 BOND CONSTRUCTION	\$6,403,863.69	\$1,518,065.21	\$3,055.77	\$4,885,798.48	23.71%

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Current Period: MARCH 12-13

		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 30 BOND FUND						
Active	R 30-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-203 OTHER REVENUE	\$2,815,936.78	\$0.00	\$0.00	\$2,815,936.78	0.00%
Active	R 30-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-259 BOND PROCEEDS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 30 BOND FUND		\$2,815,936.78	\$0.00	\$0.00	\$2,815,936.78	0.00%

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Current Period: MARCH 12-13

		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 30 BOND FUND						
DEPT 900 OTHER						
Active	E 30-900-000-725 BOND INTEREST	\$1,395,936.78	\$967,731.95	\$106,314.10	\$428,204.83	69.32%
Active	E 30-900-000-726 BOND PRINCIPAL	\$1,420,000.00	\$1,170,000.00	\$0.00	\$250,000.00	82.39%
Active	E 30-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000		<u>\$2,815,936.78</u>	<u>\$2,137,731.95</u>	<u>\$106,314.10</u>	<u>\$678,204.83</u>	<u>75.92%</u>
Total DEPT 900 OTHER		<u>\$2,815,936.78</u>	<u>\$2,137,731.95</u>	<u>\$106,314.10</u>	<u>\$678,204.83</u>	<u>75.92%</u>
Total Fund 30 BOND FUND		<u>\$2,815,936.78</u>	<u>\$2,137,731.95</u>	<u>\$106,314.10</u>	<u>\$678,204.83</u>	<u>75.92%</u>

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Current Period: MARCH 12-13

		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 40 PERMANENT FUND						
Active	R 40-201 INTEREST REVENUE	\$0.00	\$2,767,901.79	\$1,063,098.38	-\$2,767,901.79	0.00%
Active	R 40-203 OTHER REVENUE	\$350,000.00	\$0.00	\$0.00	\$350,000.00	0.00%
Active	R 40-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 40-230 LAND SALES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total Fund 40 PERMANENT FUND		\$350,000.00	\$2,767,901.79	\$1,063,098.38	-\$2,417,901.79	790.83%

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Current Period: MARCH 12-13

	12-13 YTD Budget	12-13 YTD Amt	MARCH MTD Amt	12-13 YTD Balance	% of Budget
Fund 40 PERMANENT FUND					
DEPT 900 OTHER					
Active E 40-900-000-380 CONTRACT LABO	\$350,000.00	\$23,772.12	\$3,055.77	\$326,227.88	6.79%
Active E 40-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
SUBDEPT 000	<u>\$350,000.00</u>	<u>\$23,772.12</u>	<u>\$3,055.77</u>	<u>\$326,227.88</u>	<u>6.79%</u>
Total DEPT 900 OTHER	<u>\$350,000.00</u>	<u>\$23,772.12</u>	<u>\$3,055.77</u>	<u>\$326,227.88</u>	<u>6.79%</u>
Total Fund 40 PERMANENT FUND	<u>\$350,000.00</u>	<u>\$23,772.12</u>	<u>\$3,055.77</u>	<u>\$326,227.88</u>	<u>6.79%</u>

ALEUTIANS EAST BOROUGH

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Current Period: MARCH 12-13

		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 41 MAINTENANCE RESERVE FUND						
Active	R 41-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-203 OTHER REVENUE	\$100,000.00	\$149,248.25	\$0.00	-\$49,248.25	149.25%
Active	R 41-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 41-276 AEB SCHOOL	\$0.00	\$138,315.02	\$0.00	-\$138,315.02	0.00%
Total Fund 41 MAINTENANCE RESERVE FUND		\$100,000.00	\$287,563.27	\$0.00	-\$187,563.27	287.56%

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Current Period: MARCH 12-13

		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Fund 41 MAINTENANCE RESERVE FUND						
DEPT 800 CAPITAL - SCHOOL						
Active	E 41-800-857-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-857-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	SUBDEPT 857 FALSE PASS SCHOOL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-860-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-860-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-860-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	SUBDEPT 860 SAND POINT Gym Floor	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-865-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	SUBDEPT 865 Akutan School	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-300 SALARIES	\$0.00	\$420.00	\$0.00	-\$420.00	0.00%
Active	E 41-800-866-350 FRINGE BENEFITS	\$0.00	\$44.39	\$0.00	-\$44.39	0.00%
Active	E 41-800-866-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-400 TRAVEL AND PER	\$0.00	\$492.00	\$0.00	-\$492.00	0.00%
Active	E 41-800-866-425 TELEPHONE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-850 CAPITAL CONSTR	\$0.00	\$3,220.00	\$0.00	-\$3,220.00	0.00%
	SUBDEPT 866 NELSON LAGOON SCHOOL	\$0.00	\$4,176.39	\$0.00	-\$4,176.39	0.00%
Active	E 41-800-867-300 SALARIES	\$0.00	\$12,870.00	\$0.00	-\$12,870.00	0.00%
Active	E 41-800-867-350 FRINGE BENEFITS	\$0.00	\$1,360.36	\$0.00	-\$1,360.36	0.00%
Active	E 41-800-867-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-867-475 SUPPLIES	\$0.00	\$958.51	\$0.00	-\$958.51	0.00%
Active	E 41-800-867-850 CAPITAL CONSTR	\$0.00	\$360.00	\$0.00	-\$360.00	0.00%
	SUBDEPT 867 Sand Point School	\$0.00	\$15,548.87	\$0.00	-\$15,548.87	0.00%
Active	E 41-800-868-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-380 CONTRACT LABO	\$0.00	\$17,231.91	\$0.00	-\$17,231.91	0.00%
Active	E 41-800-868-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-475 SUPPLIES	\$0.00	\$13,167.83	\$4,683.97	-\$13,167.83	0.00%
Active	E 41-800-868-551 LEGAL	\$0.00	\$4,275.00	\$0.00	-\$4,275.00	0.00%
Active	E 41-800-868-577 FUEL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-868-852 ASPHALT PAVING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	SUBDEPT 868 King Cove School	\$0.00	\$34,674.74	\$4,683.97	-\$34,674.74	0.00%
Active	E 41-800-869-300 SALARIES	\$0.00	\$2,640.00	\$0.00	-\$2,640.00	0.00%
Active	E 41-800-869-350 FRINGE BENEFITS	\$0.00	\$279.04	\$0.00	-\$279.04	0.00%
Active	E 41-800-869-380 CONTRACT LABO	\$0.00	\$600.00	\$0.00	-\$600.00	0.00%
Active	E 41-800-869-400 TRAVEL AND PER	\$0.00	\$590.00	\$0.00	-\$590.00	0.00%
Active	E 41-800-869-475 SUPPLIES	\$0.00	\$410.28	\$0.00	-\$410.28	0.00%
Active	E 41-800-869-942 PROPERTY LEASE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	SUBDEPT 869 COLD BAY SCHOOL	\$0.00	\$4,519.32	\$0.00	-\$4,519.32	0.00%
	Total DEPT 800 CAPITAL - SCHOOL	\$0.00	\$58,919.32	\$4,683.97	-\$58,919.32	0.00%
DEPT 900 OTHER						
Active	E 41-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-900-000-753 MISC EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

ALEUTIANS EAST BOROUGH

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Current Period: MARCH 12-13

		12-13	12-13	MARCH	12-13	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
Active	E 41-900-000-880 LAND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	SUBDEPT 000	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total DEPT 900 OTHER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	Total Fund 41 MAINTENANCE RESERVE	\$0.00	\$58,919.32	\$4,683.97	-\$58,919.32	0.00%
	FUND					

INVESTMENT REPORT



April 9, 2013

Mr. Rick Gifford
Administrator
Aleutians East Borough
3380 C Street, Suite 205
Anchorage, Alaska 99503

sent via email

Dear Rick,

Enclosed is the March 2013 report for the Aleutians East Borough, which includes a listing of portfolio assets, purchases and sales. As this report coincides with the end of a calendar quarter, performance data is included.

Permanent Fund:

The month-end market value of the portfolio was \$32,243,852, which includes \$71,742 in accrued interest receivable. Estimated annual cash income from the portfolio, excluding dividends on equities, is \$310,038.

Series E account:

The month-end market value of the portfolio was \$2,451,290.

Akutan Harbor-2006A:

The month-end market value of the account was \$1,642,800.

Operating Fund:

The month-end market value of the portfolio was \$2,510,460.

2010 Series A:

The month-end balance \$2,010,729.

2010 Series B:

The month-end balance was \$2,014,840.

If we can provide anything further please let us know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bert Wagnon".

Bert Wagnon
Senior Vice President

A handwritten signature in blue ink, appearing to read "Evan Rose".

Evan Rose
President and CEO

cc via email: Anne Bailey, Office Manager,
Linda Mack, Administrative Clerk

ALEUTIANS EAST BOROUGH

Account Statement - Quarter Ending March 31, 2013

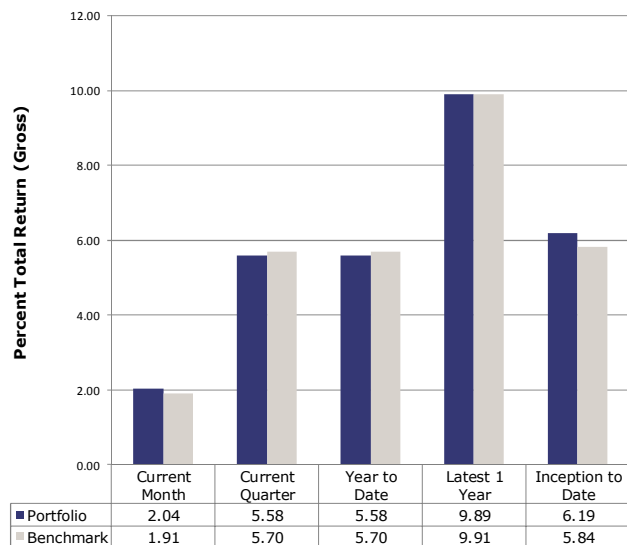


ACCOUNT ACTIVITY

Portfolio Value on 12-31-12	30,541,601
Contributions	0
Withdrawals	-2,411
Change in Market Value	1,520,177
Interest	78,216
Dividends	106,268
Portfolio Value on 03-31-13	32,243,852

INVESTMENT PERFORMANCE

**Current Account Benchmark:
Equity Blend**

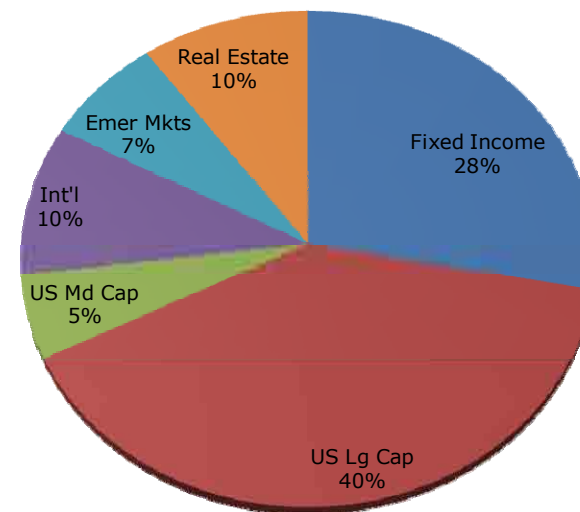


Performance for Periods One Year and Greater are Annualized

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bert Wagnon Brandy Niclai, CFA
Contact Phone Number:	907/272 -7575

PORTFOLIO COMPOSITION



Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
ALEUTIANS EAST BOROUGH
March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
350,000	US TREASURY NOTES 0.250% Due 11-30-13	100.00	350,014	100.07	350,231	1.09	875	293	0.15
125,000	US TREASURY NOTES 1.875% Due 02-28-14	98.35	122,940	101.56	126,949	0.39	2,344	204	0.17
300,000	US TREASURY NOTES 2.625% Due 06-30-14	100.45	301,337	103.02	309,048	0.96	7,875	1,980	0.21
400,000	US TREASURY NOTES 0.250% Due 02-28-15	100.01	400,031	100.01	400,032	1.24	1,000	87	0.25
525,000	US TREASURY NOTES 1.250% Due 10-31-15	97.52	511,991	102.38	537,511	1.67	6,562	2,756	0.32
250,000	US TREASURY NOTES 0.625% Due 05-31-17	99.52	248,799	100.12	250,312	0.78	1,562	524	0.59
275,000	US TREASURY NOTES 3.375% Due 11-15-19	97.63	268,490	114.47	314,790	0.98	9,281	3,513	1.10
150,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	156,059	115.47	173,203	0.54	5,250	1,987	1.23
350,000	US TREASURY NOTES 1.625% Due 11-15-22	98.68	345,373	98.23	343,794	1.07	5,687	2,152	1.83
	Accrued Interest				13,495	0.04			
			2,705,033		2,819,365	8.74		13,495	
AGENCIES									
400,000	FEDERAL HOME LN BKS 4.875% Due 05-17-17	99.74	398,946	117.09	468,376	1.45	19,500	7,258	0.67
	Accrued Interest				7,258	0.02			
			398,946		475,634	1.48		7,258	
FNMA & FHLMC									
94,183	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	104.56	98,480	106.28	100,098	0.31	3,767	314	1.71
	Accrued Interest				314	0.00			
			98,480		100,412	0.31		314	
ASSET-BACKED SECURITIES									
150,000	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	107.25	160,875	105.28	157,921	0.49	5,700	253	0.54
	Accrued Interest				253	0.00			
			160,875		158,174	0.49		253	

* Callable security

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
ALEUTIANS EAST BOROUGH
March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
COMMERCIAL MORTGAGE-BACKED SECURITIES									
436,650	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41 Accrued Interest	100.55	439,031	100.97	440,876	1.37	24,094	2,008	1.92
					2,008	0.01			
			439,031		442,884	1.37		2,008	
CORPORATE BONDS									
150,000	GLAXOSMITHKLINE CAP INC 4.850% Due 05-15-13	99.79	149,683	100.53	150,796	0.47	7,275	2,748	0.48
150,000	BARRICK GOLD FINANCE CO. 6.125% Due 09-15-13	111.45	167,173	102.40	153,600	0.48	9,187	408	0.83
100,000	CATERPILLAR FINANCIAL 6.125% Due 02-17-14	100.12	100,125	105.02	105,019	0.33	6,125	749	0.39
150,000	TOYOTA MOTOR CREDIT CORP 1.000% Due 02-17-15	100.85	151,270	100.84	151,266	0.47	1,500	183	0.55
100,000	MORGAN STANLEY 6.000% Due 04-28-15	95.25	95,250	108.93	108,928	0.34	6,000	2,550	1.60
150,000	CITIGROUP INC 4.750% Due 05-19-15	108.33	162,493	107.27	160,902	0.50	7,125	2,612	1.28
250,000	GENERAL ELECT CAP CORP MED TERM NT SER A 6.900% Due 09-15-15	104.49	261,227	113.78	284,457	0.88	17,250	767	1.19
150,000	PPG INDUSTRIES INC 1.900% Due 01-15-16	98.62	147,937	102.59	153,888	0.48	2,850	602	0.95
150,000	HSBC FINANCE CORP 5.500% Due 01-19-16	97.07	145,611	111.30	166,950	0.52	8,250	1,650	1.37
150,000	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16	99.98	149,971	104.65	156,975	0.49	3,150	1,164	0.60
150,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	117.91	176,866	116.19	174,286	0.54	8,437	3,891	0.96
150,000	JOHN DEERE CAPITAL CORP 2.000% Due 01-13-17	102.52	153,774	103.53	155,292	0.48	3,000	650	1.05
150,000	BANK OF NEW YORK MELLON 1.969% Due 06-20-17	103.68	155,515	103.13	154,693	0.48	2,953	829	1.21
150,000	STATOIL ASA 3.125% Due 08-17-17	107.07	160,599	108.42	162,628	0.50	4,687	573	1.15
150,000	ASTRAZENECA PLC 5.900% Due 09-15-17	101.14	151,711	120.04	180,060	0.56	8,850	393	1.26
150,000	EXELON GENERATION CO LLC 6.200% Due 10-01-17	117.17	175,749	117.24	175,858	0.55	9,300	4,650	2.16
150,000	JPMORGAN CHASE 6.000% Due 01-15-18	103.99	155,979	118.83	178,252	0.55	9,000	1,900	1.87

* Callable security

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
ALEUTIANS EAST BOROUGH
March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
150,000	UNITED PARCEL SERVICE 5.500% Due 01-15-18	121.23	181,845	119.65	179,469	0.56	8,250	1,742	1.26
150,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	149,358	119.02	178,537	0.55	8,625	1,437	1.64
200,000	UNITED HEALTH GROUP INC 6.000% Due 02-15-18	121.46	242,916	120.91	241,822	0.75	12,000	1,533	1.53
150,000	BANK OF AMERICA CORP 5.650% Due 05-01-18	83.68	125,521	115.68	173,521	0.54	8,475	3,531	2.36
150,000	COMMONWEALTH EDISON 6.950% Due 07-15-18	123.20	184,800	122.98	184,464	0.57	10,425	2,201	2.31
150,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	116.51	174,771	125.11	187,660	0.58	11,250	1,437	2.83
150,000	PROCTER & GAMBLE CO. 4.700% Due 02-15-19	119.15	178,728	117.87	176,811	0.55	7,050	901	1.51
150,000	VERIZON COMMUNICATIONS 6.350% Due 04-01-19	125.02	187,530	122.71	184,071	0.57	9,525	4,762	2.28
150,000	MICROSOFT CORP 4.200% Due 06-01-19	117.24	175,854	114.85	172,270	0.53	6,300	2,100	1.66
157,695	SOUTHWEST AIRLS 2007-1 PASS 6.150% Due 08-01-22	102.36	161,419	118.00	186,080	0.58	9,698	1,616	3.84
	Accrued Interest				47,580	0.15			
			4,423,680		4,686,141	14.53		47,580	
MUNICIPAL BONDS									
200,000	FAIRBANKS NORTH STAR BORO AK 5.000% Due 09-01-22	120.54	241,078	125.55	251,108	0.78	10,000	833	2.01
	Accrued Interest				833	0.00			
			241,078		251,941	0.78		833	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
88,803	VANGUARD INST'L S&P500 INDEX FUND	98.99	8,790,214	143.69	12,760,093	39.57	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
15,444	ISHARES S&P MIDCAP 400	72.41	1,118,232	115.07	1,777,141	5.51	NA		
INTERNATIONAL FUNDS/ETF									
86,372	VANGUARD MSCI EAFE ETF	37.88	3,271,921	36.43	3,146,532	9.76	NA		
EMERGING MARKET FUNDS/ETF									
53,953	VANGUARD EMERGING MARKET ETF	43.10	2,325,355	42.89	2,314,314	7.18	NA		

* Callable security

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
ALEUTIANS EAST BOROUGH
March 31, 2013

<u>Quantity</u>	<u>Security</u>	<u>Average Cost</u>	<u>Total Average Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Annual Income</u>	<u>Accrued Interest</u>	<u>Yield to Maturity</u>
REAL ESTATE									
45,907	VANGUARD REIT ETF	53.03	2,434,236	70.53	3,237,821	10.04	NA		
CASH AND EQUIVALENTS									
	DIVIDEND ACCRUAL		5,410		5,410	0.02			
	FEDERATED PRIME CASH INST'L SHARES		67,989		67,989	0.21			
	VICTORY MONEY MARKET FUND		0		0	0.00			
			73,399		73,399	0.23			
TOTAL PORTFOLIO			26,480,481		32,243,852	100	310,038	71,742	

* Callable security

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
ALEUTIANS EAST BOROUGH
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
03-28-13	03-28-13	VANGUARD INST'L S&P500 INDEX FUND	414.4560	59,308.66
U.S. TREASURY				
03-18-13	03-19-13	US TREASURY NOTES 0.250% Due 02-28-15	400,000	400,031.25
				459,339.91
DEPOSITS AND EXPENSES				
AFTER FEE PERFORMANCE EXPENSE ACCOUNTS				
03-31-13	03-31-13	MANAGEMENT FEES		4,682.17
				4,682.17
DIVIDEND				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
03-28-13	03-28-13	VANGUARD INST'L S&P500 INDEX FUND		59,308.66
DOMESTIC MID CAP EQUITY FUNDS/ETF				
03-25-13	04-01-13	ISHARES S&P MIDCAP 400		5,410.28
EMERGING MARKET FUNDS/ETF				
03-28-13	03-28-13	VANGUARD EMERGING MARKET ETF		3,129.27
INTERNATIONAL FUNDS/ETF				
03-28-13	03-28-13	VANGUARD MSCI EAFE ETF		13,905.89

* Callable security

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
ALEUTIANS EAST BOROUGH
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
REAL ESTATE				
03-28-13	03-28-13	VANGUARD REIT ETF		24,514.34
				106,268.44
INTEREST				
ASSET-BACKED SECURITIES				
03-15-13	03-15-13	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17		475.00
CASH AND EQUIVALENTS				
03-01-13	03-01-13	FEDERATED PRIME CASH INST'L SHARES		24.03
COMMERCIAL MORTGAGE-BACKED SECURITIES				
03-11-13	03-11-13	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41		2,299.17
CORPORATE BONDS				
03-15-13	03-15-13	ASTRAZENECA PLC 5.900% Due 09-15-17		4,425.00
03-15-13	03-15-13	BARRICK GOLD FINANCE CO. 6.125% Due 09-15-13		4,593.75
03-15-13	03-15-13	GENERAL ELECT CAP CORP MED TERM NT SER A 6.900% Due 09-15-15		8,625.00
				<hr/> 17,643.75

* Callable security

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
ALEUTIANS EAST BOROUGH
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
FNMA & FHLMC				
03-15-13	03-15-13	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26		325.37
MUNICIPAL BONDS				
03-01-13	03-01-13	FAIRBANKS NORTH STAR BORO AK 5.000% Due 09-01-22		5,000.00
				25,767.32
PRINCIPAL PAYDOWNS				
COMMERCIAL MORTGAGE-BACKED SECURITIES				
03-11-13	03-11-13	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41	63,349.62	63,349.62
FNMA & FHLMC				
03-15-13	03-15-13	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	3,426.52	3,426.52
				66,776.14
PURCHASED ACCRUED INTEREST				
U.S. TREASURY				
03-18-13	03-19-13	US TREASURY NOTES 0.250% Due 02-28-15		51.63
				51.63
SALES, MATURITIES, AND CALLS				
U.S. TREASURY				
03-06-13	03-07-13	US TREASURY NOTES 1.625% Due 11-15-22	300,000	292,523.44
				292,523.44

* Callable security

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
ALEUTIANS EAST BOROUGH
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
SOLD ACCRUED INTEREST				
U.S. TREASURY				
03-06-13	03-07-13	US TREASURY NOTES 1.625% Due 11-15-22		1,508.29
				1,508.29
WITHDRAW				
CASH AND EQUIVALENTS				
03-15-13	03-15-13	FEDERATED PRIME CASH INST'L SHARES		775.43
03-15-13	03-15-13	FEDERATED PRIME CASH INST'L SHARES		30.00
				805.43
				805.43

* Callable security

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
ALEUTIANS EAST BOROUGH
From 03-01-13 Through 03-31-13

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
03-06-13	300,000	US TREASURY NOTES 1.625% Due 11-15-22	296,033.65	292,523.44	-3,510.21
03-11-13	63,349.62	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41	63,695.07	63,349.62	-345.45
03-15-13	3,426.52	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	3,582.85	3,426.52	-156.33
TOTAL GAINS					0.00
TOTAL LOSSES					-4,011.99
			363,311.57	359,299.58	-4,011.99

Alaska Permanent Capital Management Co.

CASH LEDGER

ALEUTIANS EAST BOROUGH

From 03-01-13 To 03-31-13

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
DIVIDEND ACCRUAL					
03-01-13			Beginning Balance		0.00
03-25-13	04-01-13	dp	Dividend	ISHARES S&P MIDCAP 400	5,410.28
03-31-13			Ending Balance		5,410.28
FEDERATED PRIME CASH INST'L SHARES					
03-01-13			Beginning Balance		40,752.77
03-01-13	03-01-13	dp	Interest	FAIRBANKS NORTH STAR BORO AK 5.000% Due 09-01-22	5,000.00
03-01-13	03-01-13	dp	Interest	FEDERATED PRIME CASH INST'L SHARES	24.03
03-06-13	03-07-13	dp	Sale	US TREASURY NOTES 1.625% Due 11-15-22	292,523.44
03-06-13	03-07-13	dp	Accrued Interest	US TREASURY NOTES 1.625% Due 11-15-22	1,508.29
03-11-13	03-11-13	dp	Interest	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41	2,299.17
03-11-13	03-11-13	dp	Paydown	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41	63,349.62
03-15-13	03-15-13	dp	Interest	ASTRAZENECA PLC 5.900% Due 09-15-17	4,425.00
03-15-13	03-15-13	dp	Interest	BARRICK GOLD FINANCE CO. 6.125% Due 09-15-13	4,593.75
03-15-13	03-15-13	dp	Interest	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	325.37

* Callable security

Alaska Permanent Capital Management Co.

CASH LEDGER

ALEUTIANS EAST BOROUGH

From 03-01-13 To 03-31-13

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
03-15-13	03-15-13	dp	Paydown	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	3,426.52
03-15-13	03-15-13	dp	Interest	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	475.00
03-15-13	03-15-13	dp	Interest	GENERAL ELECT CAP CORP MED TERM NT SER A 6.900% Due 09-15-15	8,625.00
03-15-13	03-15-13	wd	Withdrawal	from Portfolio	-775.43
03-15-13	03-15-13	wd	Withdrawal	from Portfolio	-30.00
03-18-13	03-19-13	wd	Purchase	US TREASURY NOTES 0.250% Due 02-28-15	-400,031.25
03-18-13	03-19-13	wd	Accrued Interest	US TREASURY NOTES 0.250% Due 02-28-15	-51.63
03-28-13	03-28-13	dp	Dividend	VANGUARD MSCI EAFE ETF	13,905.89
03-28-13	03-28-13	dp	Dividend	VANGUARD INST'L S&P500 INDEX FUND	59,308.66
03-28-13	03-28-13	dp	Dividend	VANGUARD EMERGING MARKET ETF	3,129.27
03-28-13	03-28-13	dp	Dividend	VANGUARD REIT ETF	24,514.34
03-28-13	03-28-13	wd	Purchase	VANGUARD INST'L S&P500 INDEX FUND	-59,308.66
03-31-13			Ending Balance		67,989.15
VICTORY MONEY MARKET FUND					
03-01-13			Beginning Balance		0.00
03-31-13			Ending Balance		0.00

* Callable security

AEB/AKUTAN HARBOR - 2006 A

Account Statement - Quarter Ending March 31, 2013



ACCOUNT ACTIVITY

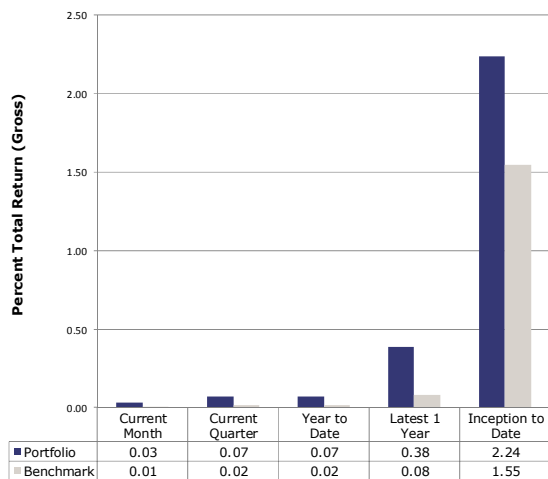
Portfolio Value on 12-31-12	1,641,847
Contributions	0
Withdrawals	-245
Change in Market Value	-2,417
Interest	3,615
Dividends	0
Portfolio Value on 03-31-13	1,642,800

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272 -7575

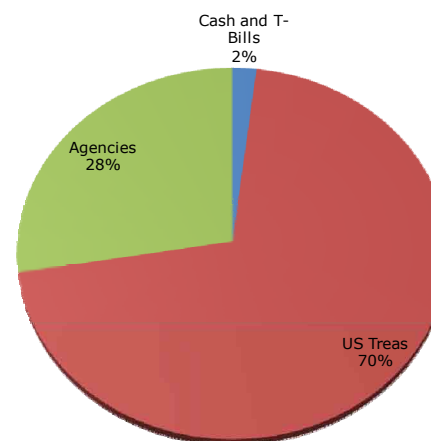
INVESTMENT PERFORMANCE

Current Account Benchmark:
90 Day Tbill



Performance for Periods One Year and Greater are Annualized

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: Aaa Yield to Maturity: 0.20% Average Maturity: 1.09 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB/AKUTAN HARBOR - 2006 A
March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
325,000	US TREASURY NOTES 0.750% Due 12-15-13	100.77	327,514	100.42	326,371	19.87	2,437	717	0.15
500,000	US TREASURY NOTES 1.250% Due 02-15-14	102.45	512,227	100.95	504,745	30.72	6,250	777	0.17
325,000	US TREASURY NOTES 0.250% Due 05-31-14	99.98	324,949	100.07	325,227	19.80	812	272	0.19
	Accrued Interest				1,766	0.11			
			1,164,689		1,158,110	70.50		1,766	
AGENCIES									
300,000	FNMA 0.875% Due 08-28-14	100.98	302,928	100.88	302,652	18.42	2,625	241	0.25
150,000	FNMA 0.375% Due 03-16-15	100.12	150,175	100.13	150,202	9.14	562	23	0.31
	Accrued Interest				264	0.02			
			453,103		453,119	27.58		264	
CASH AND EQUIVALENTS									
	FEDERATED PRIME CASH INST'L SHARES		31,571		31,571	1.92			
TOTAL PORTFOLIO			1,649,364		1,642,800	100	12,687	2,030	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
AEB/AKUTAN HARBOR - 2006 A
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
INTEREST				
AGENCIES				
03-16-13	03-18-13	FNMA 0.375% Due 03-16-15		281.25
CASH AND EQUIVALENTS				
03-01-13	03-01-13	FEDERATED PRIME CASH INST'L SHARES		2.12
				283.37
WITHDRAW				
CASH AND EQUIVALENTS				
03-15-13	03-15-13	FEDERATED PRIME CASH INST'L SHARES		68.37
03-15-13	03-15-13	FEDERATED PRIME CASH INST'L SHARES		30.00
				98.37
				98.37

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
AEB/AKUTAN HARBOR - 2006 A
From 03-01-13 Through 03-31-13

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
TOTAL GAINS					0.00
TOTAL LOSSES					0.00
			0.00	0.00	0.00

Alaska Permanent Capital Management Co.

CASH LEDGER

AEB/AKUTAN HARBOR - 2006 A

From 03-01-13 To 03-31-13

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
FEDERATED PRIME CASH INST'L SHARES					
03-01-13			Beginning Balance		31,386.50
03-01-13	03-01-13	dp	Interest	FEDERATED PRIME CASH INST'L SHARES	2.12
03-15-13	03-15-13	wd	Withdrawal	from Portfolio	-68.37
03-15-13	03-15-13	wd	Withdrawal	from Portfolio	-30.00
03-16-13	03-18-13	dp	Interest	FNMA 0.375% Due 03-16-15	281.25
03-31-13			Ending Balance		31,571.50

AEB OPERATING FUND

Account Statement - Quarter Ending March 31, 2013



ACCOUNT ACTIVITY

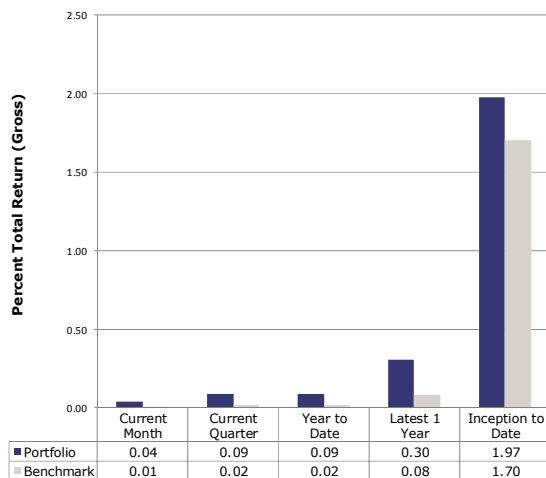
Portfolio Value on 12-31-12	2,508,648
Contributions	0
Withdrawals	-353
Change in Market Value	-1,883
Interest	4,048
Dividends	0
Portfolio Value on 03-31-13	2,510,460

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272 -7575

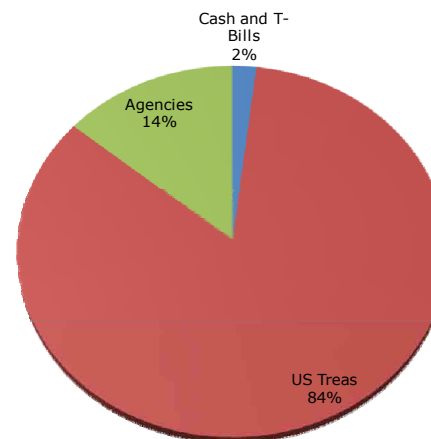
INVESTMENT PERFORMANCE

Current Account Benchmark:
90 Day Tbill



Performance for Periods One Year and Greater are Annualized

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: Aaa Yield to Maturity: 0.21% Average Maturity: 1.19 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB OPERATING FUND
March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
500,000	US TREASURY NOTES 0.375% Due 06-30-13	100.16	500,801	100.07	500,350	19.93	1,875	471	0.10
600,000	US TREASURY NOTES 1.750% Due 01-31-14	102.46	614,742	101.33	607,968	24.22	10,500	1,740	0.16
500,000	US TREASURY NOTES 0.250% Due 05-31-14	100.03	500,156	100.07	500,350	19.93	1,250	419	0.19
500,000	US TREASURY NOTES 0.250% Due 10-31-14	100.02	500,078	100.04	500,215	19.93	1,250	525	0.22
	Accrued Interest				3,155	0.13			
			2,115,777		2,112,038	84.13		3,155	
AGENCIES									
350,000	FFCB 0.390% Due 12-17-15	99.85	349,475	99.93	349,751	13.93	1,365	394	0.42
	Accrued Interest				394	0.02			
			349,475		350,146	13.95		394	
CASH AND EQUIVALENTS									
	FEDERATED PRIME CASH INST'L SHARES		48,276		48,276	1.92			
TOTAL PORTFOLIO			2,513,528		2,510,460	100	16,240	3,550	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
AEB OPERATING FUND
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
DEPOSITS AND EXPENSES				
AFTER FEE PERFORMANCE EXPENSE ACCOUNTS				
03-31-13	03-31-13	MANAGEMENT FEES		364.55
				364.55
INTEREST				
CASH AND EQUIVALENTS				
03-01-13	03-01-13	FEDERATED PRIME CASH INST'L SHARES		3.41
				3.41
TRANSFER IN LONG				
CASH AND EQUIVALENTS				
03-07-13		FEDERATED PRIME CASH INST'L SHARES		106,314.10
				106,314.10
TRANSFER OUT LONG				
CASH AND EQUIVALENTS				
03-07-13		FEDERATED PRIME CASH INST'L SHARES		106,314.10
				106,314.10
WITHDRAW				
CASH AND EQUIVALENTS				
03-15-13	03-15-13	FEDERATED PRIME CASH INST'L SHARES		104.47
03-15-13	03-15-13	FEDERATED PRIME CASH INST'L SHARES		10.00
				114.47
				114.47

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
AEB OPERATING FUND
From 03-01-13 Through 03-31-13

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
TOTAL GAINS					0.00
TOTAL LOSSES					0.00
			0.00	0.00	0.00

Alaska Permanent Capital Management Co.

CASH LEDGER

AEB OPERATING FUND

From 03-01-13 To 03-31-13

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
FEDERATED PRIME CASH INST'L SHARES					
03-01-13			Beginning Balance		48,386.57
03-01-13	03-01-13	dp	Interest	FEDERATED PRIME CASH INST'L SHARES	3.41
03-07-13	03-07-13	ti	Addition	to Portfolio	106,314.10
03-07-13	03-07-13	to	Withdrawal	from Portfolio	-106,314.10
03-15-13	03-15-13	wd	Withdrawal	from Portfolio	-104.47
03-15-13	03-15-13	wd	Withdrawal	from Portfolio	-10.00
03-31-13			Ending Balance		48,275.51

ALEUTIANS EAST BOROUGH SERIES E BOND

Account Statement - Quarter Ending March 31, 2013



ACCOUNT ACTIVITY

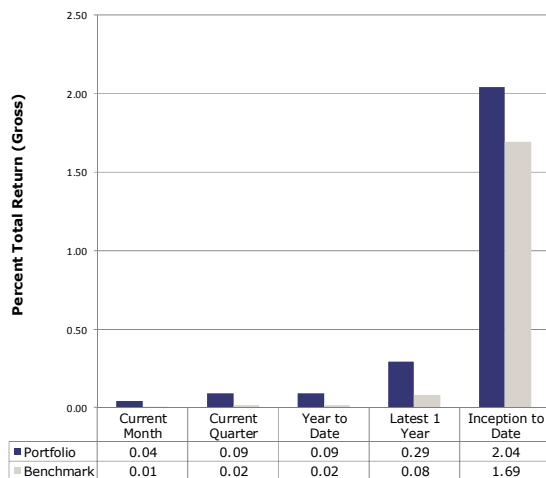
Portfolio Value on 12-31-12	2,449,472
Contributions	0
Withdrawals	-381
Change in Market Value	-1,543
Interest	3,743
Dividends	0
Portfolio Value on 03-31-13	2,451,290

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272 -7575

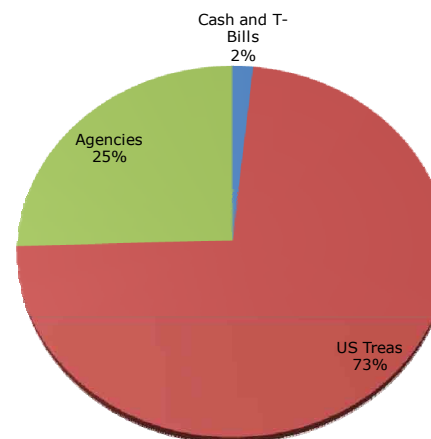
INVESTMENT PERFORMANCE

Current Account Benchmark:
90 Day Tbill



Performance for Periods One Year and Greater are Annualized

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: Aaa Yield to Maturity: 0.22% Average Maturity: 1.27 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
ALEUTIANS EAST BOROUGH SERIES E BOND
March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
500,000	US TREASURY NOTES 0.375% Due 06-30-13	100.15	500,742	100.07	500,350	20.41	1,875	471	0.10
500,000	US TREASURY NOTES 1.750% Due 01-31-14	102.61	513,047	101.33	506,640	20.67	8,750	1,450	0.16
275,000	US TREASURY NOTES 0.250% Due 05-31-14	100.03	275,086	100.07	275,192	11.23	687	230	0.19
500,000	US TREASURY NOTES 0.250% Due 10-31-14	100.02	500,078	100.04	500,215	20.41	1,250	525	0.22
	Accrued Interest				2,677	0.11			
			1,788,953		1,785,074	72.82		2,677	
AGENCIES									
125,000	FHLMC 0.375% Due 10-30-13	100.07	125,088	100.12	125,150	5.11	469	197	0.17
500,000	FFCB 0.390% Due 12-17-15	99.85	499,250	99.93	499,645	20.38	1,950	563	0.42
	Accrued Interest				760	0.03			
			624,338		625,555	25.52		760	
CASH AND EQUIVALENTS									
	FEDERATED PRIME CASH INST'L SHARES		40,661		40,661	1.66			
TOTAL PORTFOLIO			2,453,952		2,451,290	100	14,981	3,437	

* Callable security

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
ALEUTIANS EAST BOROUGH SERIES E BOND
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
DEPOSITS AND EXPENSES				
AFTER FEE PERFORMANCE EXPENSE ACCOUNTS				
03-31-13	03-31-13	MANAGEMENT FEES		355.95
				355.95
INTEREST				
CASH AND EQUIVALENTS				
03-01-13	03-01-13	FEDERATED PRIME CASH		2.86
		INST'L SHARES		
				2.86

* Callable security

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
ALEUTIANS EAST BOROUGH SERIES E BOND
From 03-01-13 Through 03-31-13

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
TOTAL GAINS					0.00
TOTAL LOSSES					0.00
			0.00	0.00	0.00

Alaska Permanent Capital Management Co.
CASH LEDGER
ALEUTIANS EAST BOROUGH SERIES E BOND
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
FEDERATED PRIME CASH INST'L SHARES					
03-01-13			Beginning Balance		40,658.22
03-01-13	03-01-13	dp	Interest	FEDERATED PRIME CASH INST'L SHARES	2.86
03-31-13			Ending Balance		40,661.08

* Callable security

AEB 2010 SERIES A GO BOND/KCAP

Account Statement - Quarter Ending March 31, 2013



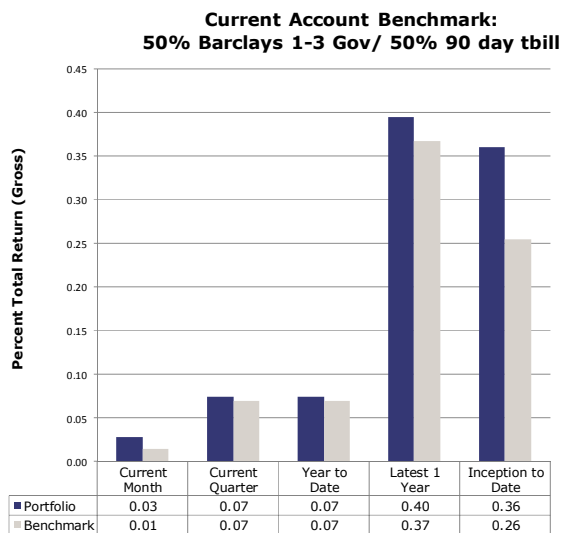
ACCOUNT ACTIVITY

Portfolio Value on 12-31-12	2,009,491
Contributions	0
Withdrawals	-251
Change in Market Value	-3,368
Interest	4,856
Dividends	0
Portfolio Value on 03-31-13	2,010,729

MANAGEMENT TEAM

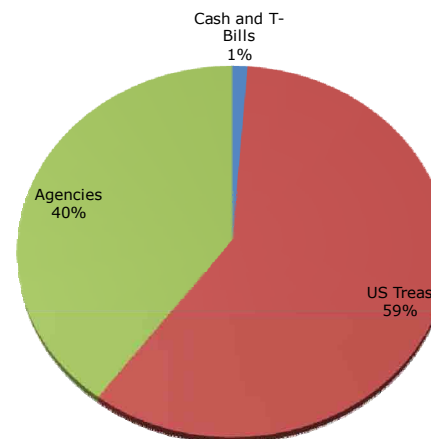
Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272-7575

INVESTMENT PERFORMANCE



Performance for Periods One Year and Greater are Annualized

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: Aaa Yield to Maturity: 0.20% Average Maturity: 1.01 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB 2010 SERIES A GO BOND/KCAP
March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
275,000	US TREASURY NOTES 0.750% Due 12-15-13	100.77	277,127	100.42	276,160	13.73	2,062	606	0.15
500,000	US TREASURY NOTES 1.250% Due 02-15-14	102.33	511,641	100.95	504,745	25.10	6,250	777	0.17
250,000	US TREASURY NOTES 0.250% Due 03-31-14	99.96	249,902	100.07	250,185	12.44	625	2	0.18
150,000	US TREASURY NOTES 0.250% Due 10-31-14	100.02	150,023	100.04	150,064	7.46	375	157	0.22
	Accrued Interest				1,542	0.08			
			1,188,693		1,182,697	58.82		1,542	
AGENCIES									
500,000	FNMA 1.000% Due 09-23-13	101.21	506,068	100.41	502,030	24.97	5,000	111	0.15
300,000	FNMA 0.500% Due 05-27-15	100.36	301,081	100.33	300,993	14.97	1,500	517	0.35
	Accrued Interest				628	0.03			
			807,150		803,651	39.97		628	
CASH AND EQUIVALENTS									
	CASH RECEIVABLE		312		312	0.02	NA		
	FEDERATED PRIME CASH INST'L SHARES		24,068		24,068	1.20			
			24,380		24,380	1.21			
TOTAL PORTFOLIO			2,020,223		2,010,729	100	15,812	2,170	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
AEB 2010 SERIES A GO BOND/KCAP
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
AGENCIES				
03-21-13	03-22-13	FNMA 0.500% Due 05-27-15	300,000	301,081.20
				301,081.20
DEPOSITS AND EXPENSES				
AFTER FEE PERFORMANCE EXPENSE ACCOUNTS				
03-31-13	03-31-13	MANAGEMENT FEES		291.98
				291.98
INTEREST				
AGENCIES				
03-23-13	03-25-13	FNMA 1.000% Due 09-23-13		2,500.00
CASH AND EQUIVALENTS				
03-01-13	03-01-13	FEDERATED PRIME CASH INST'L SHARES		1.34
U.S. TREASURY				
03-31-13	04-01-13	US TREASURY NOTES 0.250% Due 03-31-14		312.50
				2,813.84
PURCHASED ACCRUED INTEREST				
AGENCIES				
03-21-13	03-22-13	FNMA 0.500% Due 05-27-15		479.17
				479.17

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
AEB 2010 SERIES A GO BOND/KCAP
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
SALES, MATURITIES, AND CALLS				
AGENCIES				
03-21-13	03-22-13	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	300,000	301,299.00
				301,299.00
SOLD ACCRUED INTEREST				
AGENCIES				
03-21-13	03-22-13	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13		1,421.88
				1,421.88
WITHDRAW				
CASH AND EQUIVALENTS				
03-15-13	03-15-13	FEDERATED PRIME CASH INST'L SHARES		83.57
				83.57

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
AEB 2010 SERIES A GO BOND/KCAP
From 03-01-13 Through 03-31-13

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
03-21-13	300,000	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	308,088.00	301,299.00	-6,789.00
TOTAL GAINS					0.00
TOTAL LOSSES					-6,789.00
			308,088.00	301,299.00	-6,789.00

Alaska Permanent Capital Management Co.
CASH LEDGER
AEB 2010 SERIES A GO BOND/KCAP
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
FEDERATED PRIME CASH INST'L SHARES					
03-01-13			Beginning Balance		20,489.59
03-01-13	03-01-13	dp	Interest	FEDERATED PRIME CASH INST'L SHARES	1.34
03-15-13	03-15-13	wd	Withdrawal	from Portfolio	-83.57
03-21-13	03-22-13	wd	Purchase	FNMA 0.500% Due 05-27-15	-301,081.20
03-21-13	03-22-13	wd	Accrued Interest	FNMA 0.500% Due 05-27-15	-479.17
03-21-13	03-22-13	dp	Sale	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	301,299.00
03-21-13	03-22-13	dp	Accrued Interest	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	1,421.88
03-23-13	03-25-13	dp	Interest	FNMA 1.000% Due 09-23-13	2,500.00
03-31-13			Ending Balance		24,067.87
CASH RECEIVABLE					
03-01-13			Beginning Balance		0.00
03-31-13	04-01-13	dp	Interest	US TREASURY NOTES 0.250% Due 03-31-14	312.50
03-31-13			Ending Balance		312.50

AEB 2010 SERIES B BOND/AKUTAN AIR

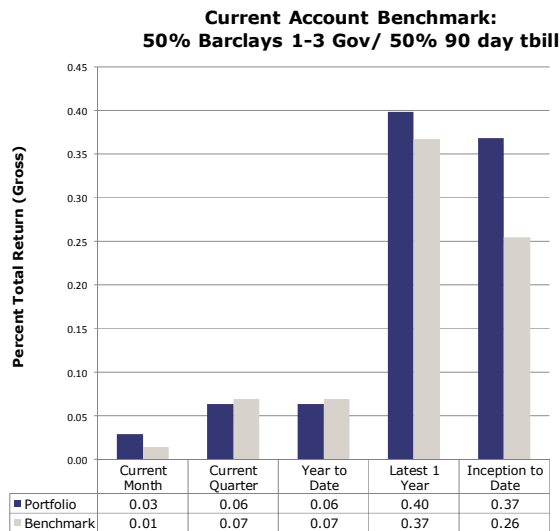
Account Statement - Quarter Ending March 31, 2013



ACCOUNT ACTIVITY

Portfolio Value on 12-31-12	2,013,802
Contributions	0
Withdrawals	-251
Change in Market Value	-3,645
Interest	4,933
Dividends	0
Portfolio Value on 03-31-13	2,014,840

INVESTMENT PERFORMANCE

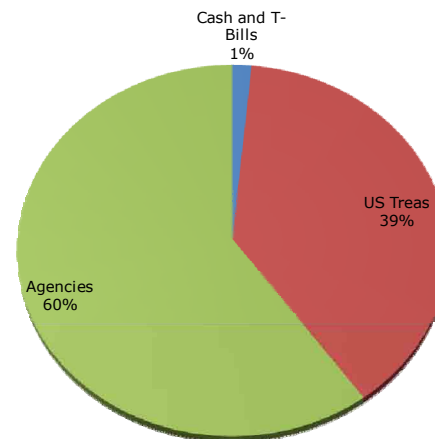


Performance for Periods One Year and Greater are Annualized

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA Bert Wagnon
Contact Phone Number:	907/272-7575

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: Aaa Yield to Maturity: 0.21% Average Maturity: 1.01 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
AEB 2010 SERIES B BOND/AKUTAN AIR
March 31, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
500,000	US TREASURY NOTES 0.750% Due 12-15-13	100.77	503,867	100.42	502,110	24.92	3,750	1,102	0.15
175,000	US TREASURY NOTES 0.250% Due 03-31-14	99.96	174,932	100.07	175,129	8.69	437	1	0.18
100,000	US TREASURY NOTES 0.250% Due 10-31-14	100.02	100,016	100.04	100,043	4.97	250	105	0.22
	Accrued Interest				1,209	0.06			
			778,814		778,491	38.64		1,209	
AGENCIES									
750,000	FNMA 1.000% Due 09-23-13	101.21	759,103	100.41	753,045	37.37	7,500	167	0.15
450,000	FNMA 0.500% Due 05-27-15	100.36	451,622	100.33	451,489	22.41	2,250	775	0.35
	Accrued Interest				942	0.05			
			1,210,725		1,205,476	59.83		942	
CASH AND EQUIVALENTS									
	CASH RECEIVABLE		219		219	0.01	NA		
	FEDERATED PRIME CASH INST'L SHARES		30,654		30,654	1.52			
			30,873		30,873	1.53			
TOTAL PORTFOLIO			2,020,412		2,014,840	100	14,187	2,150	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
AEB 2010 SERIES B BOND/AKUTAN AIR
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
AGENCIES				
03-21-13	03-22-13	FNMA 0.500% Due 05-27-15	450,000	451,621.80
				451,621.80
DEPOSITS AND EXPENSES				
AFTER FEE PERFORMANCE EXPENSE ACCOUNTS				
03-31-13	03-31-13	MANAGEMENT FEES		292.58
				292.58
INTEREST				
AGENCIES				
03-23-13	03-25-13	FNMA 1.000% Due 09-23-13		3,750.00
CASH AND EQUIVALENTS				
03-01-13	03-01-13	FEDERATED PRIME CASH INST'L SHARES		1.78
U.S. TREASURY				
03-31-13	04-01-13	US TREASURY NOTES 0.250% Due 03-31-14		218.75
				3,970.53
PURCHASED ACCRUED INTEREST				
AGENCIES				
03-21-13	03-22-13	FNMA 0.500% Due 05-27-15		718.75
				718.75

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
AEB 2010 SERIES B BOND/AKUTAN AIR
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
SALES, MATURITIES, AND CALLS				
AGENCIES				
03-21-13	03-22-13	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	450,000	451,948.50
				451,948.50
SOLD ACCRUED INTEREST				
AGENCIES				
03-21-13	03-22-13	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13		2,132.81
				2,132.81
WITHDRAW				
CASH AND EQUIVALENTS				
03-15-13	03-15-13	FEDERATED PRIME CASH INST'L SHARES		83.68
				83.68

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
AEB 2010 SERIES B BOND/AKUTAN AIR
From 03-01-13 Through 03-31-13

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Avg. Cost Basis</u>	<u>Proceeds</u>	<u>Gain Or Loss</u>
03-21-13	450,000	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	462,132.00	451,948.50	-10,183.50
TOTAL GAINS					0.00
TOTAL LOSSES					-10,183.50
			462,132.00	451,948.50	-10,183.50

Alaska Permanent Capital Management Co.
CASH LEDGER
AEB 2010 SERIES B BOND/AKUTAN AIR
From 03-01-13 To 03-31-13

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
FEDERATED PRIME CASH INST'L SHARES					
03-01-13			Beginning Balance		25,245.21
03-01-13	03-01-13	dp	Interest	FEDERATED PRIME CASH INST'L SHARES	1.78
03-15-13	03-15-13	wd	Withdrawal	from Portfolio	-83.68
03-21-13	03-22-13	wd	Purchase	FNMA 0.500% Due 05-27-15	-451,621.80
03-21-13	03-22-13	wd	Accrued Interest	FNMA 0.500% Due 05-27-15	-718.75
03-21-13	03-22-13	dp	Sale	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	451,948.50
03-21-13	03-22-13	dp	Accrued Interest	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	2,132.81
03-23-13	03-25-13	dp	Interest	FNMA 1.000% Due 09-23-13	3,750.00
03-31-13			Ending Balance		30,654.07
CASH RECEIVABLE					
03-01-13			Beginning Balance		0.00
03-31-13	04-01-13	dp	Interest	US TREASURY NOTES 0.250% Due 03-31-14	218.75
03-31-13			Ending Balance		218.75



QUARTERLY PERSPECTIVES

ECONOMY & FINANCIAL MARKETS

There's no place like home.

The U.S. economy is slowly improving led by housing and auto sales. There is an energy and manufacturing renaissance happening here, especially in the heartland of the country. The Federal Reserve has the spigots wide open to provide liquidity – worrisome longer term, but not right now. American wealth reached a new high last quarter owing to a rebound in housing prices (+8% year over year) and a surging stock market. Monthly job growth has picked up to about an average of +200,000 over the last six months, although job gains in March did come in weaker than expected at +88,000. The unemployment rate is now down to 7.6%. The U.S. is perceived as a “safe haven” by many global investors.

The Dow, which has been trading at record highs since early March, rallied +11.9% and booked its best first quarter since 1998. The S&P 500 soared +10.6% to a new high and the NASDAQ was up +8.5% in the first quarter.

That has many worried about “buying at the highs.” That’s understandable, but it is important to know that company earnings support these levels and interest rates are close to record lows. Inflation is also contained, running at around +2%. So stock market valuation is reasonable, especially relative to bonds. We are nowhere close to bubble levels or overvalued territory.

Here’s what Federal Reserve Chairman Ben Bernanke said about the stock market at his quarterly press conference on March 20:

“...in the stock market...we don't see at this point anything that's out of line with historical patterns. In particular, you should remember of course that while the Dow may be hitting a high, it's a nominal term. This is not in real terms. And if you adjust for inflation and for the growth of the economy, you know, we're

still some distance from the high. I don't think it's all that surprising that the stock market would rise given that there has been increased optimism about the economy, and the share of income going to profits has been very high. Profit increases have been substantial, and the relationship between stock prices and earnings is not particularly unusual at this point.”

Meanwhile bond yields tread water ending the quarter at 1.85%. They remain in a tight trading range between 1.75% and 2.10%. The total return for the Barclays Treasury bond index was -0.1% last quarter, while corporate bonds did slightly better.

What happens in Cyprus...

...should stay in Cyprus. But who knows? And that is the problem and what has the European markets roiled – again. Recall last month it was Italy.

The initial plan by Cyprus to tax all depositors to recapitalize banks there was a disaster as many depositors appropriately worried about government confiscation of their money.

The final plan has insured depositors with deposits under 100,000 euros unaffected but uninsured deposits over 100,000 euros taking a hit. This makes sense. We need to move away from the “Too Big To Fail” model where all depositors and bank debt holders are protected – not to mention stockholders. Individuals and companies need to be careful about how much money they place in banks over and above the government insured amounts.

ISI Strategies notes that while not official EU policy with respect to dealing with troubled banks, Cyprus moves in a direction of “shifting the burden of bank resolution from taxpayers to investors and uninsured depositors.” That’s a good thing - in theory.

(Continued on page 2)

PORTFOLIO STRATEGY

(Continued from page 1)

European equities however, sagged on the Cyprus news over worries of contagion and bank runs in the periphery countries. They fell -2.2% in March and were off -2.8% over the first quarter as measured by the Euro Stoxx 50 index. The broader EAFE index of international equities in developed countries posted a +5.1% gain last quarter. Japan was the star performer with the NIKKEI up +20.1% in yen and +9.8% in dollars.

Obviously U.S. stocks are on a tear and some “consolidation” is possible if not likely in the near term. But “timing” the market is almost never a good idea in our judgment. We remain overweight large cap U.S. equities at the expenses of U.S. bonds. Our view on the developed overseas markets is that while the fundamentals are weak, valuations are attractive so moderate exposure is warranted. The emerging

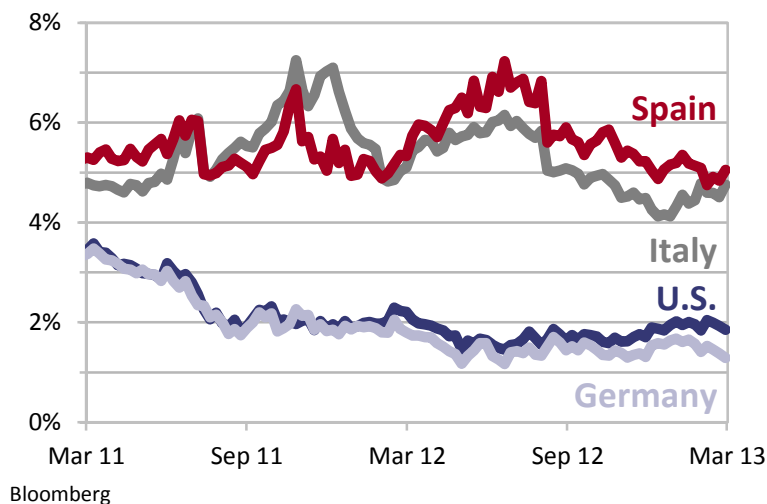
markets have good fundamentals and valuations so we have an overweight to those stocks. Admittedly, they have performed poorly this year losing -1.6%, with the BRICs in particular being a drag on returns. Patience is a virtue here.

Last quarter we added slightly to U.S. equities and took off our bet on short U.S. corporate bonds. Spreads have narrowed further in the corporate market and we prefer equities over the long haul.

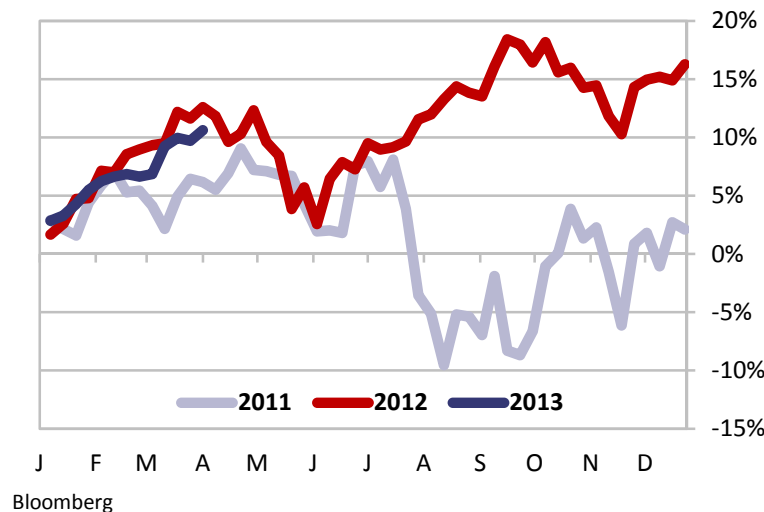
In bond portfolios we remain up in quality as credit spreads have narrowed. Rates are very low and unsustainable over the long term. But the Federal Reserve looks likely to keep short rates near zero until 2015. However, we expect a “bear steepening” of the yield curve later this year when quantitative easing ends and investors begin to factor in a more neutral Fed.

Jeff Pantages, CFA
Chief Investment Officer

10 Year Global Treasury Note Yields



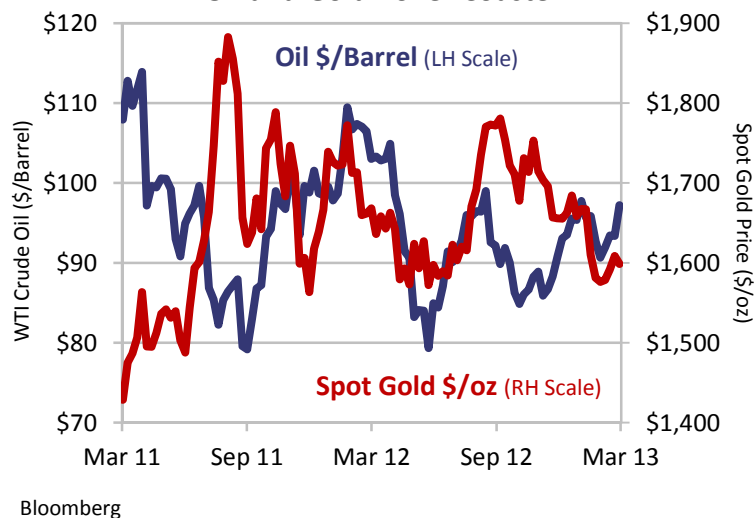
S&P 500 Index Total Return



Bloomberg Consensus Forecasts

Data as of 4/8/12	2012	2013	2014	2015
Real GDP (% YoY)	2.2	1.9	2.7	2.9
CPI Inflation (% YoY)	2.1	1.9	2.1	2.2
Unemployment (%)	8.1	7.7	7.2	6.6
Fed Funds (%)	0.25	0.25	-	-
10-Yr Note (%)	1.76	2.30	-	-

Oil and Gold Roller Coaster



Annual Fund Evaluation at APCM

Every year we formally review all of the funds and ETFs APCM uses in balanced accounts to make sure they are performing as expected. We look at the pattern of returns that the fund promised, expense ratios, and the transactions cost from buying or selling the investment. We also compare and contrast our existing holdings to other products.

The index fund and ETF market continues to grow and be very competitive across a number of categories. Expense ratios are trending down from already low levels.

We are happy to report that all investments are performing well and tracking their benchmarks. The big change this year was a move by Vanguard to stop tracking the MSCI indices and switch to the FTSE indices on their key international and

emerging market equity funds. They did this to lower costs. Many clients of APCM are invested in the Vanguard funds.

Vanguard notes “since the new benchmarks provide substantially similar exposure to the market as that provided by the former benchmarks, there will be no change to the fund’s investment objectives, investment limitations or policies.”

It is easy to get bogged down in the complexity of index construction. Suffice it to say that APCM is indifferent between FTSE and MSCI as index providers as both are world leaders in index construction having the resources and integrity to do the job. And in fact, the difference between the specific FTSE and MSCI international and emerging indices are small and the tracking error is manageable when viewed in the context of an entire portfolio.

Keynes: The Stock Market Investor

John Maynard Keynes was a fascinating fellow and by all accounts the “father” of modern macroeconomics. He’s mostly known as an advocate for government spending to cure the Great Depression. And his embrace of a more active government led several European countries to adopt a social welfare economic model after World War II.

What perhaps is less well known is his skill as an investor. He died in 1946 with an investment portfolio worth about \$25 million in today’s dollars. And if lore is correct, he did this by spending about ½ hour each day sitting in bed reading the papers, doing analysis and working his network of acquaintances.

His personal investment results are difficult to reconstruct and much of this history is anecdotal. But he was the investment manager for a Cambridge University endowment known as the Chest. Professors David Chambers and Elroy Dimson have written an academic article analyzing Keynes performance.

Keynes embraced equities in the early 1920’s at a time when virtually all institutions stuck with bonds and real estate. But his performance in the 20’s against the market was only so-so. It wasn’t until the early 30’s when he eschewed top down market timing and adopted a more Benjamin Graham/Warren Buffett bottom up value approach that he began to shine.

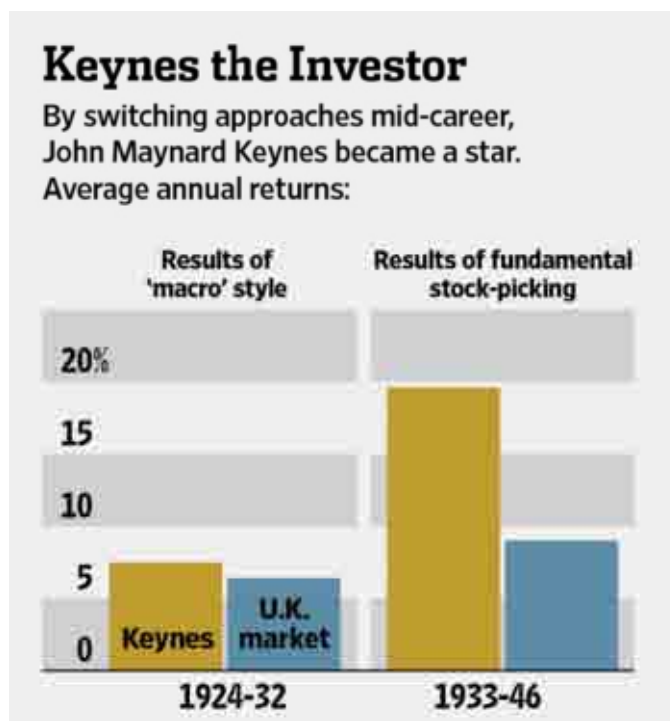
The result was returns on the Chest portfolio that were 600% higher than the market from 1923 to 1946 (Keynes tenure) – with the vast majority of outperformance coming from 1932 and beyond.

Keynes described his transformation in a memo to the investment committee at Cambridge University in 1938:

“As the results of these experiences I am clear that the idea of wholesale shifts is for various reasons impracticable and

indeed undesirable. Most of those who attempt it sell too late and buy too late, and do both too often, incurring heavy expenses and developing too unsettled and speculative a state of mind ... I believe now that successful investment depends on three principles:

(1) a careful selection of a few investments (2) a steadfast holding of these in fairly large units through thick and thin and (3) a balanced investment position.”



Source: The Wall Street Journal

Jeff Pantages, CFA
Chief Investment Officer



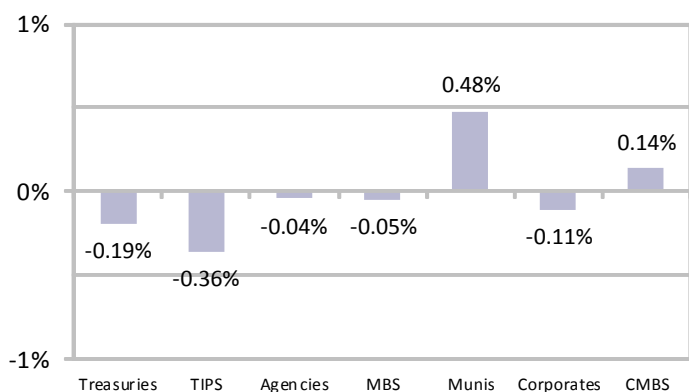
Bill Lierman, CFA
Portfolio Manager

■ The U.S. Aggregate Index returned -0.12% for the quarter. It was the first time the broad market index had a negative quarterly return since the fourth quarter of 2010 when the 30 year Treasury bond sold off 65 basis points (bps) compared to just 15 bps in this past quarter.

■ The Federal Reserve continues to buy \$85 billion of securities each month in an effort to keep a lid on long term interest rates. They will probably maintain

their bond buying program through year-end as they continue to track the developments in Europe, the expansion of easing money policies in Japan, and the fiscal situation in the U.S.

Q1 2013 Bond Total Return



Barclays

■ Agency and Mortgage spreads widened a little as excess returns vs. Treasuries were -4 and -13 bps, respectively. There continues to be support for the GSE's from investors as congress discusses what direction to take to reform them.

■ Commercial Mortgage and Asset Backed Securities were little affected by headline risk in Europe returning +0.14% and +0.05%, respectively. They continue to see demand in short duration portfolios as high quality paper looks attractive vs. Agencies.

■ Corporates produced 28 bps excess return vs. Treasuries, with the finance sector leading the way. Recent Fed stress tests of the 18 largest U.S. banks showed 17 have the capital base to withstand scenarios which include a peak unemployment rate of 12.1%, a drop in equities of more than -50%, and a decline in housing prices of more than -20%. Ally Financial (majority owned by Uncle Sam) failed the test.

■ Municipals were the best performing asset class producing a +0.48% return for the quarter, despite Stockton California becoming the largest city to enter Chapter 9 bankruptcy. A real estate boom/bust and extremely generous pension and health care benefits to public employees were the catalysts for the bankruptcy.

■ Resilient U.S. equity markets shook off the sequester and the Cypriot bailout to wrap up a stellar first quarter with the S&P 500 gaining +10.6%. The index ended at a record close of 1,569, 4 points above its previous record from October 2007. In 2007, the market was more expensive than now, trading at 15.7x earnings vs. the current ratio of 14.2x. The S&P earnings yield (EPS/Price) of 7% is well above the 10 year Treasury yield of 1.7%.

■ 1Q13 earnings forecasts for the S&P 500 are expected to grow +0.7%, compared with the same period a year ago. That is a sharp drop from the +7.7% expansion posted during Q4 last year, according to S&P Capital IQ. Only 6 of 10 major sector groups are expected to show earnings growth.

■ Developed markets returned +5.1%, as European equities (+2.8% YTD) were challenged by the Cypriot bailout and a deepening recession. Japanese equities continued to climb (+9.8% YTD in dollars) and the yen continued to fall (-8.6% per USD) as Prime Minister Abe aims for deflation.

■ So far, 2013 has proved to be challenging for emerging market equities. The MSCI EM index declined -1.6%. Emerging markets remain attractive, relative to the U.S, with a forward P/E of 10.5x.

■ The DJ-UBS Commodity index fell -1.1% as commodity prices are reflecting a modest outlook for the global economy, weaker Chinese demand, adequate stores of raw materials and a strengthening U.S. dollar.

Total Return (%) as of March 31, 2013

	Q1 2013	1 Year	3 Years	5 Years
Domestic Equities				
Large Cap S&P 500	10.6	14.0	12.7	5.8
Mid Cap S&P 400	13.5	17.8	15.2	9.9
Small Cap S&P 600	11.8	16.1	15.2	9.2
International Equities				
Developed MSCI EAFE	5.1	11.3	5.0	-0.9
Emerging MSCI Emerging Markets	-1.6	2.0	3.3	1.1
Other				
Commercial Property S&P U.S. REIT	8.1	15.2	17.4	6.7
Commodities DJ-UBS Commodity	-1.1	-3.0	1.4	-7.1
Fixed Income				
Total Bond Market Barclays Aggregate	-0.1	3.8	5.5	5.5
1-3 Yr U.S. Treasury/Agency Barclays 1-3 Gov	0.1	0.7	1.3	1.9
Int'l Treasury Barclays Global Tsy ex-US	-3.4	0.7	4.3	3.0

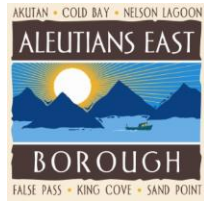
Returns are annualized for periods greater than one year



Brandy Niclai, CFA
Portfolio Manager



Consent Agenda



RESOLUTION 13-21

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY HONORING U.S. SENATOR DANIEL AKAKA FOR HIS YEARS OF SUPPORT FOR THE IZEMBEK REFUGE LAND EXCHANGE AND ROAD

WHEREAS, the residents of Aleutians East Borough are grateful to retired U.S. Senator Daniel Akaka from Hawaii for his years of support for the health and safety of the residents of King Cove; and

WHEREAS, Senator Akaka expressed his support for the people of King Cove and for the rights of Native people everywhere by co-sponsoring S.1680 Izembek and Alaska Peninsula Refuge and Wilderness Enhancement Act of 2007, with Senators Ted Stevens and Lisa Murkowski of Alaska; and,

WHEREAS, S.1680, which would allow a gravel road to safely and dependably access the Cold Bay Airport from the community of King Cove, passed the Senate as part of the Omnibus Public Land Management Act on January 15, 2009; and,

WHEREAS, the Omnibus Public Land Management Act of 2009 authorized a land exchange of an unprecedented 56,000 acres of State of Alaska and native Aleut lands to the federal government for 206 acres of land within the Izembek Refuge to provide for a road access to the Cold Bay Airport; and,

WHEREAS, a decade earlier, Senator Akaka as a member of the Committee on Energy and Natural Resources, supported S. 1092 King Cove Health and Safety Act, to provide for a road between Cold Bay and King Cove; and,

WHEREAS, Senator Daniel Akaka and Senator Daniel Inouye of Hawaii were two of only eight Democratic Senators who voted in support of S. 1092 King Cove Health and Safety Act on October 1, 1998, helping the Act pass the Senate by a vote of 59 to 38; and

WHEREAS, Senator Akaka was recently honored by the Alaska Federation of Natives with the Denali Award, the top honor awarded by AFN for non-Alaska Native individuals who have contributed to the growth and development of the Alaska Native Community's culture, economy and health.

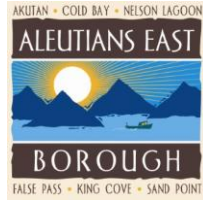
THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly wishes to convey our utmost respect and sincere thanks to Senator Akaka, on behalf of the residents of the Borough, for his years of service and all he has accomplished ; and,

BE IT FURTHER RESOLVED, the Aleutians East Borough will always embrace our friendship, and we wish Senator Akaka and his family all the best during his retirement.

PASSED AND APPROVED by the Aleutians East Borough on this 22th day of April, 2013.

Stanley Mack, Mayor

ATTEST: _____
Tina Anderson, Clerk



RESOLUTION 13-22

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY SUPPORTING THE APPOINTMENT OF DUNCAN FIELDS TO THE NORTH PACIFIC FISHERY MANAGEMENT COUNCIL.

WHEREAS, Governor Sean Parnell nominated Duncan Fields and others for consideration by the U.S. Secretary of Commerce to serve on the North Pacific Fishery Management Council (NPFMC); and,

WHEREAS, Duncan Fields has proven himself as an exceptional leader on the NPFMC during his first two terms, through his ability to work with the other members of the Council and his ability to clearly communicate a thorough understanding of the issues at hand; and,

WHEREAS, Duncan's experience as a community and statewide leader, intimate knowledge of the fishing industry and the Council process, make him an excellent choice for the Council; and

WHEREAS, through his work on the Council and with the Gulf of Alaska Coastal Communities Coalition, coastal communities are now better equipped to meet future fisheries challenges; and,

WHEREAS, Duncan Fields has a proven record of working in the best interests of the Nation, the State of Alaska, and in particular, Alaska's coastal fishing communities; and

WHEREAS, Duncan Fields is an exceptional nominee for the North Pacific Fishery Management Council, and should be appointed to a third and final term.

NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly requests the U.S. Secretary of Commerce appoint Duncan Fields to serve a final term on the North Pacific Fishery Management Council.

PASSED AND APPROVED by the Aleutians East Borough on this 22th day of April, 2013.

Stanley Mack, Mayor

ATTEST: _____
Tina Anderson, Clerk



Agenda Statement

Date: April 12, 2013

To: Mayor Mack and Assembly

From: Anne Bailey, Community Development Coordinator

Re: Ordinance 13-07, Authorizing the Mayor to Negotiate and Execute a Tidelands Lease Within, Alaska Tidelands Survey No. 1161, for Construction, Operation and Maintenance of a Dock at False Pass Harbor

APICDA is interested in constructing a steel pile dock in the False Pass Harbor. The dock would be located in the South West corner of the harbor near the causeway breakwater requiring approximately 6,720 square feet of property. APICDA will also install a fish pump that will pump fish from the fishing vessels directly into the Bering Pacific Seafoods facility and will have a crane to offload tenders and other public vessels when needed. The City of False Pass supports this project as shown in the attached letter of support and Borough staff members and the Borough Attorney have assisted APICDA in moving this project forward.

The AEB Code requires that disposal of an interest in real property “must be authorized by ordinance” [Sec. 50.10.050 (b)], i.e., such a lease must be approved by the AEB Assembly in a procedure requiring a first reading and a second reading at distinct Assembly meetings. Therefore, Ordinance 13-07 and a draft of the Tidelands Lease is before you for your review and consideration. Please note that this ordinance will authorize the Borough to lease the property to Bering Pacific Seafoods, LLC for the purpose of promoting economic development and authorizes the Mayor to negotiate, execute, and deliver the terms of the Lease Agreement with Bering Pacific Seafoods.

ALEUTIANS EAST BOROUGH

ORDINANCE SERIAL NO. 13-07

AN ORDINANCE AUTHORIZING the MAYOR to NEGOTIATE AND EXECUTE a TIDELANDS LEASE WITHIN, ALASKA TIDELANDS SURVEY NO. 1161, for CONSTRUCTION, OPERATION AND MAINTENANCE of a DOCK at FALSE PASS HARBOR.

WHEREAS, Bering Pacific Seafoods, LLC, ("BPS") has requested that the Aleutians East Borough ("Borough") lease approximately 6,720 *square feet* of the Borough's tidelands within Alaska Tidelands Survey No. 1611, at False Pass Harbor, as generally depicted on the attached Exhibit "A"; and

WHEREAS, the State of Alaska granted to the Borough Tidelands Patent No. 425, which conveyed to the Borough those tidelands lying seaward of the mean high tide line of Unimak Island, situated in the Aleutians Islands Recording District on June 2, 2004; and

WHEREAS, the tidelands are legally described as: ALASKA TIDELAND SURVEY NO. 1611, CONTAINING 34.86 ACRES, MORE OR LESS, ACCORDING TO THE SURVEY PLAT RECORDED IN THE ALEUTIANS ISLANDS RECORDING DISTRICT ON APRIL 7, 2003, AS PLAT 2003-2; and

WHEREAS, BPS has expressed its desire to enter an agreement with the Borough for the lease of these tidelands for the purpose of constructing, operating and maintaining of a dock and related marine activities; and

WHEREAS, AEBMC Sec. 50.10.060 provides that "[d]isposal of real property may be by sealed bids, outcry auction, lottery, first-come, first-served, negotiation, or such other method as the assembly may provide in the resolution authorizing the disposal"; and

WHEREAS, AEBMC 50.10.100(7) provides that "Real Property" includes interests in real property as well as rights to real property, and includes, but is not limited to, leases, easements, security interests, licenses, permits and options."; and

WHEREAS, AEBMC Sec. 50.10.050 provides for the disposal of real property owned by the Borough mandating that the disposal of real property not covered by other sections within chapter 50.10 "must be authorized by ordinance and must contain" the following:

- (1) a description of the property,
- (2) a finding and the facts that supports the finding that the property or interest is no longer required for a public purpose if the property or interest is or was used for a government purpose,
- (3) the type of interest to be disposed of if less than a fee interest,
- (4) conditions and reservations that are to be imposed upon the property,
- (5) the fair market value of the property,
- (6) the minimum disposal price of the real property,
- (7) the method of disposal, including time, place and dates when relevant,
- (8) special conditions for the disposal, including, when relevant, special qualifications of purchasers and purchase terms, and
- (9) a finding and the facts supporting the finding of the public benefits to be derived if the disposal is to be for less than market value; and

WHEREAS, AEBMC Sec. 50.10.070(a) provides that “[u]nless otherwise provided in the resolution authorizing the disposal, the disposal shall be at not less than the fair market value as determined by a fee appraisal, by the borough’s assessor’s valuation, or by such reasonable estimates as the mayor or assembly, as appropriate, finds to be reliable or appropriate under the circumstances; and

WHEREAS, AEBMC Sec. 50.10.070(c) provides that “[u]ses and purposes that may justify a disposal at less than market value include, but are not limited to” . . . “(3) use that promotes economic development”; and

WHEREAS, the Assembly finds that the lease of the property to BPS is in the best interest of the Borough, and will promote economic development within the Borough; and

WHEREAS, AEBMC Sec. 2.16.020 provides that “[t]he Mayor shall... (A) Direct and supervise the business of the borough to assure that all ordinances and resolutions are executed; and

WHEREAS, AEBMC Sec. 50.10.090 provides that “[t]he mayor may establish procedures and forms for the processing of requests, applications and disposals under this chapter.

NOW THEREFORE, BE IT ENACTED:

Section 1. Classification. This is a non-code ordinance.

Section 2. Authorization to Lease. Based upon the above findings, the Mayor is authorized to negotiate and execute a lease of approximately 6,720 *square feet* of the tidelands located within Alaska Tidelands Survey No. 1611, Aleutian Islands Recording District, as generally depicted on Exhibit “A” with the final square footage to be

established when the as-built survey and legal description of the leased property is submitted to and approved by the Borough.

Section 3. Minimum Essential Terms and Conditions. The lease is subject to the following minimum essential terms and conditions:

- (a) The lease shall be subject to the terms and conditions of the Patent or Deed from the state of Alaska, and subject to any littoral rights and any rights of the public under the Public Trust Doctrine.
- (b) The leased property shall be used for by BPS for the construction, operation, and maintenance of a dock and related marine activities. BPS is required to obtain approval of its construction plans from the Borough as well as meet any other state, federal, or other permit requirements prior to the start of any construction;
- (c) BPS shall provide the Borough with an as-built survey showing the exact boundaries and a legal description of the leased property no later than 45 days after the completion of construction of the dock. Upon acceptance of the as-built and legal description by the Borough the survey and legal description shall replace the description of the leased property set out in Section 2 above and a new exhibit depicting the leased property shall be attached to the lease agreement, and the agreement shall be deemed amended accordingly;
- (d) The lease shall be for an initial term of thirty-five years with one thirty-five year renewal option;
- (e) The annual lease payment for the first five-year period of the lease term shall be \$3,360.00 per year (based on \$.50 per square foot), plus tax; provided that this initial annual lease payment amount will be adjusted to reflect the final square footage of the leased property at the lease rate of \$.50 per square foot or amount determined by the Mayor as per Section 2 of this Ordinance, as determined by the as-built survey and legal description required to be submitted to the Borough by BPS within 45 days after completion of construction as provided in subsection (c) of this section; this lease payment adjustment will be applied prospectively starting with the first annual lease payment to be made following the determination of the final square footage of the leased property;
- (f) Beginning with the first year after the initial five-year period of the term of the lease, the Borough Administrator will re-evaluate and adjust the annual lease payment for the leased property for the next five-year period of the term, and then every five years thereafter. The new annual lease payment amount shall be paid retroactively to the beginning of the lease payment adjustment period. BPS shall pay all appraisal costs associated with re-evaluating and making adjustment to the annual lease payment;

- (g) BPS shall be responsible for obtaining all necessary permits and approvals for its development of the leased property;
- (h) BPS shall indemnify, defend, and hold harmless the Borough for any claims related to or arising out of the BPS development or use of the leased property; and
- (i) The lease shall include all provisions of Borough Code of Ordinances not in conflict with this ordinance; and any other provisions that the Borough Administrator determines to be in the public interest.

Section 4. Effectiveness. This Ordinance shall take effect upon adoption by the Aleutians East Borough Assembly.

INTRODUCED: _____

ADOPTED: _____

Stanley Mack, Mayor

Date: _____

ATTEST:

Borough Clerk

Date: _____



City of False Pass

P.O. Box 50 • False Pass, Alaska 99583-0050
Telephone (907) 548-2319 • Fax (907) 548-2214

Tuesday, March 19, 2013

To whom it may concern and all concerned parties,

The City of False Pass is very supportive of the dock being built within the False Pass Harbor, in the southeast corner. The dock with fish pump and crane will provide for a much better means of which the city to generate revenue from. The added facility should also help the local fish plant, the Bering Pacific Seafood. Such a facility would provide a stronger economic backbone for the community as a whole.

This project, of having a dock with the harbor will hopefully attract more residents to our city. This project will help give those residents year round, or near round jobs. This will help the City of False Pass in the short and long term.

Regards,

Tom Hoblet

City of False Pass

Mayor

TIDELANDS LEASE

This Lease is entered into on _____, 2013, between the Aleutians East Borough (“Lessor”) and Bering Pacific Seafoods, LLC (“BPS” or “Lessee”).

Recitals

A. Lessor is the owner of the tidelands as shown in Exhibit 1 hereto, described as:

Section 27, T. 61 S., R 94W., Seward Meridian and Section 28, T. 61 S., R. 94W., Seward Meridian, in False Pass Alaska. The easement requested is located in the SW corner of the False Pass Small Boat Harbor near the causeway pad. Approximately 6,720 square feet will be required as easement for the steel pile dock. Upon completion of the installation of the steel pile dock, an “as-built” survey will be performed by the Lessee. Once completed, the “as-built” survey will be utilized as the legal description of the tideland easement.

B. Lessee, on its own or through its affiliate, plans to construct a steel pile dock (“Facility”) in the existing harbor in False Pass, Alaska. The parties contemplate that Lessee may, from time to time during the life of this Lease, replace or repair the Facility as it is planned at execution of this Lease.

C. Use of the Tidelands for a steel pile dock will facilitate operations of the Bering Sea Pacific fish processing facility, the City of False Pass and the public.

D. Lessee desires to lease the Tidelands from Lessor, and Lessor desires to lease the Tidelands to Lessee.

E. To facilitate the mutual goals of Lessor and Lessee, they hereby enter into this Lease to document the terms and conditions under which Lessor will lease the Tidelands to Lessee.

F. On April 15, 2005 a Harbor Management Agreement (Agreement) between the Lessor and the City of False Pass (“City”) was executed and will stay in effect until September 30, 2025 (attached as Exhibit 2). The Agreement states that the City agrees to manage and operate the False Pass Small Boat Harbor. According to the Agreement “Any permanent improvement, development or structure proposed by the City or a third party to be constructed or placed within the Harbor, whether upon or separate from an existing facility or improvement in the Harbor, must be approved in writing by the Borough prior to construction or placement.” This Lease authorizes the Lessee to construct the Facility in the False Pass Harbor. The above referenced Agreement is hereby incorporated in this Lease as if fully stated herein.

Terms and Conditions

1. Premises. Lessor leases to Lessee the Tidelands described as approximately 6,720 *square feet* of the Borough’s tidelands within Alaska Tidelands Survey No. 1611, at False Pass Harbor, as generally depicted in Exhibit 3. No later than 45 days after the completion of the construction of the dock, Lessee shall provide the Lessor with an as-built survey showing the exact boundaries and legal description of the leased property. Upon acceptance of the as-built and legal description by the Lessor the survey and legal description shall replace the description of lease property set out in this section and a new exhibit depicting the leased property shall be attached to the lease agreement.

2. Term and Renewal. The Term of this Lease shall be 35 years, beginning on _____, 2013, and ending on _____, 2048, subject to one 35 year renewal or earlier termination as described below.

- (A) The parties intend that the Lease will last for a maximum 70 years, including the 35 year Term and one 35 year renewal. In the event Lessor does not receive written notice of nonrenewal from Lessee not less than 365 days before the end of the Term or the renewal thereof, this Lease shall be renewed for an additional 10 years, subject to the terms and conditions contained in this Lease as the parties may, from time to time, agree to amend it.

3. Rent. Lessee shall pay rent to Lessor at the rate of _____ and taxes per year, due and payable on the date of full execution of this Lease. Lessee shall pay all legal and engineering/consultant fees incurred by the Lessor for this project, due and payable 30 days after an invoice from the Lessor is received by Lessee.

4. Lease Payment and Adjustment.

- (A) After the first year of the Lease Lessee shall pay Lessor the annual lease payments at the start of each subsequent year of the term, with the annual payment due on or before _____.
- (B) The annual lease payment for the remainder of the initial five-year period of the lease term (35 years) shall be _____ and taxes.
- (C) Beginning the first year after the initial five-year period, the Borough Administrator will re-evaluate and adjust the annual lease payment for the lease premises for the next five-year period of this lease and then every five years thereafter. The new annual payment shall be paid retroactively to the beginning of the lease payment adjustment period.

5. Termination. Lessor may terminate this Lease upon Lessee's default upon 90 days' written notice of termination. No such notice of termination shall be sent unless Lessor has given Lessee written notice of default and an opportunity to cure the problem. Lessee may terminate this Lease upon 90 days' written notice to Lessor. Upon termination or cancellation of this Lease, the Lessee shall immediately turn over to the Lessor all plans, records, agreements, and other documents relating to the Facility and its operation under this Lease and shall make available to the Lessor and its agents all records of Lessee that may directly or indirectly affect or reveal the financing of the Facility operation by Lessee. Termination or cancellation of this Lease does not affect the undischarged obligation of one party to this Lease to the other.

6. Authorized Use of Premises. The Tidelands are leased to Lessee to use as Lessee deems necessary or desirable to achieve Lessee's business objectives in constructing, operating and maintaining the Facility, as it may from time to time be repaired or replaced. Lessee shall at all times comply with all applicable laws, ordinances and regulations of duly constituted authorities now or hereafter in effect, with respect to Lessee's use of the Tidelands.

Lessee agrees that nothing in this Article or in this Lease shall create any third-party beneficiary rights or relationship in Lessee or in any other entity.

7. Possession. Upon execution of this Lease and payment of the first rental payment, Lessee shall have the right to possession of the Tidelands.

8. Taxes. Lessee shall be responsible for any and all property taxes assessed during the term of this Lease against any leasehold interest. Lessee shall pay any sales or other tax levied on the rent.

9. Insurance. Lessee, at all times, shall maintain and keep in effect insurance coverage outlined below, naming the Lessor and the City of False Pass as additional insureds (including their Administrators, officers,

officials, employees and volunteers). Lessee will provide the Lessor with proof of insurance and give thirty (30) days written notice prior to cancellation of any policies.

(A) Minimum Scope of Insurance

- (1) Commercial General Liability
- (2) Commercial Automobile Liability Insurance
- (3) Worker's Compensation insurance as required by the State of Alaska and Employers Liability Insurance.
- (4) Property insurance in an amount no less than replacement cost value
- (5) Marinas Operator Liability

(B) Minimum Limits of Insurance

- (1) Commercial General Liability:
 - a. \$1,000,000 combined single limit per occurrence / \$2,000,000 Aggregate for bodily injury and property damage claims arising from contractors operations
 - b. This will cover all dock operations onshore and offshore.
- (2) Auto Liability:
 - a. \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (3) Worker's Compensation and Employers Liability:
 - a. Worker's Compensation shall be statutory as required by the State of Alaska. Employers Liability shall be endorsed to the following minimum limits and contain USL&H coverage endorsement if applicable
 - Bodily Injury By Accident - \$1,000,000 each accident;
 - Bodily Injury By Disease - \$1,000,000 each employee;
 - Bodily Injury By Disease - \$1,000,000 policy limit.
- (4) All risk property insurance, including earthquake and flood, in an amount equal to the replacement cost of the dock
 - a. The replacement cost value of the dock is not less than the completed construction cost.
- (5) Marinas Operator Policy
 - a. \$1,000,000 in pollution insurance

(C) Other Insurance Provisions

- (1) Borough and City to be additional named insureds on General Liability and Automobile liability policies.

- (2) All policies to contain waiver of subrogation in favor of Borough and City of False Pass
- (3) Lessee's liability policies to be primary and non-contributory
- (D) Coverage to be placed with carriers with A.M.Best rating of A- VII

10. Dock Management. Management and operation of the Facility should mirror the requirements outlined in the Harbor Management Agreement between the Lessor and the City of False Pass, attached as Exhibit 2. Lessee agrees and acknowledges that it has read following provisions that are part of the Harbor Management Agreement and restated herein and made part of this lease:

- a. **OPERATION AS A PUBLIC FACILITY.** Lessee hereby agrees to manage and operate the Dock for the use and benefit of the public; to make all Dock facilities and services available to all members of the public on the same basis and on fair and reasonable terms and without discrimination. Unless otherwise directed by the Lessor or required by state and federal law, all state and federal or other publically owned or operated vessels shall receive no special preference for berthing space at or use of the Dock. Said vessels shall use the harbor under the same conditions and at the same rates as those specified for the general public.
- b. **MAINTENANCE, REPAIR AND DOCK UPKEEP.** Lessee hereby agrees to continuously maintain the Dock in a good state of repair and in a clean and orderly manner, at no cost to the Lessor or City of False Pass. Lessee shall be responsible for all major repairs, minor repairs, routine preventative maintenance and upkeep.
 - i. Lessee is required to comply with all Department of Environmental Conservation requirements.
- c. **REVENUES AND ACCOUNTS.** Lessee shall establish tariffs, and shall collect a fee or charges, for all uses of the Dock. Lessee shall keep complete financial records in accordance with generally accepted accounting practices, reflecting all revenue derived by Lessee from the Dock as well as all funds expended by Lessee for the maintenance and operation of the Dock. The right is hereby reserved by the Lessor to examine said financial records at any time during normal business hours.
- d. **IMPROVEMENTS.** Any permanent improvement, development or structure proposed by Lessee to be constructed or place on the Dock, whether upon or separate from the Dock, must be approved in writing by the Lessor prior to construction or placement.
- e. **OWNERSHIP OF IMPROVEMENTS.** All improvements made to the Dock and all fixtures added to and incorporated into the use of the Dock shall become the property of the Lessor upon their construction, addition to or incorporation in to the Dock unless the Lessee, Lessor, and City of False Pass agree otherwise in writing.
 - i. Lessee has plans to install a crane and fish pump on the dock. The Lessor and City of False Pass are aware of this and agree that the Lessee will be the sole owner of the crane and fish pump.
- f. **OPERATOR PROVIDED UTILITIES AND WATER SYSTEM.** Where electrical facilities or electrical, fuel or water distribution systems are not provided by the Lessor or City of False Pass, Lessee may install with its own personnel with prior approval of the Lessor, or have installed by a competent contractor, adequate lighting and power, fuel and water distribution systems. Under no circumstances may Lessee alter or modify existing Harbor facilities for the purpose of installing electrical utilities, fuel, or water systems without first obtaining specific written approval from the Lessor. Prior to installation of any power in or to the Dock, whether to power permanent fixtures of equipment or for distribution to vessels, the Lessee shall provide for the design of the system by an

engineer with recognized experience in the design of electrical systems for marinas and docks that may be affected by electrolysis. The Lessor may require a review of the design by a second engineer or a consultant before approving the project.

- g. **FUEL AND HAZARDOUS MATERIAL HANDLING.** If fuel or any other hazardous materials are handled on the Dock or in the Harbor, Lessee shall insure that only properly trained personnel handle such fuel or materials and that adequate procedures are followed for safely storing, dispensing, and otherwise handling fuel or hazardous materials in accordance with the most current edition of the National Fire Protection Code and all applicable federal, state, and local laws and regulation, in particular, applicable United States Coast Guard regulations. Lessee shall ensure that all necessary permits, operations manuals, and other authorizations are issued or are in place before permitting the handling of fuel or hazardous materials and may require the shipper or handler to obtain such permits and authorizations and to bear all or any part of the expense of obtaining such permits or authorizations and any additions or changes to the Dock facilities that are needed to comply. Such additions or changes to the Dock facilities must be approved by the Lessor and City of False Pass.
- h. **ENVIRONMENTAL POLLUTION.** In the event of a spill or discharge of a petroleum product or hazardous material at the dock, Lessee shall immediately report the spill or discharge to the appropriated authorities and to the Lessor, act promptly to contain the spill or discharge, repair any damage, remove the petroleum product or hazardous material and clean up the affected area, restore the Dock and affected waters to a safe condition and otherwise comply with the applicable provisions of state and federal law.
- i. **LIENS.** Lessee shall keep the Dock free of all liens, pay all costs for labor and materials arising out of construction, improvements or repairs by the Lessee on the Dock, and shall indemnify, defend, and hold the Lessor and the City of False Pass harmless from liability, action, claim, suit, loss, property damage of personal injury of whatever kind resulting from or arising out of any such liens, including costs and attorney fees.
- j. **NO WAIVER.** The failure of the Lessor to insist in any one or more instances upon the strict performance of Lessee of any provision or covenant in this agreement may not be considered a waiver or relinquishment for the future, but the provision or covenant will continue in full force. The waiver by the Lessee of any provision or covenant in this agreement cannot be enforced or relied upon unless the waiver is in writing signed on behalf of the Lessor.
- k. **NATURAL DISASTERS.** In the event any cause which is not due to the fault or negligence of either Lessee, the Lessor, or the City of False Pass renders the Dock unusable and makes the performance of this Agreement impossible, this Agreement may be terminated by either party upon written notice to the other party. Causes include, but are not limited to, acts of God or public enemy, acts of the United States and State of Alaska, fires, floods, or strikes.
- l. **NATIONAL OR STATE EMERGENCY.** In case of any national emergency declared by the federal government, or any state emergency declared by the State of Alaska, Lessee may not hold the Lessor or City of False Pass liable for any inability to perform any part of this Agreement as a result of the national or state emergency.

11. Standard Provisions. This Lease is subject to the Standard Provisions, which are attached hereto and are incorporated as part of this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

Bering Pacific Seafoods, LLC

By: _____

Larry Cotter

Its: Chief Operating Officer

STATE OF ALASKA)
) ss:
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2013, before me, a Notary Public in and for the State of Alaska, personally appeared **Lawrence P. Cotter**, known to me to be the person whose name is subscribed on the foregoing instrument and, duly sworn, stated to me under oath that he is the Chief Executive Officer of Aleutian Pribilof Island Community Development Association, that he has been authorized by said corporation to execute the foregoing instrument on its behalf, and that he executed the same freely and voluntarily as the free act and deed of said corporation.

WITNESS my hand and official seal the day and year in this certificate first above written.

Notary Public for Alaska
My commission expires:_____

Aleutians East Borough

By: _____

Rick Gifford

Its: Administrator

STATE OF ALASKA)

) ss:

THIRD JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2007, before me, a Notary Public in and for the State of Alaska, personally appeared _____, known to me to be the person whose name is subscribed on the foregoing instrument and, duly sworn, stated to me under oath that s/he is the _____ of the Aleutians East Borough, that s/he has been authorized by said municipal corporation to execute the foregoing instrument on its behalf, and that s/he executed the same freely and voluntarily as the free act and deed of said municipal corporation.

WITNESS my hand and official seal the day and year in this certificate first above written.

Notary Public for Alaska
My commission expires:_____

APPENDIX A
STANDARD PROVISIONS

1. PATENT CONDITIONS.

This lease shall be subject to the terms and conditions of the patent or deed from the state of Alaska, and subject to any littoral rights and any rights of the public under the Public Trust Doctrine.

2. RESPONSIBILITY TO PROPERLY LOCATE ON LEASED PREMISES.

It shall be the responsibility of Lessee to properly locate Lessee's improvements on the Lease Premises and failure to so locate shall render Lessee liable as provided by law.

3. APPROVAL OF OTHER AUTHORITIES.

It is agreed upon and acknowledged that the issuance by Lessor of leases, including this lease, does not relieve Lessee of responsibility for obtaining licenses, permits, or approvals as may be required by duly authorized municipal, state or federal agencies.

4. LEASE UTILIZATION.

The Leased Premises shall be used only for the construction, operation and maintenance or a dock and related marine activities, and the terms of the lease and in conformity with the provisions of relevant municipal code and applicable state and federal laws and regulations. Utilization or development of the Leased Premises for other than the allowed uses shall constitute a violation of the lease and subject to cancellation at any time.

5. CONSTRUCTION.

Lessee and Lessor both have had the opportunity to have lawyers review and negotiate the terms of the Lease. The rule of construction that ambiguity is construed against the drafter will not apply.

6. TIMELINES. Time is of the essence of this Lease.

7. HEADINGS. Headings in this Lease are not intended for information only, and not as terms or conditions of the Lease.

8. SIGNATURES. This Lease may be signed in counterparts; a facsimile or emailed signature is as valid as an original signature.

9. LEASE PAYMENT ADJUSTMENT AND DISPUTE RESOLUTION.

Lessee agrees to a review and adjustment of the annual lease payment by the Borough Administrator not less often than every fifth year of the lease term beginning with the payment due after completion of the review period. Should the Lessee disagree with the lease payment adjustment proposed by the Borough Administrator, the Lessee shall pay for an appraisal of the leasehold. In the event the Borough Administrator disagrees with the appraisal, is unable to reach an agreement with the Lessee on the lease payment adjustment, the Lessor shall pay for a second appraisal. The Borough Administrator shall establish the lease payment adjustment based upon the second appraisal. In the event the Lessee disagrees with the lease rent adjustment, the Lessee may appeal to the Borough Assembly. The decision of the Assembly shall be final.

10. SUBLEASING.

Lessee may sublease Leased Premises or any part thereof leased to Lessee hereunder; provided that the proposed sub-lessee shall first obtain written approval from Lessor and further provided, that the improvements on the Leased Premises are the substantial reason for the sublease. Leases not having improvements thereon shall not be sublet. Subleases shall be in writing and be subject to the terms and conditions of the original lease; all terms, conditions, and covenants of the underlying lease that may be made to apply to the sublease are hereby incorporated into the sublease.

11. ASSIGNMENT.

Lessee may assign its rights and obligations under this lease; provided that the proposed assignment shall be approved in writing by Lessor prior to any assignment. The assignee shall be subject to all the provisions of the lease. All terms, conditions and covenants of the underlying lease that may be made applicable to the assignment are hereby incorporated into the assignment.

12. MODIFICATION.

The lease may be modified only by an agreement in writing signed by all parties in interest or their successor in interest.

13. CANCELLATION AND FORFEITURE.

- (a) The lease, if in good standing, may be cancelled in whole or in part, at any time, upon mutual written agreement by the parties.
- (b) Lessor may cancel the lease if it is used for any unlawful purpose.

- (c) If Lessee shall default in the performance or observance of any of the lease terms, covenants or stipulations thereto, or of the regulations now or hereafter in force or service of written notice by the Lessor without remedy by Lessee of the conditions warranting default, Lessor may subject Lessee to appropriate legal action including, by not limited to, forfeiture of the lease. No improvements may be removed by Lessee or other person during any time Lessee is in default.
- (d) Failure to make substantial use of the land, consistent with the proposed use, within one year shall in the discretion of the Lessor with approval of the Borough Assembly constitute grounds for default.

14. NOTICE OR DEMAND.

Any notice or demand, which under terms of a lease or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address of record.

If to Lessee:
Bering Pacific Seafoods, LLC
234 Gold Street
Juneau, Alaska 99801
Phone: 907-586-0161

If to Lessor:
Aleutians East Borough
3380 C Street, Suite 205
Anchorage, Alaska 99503
Phone: 907-274-7555

City of False Pass Mayor:
City of False Pass
P.O. Box 50
False Pass, AK 99583

However, any party may designate in writing such new or other address to which the notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed delivered when deposited in a United States general or branch post office enclosed in a registered or certified mail prepaid wrapper or envelope addressed as hereinbefore provided.

15. ENTIRE AGREEMENT.

This lease constitutes the entire agreement between the parties as to the subject matter hereof. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding upon either party.

16. RIGHTS OF MORTGAGE OR LIENHOLDER.

In the event of cancellation or forfeiture of a lease for cause, the holder of a properly recorded mortgage, conditional assignment or collateral assignment will have the option to acquire the lease for the unexpired term thereof, subject to the same terms and conditions as in the original lease.

17. ENTRY AND REENTRY.

In the event that the lease should be terminated as hereinbefore provided, or by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by Lessee during the term, Lessor or its agents, servants, or representative, may, immediately or any time thereafter, reenter and resume possession of lands or such thereof, and remove all personals and property there from either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefore. No reentry by Lessor shall be deemed an acceptance of a surrender of the lease.

18. RE-LEASE.

In the event that the lease should be terminated as herein provided, or by summary proceedings, or otherwise, Lessor may offer the lands for lease or other appropriate disposal pursuant to the provisions of the Borough Code.

19. FORFEITURE OF LEASE PAYMENT.

In the event that the lease should be terminated because of any breach by Lessee, as herein provided, the annual rental payment last made by Lessee shall be forfeited and retained by Lessor as partial or total damages for the breach.

20. WRITTEN WAIVER.

The receipt of lease payment by Lessor with knowledge of any breach of the lease by Lessee or of any default on the part of Lessee in observance or performance of any of the conditions or covenants of the lease shall not be deemed a waiver of any provision of the lease. No failure on the part of the Lessor to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by Lessor unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of the Lessor to enforce the same in the event of any subsequent breach or default. The receipt, by Lessor, or any lease payments or any other sum of money after the termination, in any manner, of the term demised, or extent the resultant term therein demised, or destroy, or in any manner impair the efficacy of any such notice or termination as may have been given thereunder by Lessor to Lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by Lessor.

21. EXPIRATION OF LEASE.

Unless the lease is renewed or sooner terminated as provided herein, Lessee shall peaceably and quietly leave, surrender and yield up the Lessor all the leased land on the last day of the term of the lease.

22. RENEWAL PREFERENCE.

Any renewal preference granted Lessee is a privilege, and is neither a right nor bargained for consideration. The lease renewal procedure and renewal preference shall be that provided by ordinance in effect on the date the application for renewal is received by the Borough Administrator.

23. REMOVAL OR REVERSION OF IMPROVEMENT UPON TERMINATION OF LEASE.

Improvements owned by Lessee shall within sixty calendar days after the termination of the lease be removed by Lessee; provided, such removal will not cause injury or damage to the lands or improvements demised; and further provided, that Lessor may extend the time for removing such improvements in cases where hardship is proven. Improvements owned by Lessee may, with the consent of the Lessor, be sold to the succeeding Lessee. All periods of time granted Lessee to remove improvements are subject to Lessee's paying the Lessor pro rata lease payments for the period.

- (a) If any improvements and/or chattels not owned by Lessor and having an appraised value in excess of five thousand dollars as determined by an assessor are not removed within the time allowed, such improvements and/or chattels on the lands, after deducting for Lessor lease payments due and owing and expenses incurred in making such sale. Such rights to proceeds of the sale shall expire one year from the date of such sale. If no bids acceptable to the Borough Administrator are received, title to such improvements and/or chattels shall vest in Lessor.
- (b) If any improvements and/or chattels having an appraised value of five thousand dollars or less as determined by an assessor, are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in Lessor.

24. RENTAL FOR IMPROVEMENTS OR CHATTELS NOT REMOVED.

Any improvements and/or chattels belonging to Lessee or placed on the lease during Lessee's tenure with or without his permission and remaining upon the

premises after the termination date of the lease shall entitle Lessor to charge Lessee a reasonable lease payment therefore.

25. COMPLIANCE WITH REGULATIONS CODE.

Lessee shall comply with all regulations, rules, and the code of the Aleutians East Borough, and with all state and federal regulations, rules and laws as the code or any such rules, regulations or laws may affect the activity upon or associated with the leased land.

26. CONDITIONS OF PREMISES.

Lessee shall keep the premises of the lease in neat, clean, sanitary and safe condition and shall take all reasonable precautions to prevent, and take all necessary action to suppress destruction or uncontrolled grass, brush or other fire on the leased lands. Lessee shall not undertake any activity that causes or increases a sloughing off or loss of surface materials of the leased land.

27. INSPECTION.

Lessee shall allow an authorized representative of Lessor to enter the lease land for inspection at any reasonable time.

28. USE OF MATERIAL.

Lessee of the surface rights shall not sell or remove for use elsewhere any stone, gravel, peat moss, topsoils, or any other materials valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved by the Lessor.

29. RIGHTS-OF-WAY.

Lessor expressly reserves the right to grant easements or rights-of-way across leased land if it is determined in the best interest of the Lessor to do so.

30. WARRANTY.

Lessor does not warrant by its classification or leasing of land that the land is ideally suited for the use authorized under the classification or lease and no guaranty is given or implied that it shall be profitable to employ land to said use.

31. HOLDING OVER.

If Lessee holds over beyond the expiration of the term of this lease and the term has not been extended or renewed in writing, such holding over will be a tenancy from month-to-month only.

32. INTEREST ON LATE PAYMENTS.

Should any installment of rent or other charges provided for under the terms of this lease not be paid when due, the same shall bear interest at the rate established by ordinance for late payments or at the rate of 12 percent per annum, if no rate has been set by ordinance.

33. TAXES, ASSESSMENTS, AND LIENS.

During the term of this lease, Lessee shall pay, in addition to the rents, all taxes, assessments, rates, charges, and utility bills for the Leased Premises and Lessee shall promptly pay or otherwise cause to be discharged, any claim resulting or likely to result in a lien, against the Leased Premises or the improvements placed thereon.

34. EASEMENTS.

Lessee shall place no building or structure over any portion of the Leased Premises where the same has been set aside or reserved for easements.

35. ENCUMBRANCE OF PARCEL.

Lessee shall not encumber or cloud Lessor's title to the Leased Premises or enter into any lease, easement, or other obligation of Lessor's title without prior written consent of Lessor; and any such act or omission, without the prior written consent of Lessor, shall be void against Lessor and may be considered a breach of this lease.

36. VALID EXISTING RIGHTS.

This lease is entered into and made subject to all existing rights, including easements, rights-of-way, reservations, or other interests in land in existence, on the date of execution of this lease.

37. STATE DISCRIMINATION LAWS.

Lessee agrees, in using and operating the Leased Premises, to comply with applicable sections of Alaska law prohibiting discrimination, particularly Title 18 of the Alaska Statutes, Chapter 80, Article 4 (Discriminatory Practices Prohibited). In the event Lessee's failure to comply with any of the above non-discrimination covenants, Lessor shall have the right to terminate this lease.

38. UNSAFE USE.

Lessee shall not do anything in or upon the Leased Premises, nor bring or keep anything therein, which will unreasonably increase or tend to increase the risk of fire or cause a safety hazard to persons or obstruct or interfere with the rights of any

other tenant(s) or in any way injure or annoy them or which violates or causes violation of any applicable health, fire, environmental or other regulation by any level of government.

39. HOLD HARMLESS.

Lessee agrees to defend, indemnify, and save Lessor, its employees, volunteers, consultants and insurers, with respect to any action, claim, or lawsuit arising out of or related to the use and occupancy of the Leased Premises by Lessee. This agreement to defend, indemnify, and hold harmless is without limitation as to the amount of fees, costs, expense, or damages resulting from settlement, judgment or verdict, and includes the award of any costs and attorney's fees even if in excess of Alaska Civil Rules 79 or 82. This indemnification agreement applies to the fullest extent permitted by law and is in full force and effect whenever and wherever any action, claim, or lawsuit is initiated, filed, or otherwise brought against Lessor relating to this lease. The obligations of Lessee arise immediately upon actual or constructive notice of any action, claim, or lawsuit. Lessor shall notify Lessee in a timely manner of the need for indemnification, but such notice is not a condition precedent to Lessee's obligations and may be waived where the Lessee has actual notice.

40. SUCCESSORS.

This lease shall be binding on the successors, administrators, executors, heirs, and assigns of Lessee and Lessor.

41. CHOICE OF LAW; VENUE.

This lease shall be governed by the law of the State of Alaska. Venue shall be in the State of Alaska, Third Judicial District at Anchorage.

Exhibit 1 Tidelands



2004-000307-0

Recording Dist. 305 - Aleutian Islands
6/8/2004 12:57 PM Pages: 1 of 3

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State of Alaska

cc



Tidelands Patent No. 4 2 5

Know All Men By These Presents that the Grantor, the STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, 550 West 7th Avenue, Suite 1050A, Anchorage, Alaska 99501-3579, pursuant to AS 39.05.825 and the regulations promulgated thereunder, for good and valuable consideration, grants and conveys to the Grantee, the ALEUTIANS EAST BOROUGH, whose mailing address of record is 3380 C Street, Suite 205, Anchorage, Alaska 99503, Grantee's successors and assigns, those tidelands lying seaward of the mean high tide line of Unimak Island situated in the Aleutian Islands Recording District, State of Alaska, and described as follows:

ALASKA TIDELAND SURVEY NO. 1611, CONTAINING 34.86 ACRES, MORE OR LESS, ACCORDING TO THE SURVEY PLAT RECORDED IN THE ALEUTIAN ISLANDS RECORDING DISTRICT ON APRIL 7, 2003, AS PLAT 2003-2.

Subject to valid existing rights, including reservations, easements, and exceptions in the U.S. Patent or other state or federal conveyance, and in acts authorizing the issue thereof; easements, rights-of-way, covenants, conditions, reservations, notes on the plat, and restrictions of record, if any.

Grantee may lease the land, but may not sell it.


Grantee takes title to the tidelands subject to the rights of the public under the Public Trust Doctrine.

Title to land conveyed under this authority reverts to the State upon dissolution of the municipality.

The Grantor hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, and it also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times for the purpose of opening, developing, drilling, and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to, and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

To Have And To Hold the said land, together with the tenements, hereditaments, and appurtenances thereunto appertaining, unto the said Grantee and Grantee's successors and assigns forever.

In Testimony Whereof the State of Alaska has caused these presents to be executed by the Director of the Division of Mining, Land and Water, Department of Natural Resources, State of Alaska, pursuant to delegated authority, this 2nd day of June, 2004.

By: 
Sandra J. Singer
For Bob Loeffler, Director
Division of Mining, Land and Water



State of Alaska)
) ss.
Third Judicial District)

This Is To Certify that on the 2nd day of June, 2004, appeared before me SANDRA J. SINGER, who is known to me to be the person who has been lawfully delegated the authority of Bob Loeffler, the Director of the Division of Mining, Land and Water, Department of Natural Resources, State of Alaska, to execute the foregoing document; that Sandra J. Singer executed said document under such legal authority and with knowledge of its contents; and that such act was performed freely and voluntarily upon the premises and for the purposes stated therein.

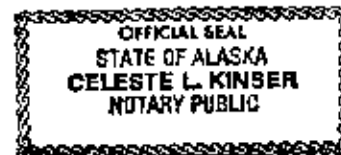
Witness my hand and official seal the day and year in this certificate first above written.

Celeste L. Kinser
Notary Public in and for the State of Alaska

My commission expires: April 4, 2005

Return Recorded Document to:

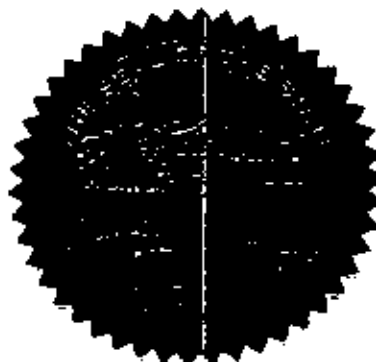
ALEUTIANS EAST BOROUGH
3380 C Street, Suite 205
Anchorage, Alaska 99503



Certified Copy to:

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND & WATER-RADS
550 West 7th Avenue, Suite 1050
Anchorage, Alaska 99501-3579

Tidelands Patent No. 425
ADL No. 227852
Location Index:
T. 61 S., R. 94 W., S.M.
Sections 27 and 28



Page 3 of 3



2004-000307-0

ALEUTIANS EAST BOROUGH, ALASKA

HARBOR MANAGEMENT AGREEMENT

This 15 day of April, 2005, the Aleutians East Borough, hereafter called the "Borough" whose address is P.O. Box 349, Sand Point, Alaska 99661, and the City of False Pass, Alaska, hereinafter called the "City," whose address is P.O. Box 50, False Pass, Alaska 99583 do enter this Harbor Management Agreement, hereinafter called "Agreement," of 15 pages, including signature pages, and agree as follows:

A. BASIC PROVISIONS

PREMISES

1. The City of False Pass and the Aleutians East Borough have identified economic needs in False Pass. They have cooperatively submitted and been approved for CDBG funds from the Alaska Department of Commerce, Community and Economic Development (DCCED) and grant funds from the federal Department of Commerce, Economic Development Administration (EDA) for the construction of a harbor to meet those needs.
2. The City is the recipient of CDBG funding and the Borough is the recipient of the EDA funds. Both parties agree to assume the ultimate responsibility for their grant funds including assuring compliance with all applicable laws and program regulations and performance of all work in accordance with the contract. The False Pass mayor will be the contact person for the CDBG and the Borough administrator for the EDA. Both parties and the DCCED and EDA will have access to all grant records and authority to monitor all activities. The City and Borough agree to cooperate in the implementation of the CDBG and EDA programs as approved by the granting agencies.
3. The City and Borough agree that the City will receive the usefulness, advantage and other economic and community benefits of the harbor for the residents of False Pass for at least twenty (20) years.
4. The City agrees to manage and operate the following described marine facilities owned by the Borough, known as the False Pass Small Boat Harbor and hereinafter referred to as the "Harbor" located at False Pass, Alaska, in the Aleutian Islands Recording District, Third Judicial District, Alaska:

All that property consisting of a breakwater and certain docks, floats, approaches, and appurtenant marine facilities located in False Pass, Alaska, in the Aleutian Islands Recording District, State of Alaska.

TERM

5. The term of this Agreement is twenty (20) years from this agreement's last signature date through the last day of September, 2025.

B. GENERAL COVENANTS

OPERATION AS PUBLIC FACILITIES

1. The City hereby agrees to manage and operate the harbor for the use and benefit of the public; to make all Harbor facilities and services available to all members of the public on the same basis and on fair and reasonable terms and without discrimination. Unless otherwise directed by the Borough or required by state and federal law, all state and federal or other publicly owned or operated vessels shall receive no special preference for berthing space at or use of the Harbor. Said vessels shall use the Harbor under the same conditions and at the same rates as those specified for the general public.

MAINTENANCE AND REPAIR

2. The City hereby agrees to continuously maintain the Harbor in a good state of repair, at no cost to the Borough. Provided, however, that all necessary "major repairs" not caused by any action, neglect or negligence of the City shall be undertaken and completed by the Borough, at Borough expense or with funds from the account established pursuant to paragraph 7(d) of this Agreement, subject to the appropriation of sufficient funds for that purpose. The City shall be responsible for all minor repairs and routine preventative maintenance.
 - a. The term "major repair" as used herein is defined as any maintenance or repair having a cost for a single maintenance or repair operation which exceeds twenty-five thousand dollars (\$25,000).
 - b. The terms "minor repair and routine preventative maintenance" as used herein is defined as routine maintenance and repair having a cost for a single maintenance or repair operation of twenty-five thousand (\$25,000) or less, and generally includes the following:
 - (1) Replacement of damaged flotation material.
 - (2) Replacement of damaged decking or other structural members.
 - (3) Repair of electrical utilities and water and fuel systems.
 - (4) Replacement of broken or damaged piling and fenders.
 - (5) Replacement of eroded bank and breakwater protection or fill material.

- (6) Repair of all structural and non-structural damage caused through impact or collision by vessels using the facilities.
- c. The Borough shall have the right to require the City to perform maintenance and repair in the event any inspection of the Harbor by the Borough reveals a failure by the City to adequately maintain Harbor facilities. Such corrective maintenance or repair work shall be accomplished by the City within a reasonable period of time as determined by the Borough. The City shall perform, at its own expense, all major repair or rehabilitation that could have been avoided but for the City deferring minor repairs or routine maintenance.
- d. Notwithstanding the other provisions of this paragraph B2, the City shall not be required to spend more than \$25,000 in any one City fiscal year for all minor repairs and routine preventative maintenance. Routine preventative maintenance includes only those activities that are for the purpose of preserving or restoring the condition of the Harbor. The City shall notify the Borough in a timely manner if the City anticipates that minor repair and routine preventative maintenance expenditures will exceed \$25,000 during the remainder of any City fiscal year.

HARBOR UPKEEP

3. The City agrees to maintain the Harbor in a clean and orderly manner at all times. Derelict or abandoned vessels shall not be allowed to occupy moorage space. Oil drums, nets, fishing gear, skiffs, garbage cans or unsightly debris may not be stored on the Harbor.

LIABILITY

4. The City shall indemnify, defend, and hold the Borough, it's officers, employees and agents harmless from any liability, action, claim, suit, loss, property damage, or personal injury of whatever kind resulting from or arising out of any act of commission or omission by the City, it's agents, employees, or officers arising from the City's management, operation, maintenance or other activity with respect to the Harbor.

HARBOR ORDINANCES, HARBORMASTER

5. The City shall employ appropriate personnel and promulgate such ordinances, resolutions or regulations as may be necessary to provide safe, orderly operation and management of the Harbor. Ordinances, resolutions and regulations shall be in conformance with all of the terms and conditions contained herein, and shall be consistent with applicable ordinances and resolutions of the Borough. The applicable provisions of a Borough

ordinance, resolution or regulation with respect to the Harbor shall supersede the provision of any ordinance, resolution or regulation of the City that is inconsistent therewith, notwithstanding the date the Borough ordinance is adopted.

HARBOR USE AGREEMENTS

6. The City may enter into such agreements for the berthing, use and management of the Harbor as are necessary and appropriate;
 - a. provided, no agreement of any nature with respect to the Harbor is valid or binding upon the City of the Borough to the extent such agreement is contrary to this Agreement or to any ordinance or resolution of the City or the Borough adopted prior to the effective date of such agreement between the City and a third party. The authority of the City to enter into agreements with third parties with respect to the use of the Harbor is derived solely from this Agreement and any agreement of any nature between the City and a third party is subject to the terms, conditions and limitations of this Agreement; further, any agreement or the provisions thereof that are inconsistent or in conflict with or are prohibited under this Agreement are void ab initio in the sole discretion of the Borough. The City shall be liable to the Borough for all damages or losses to the Borough arising out of agreements or provisions thereof between the City and a third party that are inconsistent, in conflict with, or prohibited by this Agreement.
 - b. The Harbor was financed, in part, with the proceeds of a tax exempt bond issued by the Aleutians East Borough. Any management, Harbor use or other agreement that would, alone or in combination with one or more other agreements of the City with respect to the Harbor, adversely affect the tax exempt status of said bonds, is, to such extent, void *ab initio* and unenforceable. Further, if bond counsel to the Aleutians East Borough determines that any provision of this Agreement would adversely affect the tax exempt status of such bonds or that it permits or contemplates agreements between the City and third parties that would adversely affect the tax exempt status of such bonds, such minimum amendments to the agreement as may be necessary to preserve the tax exempt status of said bonds, as determined by bond counsel for the Aleutians East Borough, are deemed to have been made as if contained in this Agreement upon the date of execution of this Agreement. A lease of long term use agreement between the City and a third party user of the Harbor, and any lease or Harbor operating or management agreement between the City and third party is void and unenforceable unless in writing

and approved by the Borough and the Borough bond counsel prior to its execution.

REVENUES, EXPENSES, FUNDS AND ACCOUNTS

7. The City shall establish a tariff, and shall collect a fee or charge, for all uses of the Harbor.
 - a. The City shall include, but not be limited to, fees or charges for moorage, demurrage, wharfage, and services to a vessel. The tariff and all changes thereto shall be filled by the City if filing is required by state and federal law.
 - b. The fees charged by the City shall be established at a level sufficient to:
 - (1) Meet the expenses of adequate management and administration of the Harbor.
 - (2) Satisfy all minor repair and routine maintenance requirements, present and future, as defined in Paragraph (2)b.
 - (3) Provide for contingencies and emergencies.
 - (4) Provide the funds required for the major rehabilitation and repair account.
 - (5) Provide and maintain a harbormaster office, parking area improvements, and sanitary facilities unless any of the foregoing are waived by the Borough, and, as may be required by state or federal agencies, oily waste disposal tanks, connection to vessel pumpout stations for sewage disposal and other waste disposal facilities or services, and trash collection facilities.
 - c. All fees, charges, rates, reimbursements, or other amounts received by the City for moorage within the Harbor shall be deposited in a special fund known as the Harbor Fund established by the City. Said fund shall be separate and distinct from other funds of the City (including those established for the operation of other City docks, harbors or other marine facilities) and shall be used exclusively for the administration, operation, maintenance, repair, rehabilitation, and improvement of the Harbor by the City, and to meet reserve requirements and Borough debt service, if any, secured by revenues of the Harbor. The City shall annually appropriate to such fund all

anticipated and actual Harbor receipts and prior year Harbor Fund balances.

- d. The City shall establish a major repair and rehabilitation account with the Harbor Fund established under Paragraph 7(c).
 - (1) For the purpose of this subparagraph 7(d), "year-end Harbor Fund balance" is the unreserved year-end balance of the Harbor Fund not appropriated for reasonable Harbor operating costs, including Borough debt service, if any, reserved and a reasonable contingency amount. The year-end Harbor Fund balance shall lapse to and be deposited in the major repair and rehabilitation account. It is the purpose of this subparagraph 7(d)(1) to ensure that all Harbor revenues that are not reasonably required for the operation, maintenance and minor repair of the Harbor be accumulated in the major repair and replacement account for use, as may be designated by the Borough, for major repairs or rehabilitation of the Harbor and the construction of additions or improvements to the Harbor. Provided, the Borough may release funds from this account to the City for Harbor operating expenses if the Assembly determines that such a release is necessary in order to meet unusual and unanticipated Harbor operating expenses incurred or to be incurred by the City.
 - (2) The City shall hold monies in the account, in trust for the Borough; provided, in order to ensure that such monies are immediately available for emergency or other needs, the City shall annually appropriate the anticipated maximum balance of the account (including the anticipated deposit of the year end Harbor Fund balance) as part of its annual budget appropriation. The City shall make major repairs or improvements to the Harbor from the funds in the major repair and rehabilitation account only when specifically directed by the Borough or shall pay over to the Borough from said account so much as the Borough determines is required to perform major repairs, rehabilitation or improvements on the Harbor. Upon authorization by the Borough, the City may accomplish, by contract or with it's own forces, such major repair, rehabilitation or improvements as are required and may withdraw from said account amounts up to a maximum specifically authorized by the Borough for such work. Upon termination of this agreement, the City shall promptly pay over to the Borough all funds held in trust in said account for the Borough.

- e. The City shall keep complete financial records in accordance with generally accepted accounting practices, reflecting all revenue derived by the City from the Harbor as well as all funds expended by the City for the maintenance and operation of the Harbor. The right is hereby reserved to the Borough to examine said financial records at any time during normal business hours. In addition, the right is hereby reserved to the Borough to require the City to submit an annual audit or summary of Harbor Fund income and expenses (including reserves).

PROHIBITED MOORAGE

8. The City shall not permit moorage of vessels which might overstress or otherwise damage the Harbor facilities.

IMPROVEMENTS

9. Any permanent improvement, development or structure proposed by the City or a third party to be constructed or placed within the Harbor, whether upon or separate from an existing facility or improvement in the Harbor, must be approved in writing by the Borough prior to construction or placement.

OWNERSHIP OF IMPROVEMENTS

10. All improvements made in or to the Harbor and all fixtures added to and incorporated into the use of the Harbor shall become the property of the Borough upon their construction, addition to or incorporation into the Harbor unless the City and the Borough agree otherwise in writing.

OPERATOR PROVIDED UTILITIES AND WATER SYSTEM

11. Where electrical facilities or electrical, fuel or water distribution systems are not provided by the Borough, the City may install with its own personnel with prior approval of the Borough, or have installed by a competent contractor, adequate lighting and power, fuel and water distribution systems. Under no circumstances may the City alter or modify existing Harbor facilities for the purpose of installing electrical utilities, fuel or water systems without first obtaining specific written approval from the Borough. The Borough will either furnish or approve minimum design standards to accomplish the work. Prior to the installation of any power in or to the Harbor, whether to power permanent fixtures or equipment or for distribution to vessels, the City shall provide for the design of the system by an engineer with recognized experience in the design of electrical systems for marinas and docks that may be affected by electrolysis. The Borough may require a review of the design by a second engineer or a consultant before approving the project.

FUEL AND HAZARDOUS MATERIAL HANDLING

12. If fuel or any other hazardous materials are handled in the Harbor, the City shall insure that only properly trained personnel handle such fuel or materials and that adequate procedures are followed for safely storing, dispensing, and otherwise handling fuel or hazardous materials in accordance with the most current edition of the National Fire Protection Code and all applicable federal, state, and local laws and regulations, in particular, applicable United States Coast Guard regulations. The City shall ensure that all necessary permits, operations manuals, and other authorizations are issued and are in place before permitting the handling of fuel or other hazardous materials and may require the shipper or handler to obtain such permits and authorizations and to bear all or any part of the expense of obtaining such permits or authorizations and any additions or changes to the Harbor facilities that are needed to comply. Such additions or changes to the Harbor facilities must be approved by the City and the Borough.

ENVIRONMENTAL POLLUTION

13. In the event of a spill or the discharge of a petroleum product or hazardous material at the Harbor, the City shall immediately report the spill or discharge to the appropriate authorities and to the Borough, act promptly to contain the spill or discharge, repair any damage, remove the petroleum product or hazardous material and clean up the affected area, restore the Harbor and affected waters to a safe condition and otherwise comply with the applicable provisions of state and federal law.

TERMINATION OF AGREEMENT

14. The Borough may cancel this Agreement by giving the City ninety (90) days advance written notice upon the failure of the City to perform, keep and observe any of the terms, covenants, and conditions contained in this Agreement, provided:
 - a. The deficiency is not cured by the City within said ninety (90) day period.
 - b. The City may terminate this Agreement at any time by notifying the Borough in writing at least six (6) months prior to the effective date of such termination.
 - c. The Borough may terminate this Agreement at any time by notifying the City in writing at least twelve (12) months prior to the effective date of such termination.

- d. Upon termination or cancellation of this Agreement for any reason, the City shall, on the effective date of such termination or cancellation, transmit all amounts received that would have been required by paragraph 7.c. of the Agreement to be deposited in the Harbor Fund; provided, if, for the fiscal year in which the termination or cancellation occurs, the City has contributed to the Harbor Fund from unrestricted other local revenues, the City may retain a portion of such other revenues prorated for time from the beginning of the year. The cancellation or termination of this Agreement for any reason shall constitute and shall have the effect of an assignment to the Borough of all accounts receivable and causes of action of the City with respect to the Harbor and its operation effective on the effective date of the termination or cancellation. All reasonable obligations of the City incurred with respect to the Harbor and its operation prior to the effective date of the termination or cancellation shall be reimbursed by the Borough upon demand and proof of payment by the City, provided, the Borough may assume direct liability for City obligations specifically identified in writing by the Borough for such treatment.
- e. Upon termination or cancellation of this Agreement, the City shall immediately turn over to the Borough all plans, records, agreements, and other documents relating to the Harbor and its operation under this Agreement and shall make available to the Borough and its agents all records of the City that may directly or indirectly affect or reveal the financing of the Harbor operation by the City.
- f. Termination or cancellation of this Agreement does not affect the undischarged obligation of one party to this Agreement to the other.

RENEWAL

15. The City may renew this Agreement by filing a written renewal application with the Borough at least sixty (60) days before the expiration of this Agreement. This filing of an application that fully conforms to the requirements stated herein will operate to extend the term of this Agreement on a month to month basis until the earlier of the date;
- a. A new agreement is executed by both parties, or
 - b. The application is rejected by the Borough in writing, stating the reasons for the rejection.

DISCRIMINATION

16. The City covenants and agrees that discrimination on the basis of race, color, religion, national origin, ancestry, age, or sex will not be permitted against any patron, employee, applicant for employment, or other person or group of persons in any manner prohibited by federal or state law. The City recognizes the right of the Borough to take any action necessary to enforce this covenant, including actions required pursuant to any federal or state law.

EXISTING CONDITIONS

17. The City has examined the preliminary plans for the Harbor and acknowledges that the Borough has made no representation concerning final arrangement or layout of the Harbor nor the completion date of any phase or part of the Harbor.

SUBJECT TO LAWS

- 18.
- a. This agreement is issued subject to all the provisions and requirements of the agreement and the ordinances, resolutions and regulations of the Borough relating to the use and management of Borough owned marine facilities.
 - b. The City shall conduct all operations on the Harbor in compliance with all federal, state, and local laws, ordinances, rules and regulations now or hereafter in force, which may be applicable to such operations.

INSURANCE

- 19.
- a. The City shall maintain harbor keepers liability insurance in an amount not less than \$2,250,000 per occurrence and shall name the Borough as an additional insured, provided, the Borough, its employees, agents and officers may not be disabled from recovering under said policy for otherwise covered acts of the City.
 - b. Unless a lesser coverage is authorized by the Borough, the City shall maintain property damage insurance on the Harbor in an amount of \$100,000 with a deductible of not more than \$5,000. The policy shall name the Borough as owner of the Harbor and shall be for the benefit of the Borough.
 - c. The City shall provide the Borough with a copy of each policy or a certificate of insurance satisfactory to the Borough showing the amounts and type of insurance provided. The certificate shall state the

coverage provided to the Borough and shall provide that no policy may be terminated, cancelled, or permitted to expire with respect to coverage provided to the Borough except upon at least thirty (30) days written notice actually delivered or mailed to the Borough.

- d. The City shall provide and maintain, for all employees and contractors of the City engaged in work on or with respect to the Harbor, Workers' Compensation Insurance as required by AS 23.30, shall promptly make all employer contributions required by AS 23.20, and shall provide insurance coverage for employees covered by the U.S. Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.). The City shall indemnify the Borough for all costs, expenses, and liability of the Borough arising in any manner from the failure of the City to provide the insurance or make the contributions identified in the preceding sentence.

LIENS

20. The City shall keep the Harbor free of all liens, pay all costs for labor and materials arising out of any construction, improvements or repairs by the City or a third party on the Harbor, and hold the Borough harmless from liability for any such liens, including costs and attorney fees.

NO WAIVER

21. The failure of the Borough to insist in any one or more instances upon the strict performance by the City of any provision or covenant in this agreement may not be considered a waiver or relinquishment for the future, but the provision or covenant will continue in full force. The waiver by the Borough of any provision or covenant in this agreement cannot be enforced or relied upon unless the waiver is in writing signed on behalf of the Borough.

MODIFICATION

22. The Borough may modify this agreement to meet the revised requirements of federal or state grants or to conform to the requirements of any bond covenant to which the Borough is party. Provided, that except as provided in paragraph 6.c., a modification may not reduce the rights granted the City by this agreement nor cause the City financial loss to its general fund.

VALIDITY OF PARTS

23. If any provision or covenant of this agreement is declared to be invalid by a court of competent jurisdiction, the remaining covenants and provisions will continue in full force.

INTERRELATIONSHIP OF PROVISIONS

24. The basic provisions, general covenants, special covenants, supplements, addenda, and drawings attached as exhibits are essential parts of this agreement and are intended to be cooperative and to describe the respective rights and obligations of the parties to this Agreement. In case of a discrepancy, figured dimensions govern over scaled dimensions unless obviously incorrect. Special covenants govern over basic provisions, both of which govern over general covenants.

NATURAL DISASTERS

25. In the event any cause which is not due to the fault or negligence of either the City or the Borough renders the Harbor unusable and makes the performance of this Agreement impossible, this Agreement may be terminated by either party upon written notice to the other party. Causes include, but are not limited to, acts of God or the public enemy, acts of the United States or the State of Alaska, fires, floods, or strikes.

NOTICES

26. Any notice required by this agreement must be hand delivered or sent by registered or certified mail to the appropriate party at the address set forth on page one of this Agreement or to any other address that the parties subsequently designate in writing.

INTEGRATION, MERGER AND AMENDMENT

27. This Agreement sets forth all the terms, conditions, and agreements of the parties and supersedes any previous understandings or agreements regarding the Harbor whether oral or written. Except as otherwise specifically provided in this Agreement no modification or amendment of this Agreement is effective unless in writing and signed by both parties.

NATIONAL OR STATE EMERGENCY

28. In case of any national emergency declared by the federal government, or any state emergency declared by the State of Alaska, the City may not hold the Borough liable for any inability to perform any part of this Agreement as a result of the national or state emergency.

APPROVAL BY BOROUGH

29. Any approvals required of the Borough by this Agreement will not be unreasonably withheld.

INGRESS, EGRESS, INSPECTION

30. The Borough reserves the right of ingress to and egress from the Harbor and the right to enter any part of the Harbor, including all improvements thereon, for the purpose of inspection at any reasonable time. Except in the case of an emergency, all inspections will be coordinated with the City.

C. SPECIAL COVENANTS

1. This Agreement becomes effective on the date set out in paragraph A2; provided, no term of the Agreement except this paragraph C1 creates and enforceable right in either party until the Borough has provided written notice to the City that the Harbor, including the docks and other facilities and improvements, are substantially complete and available for use. All revenues arising out of the rental or use of property constructed or improved with the proceeds of the Borough's general obligation bond under the Project Cooperation Agreement between the Borough and U.S. Department of the Army for the construction of breakwaters and the dredging of the new harbor in the City are revenues of the City under this agreement and, if paid to the Borough, will be received and held by the Borough in trust for the City.
2. The City and the Borough enter into this Agreement in the contemplation of
 - a. the completion of the new harbor to be constructed under the Project Cooperation Agreement between the Borough and U.S. Department of Army, and
 - b. the separate and subsequent construction by the Borough of docks, floats and other marine facilities and improvements (the Docks and Floats) within the new harbor.

If the Borough constructs the Docks and Floats from revenues other than borrowed funds, then this Agreement remains in full force and effect in accordance with its terms. If the Borough borrows all or part of the funds necessary to finance the construction of the Dock and Floats, and it is necessary for the Borough to pledge the revenues of the Docks and Floats to secure the loan, then the following provisions of this Paragraph C2 shall be in effect and shall supersede and govern to the extent such following provisions are in conflict with any other provisions of this Agreement:

- c. The Borough shall have the authority to establish all tariffs, fees, and other charges for use of the Docks and Floats. The Borough shall consult with the City to determine the rates necessary to meet the City operating and other expenses of the Harbor plus the revenues required to meet debt service payments on the Borough loan and such other reserve and coverage requirements as are set out in the

loan agreement, bond and other documents governing the loan to the Borough (the Loan Documents) for the construction of the Docks and Floats. The tariffs, fees and charges established by the Borough, may not be less, individually, than the amount requested by the City, but may be more than the amount requested by the City if the Borough determines that the estimated revenues from all tariffs, fees and charges for Docks and Float use will not be sufficient to meet the requirements of the Loan Documents and all other revenue needs of the Harbor. If the Borough determines that revenues from the Docks Floats must be increased to meet to the requirements of the Loan Documents, the Borough will give substantial consideration to the preferences of the City for the distribution of the increase among the Harbor tariffs, fees, and other charges.

- d. The will continue to bill, collect and enforce the harbor tariffs, fees and charges; provided, however, it shall establish a Docks and Floats debt service trust account (the Debt Service Trust Account) into which it shall deposit so much of the revenues from the Docks and Floats operation as are required under the terms of the Loan Documents. The funds required to be deposited to the Debt Service Trust Account are funds of the Borough immediately upon their receipt by the City and shall be paid over to the Borough from said account immediately upon request of the Borough or shall be paid over to the Borough at such regularly scheduled times as the Borough or the Loan Documents require. If the Borough's lender, either as a condition of the loan, or upon determining after making the loan that the collection rate of the City is inadequate with respect to Harbor accounts, the Borough may assume all or any part of the billing and collection function for the Harbor accounts and shall, monthly, pay over to the City the revenues collected less amounts required for billing and collection administration, debt service, reserves and coverage required by the Loan Documents. If the City fails to fully and timely pay over to the Borough the funds required to be paid from the Debt Service Trust Account, the Borough may immediately terminate this Agreement. The Borough may pledge and assign to its lender the Borough's rights to funds required to be deposited in the Debt Service Trust Account.
- e. The City shall vigorously pursue the collection of tariffs, fees and other charges arising out of use of the Docks and Floats in order to ensure timely funding of the amounts to be paid into the Debt Service Trust Account.
- f. If the Borough's lender requires fiscal or operational provisions that cannot be made within the scope of the authority reserved to the Borough under this Paragraph C2, and the City is unwilling to agree

to the required new or different provisions, either party to this Agreement may immediately terminate the Agreement.

3. It is the intent of the parties that upon the termination of this Agreement pursuant to Paragraph A2, or upon the discharge of the 2003 Series E general obligation bonds issued for the construction of the new harbor, any bonds issued to refund the 2003 Series E bonds, and any bonds or other Borough obligations issued to fund any part of the cost of the Docks and Floats, the City and the Borough will explore the transfer of the Harbor to the City.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year stated in the acknowledgments below.

(SEAL)

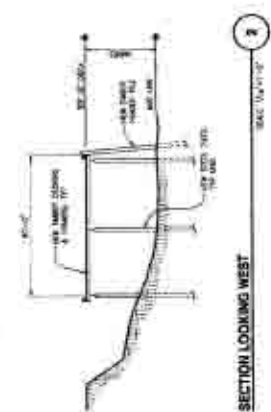
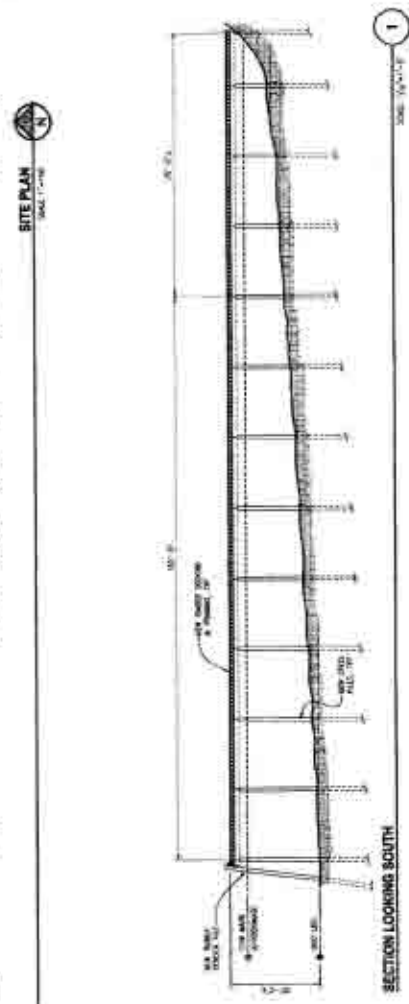
CITY OF False Pass, AK

By: John J. Nichols
Title: Mayor

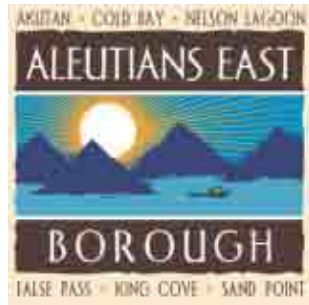
ALEUTIANS EAST BOROUGH

By: Stanley K. Mark
Title: Mayor

<p>APCDA</p> <p>FALSE PASS UPGRADES DOCK ADDITION</p> <p>FALSE PASS, ALASKA</p>	<p>DATE OF TEST: _____</p> <p>SITE PLAN: _____</p> <p>C.I.I.: _____</p>
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Ordinances



ORDINANCE 13-06

AN ORDINANCE ADOPTING THE OPERATING AND CAPITAL BUDGET FOR THE ALEUTIANS EAST BOROUGH FISCAL YEAR 2014.

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 and the Aleutians East Borough School District for Fiscal Year 2014 is adopted as follows:

REVENUES		FY13 BUDGET
Local		
	Interest Income	\$35,000
	AEB Fish Tax	\$3,200,779
	AEBSD Refund	
	Other Revenue	\$7,000
State		
	Shared Fishery Tax	\$2,033,097
	Extraterritorial Fish Tax	\$243,084
	Landing Tax	\$53,571
	Debt Reimbursement	\$1,045,464
	State Aid to Local Government	\$575,711
Federal		
	Payment in Lieu of Taxes	\$559,000
	USF&WS Lands	\$36,256
	Total FY13 Revenues	\$7,788,962
	AEBSD Revenue	\$6,977,000

OPERATING FUND EXPENDITURES

Mayor	\$260,707
Assembly	\$126,000
Administration	\$323,522
Clerk/Planning	\$186,867
Finance	\$240,528
Natural Resources	\$337,913
Communications Manager	\$169,680
Development Coordinator	\$128,879
Public Works	\$128,740
Educational Support	\$825,000
KCAP	\$15,123
Other Gen.Fund	
Equipment	\$13,200
AEB Vehicles	\$20,000
Repairs	\$10,000
Utilities	\$25,000
Aleutia Crab	\$58,522
Legal	\$175,000
Insurance	\$150,000
Bank Fees	\$2,000
EATS	\$150,000
Misc.	\$96,000
Donations	\$23,500
NLG Rev. Sharing	32,000
Web Service/Tech	\$25,000
Total Other	\$780,222
Total General Fund	\$3,523,181
Capital Projects	\$0
Bond Projects	\$0
Debt Services	\$2,159,005
Maintenance Reserve	\$100,000
Total Expenditure	\$5,782,186
AEB Surplus	\$2,006,776
AEBSD Expenses	\$6,977,000.00
Fund 20, Grants, Revenues	\$1,196,611
Fund 20, Grants, Expenditures	\$1,196,611
Fund 22, Hovercraft, Revenues	\$485,000
Fund 22, Hovercraft, Expenditures	\$3,094,500

Fund 22, Terminal Operations, Revenues	\$139,620
Fund 22, Terminal Operations, Expenditures	\$132,452
Fund 24, Bond Project, Revenues	\$5,000,000
Fund 24, Bond Project, Expenditures	\$5,000,000
Fund 30, Bond Payments, Revenues	\$1,597,433
Fund 30, Bond Payments, Expenditures	\$1,597,433
Fund 40, Permanent Fund, Revenues	\$350,000
Fund 40, Permanent Fund, Expenditures	\$35,000
Fund 41, Maintenance Reserve, Revenues	\$100,000
Fund 41, Maintenance Reserve, Expenditures	\$100,000

Passed and adopted by the Aleutians East Borough Assembly this _____ day of May, 2013.

Mayor

ATTEST:

Clerk

REVENUES		FY14	FY 14 W/COLA	FY14 Budget		FY13 Amounts/Will Change FY14
			\$0			Medical 876.02 mon.
	AEBSD Revenues	\$ 6,977,000.00		\$ 6,977,000.00		PERS 22%
						ESC 2.92%
						Medicare 1.45%
	Interest Income	\$ 35,000.00		\$ 35,000.00		PERS/DC 5.71%
Local	AEB Fish Tax	\$ 3,200,779.00		\$ 3,200,779.00		74.09
	AEBSD Refund					
	Other Revenue	\$ 7,000.00		\$ 7,000.00		
State	Shared Fishery Tax	\$ 2,033,097.00		\$ 2,033,097.00		
	Extraterritorial Fish Tax	\$ 243,084.00		\$ 243,084.00		
	Landing Tax	\$ 53,571.00		\$ 53,571.00		
	Debt Reimbursement	\$ 1,045,464.00		\$ 1,045,464.00		
	Coastal Management	\$ -		\$ -		
	State Aid to Local Governments	\$ 575,711.00		\$ 575,711.00		
Federal	Payment in Lieu of Taxes	\$ 559,000.00		\$ 559,000.00		
	USF&WS Lands	\$ 36,256.00		\$ 36,256.00		
	Total FY13 Revenues	\$ 7,788,962.00		\$ 7,788,962.00		
Operating Fund Expenditures			2% COLA			
	Mayor	\$ 259,278.00		\$ 260,707.00		
	Assembly	\$ 126,000.00		\$ 126,000.00		
	Administration	\$ 320,146.00		\$ 323,522.00		
	Clerk/Planning	\$ 185,190.00		\$ 186,867.00		
	Finance	\$ 238,119.00		\$ 240,528.00		
	Natural Resources	\$ 336,463.00		\$ 337,913.00		
	Public Information Officer	\$ 167,920.00		\$ 169,680.00		
	Development Coordinator	\$ 127,429.00		\$ 128,879.00		
	Public Works	\$ 127,227.00		\$ 128,740.00		
	Educational Support	\$ 825,000.00		\$ 825,000.00		
	KCAP	\$ 15,123.00		\$ 15,123.00		
	Other GF					
	Equipment	\$ 13,200.00		\$ 13,200.00		
	AEB Vehicles	\$ 20,000.00		\$ 20,000.00		
	Repairs	\$ 10,000.00		\$ 10,000.00		
	Utilities	\$ 25,000.00		\$ 25,000.00		
	Aleutia Crab	\$ 58,522.00		\$ 58,522.00		
	Legal	\$ 175,000.00		\$ 175,000.00		
	Insurance	\$ 150,000.00		\$ 150,000.00		
	Bank Fees	\$ 2,000.00		\$ 2,000.00		
	EATS	\$ 150,000.00		\$ 150,000.00		

	Misc.	\$	96,000.00			\$	96,000.00					
	Donations	\$	23,500.00			\$	23,500.00					
	NLG Rev. Sharing	\$	32,000.00			\$	32,000.00					
	Web Service/Tech Support	\$	25,000.00			\$	25,000.00					
		\$	780,222.00		\$ 15,064.00	\$	780,222.00					
	Total General Fund	\$	3,508,117.00		\$ 3,523,181.00	\$	3,523,181.00					
	Capital Projects		\$0									
	Bond Projects		\$0									
	Debt Services	\$	2,159,005.00			\$	2,159,005.00					
	Maintenance Reserve		\$100,000			\$	100,000.00					
	Total Expenditure	\$	5,767,122.00			\$	5,782,186.00					
	AEB Surplus	\$	2,021,840.00	\$0	\$0	\$0	\$ 2,006,776.00					
	AEBSD Expenditures	\$	6,977,000.00			\$	6,977,000.00					
	Fund 20, Grants, Revenues	\$	1,196,611.00			\$	1,196,611.00	*AEB/Cold Bay Dock Repairs \$71,000/Cold Bay Terminal Apron \$225,000				
	Fund 20, Grants, Expenditures	\$	1,196,611.00			\$	1,196,611.00	*Trident Grant/Akutan Airport \$900,000				
	Fund 22, Hovercraft, Revenues	\$	485,000.00			\$	485,000.00					
	Fund 22, Hovercraft, Expenditures	\$	3,094,500.00			\$	3,094,500.00					
	Fund 22, Terminal Operations, Revenues	\$	139,620.00			\$	139,620.00					
	Fund 22, Terminal Operations, Expenditures	\$	132,452.00			\$	132,452.00					
	Fund 24, Bond Project, Revenues	\$	5,000,000.00			\$	5,000,000.00					
	Fund 24, Bond Project, Expenditures	\$	5,000,000.00			\$	5,000,000.00					
	Fund 30, Bond Payments, Revenues	\$	1,597,432.52			\$	1,597,433.00					
	Fund 30, Bond Payments, Expenditures	\$	1,597,432.52			\$	1,597,433.00					
	Fund 40, Permanent Fund, Revenues	\$	350,000.00			\$	350,000.00					
	Fund 40, Permanent Fund, Expenditures	\$	35,000.00			\$	35,000.00					
	Fund 41, Maintenance Reserve, Revenues	\$	100,000.00			\$	100,000.00					
	Fund 41, Maintenance Reserve, Expenditures	\$	100,000.00			\$	100,000.00					

							FY14 Budget		
Mayor's Office			FY14	2%					
	Salary		\$ 71,468.00	\$ 1,429.00	\$ 72,897.00		\$ 72,897.00		
	Fringe		\$ 27,810.00				\$ 27,810.00		
	Travel		\$ 36,000.00				\$ 36,000.00		
	Phone		\$ 2,400.00				\$ 2,400.00		
	Supplies		\$ 1,000.00				\$ 1,000.00		
	Lobbying, federal		\$ 75,600.00				\$ 75,600.00		
	Lobbying, state		\$ 45,000.00				\$ 45,000.00		
	Total Mayor's Office		\$ 259,278.00	\$ 1,429.00	\$ 260,707.00		\$ 260,707.00		
Assembly									
	Meeting Fee		\$ 25,000.00				\$ 25,000.00		
	Fringe		\$ 56,000.00				\$ 56,000.00		
	Travel		\$ 40,000.00				\$ 40,000.00		
	Phone		\$ 4,500.00				\$ 4,500.00		
	Supplies		\$ 500.00				\$ 500.00		
	Total Assembly		\$126,000		\$ 126,000.00		\$126,000		
Administration									
	Salary		\$ 168,792.00	\$ 3,376.00	\$ 172,168.00		\$ 172,168.00		
	Fringe		\$ 64,234.00				\$ 64,234.00		
	Contract labor		\$ 18,000.00				\$ 18,000.00		
	Travel & per diem		\$ 25,500.00				\$ 25,500.00		
	Phone		\$ 6,000.00				\$ 6,000.00		
	Postage		\$ 2,500.00				\$ 2,500.00		
	Supplies		\$ 18,120.00				\$ 18,120.00		
	Rent		\$ 14,500.00				\$ 14,500.00		
	Dues & fees		\$ 2,500.00				\$ 2,500.00		
			\$ -				\$ -		
	Total Administration		\$ 320,146.00	\$ 3,376.00	\$ 323,522.00		\$ 323,522.00		
Clerk/Planning									
	Salary		\$ 83,866.00	\$ 1,677.00	\$ 85,543.00		\$ 85,543.00		
	Fringe		\$ 33,524.00				\$ 33,524.00		
	Travel & per diem		\$ 12,500.00				\$ 12,500.00		
	Phone		\$ 7,500.00				\$ 7,500.00		
	Postage		\$ 1,500.00				\$ 1,500.00		
	Supplies		\$ 9,000.00				\$ 9,000.00		
	Utilities		\$ 20,000.00				\$ 20,000.00		
	Dues & fees		\$ 5,000.00				\$ 5,000.00		
	Elections		\$ 8,000.00				\$ 8,000.00		

	Planning Com.		\$ 4,300.00				\$ 4,300.00		
	Total Clerk/Planning		\$ 185,190.00	\$ 1,677.00	\$ 186,867.00		\$ 186,867.00		
Finance									
	Salary		\$ 120,458.00	\$ 2,409.00	\$ 122,867.00		\$ 122,867.00		
	Fringe		\$ 51,161.00				\$ 51,161.00		
	Travel & per diem		\$ 4,000.00				\$ 4,000.00		
	Phone		\$ 5,000.00				\$ 5,000.00		
	Postage		\$ 2,500.00				\$ 2,500.00		
	Supplies		\$ 5,000.00				\$ 5,000.00		
	Utilities		\$ 5,000.00				\$ 5,000.00		
	Audit		\$ 45,000.00				\$ 45,000.00		
	Total Finance		\$ 238,119.00	\$ 2,409.00	\$ 240,528.00		\$ 240,528.00		
Natural Resources									
	Salary		\$ 82,520.00	\$ 1,450.00	\$ 83,970.00		\$ 83,970.00		
	Fringe		\$ 30,040.00				\$ 30,040.00		
	Contract labor		\$ 75,000.00				\$ 75,000.00		
	Travel & per diem		\$ 35,000.00				\$ 35,000.00		
	Phone		\$ 3,000.00				\$ 3,000.00		
	Supplies		\$ 7,000.00				\$ 7,000.00		
	NPFMC		\$ 15,000.00				\$ 15,000.00		
	BOF Meeting		\$ 30,000.00				\$ 30,000.00		
	Rent		\$ 8,903.00				\$ 8,903.00		
	Unimak Bight Crab Survey		\$ 50,000.00				\$ 50,000.00	*New Budget Item	
	Total		\$ 336,463.00	\$ 1,450.00	\$ 337,913.00		\$ 337,913.00		
Public Information Officer									
	Salary		\$ 88,018.00	\$ 1,760.00	\$ 89,778.00		\$ 89,778.00		
	Fringe		\$ 32,736.00				\$ 32,736.00		
	Contract labor		\$ -				\$ -		
	Travel & per diem		\$ 15,000.00				\$ 15,000.00		
	Phone		\$ 2,400.00				\$ 2,400.00		
	Postage		\$ 250.00				\$ 250.00		
	Supplies		\$ 4,500.00				\$ 4,500.00		
	Rent		\$ 10,016.00				\$ 10,016.00		
	Advertising/promotions		\$ 15,000.00				\$ 15,000.00		
	Total		\$ 167,920.00	\$ 1,760.00	\$ 169,680.00		\$ 169,680.00		
Other									
	Equipment		\$ 13,200.00				\$ 13,200.00		
	AEB Vehicles		\$ 20,000.00				\$ 20,000.00		
	Repairs		\$ 10,000.00				\$ 10,000.00		

	Utilities		\$ 25,000.00				\$ 25,000.00		
	Aleutia Crab		\$ 58,522.00				\$ 58,522.00		
	Legal		\$ 175,000.00				\$ 175,000.00		
	Insurance		\$ 150,000.00				\$ 150,000.00		
	Bank Fees		\$ 2,000.00				\$ 2,000.00		
	EATS		\$ 150,000.00				\$ 150,000.00		
	Misc.		\$ 96,000.00				\$ 96,000.00		
	Donations		\$ 23,500.00				\$ 23,500.00		
	NLG Rev. Sharing		\$ 32,000.00				\$ 32,000.00		
	Web Service/Tech Support		\$ 25,000.00				\$ 25,000.00		
	Total Other		\$ 780,222.00		\$ 760,222.00		\$ 780,222.00		
Development Coordinator									
	Salary		\$ 72,520.00	\$ 1,450.00	\$ 73,970.00		\$ 73,970.00		
	Fringe		\$ 27,256.00				\$ 27,256.00		
	Travel & per diem		\$ 10,000.00				\$ 10,000.00		
	Phone		\$ 4,000.00				\$ 4,000.00		
	Postage		\$ 250.00				\$ 250.00		
	Supplies		\$ 4,500.00				\$ 4,500.00		
	Rent		\$ 8,903.00				\$ 8,903.00		
	Total Development		\$ 127,429.00	\$ 1,451.00	\$ 128,880.00		\$ 128,879.00		
Public Works									
	Salary		\$ 75,625.00	\$ 1,513.00	\$ 77,138.00		\$ 77,138.00		
	Fringe		\$ 29,602.00				\$ 29,602.00		
	Travel & per diem		\$ 11,000.00				\$ 11,000.00		
	Phone		\$ 1,500.00				\$ 1,500.00		
	Postage		\$ -				\$ -		
	Supplies		\$ 6,000.00				\$ 6,000.00		
	Equipment		\$ 1,500.00				\$ 1,500.00		
	Utilities		\$ 2,000.00				\$ 2,000.00		
	Total Public Works		\$ 127,227.00	\$ 1,513.00	\$ 128,740.00		\$ 128,740.00		
Education									
	Local Contribution		\$800,000				\$ 800,000.00		
	Scholarships		\$20,000				\$ 20,000.00		
	Student travel		\$5,000				\$ 5,000.00		
	Special Ed. Aid						\$ -		
	Total Educational Support		\$825,000				\$ 825,000.00		
KCAP									
	Salary		\$ 2,500.00				\$ 2,500.00		
	Fringe		\$ 2,000.00				\$ 2,000.00		
	Telephone		\$ 1,120.00				\$ 1,120.00		

	Supplies		\$ 600.00				\$ 600.00		
	Rental/Lease		\$ 8,903.00				\$ 8,903.00		
			\$ 15,123.00				\$ 15,123.00		
					\$ 2,663,059.00				
TOTAL OPERATING BUDGT			\$ 3,508,117.00	\$ 15,064.00	\$ 3,523,181.00	\$0	\$ 3,523,181.00		

Fund 22 Terminal Operations			FY14		FY14						
Revenues											
	Remaining construction Loan/										
	Remaining FAA reimbursement		\$0								
	Other Income				\$ -						
	Leases		\$ 139,620.00		\$ 139,620.00						
			\$ 139,620.00		\$ 139,620.00						
Expenses											
	Salary		\$ 25,500.00		\$ 25,500.00						
	Fringe		\$ 3,617.00		\$ 3,617.00						
	Contract Labor		\$ 35,000.00		\$ 35,000.00						
	Travel & per diem		\$ 3,000.00		\$ 3,000.00						
	Phone, Internet		\$ 4,500.00		\$ 4,500.00						
	Supplies		\$ 15,000.00		\$ 15,000.00						
	Rental/Lease		\$ 5,335.00		\$ 5,335.00						
	Utilities		\$ 24,000.00		\$ 24,000.00						
	Fuel/Gas		\$ 1,500.00		\$ 1,500.00						
	Fuel/diesel		\$ 15,000.00		\$ 15,000.00						
			\$ 132,452.00		\$ 132,452.00						
Fund 22 Hovercraft Operations			FY14		FY14						
Revenues											
	Grant		\$0		\$ -						
	Medivacs		\$ 5,000.00		\$ 5,000.00						
	Freight		\$ 230,000.00		\$ 230,000.00						
	Other Income		\$ -		\$ -						
	Tickets, fees, etc.		\$ 250,000.00		\$ 250,000.00						
			\$ 485,000.00		\$ 485,000.00						
Expenses											
	Salary		\$ -		\$ -						
	Fringe		\$ -		\$ -						
	Phone/Internet		\$ 2,500.00		\$ 2,500.00						
	Supplies		\$ 100,000.00		\$ 100,000.00						
	Contract		\$ 2,317,000.00		\$ 2,317,000.00						
	Fuel/gas		\$ 10,000.00		\$ 10,000.00						
	Fuel/diesel		\$ 445,000.00		\$ 445,000.00						
	Insurance		\$ 215,000.00 *		\$ 215,000.00						
	Utilities		\$ 5,000.00		\$ 5,000.00						
			\$ 3,094,500.00		\$ 3,094,500.00						



Aleutians East Borough School District

Budget Balancing Request

from Superintendent, Tim Stathis

March 14, 2013

Baseline Allocation by Borough:

The Borough has historically authorized as its baseline allocation to the School District budget the amount of **\$800,000** for general operations according to the formulas of the State for boroughs for equity of services State-wide.

Budget Cap for Borough:

The Borough has a Budget Cap that limits Borough contribution. Again, the State mandates a cap for sustaining a window of equity in the State. AEB's budget cap to give to the School District is just over **\$1,900,000**.

FY13

For this current fiscal year, in the allocation made one year ago by the Borough, the Borough originally allocated **\$700,000 additional funding [thus a total of \$1,500,000]**, designated to support funding for 3 Small Schools which were not expected to make count and thus not expected to generate any money from the State. Later, the District returned **\$269,000** when Nelson Lagoon was subsequently closed. [Thus, the Borough FY13 allocation to the School District was **\$1,231,000.**]

FY14

a) Cold Bay and False Pass are not expected to make count and thus will not generate a penny in FY14. The combined Budgets to run these schools is **\$437,952.**

b) We are servicing 3 Nelson Lagoon students through a Correspondence program which has an expense to the District of **29,582.**

c) We have discussed Special Education department needs for a Director, and the budgetary need of the District for this essential component to our services is **\$133,952.**

***The School District cannot support the small schools. The School District needs the Special Education Director for proper management and servicing of students in that program. For these reasons we seek from the Borough the noted District Deficit of \$601,486 (rounding for the sake of ease to \$600,000)**

Total Request: \$800,000 + \$600,000 = \$1,400,000.

The District has made cuts to expenditures, but is facing an increase of internet/VTC costs of **\$132,000**, and a **\$30,000** revenue loss in Impact Aide, as well as higher insurance and energy costs, all of which it is having to absorb.

Based on current projections, the District estimates the ability of returning between **\$30,000 to \$50,000** at the conclusion on FY13. Should Cold Bay or False Pass make the count of 10 students and generate State funds in FY14, the District will give back to the Borough those additional presently-unanticipated funds.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be "T. Stathis".

Tim Stathis, Superintendent of Schools

Aleutians East Borough School District

FY2014 BUDGET PROPOSAL

First draft - February 2013

Two schools below ten enrollment

	Final FY13	FY14	Increase (Decrease)
REVENUE			
Borough Contribution	800,000	800,000	-
AEB Addl.- schools<10	431,000		(431,000)
State Foundation	4,479,000	4,617,000	138,000
Federal Impact Aid	965,000	935,000	(30,000)
Indirect revenue	10,000	10,000	-
Other revenue	20,000	20,000	-
Pre-paid services FY13		75,000	75,000
	<u>6,705,000</u>	<u>6,457,000</u>	<u>(248,000)</u>

EXPENDITURE SUMMARY

Akutan	14	272,494	311,055	38,562
Cold Bay	6	275,251	244,529	(30,722)
False Pass	6	184,640	193,423	8,783
King Cove	99	1,934,536	1,979,563	45,027
Nelson Lagoon		-	29,582	29,582
Sand Point	101	2,394,817	2,378,240	(16,577)
Regular instruction		111,500	111,500	-
Instructional Support		179,409	336,739	157,331
Student Activities		232,647	237,647	5,000
Special Ed. Support		73,893	200,268	126,375
Operations & Maint.		68,965	54,000	(14,965)
District Admin.		751,850	763,939	12,089
Fund Transfers		<u>225,000</u>	<u>218,000</u>	<u>(7,000)</u>
	226	6,705,000	7,058,486	353,485

REVENUE - EXPENDITURES (0) (601,486)

OLD BUSINESS

none at this time

New Business

none at this time

REPORTS AND UPDATES



Memorandum

Date: April 16, 2013

To: The Honorable Mayor Mack and Borough Assembly

From: Rick Gifford, Administrator 

Re: **Administrator's Report**

Akutan Hovercraft Operations Update-March, 2013

The hovercraft operated 23 days in March of 2013. While there were 7 days of bad weather, the hovercraft was able to operate for 17 consecutive days in late March. The hovercraft hauled a total of 205 passengers, 11,359 pounds of cargo and mail, 6 vehicles, had one medical evacuation and 8,782 gallons of fuel was delivered to the City and DOT. Total gross revenue for March was \$67,060 less the cost of fuel on fuel sales for net revenues of \$31,581. Attached is a summary of operations for March, 2013 and since inception on September 1, 2012. The total net revenue from September 1, 2012 through February 28, 2013 was \$207,572.

The HoverLink General Manager and Captains were able to meet with the Akutan community on Friday, April 12 to discuss the operations of the hovercraft and answer questions from the community. Attached for your information is a copy of the power point presentation provided by HoverLink.

Izembek Land Exchange

The Interior Department has agreed to take a closer look at the environmental impact statement (EIS) by the US Fish & Wildlife Service (USFWS). Secretary Salazar agreed with Senator Murkowski's request to conduct public meetings with Assistant Secretary of Indian Affairs Kevin Washburn. The review process will be conducted by the Interior's Bureau of Indian Affairs and overseen by the Secretary of the Interior. We are currently working with Assistant Secretary Washburn's office to schedule a trip to King Cove around May 31 to June 2 in connection with the Fisherman's Picnic.

Secretary Salazar announced that a final decision on the proposed land exchange and road corridor will not be made until the review is completed. It was also announced by Senator Murkowski that Sally Jewell, if she is confirmed, will travel to King Cove to hear residents' concerns first-hand and see the area. Sally Jewell was confirmed as the Secretary of the Interior on Friday, April 12. We are working with her office as well as Senator Murkowski's and Senator Begich to arrange a visit to King Cove in late summer or early fall. It is also possible that Governor Parnell will also join the group for this visit.

MEMORANDUM

Borough Administrator's Report

Page 2

We continue to work with our lobbyist, the congressional delegation and various State people to provide Assistant Secretary Washburn and Secretary Jewell with the information they need to approve the land exchange.

IRS Examination of General Obligation Refunded Bonds

The Aleutians East Borough has received notice from the Internal Revenue Service (IRS) that they will be conducting a routine examination of the Borough's 2007 General Obligation Refunding Bonds in the amount of \$21,095,000. Roxann and I have discussed this with our Borough Attorney, Joe Levesque and with our Bond Counsel, Marc Greenough with Foster Pepper PLLC, who represented the Borough when the 2007 bonds were issued. The firm of Foster Pepper will represent the Borough during this examination and help us provide the information being requested by the IRS. At this point, we don't anticipate any unusual problems, however it will require legal fees which we estimate will be less than \$10,000 and it will require Roxann locating lots of documents, copying them and sending to the IRS through Foster Pepper. If you have any questions, please contact me.

Attachments.

March-13	<u>This Month</u>		<u>Since Inception</u>	
Total Days	31		182	
Days Vessel Operational	31	100%	172	95%
Days Out of Service	0	0%	10	5%
Mission Days Completed	23		100	
Mission Days Missed	0	0%	4	2%
Good Weather Days	24	77%	112	62%
Bad Weather Days	7	23%	70	38%
Service Reliability (includes weather)		74%		55%
Vessel Reliability (excludes weather)		96%		89%
Passengers (#)	205		1,390	
Medical Evacuation (#)	1		1	
Cargo/Mail (pounds)	11,359		78,239	
Vehicles (#)	6		14	
Fuel Delivered (gallons)	8,782		39,588	

Notes:

March 11th weather was good but no mission to operate.

Total Days	number of days in the calendar month
Days Vessel Operational	days vessel is available for mission
Days Out of Service	days vessel is out of service
Mission Days Completed	days vessel served the route
Mission Days Missed	days vessel did not serve the route when weather was good
Good Weather Days	days when wind/sea/current/surf conditions allowed vessel operation
Bad Weather Days	days when wind/sea/current/surf exceeded the safe operating envelope of the vessel
Service Reliability	Mission Days Completed divided by Total Days
Vessel Reliability	Mission Days Completed divided by Good Weather Days
Passengers	total one-way passengers carried
Cargo/Mail	total weight of cargo and mail carried
Vehicles	total number of vehicles carried
Fuel Delivered	total gallons of fuel delivered from Akutan to Akun



Hovercraft Ferry Service
Provided by Aleutians East Borough
Operated by HoverLink, LLC

Akutan Airport Project

Project background

- To provide improved transportation access to/from Akutan
- Grumman Goose operated by PenAir had provided many years of great service to the community
- Age of that aircraft and limitations regarding its safe operating envelope lead to investigation of alternatives
- Airport construction on Akun and transportation alternatives were studied
- 2005 access study concludes that the best option was a hovercraft marine link between the islands

Project partners

- City of Akutan
- Trident
- Aleutians East Borough
- State of Alaska – Dept. of Transportation
- Federal Aviation Administration
- US Fish & Wildlife Service
- Kiewit – construction contractor
- HoverLink, LLC – hovercraft operator

Hovercraft specifics

- Originally built in 2005 for AEB to serve King Cove to Cold Bay route
- Builder – Kvichak Marine Industries, Seattle
- Designer – Griffon Hoverwork, UK
- US Coast Guard Subchapter T vessel
- Passenger capacity = 49
- Freight capacity = 10 tons
- Fuel delivery = 930 gallons per sailing
- Vehicle capacity = one F-350 type truck
- Horsepower = 2400 total
- Crew size = 4

Operating limits

- The hovercraft must be operated within **both** design and regulatory limits
- Design limits are imposed by the vessel's designer and naval architect – Griffon Hoverwork of the UK
- Regulatory limits are imposed by the US Coast Guard

Design limits

- Design limits as established by Griffon Hoverwork include:
 - maximum wave height 10.5 feet
 - significant wave height 6.5 feet
 - mean sustained wind speed 30 knots
 - maximum wind gusts of 40 knots
 - local conditions at ramps may further limit the safe operating envelope

Regulatory limits per US Coast Guard

SIGNIFICANT WAVE HEIGHT (FT)	MAXIMUM ALLOWABLE SPEED (KTS)	
	HEAD WINDS	BEAM WINDS
0.0	60.0	60.0
0.5	54.5	56.4
1.0	48.6	51.9
1.5	42.5	46.9
2.0	36.7	41.9
2.5	31.4	37.0
3.0	26.8	32.6
3.5	23.0	28.8
4.0	20.0	25.6
4.5	17.9	23.2
5.0	16.4	21.3
5.5	15.4	19.8
6.0	14.6	18.6
6.3	14.1	17.8
ABOVE 6.3 FEET	SEEK SHELTER AT SLOW SPEED	

Hovercraft operations

- Aleutians East Borough owns the hovercraft SUNAË
- HoverLink, LLC is a private company headquartered in Seattle, WA that has a contract with AEB to operate the vessel on the route
- All crews are employees of HoverLink
- The current contract for operations extends through August 31, 2013
- AEB has asked HoverLink to prepare a budget for operations from July 2013 through June 2014

Crew Makeup

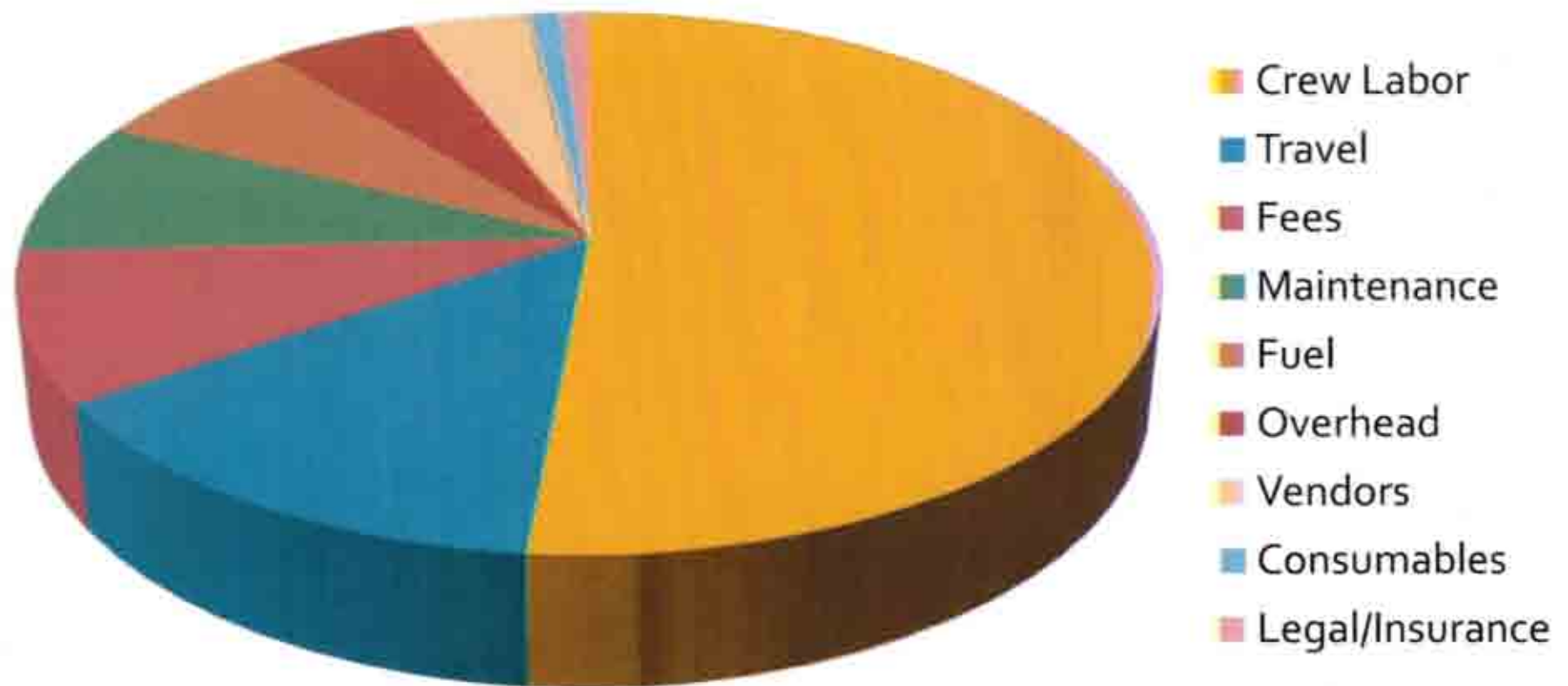
- Two 5 person crews alternate duty, 3 weeks on and 3 weeks off
- Captain – US Coast Guard 100 Ton license + hovercraft endorsement
- 1st Officer – same as Captain
- Engineer – acts as wildlife observer underway
- Deckhand
- Port Engineer
- One General Manager - onsite part time

Financials

- The nominal operating cost for the hovercraft is about \$233,000 per month
- Average monthly revenue for the service so far is running at about \$36,000 per month
- **Net operating deficit underscores the need to collect ALL revenues due for hovercraft services**

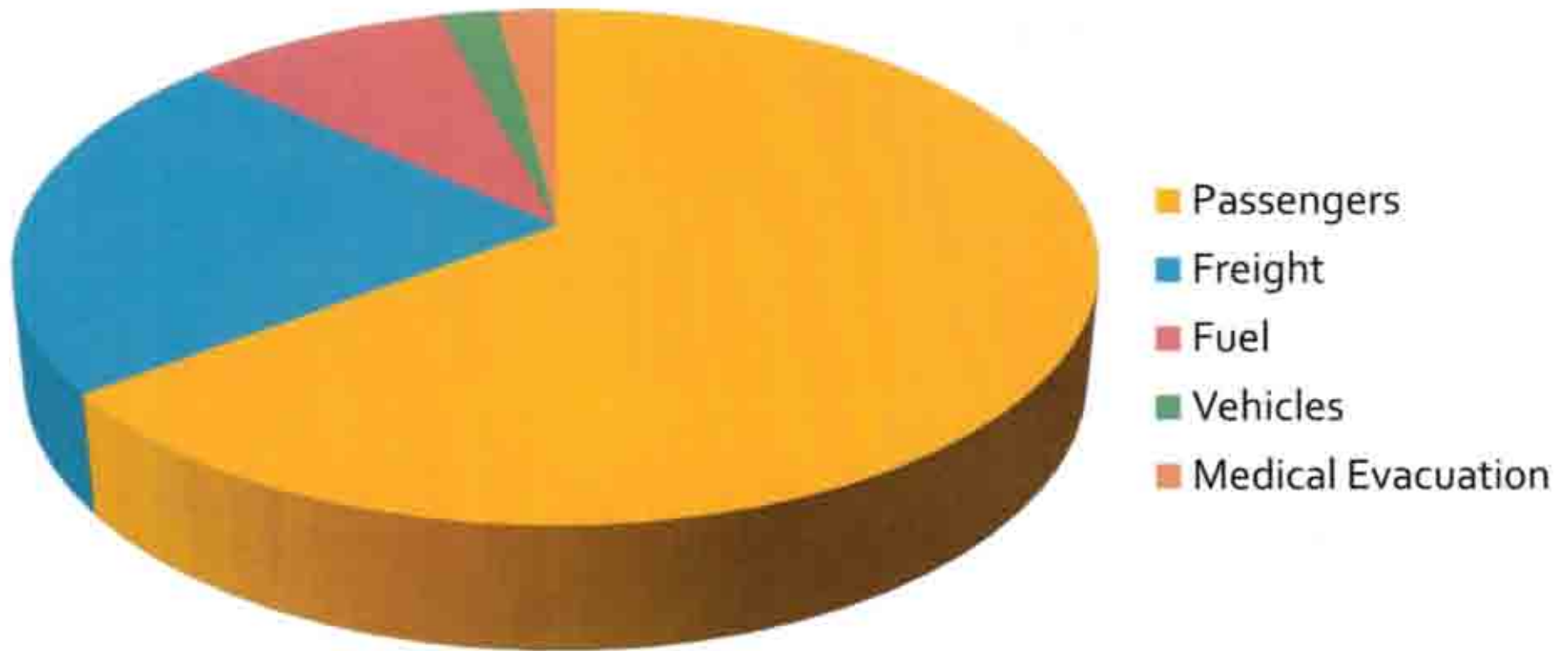
Breakdown of operating expenses

Expenses



Breakdown of revenue

Source



Fares

- Passenger fare is \$100 each way
- Freight at 50¢ per pound or \$12.50 per cubic foot, whichever is greater
- Fuel at 50¢ per gallon
- Medical evacuation \$5,000
- Charter rate is \$1,600 one way or \$2,500 for same day round trip
- Vehicles – equipment \$500
 - automobiles & light trucks \$200
 - ATV \$125

To: Honorable Mayor Mack and AEB Assembly

From: Anne Bailey, Community Development Coordinator

Subject: Assembly Report

Date: April 16, 2013

Akutan Harbor

The Army Corps of Engineers conducted the final inspection of the Akutan Harbor on March 19, 2013. Jim Botz, an Akutan consultant, accompanied them on the inspection, too. The Corps has accepted the project from Knik, which starts the one year warranty period. The Harbor is now “physically complete” and has been turned over to the Borough as of March 19, 2013.



Akutan Harbor March 19, 2013
Photo courtesy of the Army Corps

I am continuously working on completing the Economic Development Administration Grant Special Conditions. One of the special conditions is the Akutan Harbor Management Agreement, Borough and City of Akutan staff members are working on this.

Conservation Easement.

One of the mitigation measures for the Akutan Harbor is to establish a 41.7-acre Conservation Easement. In order to do this we have obtained a survey of the conservation easement area and need to enter into a Conservation Easement Agreement with all affected surface and subsurface landowners. We are currently in the process of drafting the agreements with the City of Akutan for the surface and with the Aleut Corporation for the subsurface portion of the easement.

Prior to presenting information to the Aleut Corporation Board, the Corporation required the Borough to have an appraisal done of the proposed easement area. A fee simple appraisal has been completed determining the overall value of the land. On April 9, 2013, Joe Levesque, Rick and I met with the Aleut Corporation to discuss the appraisal and how to determine the value of

the subsurface portion as a conservation easement. The Aleut Corporation will review the appraisal a little further and additional negotiations will take place. Information will be presented to the Aleut Corporation Board at their May 17, 2013 meeting for their review and consideration. If necessary, funding for the easement will come out of the Borough's Akutan Harbor fund. An update will be provided to the Borough Assembly at the next Assembly meeting.

Cold Bay Clinic

The FAA has approved the Cold Bay Clinic site near the terminal building. I started this process in April of 2012 and almost a year later a decision has been made. DOT Aviation Leasing is currently in the process of preparing a lease for this property. I have informed the ANTHC design team and they will now start working on the clinic design again. This is a great step forward to seeing that this clinic becomes a reality. The next step is looking for construction funds for this facility.

False Pass Generator Replacement Project

On December 3, 2012, I submitted a City of False Pass Community Development Block Grant application entitled "False Pass Generator Replacement Project to the Alaska Department of Commerce, Community and Economic Development requesting \$142,500 to replace a generator. *The City of False Pass has informed me that this project has been awarded!* This is exciting because it will allow the electric company to provide reliable service while improving the safety, health and welfare of the residents and the community's economy.

Cold Bay Dock

On March 19, 2013, the Borough and DOT entered into a Memorandum of Agreement for the Cold Bay Dock project. The goal is to begin repairs this spring. DOT will also conduct an evaluation of the entire structure, which will help us determine how to preserve the dock.

DOT will begin moving on this project at their earliest convenience. Their plan is to hire a consultant within the next 30 days. I will provide updates as I gather information from DOT.

False Pass Harbor

The electric pedestals were installed in the False Pass Harbor this past summer and have already been knocked over. To prevent any further damage I have entered into contract for hardware supplies with STEELFAB in the amount of \$2,970. The hardware materials have arrived in False Pass and the pipe should arrive soon. The materials and shipping will be paid for with Denali Commission funds. Picture below is supplied by HD Supply.



APICDA – False Pass Steel Pile Dock

APICDA is interested in constructing a steel pile dock in the False Pass Harbor. I have been working with Rick and Joe Levesque on developing a Tidelands Lease for this project. An Ordinance will go before the Assembly at the April meeting for Assembly consideration. The draft ordinance and tidelands lease has also been presented to APICDA for their review and consideration. Please see the agenda statement in the April Assembly packet for more information.

Contract Information

A list of active contracts that I am involved in are listed below:

- Alaska Chadux
False Pass and Akutan Harbor Oil Response Plan \$12,650
- URS
Akutan Harbor Floats
- Harvey Consulting
Land Use Permitting Project \$102,180
- HD Supply, Inc
False Pass Pedestal Protection Materials & Shipping \$21,660

Other Items:

- I am in the process of drafting an updated Nelson Lagoon Dock Management Agreement.
- Helping the City of Sand Point find land ownership documents for the new harbor facility and the uplands.
- I am in the process of preparing a PowerPoint presentation for the APICDA conference in May.
- I will be attending the Rural Renewable Energy Conference from April 29th through May 1st, 2013.

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

To: The Honorable Mayor Mack, Aleutians East Borough Assembly
From: Ernie Weiss, Natural Resources Director
Subj: Report to the Assembly
Date: April 15, 2013

Alaska Board of Fisheries

I attended most of the Board of Fish Statewide issues meeting March 19-23, as other scheduled commitments permitted. My summary of the Board's actions from the meeting can be found [here](#). The legislature did not confirm one of the Governor's Board appointments and the Governor has until the end of July to make a new appointment. The Board work session and the Statewide Pacific cod Board meeting are scheduled for October. AEB fishermen were calling this office for assistance prior to the April 10th deadline for proposals, so I assume there will additional cod proposals for our area in the proposal book, which is due out by August. All the cod proposals in the 2012/2013 book will rollover to the 2013/2014 proposal book to be addressed at the October Statewide cod meeting.

North Pacific Fishery Management Council

The April Council meeting summary of record is found in the NPFMC April [Newsletter](#). Final actions included AFA Vessel Replacement and CQE Small Block Restrictions which will allow CQEs including Aleutia to buy any size block of halibut or sablefish quota shares to hold for use by local residents. The Council also took action under Staff Tasking to review the practice of tendering groundfish in the GOA, after a 'controversial' move by Trident earlier this year. Council member Sam Cotten was able to amend the action on tendering from a discussion paper, which implies further action, to just a report. The Council also moved forward the Preliminary Preferred Alternative proposed by both the SSLMC and the AP for the Steller Sea Lion EIS. I am a member of both the SSLMC and the AP and made the SSL motion at the AP. I also recently attended the NPFMC Observer Committee and Ecosystem Committee meetings in Anchorage. Sam was not re-nominated by the Governor for his NPFMC seat and many communities statewide have voiced regret over that decision. Sam and I are both scheduled to attend the June NPFMC meeting in Juneau, which includes the Electronic Monitoring Strategic Plan and several GOA Trawl Bycatch Management items, including discussion papers, a roadmap and a data collection initial review.

ComFish Alaska: Communities and Catch Shares

I traveled to Kodiak for the ComFish Forums and Community Workgroup meeting after the April NPFMC, just as the Kodiak press was intensifying coverage of the Tendering issue. While in Kodiak I had some good discussions with local residents on the tendering of area 620 fish, but the main reason for the trip was to participate in talks about how to shape catch share programs with community interests in mind. The NPFMC GOA Trawl Bycatch June agenda item is expected to elicit catch share proposals from various groups, however the Council has not ruled out a program that is not fully rationalized. There are many moving parts to this issue, including any possible state action on cod proposals in October, and the possible inclusion of the fixed gear sectors in a GOA bycatch management program. The community meeting and catch share forums in Kodiak were productive, and I was proud to represent the AEB at the event.

Magnuson-Stevens Fishery Conservation and Management Act (MSA) Reauthorization

I came in to the office 6AM on March 13th to watch live the first MSA reauthorization hearing of this Congress by the US House Natural Resources Committee, including testimony in favor of processor quota shares by Joe Plesha of Trident. The US Senate took a first look at MSA reauthorization at a March 19 meeting of the Oceans, Atmosphere, Fisheries, and Coast Guard Subcommittee of the Senate Committee on Commerce, Science & Transportation. Senator Begich is Chair of the Oceans Subcommittee. (I also attended a field hearing of the same Subcommittee March 27th at UAA, related to Arctic shipping and response capability.) The NPFMC is sponsoring interested Council and AP member attendance at the 3rd Managing Our Nations Fisheries Conference in Washington D.C. May 7-9. MSA is the primary law governing fishery management in federal waters, and Reauthorization will be a major topic of discussion at the conference. The Act was originally enacted in 1976, last amended in 2006, and is set to expire September 30th this year.

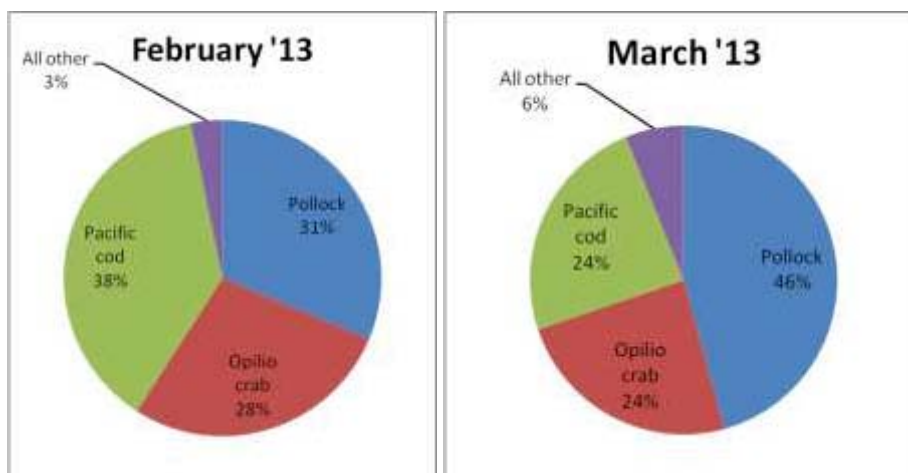
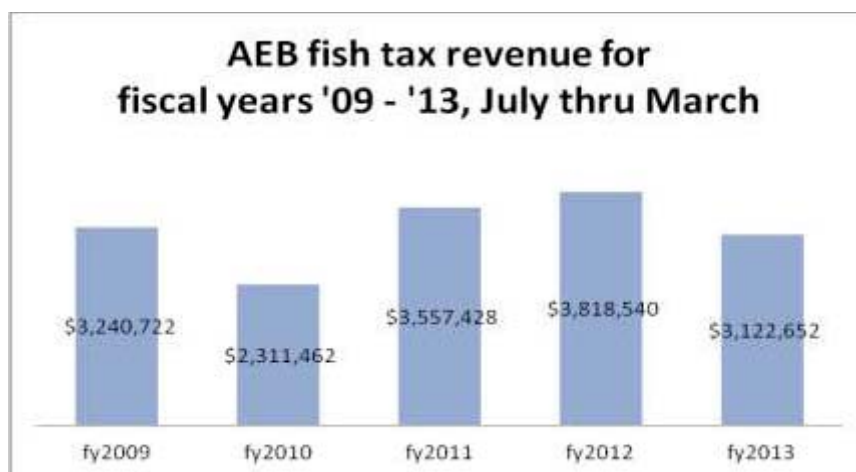
Miscellaneous

I attended the Gulf of Alaska Coastal Communities Coalition (GOAC3) Board retreat at their new office location in the Ouzinkie Native Corporation building in South Anchorage March 28 & 29. GOAC3 has been a driving force for the CQE program. NPFMC member Duncan Fields provided informed guidance to the group for the some of the two day workshop/meeting. I have enjoyed attending these Board meetings as alternate when Mayor Mack has not been available, however the Board hopes to schedule an upcoming meeting that Stanley is able to attend. The GOAC3 Board greatly appreciates and misses his perspective and optimism in their discussions.

The 2013 State of Alaska Area-wide Oil and Gas [Lease Sales](#) for the Alaska Peninsula were announced February 1st and the bid opening will be 9AM May 8th at the Dena'ina Center in Anchorage. I have anxiously attended the bid opening the previous two years, however there have been no bids received for the Alaska Peninsula lease sales since 2007. I am unable to attend the bid opening this year, but I am interested to see if there are any bidders this year.

The comment period for the Amendment to the Bristol Bay Area Plan has been extended to May 6. The [BBAP Amendment](#) is a result of the settlement of a 2009 lawsuit against DNR by the Alaska Independent Fishermen's Marketing Association, Trout Unlimited and 6 tribes in the Pebble Mine area. The only classification change in the AEB portion of the plan is the extension of habitat through the Sandy, Bear and Sapsuk rivers. Only small sections of these rivers are designated habitat in the current plan. After consulting with DNR and the Mayor, I am not planning on submitting comment on behalf of the Borough.

Please call or email me anytime with your comments, questions or concerns.



To: Honorable Mayor Mack and Aleutians East Borough Assembly

From: Laura Tanis, AEB Communications Manager

Through: Rick Gifford

Subject: Communications Manager's Report to the Assembly

Date: April 16, 2012

It's been another busy month, which included news from the Interior Department agreeing to take a second look at the King Cove road issue; the King Cove Boys 1A Basketball Championship games in Anchorage and the recent North Pacific Fishery Management Council Meeting. Since the last Assembly meeting, I've helped to facilitate media interviews, drafted and distributed 2 *Fish News* editions (April 5th and 19th), one *In the Loop* newsletter (April 19th), one press release and executed numerous website and Facebook updates. The following lists some of the projects I've worked on:

Headlines from recent *In the Loop* and *Fish News* editions included:

- Capturing the Ocean's Energy to Power False Pass's Future
- False Pass to Get Community Development Block Grant for Generator
- Sand Point School Heating System to Get Major Upgrade
- Mike Livingston Joins UAF's Interior-Aleutians Campus at Sand Point
- Graduating Seniors from the King Cove School
- Congratulations to this Year's Inductees to the National Honors Society from the King Cove School
- Akutan PSP Results Released
- King Cove School's New Principal Excited to Get Started
- New Special Education Director Looks Forward to Adventure with the AEBSD
- "Read a Book, Watch a Movie" – Fourth Event Scheduled for April 27th
- Sand Point After-School Programs Are a Big Hit
- News from Eastern Aleutian Tribes
- Job Announcements (from APICDA)
- Board of Fisheries Proposal Deadline Almost Here

AEB Facebook Page updates: ["Likes" (those wishing to get updates) increased from 139 to 180]

- Posted info about state legislature voting against the reappointment of Vince Webster to the Alaska Board of Fisheries. 4/8/13.

- Posted KDLG story, “The Review of the Magnuson Stevens Act Begins in Congress”. 3/15/13.
- Posted APRN story, “Magnuson Stevens Act Begins in Congress” 3/15/13.
- Posted photos from Game 1 (King Cove vs. Stebbins – 3/16/13) and 2 (King Cove vs. Toksook Bay – 3/18/13) of the 1A Boys Championship games.
- Posted photos from Game 3 – King Cove vs. Klawook. Downloaded 51 photos to Facebook. 3/19/13
- Posted news release from Sen. Mark Begich, urging Interior Secretary nominee Sally Jewell, if she’s confirmed, to visit King Cove first before making decision. 3/20/13
- Posted article from the Anchorage Daily News – “Senate Panel Endorses Jewell for Interior Chief” – 3/21/13
- Posted New York Times article – “Senate Panel Approves Obama’s Choice for Interior Department” – 3/21/13
- Posted press release – “Rep. Young Statement on Department of Interior’s King Cove Road Announcement” – 3/21/13
- Posted news release from the Interior Department – “Secretary Salazar Seeks Additional Information on Proposed Road Through Alaska’s Izembek National Wildlife Refuge, Calls for Additional Gov to Gov Consultation with Alaska Natives” – 3/21/13.
- Posted link to ADF&G press release: “Closure Announced for South Alaska Peninsula Area State-Waters P. cod Pot Gear Season” – 3/21/13.
- Posted photos and final score from Game 4 – King Cove vs. Lumen Christi. 3/20/13.
- Posted Borough press release, titled: “King Cove Residents Applaud Interior Department’s Decision to Take Closer Look at Proposed Road and Land Exchange”. 3/21/13.
- Posted link to Alaska Dispatch story: “Interior Pledges Another Look at Proposed King Cove – Cold Bay Road.” – 3/23/13.
- Posted link to KTUU story: “Interior Dept. to Take Second Look at King Cove Access Road” – 3/26/13
- Posted link about documentary airing on 360 North the 50th anniversary of Alaska’s Marine Highway – 3/26/13.
- Posted link to Alaska Journal of Commerce article: “Parnell Nominates Fields, Long to North Pacific Council – 3/24/13.
- Posted link to KUCB article: “Western Aleutian Processors Snag Business from Kodiak Plants” – 4/4/13.
- Posted ADF&G link to press release: Bristol Bay’s 2013 Commercial Salmon Fishing Outlook. 4/4/13.
- Posted link to Alaska Journal of Commerce article: “Gulf Catch Shares Debated” – 4/5/13.
- Posted link to ADF&G press release – soliciting bids for a vessel and crew to transport equipment, timber pilings, etc. from Chignik Bay to the Chignik weir. 4/5/13.
- Announcement from UAF's Interior-Aleutians Campus grand opening of its Sand Point Center, slated for 3 p.m. on Tuesday, April 9th at the QTT Community Center in Sand Point. 4/5/13

- Added Fish News on 4/5/13.
- Posted link to press release from Sen. Mark Begich's office: "Begich Supports Ruling for Equal Treatment of Alaska Tribes". – 04-12/13.
- Posted letter to the editor from Trident to the Kodiak Daily Mirror about "fish stealing" issue. – 4-15/13.

Web Postings/Updates:

- Added Borough press release, titled: "King Cove Residents Applaud Interior Department's Decision to Take Closer Look at Proposed Road and Land Exchange" - 3/21/13.
- Added Assembly meeting date & times to "Public Notices". 4/5/13.
- Added announcement from UAF's Interior-Aleutians Campus grand opening of its Sand Point Center, slated for 3 p.m. on Tuesday, April 9th at the QTT Community Center in Sand Point. 4/5/13.
- Added Fish news on 4/5/13.
- Updated information on the "Akutan hovercraft" link. 4/12/13.

Meetings:

- King Cove/Izembek teleconference. 3/19/13.
- King Cove/Izembek teleconference. 3/21/13.
- Attend NPFMC meeting. 4/3/13.
- Attended NPFMC meeting. 4/4/13.
- Attended NPFMC meeting. 4/5/13.
- Listened in to televised speech from departing Interior Secretary Ken Salazar on CSPAN to find out if he discussed the proposed King Cove road and land exchange. 4/8/13.

Projects:

- Interviewed Monty Worthington, the project director for ORPC Alaska, a subsidiary of Ocean Renewable Power Company for a newsletter story on tidal power in False Pass. Wrote story for In the Loop.
- Shot photos of the Board of Fish statewide meeting in Anchorage on 3/19/13.
- Shot photos of the T-Jacks game against Klawock at the Sullivan Arena on 3/19/13.
- Wrote and distributed press release, titled: "King Cove Residents Applaud Interior Department's Decision to Take Closer Look at Proposed Road and Land Exchange". 3/21/13.
- Interviewed Jim Brown about upgrade that will take place at the Sand Point School. (for newsletter). 3/29/13. Wrote story for In the Loop.

- Made contact with reporter from Fishermen's News. Facilitated interview with Rick about Akutan harbor. 4/2/13.
- Interviewed Chris Emrich of False Pass about a grant that's coming through to buy the city a new generator. 4/2/13. Wrote story for In the Loop.
- Took photos at the NPFMC – both at the Council and the A.P. on 4/3/13. To be used later in Fish News/In the Loop.
- Interviewed Peter Devine so I could include information for the City of King Cove's gift of a bentwood visor hat to Senator Akaka of Hawaii for his support with the proposed road. 4/4/13.
- Interviewed Page/Hap Kremer. Wrote story for In the Loop on "Rocky's Dump Run" 4/12/13.

AEB in the News:

- *"Presenting a Different Perspective on Fish Processing"* – letter to the editor from Trident – Kodiak Daily Mirror – 4/15/13.
- *"Wake Up to Legal Fish Crime"* – Kodiak Daily Mirror editorial – 4/12/13
- *"City, Borough Decry 'Fish Stealing' – KMXT.org* – 4/10/12
- *"Kodiak Takes Action on Tenders"* – Kodiak Daily Mirror – 4/9/13
- *"Western Aleutian Processors Snag Business from Kodiak Plants"* – KUCB – 4/4/13
- *"Parnell Nominates Fields, Long to North Pacific Council"* – Alaska Journal of Commerce – 3/26/13.
- *"Interior Dept. to Take Second Look at King Cove Access Road"* – KTUU Ch. 2 – 3/23/13.
- *"Interior Pledges Another Look at Proposed King Cove – Cold Bay Road"* – Alaska Dispatch – 3/23/13.
- *"Senate Panel Endorses Jewell for Interior Chief"* – Associated Press – 3/21/13.
- *"Senate Panel Advances Sally Jewell Nomination for Interior"* – Salt Lake Tribune – 3/21/13.
- *"Senate Panel Approves Obama's Choice for Interior Dept."* – New York Times – 3/21/13
- *"Deal on Alaska Road Clears Way for Jewell Vote"* – Politico – 3-21-13

As always, I'm happy to help get the word out about an event or issue in your community. Please call any time. My direct phone number is (907) 274-7579, and my email is ltanis@aeboro.org.

Entrepreneurship Education Program for Youth

Project Overview

The School District is applying for funding to a number of foundations to develop a state-of-the-art technology-based entrepreneurship education program for rural youth. The program will inspire young people to become entrepreneurs. It will provide tools and knowledge necessary to succeed in a global economy and build the required critical human resource pool in the region to support the diversification and economic growth.

The program will be developed during a period of 10 months with input from local organizations, community leaders, technological experts and leading entrepreneurs. Additionally, we're inviting a number of educational institutions to join the project team. The development process will include a review of best practices on entrepreneurship education and the review of the latest academic research.

The School District aims to develop the program that meets the following criteria:

- Sustainability.
- A firm foundation in cultural values.
- Inspire students to consider entrepreneurship as a career option.
- Prepare students to be responsible, enterprising individuals.
- Immerse students in real-life, project-based learning, where they can take risks, manage the results and learn from the outcomes.
- Help students build strong connections with the local and global business communities, and will continuously evolve to adopt the latest technology-based entrepreneurship strategies.

Benefits

Research shows that there are many benefits to entrepreneurship education: young people can learn organizational skills, including time management, leadership development, and interpersonal skills, all of which are highly transferable skills sought by employers.

Other positive outcomes include:

- Improved academic performance.
- Increased problem-solving and decision-making abilities.
- Improved interpersonal relationships, teamwork, money management, and public speaking skills.
- Job readiness.
- Enhanced social psychological development such as self-esteem, ego development, and self-efficacy.

Studies also found that when youth participates in entrepreneurship education programs:

- Interest in attending college increases 32 percent.
- Occupational aspirations increase 44 percent.

- Independent reading increases four percent, and
- Leadership behavior increases eight and a half percent.

Impacted Population

School District has a total of 262 students inclusive of pre-school. The program will target a specific age group to be identified during the planning process.

Timeline

This is contingent upon availability of funding, program development will start in the fall or sooner.



April 17, 2013

To Whom It May Concern:

The Aleutian East Borough is a progressive rural local government. Its territory includes the westernmost portion of the Alaska Peninsula and a number of Aleutian Islands. The six communities comprising the Borough are Sand Point, King Cove, Akutan, False Pass Nelson Lagoon and Cold Bay.

We support the School District's application to develop the entrepreneurship education program for our youth. Once implemented, the program will help build the required critical human resource pools in the Borough's communities to support their diversification and economic growth. Additionally, teaching entrepreneurship skills at school will help young people learn time management, leadership and interpersonal skills. These are all highly transferable skills sought by employers and will boost the youth's confidence when searching for a job.

We expect that the program could have a significant and positive long-term effect on all of the Borough's communities. And we strongly encourage you to consider the School District's application for funding.

Sincerely,

A handwritten signature in black ink, appearing to read "Stanley Mack", is written over the printed name.

Stanley Mack

Aleutian East Borough Mayor

Date & Location of Next Meeting

Adjournment