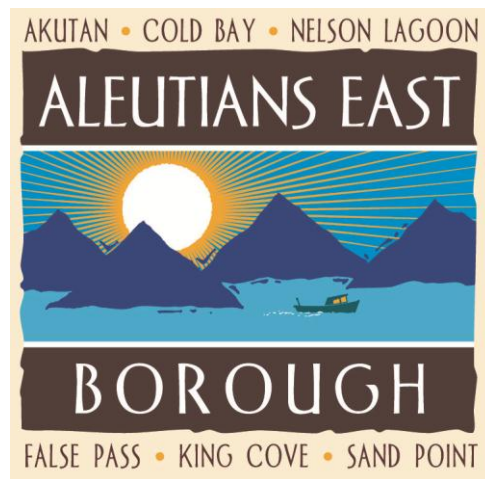


# Aleutians East Borough Assembly Meeting

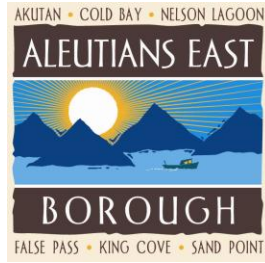


**Workshop: Monday, April 23, 2012 – 3:00 p.m.**

**Meeting: Monday, April 23, 2012 – 7:00 p.m.**

# Roll Call & Establishment of a Quorum

# Adoption of Agenda



## Agenda

### Assembly Meeting

(packet available on website [www.aleutianseast.org](http://www.aleutianseast.org) )

**Date:** April 23, 2012  
**Time:** Workshop: 3:00 p.m. Meeting: 7:00 p.m.  
**Location:** Aleutians East Borough office in Sand Point and teleconference locations below:  
King Cove -AEB office Cold Bay- city library  
Nelson Lagoon -Corp.office False Pass- city office  
Akutan- city office Anchorage-AEB office

All communities will be provided with conference calling information for the designated location in your community. Public comments on agenda items will take place immediately after the adoption of the agenda. 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 21, 2012
5. Financial Reports
  - Financial Reports
    - March 2012
  - Investment Reports
    - March 2012
6. Ordinances
  - Introduction Ordinance 12-05, Adopting the Operating and Capital Budget for FY2013.
7. Old Business
  - *Tabled*-City of Sand Point, Robert E. Galovin Small Boat Harbor Funding Request.
  - Contract Approval with Brechan Enterprises- Sand Pt. School loop/rear parking paving project.
8. New Business
  - Preliminary Discussion of Contract for HoverLink (Akutan – Akun Hovercraft Operations)
  - Approval of Akutan Harbor Drilling Contracts:
    - Contract Approval with URS and Shannon & Wilson in the amount of \$105,000.
    - Contract Approval with Denali Drilling in the amount of \$125,000 for the geotechnical drilling in Akutan Harbor
  - Appointment of New Administrator, Rick Gifford.
9. Reports and Updates



# Community Roll Call & Public Comment on Agenda Items

# Minutes

Aleutians East Borough  
March 21, 2012  
1:00 p.m.

#### CALL TO ORDER

Mayor Mack called the March 21, 2012 Assembly meeting to order at 4:30 p.m. at the AEB office building in Anchorage and by teleconference in each community.

#### ROLL CALL

Mayor Stanley Mack	Present
Paul Gronholdt	Present
Carol Foster	Present
Marvin Mack	Present
Bill Cumberlidge	Absent-Excused
Ken McHugh	Present
Joe Bereskin, Sr.	Absent-
Justine Gundersen	Present

#### Advisory Members:

Nikki Hoblet, False Pass	Present
Harold Kremer III, Cold Bay	Present

A quorum was present.

#### Staff Present:

Sharon Boyette, Administrator  
Roxann Newman, Finance Director  
Tina Anderson, Clerk  
Ernie Weiss, Resource Director  
Laura Tanis, Communications Manager  
Anne Bailey, Community Development Director  
Joe Levesque, AEB Attorney

#### Agenda Additions:

- Resolution 12-13, expressing support for the continued issuance of J1 student visas to workers in seafood processing facilities.
- Redistricting
- Marine Link update

#### Adoption of Agenda with additions:

##### MOTION

Ken moved to adopt the agenda with additions and second by Justine. Hearing no objections agenda is adopted.

#### Community Roll Call and Public Comment on Agenda Items:

Akutan, Cold Bay, False Pass, King cove, Nelson Lagoon, Sand Point, Anchorage office.

Minutes, February 16, 2012:

**MOTION**

Ken moved to accept the February 16, 2012 Minutes as presented and second by Justine.  
Hearing no objections MOTION APPROVED.

Minutes, March 8, 2012:

**MOTION**

Justine moved to approve the March 8, 2012 Minutes and second by Ken. Hearing no objections  
MOTION APPROVED.

Financial Report, February 2012:

**MOTION**

Ken moved to accept the February Financial Report and second by Carol.

**DISCUSSION**

The Finance Director said revenues and expenditures are tracking along well. The Administrator added that revenues are looking great.

**ROLL CALL**

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

Investment Reports, January, February, 2012:

Permanent fund month-end market value of the portfolio is \$28,929,315, which includes \$61,034 in accrued interest.

Paul commented saying he compared January and February reports saying investments did recover some this last month but feels we should still consider to diversify some more or at least have the option.

**PUBLIC HEARINGS**

Public Hearing Ordinance 12-04, Amending Title 6, Chapter 6.04, Section 6.04.041, Subsection (F), Investments-Purpose and Limitations:

**MOTION**

Justine moved to adopt Ordinance 12-04 and second by Paul.

Mayor Mack opened for Public Hearing.

Edgar Smith, from the public, asked if AEB considered investing in the region instead of outside. Mayor Mack said when we build infrastructure we hope that helps increase revenue stream in the community encouraging people to take part in that. The Administrator said since 1990 the AEB has put \$48M worth of bond investments into the communities, a significant investment that we pay back each year.

Sandra Lopez, from the public, asked if the investments can be broken down into how much each community is receiving of that money. The Administrator said yes it is.

Paul said adding Emerging Markets he thinks is a good thing and our investors said that also with the majority of their customers investing in Emerging Markets already.

ROLL CALL

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

OLD BUSINESS

none

NEW BUSINESS

City of Sand Point, Robert E. Galovin Small Boat Harbor Funding Request:

City of Sand Point has requested that the funding request be tabled until the next meeting.

MOTION TO TABLE

Carol moved to table until the April Assembly meeting. Second by Paul.

ROLL CALL

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

City of Sand Point funding request tabled until the April Assembly meeting.

Permanent Fund Appropriations:

Carol said the Clerk researched the action and discussion taken when the permanent fund was started clearing up an understanding of why the permanent fund was developed. She asked what can be taken out of the permanent fund without amending the permanent fund code. The Clerk said the ordinance allows 8% of the 5 year average, which is \$1.8M this year.

Redistricting:

Borough Attorney, Joe Levesque said a status update on redistricting map went out. They specifically want AEB to look at how they handled the Aleutian Islands, specifically the AEB. There are a number of hearings set next week. RIGHTS Coalition intent is to get support for new map. House District 37 would generally remain the same, with the exception of House District 37 and 38 when combined would form a new Senate District S. There was a lot of distress by native groups to becoming paired with a non-native representative. The RIGHTS Coalition attempted to circumvent and created a new senate district. Hoffman would pick up some rural Matanuska-Susitna instead of Aleutian Islands and Lake & Peninsula. His understanding is to keep the AEB communities, Aleut Corporation and Aleutian Islands together. The whole intent is for AEB Assembly to say yay or nay.

Paul looked at proposed map and taking into consideration of what Joe Levesque said, would accept with minor change. He suggested moving some people from House District 37 into 38. The north area of 37 and put them in 38. Also, take Lake & Peninsula out of 38 and put in 37. Everything else would be the same, just a little change in map drawing.

Joe will get in touch with the RIGHTS Coalition and if Assembly agrees and submits that in writing, we can give it to them to see if that works. They are open to working with us.

Joe Levesque said when Supreme Court sent back to Superior Court, the Superior Court has vacated his record. We don't know what kind of public testimony they are going to take or if they are going to consider other party maps. The Superior Court order vacated specifically said to work with all the groups, look at their maps and work it out. April 14 there will be a new map. Coalition talking to judge about intervening into case to make sure the Superior Court does follow a fair process. He specifically asked if the AEB would consider that also.

Paul said there is discussion of joining Kodiak for senate district, however, more people don't like that because Kodiak gets all the money when that happens. New map is preferable with the two changes made.

Mayor Mack said we can proceed with Paul's recommendation and see whether the RIGHTS Coalition will accept change. Joe asked Paul or Ernie to put that in writing. Ernie reiterated his understanding saying we want to keep the AEB together. Joe Levesque said decision out of Supreme Court, our recommendations we made to court were all carried through. Supreme Court decided that board process was flawed because didn't follow the law and map doesn't apply to the state constitution. AEB and Aleutian Islands should remain intact. His concern is that the board will try to do something to split up the Aleutians, so RIGHTS Coalition is asking if interested in joining for an intervention.

Paul feels with those two proposed changes a bigger plus even though map is also a plus. Joe Levesque said Lake & Peninsula favors being split to have two senators to go to.

#### MOTION

Paul moved that we generally support the concept of the new Map A and change slightly to move the District 37 area Goodnews Bay and Platnum into District 38 and expand District 37 into the Lake & Peninsula, Iliamna area of District 38. Second by Ken

#### ROLL CALL

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

#### Akutan Marine Link:

The Administrator said there are essentially two components, First, is hovercraft and what we're doing on that. Second, is planning and preparations for actual transportation service. Kvichak Marine Industries is working on repairs and renovations. AEB advertised the hovercraft operation to be contracted out and has selected HoverLink, which is a newly formed subsidiary of Kvichak that is helping us in the planning for the operation. To initiate that, HoverLink hired Marty Robbins who is coming to Anchorage in April to meet with her and Mayor Mack. They will also meet with USFWS and will make sure permitting and mitigation measures for the hovercraft is complete and in manuals.

Mayor Mack said the mechanic from Pacific Diesel came out to survey the hovercraft engines. There is a lot of corrosion on engine, fuel lines and turbos but the mechanical part is in perfect condition. Recommendation is to repair. He said shipping engines down at their costs to repair in their shops would be less expensive than bringing them here to do work. Work will take a couple weeks and should be back and installed by June. Plan B is also still in place.

Paul asked how much money is committed to repairing, maintenance and for how long. The Administrator said first phase numbers less than \$100,000 and will get those numbers to Assembly. Paul asked where the Plan B landing craft option is. The Administrator got initial report from the marine engineer we contracted with. His report came back saying the landing craft is a viable option and we committed additional funds to start preliminary design and working with U.S. Coast Guard.

Resolution 12-13, Aleutians East Borough expressing support for the continued issuance of J1 student visas to workers in seafood processing facilities.

Ernie said SWAMC was asking for letters of support, supporting the continuation of issuance of J1 student visas. Peter Pan supports more in Dillingham than other facilities. He recommends to support.

Paul said everyone supports except some cannery workers. Ken said Bristol Bay operations extremely depend on this. The resolution was e-mailed out to Assembly AEB mail. Paul said timeframe is now and read the resolution for those that had not had the opportunity to review.

#### MOTION

Paul moved to approve Resolution 12-13 and second by Ken.

#### ROLL CALL

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

#### REPORTS AND UPDATES

All reports in packet.

Izembek Land Exchange/Road Corridor Draft Environmental Impact Statement (EIS):

The Administrator said yesterday the draft EIS for the King Cove/Cold Bay land exchange/road corridor was released and an executive summary available. The Executive Summary has been sent out to the public with the draft EIS on CD. Anticipating public hearing in King Cove, Cold Bay and Anchorage to receive public comments on draft EIS. USFWS does not have a preferred alternative preference in the EIS. There are two different road options, an option that somebody will run a hovercraft, and an option that somebody might run a ferry between both communities. She encourages everyone to make public comments due May 16.

ASSEMBLY COMMENTS None

#### PUBLIC COMMENTS

Paul Schaack, from the public, asked which alternative the AEB supports. Mayor Mack said AEB supports a road, either road alignments is fine. Paul said he received an e-mail from hovercraft pilot, Toby, saying hovercraft is iced in. Snow is compacted around it. They were asking about Dept. of Transportation equipment usage. Mayor Mack said he is proposing to move it back to King Cove to take out engines and get them on the freighter. Paul suggested putting the Suna-X on rescue mission plaques for the rescue of crew on the F/V Turmoil in Volcano Bay.

Sandy Lopez, from the public, is unhappy at how AEBSD is spending money AEB gave them. Feels there should be two teachers in Cold Bay. Akutan has been down below 10 longer. Not sure what AEB can do, but would like to see something done.

NEXT MEETING DATE AND TIME

April 27.

ADJOURNMENT

Justine moved to adjourn and second by Marvin. Hearing no objections meeting adjourned at 2:24 p.m.

\_\_\_\_\_  
Mayor Date

\_\_\_\_\_  
Clerk Date



# Financial Report

# ALEUTIANS EAST BOROUGH

## \*Revenue Guideline©

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Current Period: MARCH 11-12

		11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
<b>Fund 01 GENERAL FUND</b>						
Active	R 01-201 INTEREST REVENUE	\$35,000.00	-\$4,095.07	\$725.03	\$39,095.07	-11.70%
Active	R 01-203 OTHER REVENUE	\$7,000.00	\$53,328.30	\$0.00	-\$46,328.30	761.83%
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	\$170,735.90	\$0.00	-\$170,735.90	0.00%
Active	R 01-218 AEB RAW FISH TAX	\$2,635,000.00	\$3,200,778.56	\$590,828.02	-\$565,778.56	121.47%
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	\$1,581,128.00	\$1,664,918.79	\$0.00	-\$83,790.79	105.30%
Active	R 01-266 STATE EXTRATERRITORIA	\$108,350.00	\$243,084.49	\$0.00	-\$134,734.49	224.35%
Active	R 01-267 STATE FISH LANDING TAX	\$45,115.00	\$53,571.19	\$0.00	-\$8,456.19	118.74%
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	\$515,752.00	\$542,712.00	\$0.00	-\$26,960.00	105.23%
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	\$249,729.00	\$0.00	\$795,735.00	23.89%
Active	R 01-291 PLO-95 PAYMNT IN LIEU O	\$559,000.00	\$0.00	\$0.00	\$559,000.00	0.00%
Active	R 01-292 USFWS LANDS	\$36,256.00	\$0.00	\$0.00	\$36,256.00	0.00%
	<b>Total Fund 01 GENERAL FUND</b>	<b>\$6,568,065.00</b>	<b>\$6,204,763.16</b>	<b>\$591,553.05</b>	<b>\$363,301.84</b>	<b>94.47%</b>

# ALEUTIANS EAST BOROUGH

## \*Expenditure Guideline©

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Current Period: MARCH 11-12

		11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
<b>Fund 01 GENERAL FUND</b>						
<b>DEPT 100 MAYORS OFFICE</b>						
Active	E 01-100-000-300 SALARIES	\$68,985.00	\$51,738.48	\$5,748.72	\$17,246.52	75.00%
Active	E 01-100-000-350 FRINGE BENEFITS	\$27,810.00	\$20,016.90	\$2,224.10	\$7,793.10	71.98%
Active	E 01-100-000-400 TRAVEL AND PER	\$36,000.00	\$19,059.13	\$1,344.50	\$16,940.87	52.94%
Active	E 01-100-000-425 TELEPHONE	\$2,400.00	\$797.48	\$89.83	\$1,602.52	33.23%
Active	E 01-100-000-475 SUPPLIES	\$1,000.00	\$1,928.43	\$1,225.45	-\$928.43	192.84%
Active	E 01-100-000-554 AK LOBBIST	\$36,000.00	\$29,185.01	\$3,500.00	\$6,814.99	81.07%
Active	E 01-100-000-555 FEDERAL LOBBIS	\$75,600.00	\$56,700.00	\$6,300.00	\$18,900.00	75.00%
	<b>SUBDEPT 000</b>	<u>\$247,795.00</u>	<u>\$179,425.43</u>	<u>\$20,432.60</u>	<u>\$68,369.57</u>	<u>72.41%</u>
	<b>Total DEPT 100 MAYORS OFFICE</b>	\$247,795.00	\$179,425.43	\$20,432.60	\$68,369.57	72.41%
<b>DEPT 105 ASSEMBLY</b>						
Active	E 01-105-000-300 SALARIES	\$25,000.00	\$15,800.00	\$3,200.00	\$9,200.00	63.20%
Active	E 01-105-000-350 FRINGE BENEFITS	\$56,000.00	\$54,358.26	\$4,968.80	\$1,641.74	97.07%
Active	E 01-105-000-400 TRAVEL AND PER	\$40,000.00	\$38,880.41	\$2,896.00	\$1,119.59	97.20%
Active	E 01-105-000-425 TELEPHONE	\$4,500.00	\$2,189.21	\$297.21	\$2,310.79	48.65%
Active	E 01-105-000-475 SUPPLIES	\$500.00	\$425.00	\$0.00	\$75.00	85.00%
Active	E 01-105-000-476 Plan Evaluation	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>SUBDEPT 000</b>	<u>\$126,000.00</u>	<u>\$111,652.88</u>	<u>\$11,362.01</u>	<u>\$14,347.12</u>	<u>88.61%</u>
	<b>Total DEPT 105 ASSEMBLY</b>	\$126,000.00	\$111,652.88	\$11,362.01	\$14,347.12	88.61%
<b>DEPT 150 PLANNING/CLERKS DEPARMENT</b>						
Active	E 01-150-000-300 SALARIES	\$81,160.00	\$58,153.14	\$6,372.91	\$23,006.86	71.65%
Active	E 01-150-000-350 FRINGE BENEFITS	\$33,524.00	\$21,798.40	\$2,518.14	\$11,725.60	65.02%
Active	E 01-150-000-400 TRAVEL AND PER	\$12,500.00	\$8,756.99	\$0.00	\$3,743.01	70.06%
Active	E 01-150-000-425 TELEPHONE	\$7,500.00	\$4,362.32	\$668.25	\$3,137.68	58.16%
Active	E 01-150-000-450 POSTAGE/SPEED	\$1,500.00	\$1,119.97	\$15.99	\$380.03	74.66%
Active	E 01-150-000-475 SUPPLIES	\$9,000.00	\$3,538.51	\$37.94	\$5,461.49	39.32%
Active	E 01-150-000-526 UTILITIES	\$12,000.00	\$16,984.79	\$2,220.25	-\$4,984.79	141.54%
Active	E 01-150-000-530 DUES AND FEES	\$5,000.00	\$2,406.70	\$0.00	\$2,593.30	48.13%
Active	E 01-150-000-650 ELECTION	\$10,000.00	\$9,948.75	\$0.00	\$51.25	99.49%
Active	E 01-150-000-670 Planning Commisio	\$4,300.00	\$0.00	\$0.00	\$4,300.00	0.00%
	<b>SUBDEPT 000</b>	<u>\$176,484.00</u>	<u>\$127,069.57</u>	<u>\$11,833.48</u>	<u>\$49,414.43</u>	<u>72.00%</u>
	<b>Total DEPT 150 PLANNING/CLERKS DEPARMENT</b>	\$176,484.00	\$127,069.57	\$11,833.48	\$49,414.43	72.00%
<b>DEPT 200 ADMINISTRATION</b>						
Active	E 01-200-000-300 SALARIES	\$166,116.00	\$118,736.20	\$13,260.96	\$47,379.80	71.48%
Active	E 01-200-000-350 FRINGE BENEFITS	\$64,234.00	\$45,838.14	\$5,052.28	\$18,395.86	71.36%
Active	E 01-200-000-380 CONTRACT LABO	\$25,000.00	\$17,010.00	\$1,500.00	\$7,990.00	68.04%
Active	E 01-200-000-382 ANCHORAGE OFFI	\$0.00	\$11,810.74	\$9,701.27	-\$11,810.74	0.00%
Active	E 01-200-000-400 TRAVEL AND PER	\$15,000.00	\$19,234.11	\$3,805.15	-\$4,234.11	128.23%
Active	E 01-200-000-425 TELEPHONE	\$6,000.00	\$4,565.18	\$0.00	\$1,434.82	76.09%
Active	E 01-200-000-450 POSTAGE/SPEED	\$2,500.00	\$193.66	\$0.00	\$2,306.34	7.75%
Active	E 01-200-000-475 SUPPLIES	\$18,120.00	\$9,852.92	\$1,956.41	\$8,267.08	54.38%
Active	E 01-200-000-500 EQUIPMENT	\$4,500.00	\$0.00	\$0.00	\$4,500.00	0.00%
Active	E 01-200-000-525 RENTAL/LEASE	\$36,980.00	\$22,419.01	\$0.00	\$14,560.99	60.62%
Active	E 01-200-000-530 DUES AND FEES	\$1,500.00	\$1,045.00	\$0.00	\$455.00	69.67%
	<b>SUBDEPT 000</b>	<u>\$339,950.00</u>	<u>\$250,704.96</u>	<u>\$35,276.07</u>	<u>\$89,245.04</u>	<u>73.75%</u>
	<b>Total DEPT 200 ADMINISTRATION</b>	\$339,950.00	\$250,704.96	\$35,276.07	\$89,245.04	73.75%
<b>DEPT 250 FINANCE DEPARTMENT</b>						
Active	E 01-250-000-300 SALARIES	\$116,802.00	\$111,206.12	\$16,739.42	\$5,595.88	95.21%
Active	E 01-250-000-350 FRINGE BENEFITS	\$51,161.00	\$37,320.92	\$4,828.56	\$13,840.08	72.95%
Active	E 01-250-000-400 TRAVEL AND PER	\$4,000.00	\$5,684.32	\$0.00	-\$1,684.32	142.11%

**ALEUTIANS EAST BOROUGH**  
**\*Expenditure Guideline©**

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Current Period: MARCH 11-12

		11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
Active	E 01-250-000-425 TELEPHONE	\$5,000.00	\$3,184.64	\$352.22	\$1,815.36	63.69%
Active	E 01-250-000-450 POSTAGE/SPEED	\$2,500.00	\$1,614.26	\$0.00	\$885.74	64.57%
Active	E 01-250-000-475 SUPPLIES	\$10,500.00	\$8,709.36	(\$3,165.24)	\$1,790.64	82.95%
Active	E 01-250-000-526 UTILITIES	\$4,000.00	\$3,500.13	\$948.78	\$499.87	87.50%
Active	E 01-250-000-550 AUDIT	\$45,000.00	\$45,560.66	\$7,175.00	-\$560.66	101.25%
Active	E 01-250-000-600 REPAIRS	\$5,000.00	\$4,776.03	\$4,776.03	\$223.97	95.52%
<b>SUBDEPT 000</b>		<b>\$243,963.00</b>	<b>\$221,556.44</b>	<b>\$31,654.77</b>	<b>\$22,406.56</b>	<b>90.82%</b>
<b>Total DEPT 250 FINANCE DEPARTMENT</b>		<b>\$243,963.00</b>	<b>\$221,556.44</b>	<b>\$31,654.77</b>	<b>\$22,406.56</b>	<b>90.82%</b>
<b>DEPT 650 RESOURCE DEPARTMENT</b>						
Active	E 01-650-000-300 SALARIES	\$83,049.00	\$64,157.01	\$5,833.34	\$18,891.99	77.25%
Active	E 01-650-000-350 FRINGE BENEFITS	\$30,040.00	\$22,639.47	\$2,402.78	\$7,400.53	75.36%
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	\$27,971.60	\$3,258.59	\$7,028.40	79.92%
Active	E 01-650-000-401 SEMD SAMPLING	\$250,000.00	\$19,038.38	\$0.00	\$230,961.62	7.62%
Active	E 01-650-000-402 NPFMC Meetings	\$15,000.00	\$4,816.00	\$1,800.00	\$10,184.00	32.11%
Active	E 01-650-000-403 BOF Meetings	\$25,000.00	\$10,358.28	\$1,660.96	\$14,641.72	41.43%
Active	E 01-650-000-425 TELEPHONE	\$5,200.00	\$1,781.93	\$144.50	\$3,418.07	34.27%
Active	E 01-650-000-475 SUPPLIES	\$3,000.00	\$2,177.65	\$59.00	\$822.35	72.59%
Active	E 01-650-000-525 RENTAL/LEASE	\$6,000.00	\$4,671.59	\$0.00	\$1,328.41	77.86%
<b>SUBDEPT 000</b>		<b>\$527,289.00</b>	<b>\$213,861.91</b>	<b>\$21,409.17</b>	<b>\$313,427.09</b>	<b>40.56%</b>
<b>Total DEPT 650 RESOURCE DEPARTMENT</b>		<b>\$527,289.00</b>	<b>\$213,861.91</b>	<b>\$21,409.17</b>	<b>\$313,427.09</b>	<b>40.56%</b>
<b>DEPT 651 PUBLIC INFORMATION</b>						
Active	E 01-651-011-300 SALARIES	\$84,959.00	\$63,719.10	\$7,079.90	\$21,239.90	75.00%
Active	E 01-651-011-350 FRINGE BENEFITS	\$32,736.00	\$23,421.46	\$2,727.26	\$9,314.54	71.55%
Active	E 01-651-011-400 TRAVEL AND PER	\$15,000.00	\$3,640.11	\$914.00	\$11,359.89	24.27%
Active	E 01-651-011-425 TELEPHONE	\$2,400.00	\$1,441.73	\$128.99	\$958.27	60.07%
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	\$1,083.48	\$0.00	\$3,416.52	24.08%
Active	E 01-651-011-525 RENTAL/LEASE	\$6,800.00	\$5,321.85	\$0.00	\$1,478.15	78.26%
Active	E 01-651-011-532 ADVERTISING	\$25,000.00	\$15,114.49	\$24.00	\$9,885.51	60.46%
<b>SUBDEPT 011 PUBLIC INFORMATION</b>		<b>\$171,645.00</b>	<b>\$113,742.22</b>	<b>\$10,874.15</b>	<b>\$57,902.78</b>	<b>66.27%</b>
<b>Total DEPT 651 PUBLIC INFORMATION</b>		<b>\$171,645.00</b>	<b>\$113,742.22</b>	<b>\$10,874.15</b>	<b>\$57,902.78</b>	<b>66.27%</b>
<b>DEPT 700 PUBLIC WORKS DEPARTMENT</b>						
Active	E 01-700-000-300 SALARIES	\$72,997.00	\$55,426.36	\$6,083.04	\$17,570.64	75.93%
Active	E 01-700-000-350 FRINGE BENEFITS	\$29,602.00	\$21,329.59	\$2,427.24	\$8,272.41	72.05%
Active	E 01-700-000-400 TRAVEL AND PER	\$12,000.00	\$2,602.00	\$487.00	\$9,398.00	21.68%
Active	E 01-700-000-425 TELEPHONE	\$1,500.00	\$923.41	\$108.62	\$576.59	61.56%
Active	E 01-700-000-475 SUPPLIES	\$6,000.00	\$534.18	(\$1,626.30)	\$5,465.82	8.90%
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	\$2,500.00	\$1,293.91	\$0.00	\$1,206.09	51.76%
<b>SUBDEPT 000</b>		<b>\$126,099.00</b>	<b>\$82,109.45</b>	<b>\$7,479.60</b>	<b>\$43,989.55</b>	<b>65.12%</b>
<b>Total DEPT 700 PUBLIC WORKS DEPARTMENT</b>		<b>\$126,099.00</b>	<b>\$82,109.45</b>	<b>\$7,479.60</b>	<b>\$43,989.55</b>	<b>65.12%</b>
<b>DEPT 844 KCAP</b>						
Active	E 01-844-000-300 SALARIES	\$3,000.00	\$0.00	\$0.00	\$3,000.00	0.00%
Active	E 01-844-000-350 FRINGE BENEFITS	\$3,000.00	\$0.00	\$0.00	\$3,000.00	0.00%
Active	E 01-844-000-400 TRAVEL AND PER	\$4,500.00	\$1,508.56	\$0.00	\$2,991.44	33.52%
Active	E 01-844-000-425 TELEPHONE	\$2,120.00	\$348.54	\$0.00	\$1,771.46	16.44%
Active	E 01-844-000-475 SUPPLIES	\$3,600.00	\$274.93	\$0.00	\$3,325.07	7.64%
Active	E 01-844-000-525 RENTAL/LEASE	\$7,580.00	\$4,654.48	\$0.00	\$2,925.52	61.40%
<b>SUBDEPT 000</b>		<b>\$23,800.00</b>	<b>\$6,786.51</b>	<b>\$0.00</b>	<b>\$17,013.49</b>	<b>28.51%</b>
<b>Total DEPT 844 KCAP</b>		<b>\$23,800.00</b>	<b>\$6,786.51</b>	<b>\$0.00</b>	<b>\$17,013.49</b>	<b>28.51%</b>

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		11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
<b>DEPT 850 EDUCATION</b>						
Active	E 01-850-000-700 LOCAL SCHOOL C	\$970,000.00	\$685,000.00	\$285,000.00	\$285,000.00	70.62%
Active	E 01-850-000-701 SCHOOL SCHOLA	\$20,000.00	\$0.00	\$0.00	\$20,000.00	0.00%
Active	E 01-850-000-703 School Contribution	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 01-850-000-756 STUDENT TRAVEL	\$5,000.00	\$0.00	\$0.00	\$5,000.00	0.00%
	<b>SUBDEPT 000</b>	<u>\$995,000.00</u>	<u>\$685,000.00</u>	<u>\$285,000.00</u>	<u>\$310,000.00</u>	<u>68.84%</u>
	<b>Total DEPT 850 EDUCATION</b>	\$995,000.00	\$685,000.00	\$285,000.00	\$310,000.00	68.84%
<b>DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB</b>						
Active	E 01-860-000-300 SALARIES	\$61,590.00	\$45,265.00	\$5,000.00	\$16,325.00	73.49%
Active	E 01-860-000-350 FRINGE BENEFITS	\$27,256.00	\$19,169.35	\$2,184.66	\$8,086.65	70.33%
Active	E 01-860-000-380 CONTRACT LABO	\$6,000.00	\$0.00	\$0.00	\$6,000.00	0.00%
Active	E 01-860-000-400 TRAVEL AND PER	\$15,000.00	\$4,372.43	\$1,448.00	\$10,627.57	29.15%
Active	E 01-860-000-425 TELEPHONE	\$4,000.00	\$515.43	\$0.00	\$3,484.57	12.89%
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	\$3,737.95	\$0.00	\$762.05	83.07%
Active	E 01-860-000-525 RENTAL/LEASE	\$7,000.00	\$4,818.01	\$0.00	\$2,181.99	68.83%
	<b>SUBDEPT 000</b>	<u>\$125,596.00</u>	<u>\$77,878.17</u>	<u>\$8,632.66</u>	<u>\$47,717.83</u>	<u>62.01%</u>
	<b>Total DEPT 860 SPECIAL ASSISTANT-NLG,FP,CDB</b>	\$125,596.00	\$77,878.17	\$8,632.66	\$47,717.83	62.01%
<b>DEPT 900 OTHER</b>						
Active	E 01-900-000-500 EQUIPMENT	\$18,200.00	\$16,810.46	\$0.00	\$1,389.54	92.37%
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	\$11,410.00	\$11,774.88	\$292.00	-\$364.88	103.20%
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	\$105,000.00	\$176,148.28	\$30,726.17	-\$71,148.28	167.76%
Active	E 01-900-000-552 INSURANCE	\$180,000.00	\$18,196.00	\$0.00	\$161,804.00	10.11%
Active	E 01-900-000-600 REPAIRS	\$5,000.00	\$1,626.30	\$1,626.30	\$3,373.70	32.53%
Active	E 01-900-000-727 BANK FEES	\$2,000.00	\$397.22	\$0.00	\$1,602.78	19.86%
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	\$112,500.00	\$37,500.00	\$37,500.00	75.00%
Active	E 01-900-000-753 MISC EXPENSE	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.00%
Active	E 01-900-000-757 DONATIONS	\$23,500.00	\$13,000.00	\$0.00	\$10,500.00	55.32%
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	\$16,000.00	\$17,056.71	\$1,110.00	-\$1,056.71	106.60%
	<b>SUBDEPT 000</b>	<u>\$602,632.00</u>	<u>\$399,509.85</u>	<u>\$71,254.47</u>	<u>\$203,122.15</u>	<u>66.29%</u>
	<b>Total DEPT 900 OTHER</b>	\$602,632.00	\$399,509.85	\$71,254.47	\$203,122.15	66.29%
	<b>Total Fund 01 GENERAL FUND</b>	\$3,706,253.00	\$2,469,297.39	\$515,208.98	\$1,236,955.61	66.63%

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		11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
<b>Fund 20 GRANT PROGRAMS</b>						
Active	R 20-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 20-203 OTHER REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	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	\$660,206.41	\$0.00	\$0.00	\$660,206.41	0.00%
Active	R 20-208 AEB FY12 CIP	\$675,000.00	\$0.00	\$0.00	\$675,000.00	0.00%
Active	R 20-254 KCAP Road Completion	\$710,069.26	\$2,625.00	\$0.00	\$707,444.26	0.37%
Active	R 20-256 HOMELAND SECURITY GR	\$0.00	\$0.00	\$0.00	\$0.00	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	\$996,461.00	\$0.00	\$0.00	\$996,461.00	0.00%
Active	R 20-423 CDBG FALSE PASS HARB	\$400,000.00	\$0.00	\$0.00	\$400,000.00	0.00%
Active	R 20-511 FY12 ACOUSTIC TRAWL S	\$81,900.00	\$81,900.00	\$0.00	\$0.00	100.00%
Active	R 20-512 Nelson Lagoon #810758 AC	\$50,000.00	\$18,261.42	\$0.00	\$31,738.58	36.52%
Active	R 20-514 CIAP/EDUCATIONAL PAMP	\$16,000.00	\$16,000.00	\$16,000.00	\$0.00	100.00%
Active	R 20-516 Library Grant Program	\$2,000.00	\$500.00	\$0.00	\$1,500.00	25.00%
Active	R 20-517 CIAP-COLD BAY BOAT RA	\$90,000.00	\$0.00	\$0.00	\$90,000.00	0.00%
Active	R 20-811 US FISH&WILDLIFE MARITI	\$2,994.12	\$0.00	\$0.00	\$2,994.12	0.00%
Active	R 20-812 AKUTAN AIRPORT/FEASIBI	\$100,000.00	\$100,000.00	\$0.00	\$0.00	100.00%
<b>Total Fund 20 GRANT PROGRAMS</b>		<b>\$5,743,622.82</b>	<b>\$219,286.42</b>	<b>\$16,000.00</b>	<b>\$5,524,336.40</b>	<b>3.82%</b>

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	11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
<b>Fund 20 GRANT PROGRAMS</b>					
<b>DEPT 422 DENALI COMMISSION/FALSE PASS</b>					
Active E 20-422-000-850 CAPITAL CONSTR	\$996,461.00	\$19,173.00	\$0.00	\$977,288.00	1.92%
SUBDEPT 000	\$996,461.00	\$19,173.00	\$0.00	\$977,288.00	1.92%
Total DEPT 422 DENALI COMMISSION/FALSE PASS	\$996,461.00	\$19,173.00	\$0.00	\$977,288.00	1.92%
<b>DEPT 423 CDBG FALSE PASS HARBOR UTILITY</b>					
Active E 20-423-000-850 CAPITAL CONSTR	\$400,000.00	\$19,173.00	\$0.00	\$380,827.00	4.79%
SUBDEPT 000	\$400,000.00	\$19,173.00	\$0.00	\$380,827.00	4.79%
Total DEPT 423 CDBG FALSE PASS HARBOR UTILITY	\$400,000.00	\$19,173.00	\$0.00	\$380,827.00	4.79%
<b>DEPT 512 Nelson Lagoon-Hazard Impact</b>					
Active E 20-512-000-380 CONTRACT LABO	\$34,129.87	\$27,091.84	\$4,423.95	\$7,038.03	79.38%
SUBDEPT 000	\$34,129.87	\$27,091.84	\$4,423.95	\$7,038.03	79.38%
Total DEPT 512 Nelson Lagoon-Hazard Impact	\$34,129.87	\$27,091.84	\$4,423.95	\$7,038.03	79.38%
<b>DEPT 514 CIAP/ EDUCATIONAL PAMPHLET</b>					
Active E 20-514-000-380 CONTRACT LABO	\$15,720.00	\$15,720.00	\$0.00	\$0.00	100.00%
Active E 20-514-000-475 SUPPLIES	\$280.00	\$280.00	\$0.00	\$0.00	100.00%
SUBDEPT 000	\$16,000.00	\$16,000.00	\$0.00	\$0.00	100.00%
Total DEPT 514 CIAP/ EDUCATIONAL PAMPHLET	\$16,000.00	\$16,000.00	\$0.00	\$0.00	100.00%
<b>DEPT 516 Library Grant Program</b>					
Active E 20-516-000-475 SUPPLIES	\$2,000.00	\$0.00	\$0.00	\$2,000.00	0.00%
SUBDEPT 000	\$2,000.00	\$0.00	\$0.00	\$2,000.00	0.00%
Total DEPT 516 Library Grant Program	\$2,000.00	\$0.00	\$0.00	\$2,000.00	0.00%
<b>DEPT 517 CIAP-COLD BAY BOAT RAMP</b>					
Active E 20-517-000-380 CONTRACT LABO	\$71,453.45	\$0.00	\$0.00	\$71,453.45	0.00%
Active E 20-517-000-400 TRAVEL AND PER	\$2,812.00	\$0.00	\$0.00	\$2,812.00	0.00%
Active E 20-517-000-475 SUPPLIES	\$15,734.55	\$0.00	\$0.00	\$15,734.55	0.00%
SUBDEPT 000	\$90,000.00	\$0.00	\$0.00	\$90,000.00	0.00%
Total DEPT 517 CIAP-COLD BAY BOAT RAMP	\$90,000.00	\$0.00	\$0.00	\$90,000.00	0.00%
<b>DEPT 801 CAPITAL - AKUTAN</b>					
Active E 20-801-000-850 CAPITAL CONSTR	\$150,000.00	\$30,000.00	\$0.00	\$120,000.00	20.00%
SUBDEPT 000	\$150,000.00	\$30,000.00	\$0.00	\$120,000.00	20.00%
Total DEPT 801 CAPITAL - AKUTAN	\$150,000.00	\$30,000.00	\$0.00	\$120,000.00	20.00%
<b>DEPT 802 CAPITAL - COLD BAY</b>					
Active E 20-802-000-850 CAPITAL CONSTR	\$75,000.00	\$15,000.00	\$0.00	\$60,000.00	20.00%
SUBDEPT 000	\$75,000.00	\$15,000.00	\$0.00	\$60,000.00	20.00%
Total DEPT 802 CAPITAL - COLD BAY	\$75,000.00	\$15,000.00	\$0.00	\$60,000.00	20.00%
<b>DEPT 803 CAPITAL - FALSE PASS</b>					
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	\$75,000.00	\$75,000.00	\$0.00	\$0.00	100.00%
SUBDEPT 059 FY12 CIP	\$75,000.00	\$75,000.00	\$0.00	\$0.00	100.00%
Total DEPT 803 CAPITAL - FALSE PASS	\$89,070.13	\$75,000.00	\$0.00	\$14,070.13	84.20%
<b>DEPT 804 CAPITAL - KING COVE</b>					
Active E 20-804-000-850 CAPITAL CONSTR	\$150,000.00	\$139,440.92	\$76,702.81	\$10,559.08	92.96%
SUBDEPT 000	\$150,000.00	\$139,440.92	\$76,702.81	\$10,559.08	92.96%
Total DEPT 804 CAPITAL - KING COVE	\$150,000.00	\$139,440.92	\$76,702.81	\$10,559.08	92.96%
<b>DEPT 805 CAPITAL - NELSON LAGOON</b>					
Active E 20-805-000-850 CAPITAL CONSTR	\$75,000.00	\$75,000.00	\$0.00	\$0.00	100.00%

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	11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
<b>SUBDEPT 000</b>	\$75,000.00	\$75,000.00	\$0.00	\$0.00	100.00%
<b>Total DEPT 805 CAPITAL - NELSON LAGOON</b>	\$75,000.00	\$75,000.00	\$0.00	\$0.00	100.00%
<b>DEPT 806 CAPITAL - SAND POINT</b>					
Active E 20-806-000-850 CAPITAL CONSTR	\$150,000.00	\$30,000.00	\$0.00	\$120,000.00	20.00%
<b>SUBDEPT 000</b>	\$150,000.00	\$30,000.00	\$0.00	\$120,000.00	20.00%
<b>Total DEPT 806 CAPITAL - SAND POINT</b>	\$150,000.00	\$30,000.00	\$0.00	\$120,000.00	20.00%
<b>DEPT 809 Akutan Airport/Grant</b>					
Active E 20-809-000-850 CAPITAL CONSTR	\$53,373.52	\$30,627.57	\$15,595.57	\$22,745.95	57.38%
<b>SUBDEPT 000</b>	\$53,373.52	\$30,627.57	\$15,595.57	\$22,745.95	57.38%
<b>Total DEPT 809 Akutan Airport/Grant</b>	\$53,373.52	\$30,627.57	\$15,595.57	\$22,745.95	57.38%
<b>DEPT 810 HOMELAND SECURITY-GR34286</b>					
Active E 20-810-000-500 EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total DEPT 810 HOMELAND SECURITY-GR34286</b>	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>DEPT 811 US FISH AND WILDLIFE-TOURS</b>					
Active E 20-811-000-300 SALARIES	\$3,260.87	\$0.00	\$0.00	\$3,260.87	0.00%
Active E 20-811-000-350 FRINGE BENEFITS	\$390.69	\$0.00	\$0.00	\$390.69	0.00%
Active E 20-811-000-475 SUPPLIES	\$245.00	\$0.00	\$0.00	\$245.00	0.00%
<b>SUBDEPT 000</b>	\$3,896.56	\$0.00	\$0.00	\$3,896.56	0.00%
<b>Total DEPT 811 US FISH AND WILDLIFE-TOURS</b>	\$3,896.56	\$0.00	\$0.00	\$3,896.56	0.00%
<b>DEPT 812 AKUTAN AIRPORT/FEASIBILITY</b>					
Active E 20-812-000-684 STOCK ID FEASIBI	\$100,000.00	\$76,000.00	\$0.00	\$24,000.00	76.00%
<b>SUBDEPT 000</b>	\$100,000.00	\$76,000.00	\$0.00	\$24,000.00	76.00%
<b>Total DEPT 812 AKUTAN AIRPORT/FEASIBILITY</b>	\$100,000.00	\$76,000.00	\$0.00	\$24,000.00	76.00%
<b>DEPT 867 KCC Alternative Road</b>					
Active E 20-867-000-300 SALARIES	\$0.00	\$7,425.00	\$2,550.00	-\$7,425.00	0.00%
Active E 20-867-000-350 FRINGE BENEFITS	\$0.00	\$8,660.49	\$2,265.30	-\$8,660.49	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%
<b>SUBDEPT 000</b>	\$0.00	\$16,085.49	\$4,815.30	-\$16,085.49	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%
<b>SUBDEPT 168 KCAP/09-DC-359</b>	\$1,958,992.03	\$0.00	\$0.00	\$1,958,992.03	0.00%
Active E 20-867-169-300 SALARIES	\$0.00	\$3,675.00	\$0.00	-\$3,675.00	0.00%
Active E 20-867-169-350 FRINGE BENEFITS	\$0.00	\$1,809.99	\$0.00	-\$1,809.99	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%
<b>SUBDEPT 169 KCAP Road Completion</b>	\$748,158.88	\$5,484.99	\$0.00	\$742,673.89	0.73%
<b>Total DEPT 867 KCC Alternative Road</b>	\$2,707,150.91	\$21,570.48	\$4,815.30	\$2,685,580.43	0.80%
<b>DEPT 900 OTHER</b>					
Active E 20-900-000-511 FY12 ACOUSTIC T	\$81,900.00	\$76,681.30	\$7,000.00	\$5,218.70	93.63%
Active E 20-900-000-753 MISC EXPENSE	\$149,005.00	\$0.00	\$0.00	\$149,005.00	0.00%
Active E 20-900-000-850 CAPITAL CONSTR	\$457,827.89	\$0.00	\$0.00	\$457,827.89	0.00%



# ALEUTIANS EAST BOROUGH

## \*Expenditure Guideline©

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Current Period: MARCH 11-12

	11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
SUBDEPT 000	\$688,732.89	\$76,681.30	\$7,000.00	\$612,051.59	11.13%
Total DEPT 900 OTHER	\$688,732.89	\$76,681.30	\$7,000.00	\$612,051.59	11.13%
Total Fund 20 GRANT PROGRAMS	\$5,780,814.88	\$650,758.11	\$108,537.63	\$5,130,056.77	11.26%

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Current Period: MARCH 11-12

		11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
<b>Fund 22 OPERATIONS</b>						
Active	R 22-203 OTHER REVENUE	\$156,300.00	\$165,504.00	\$0.00	-\$9,204.00	105.89%
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	\$99,715.99	\$6,635.11	\$39,904.01	71.42%
Active	R 22-222 COLD BAY TERMINAL OTH	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-245 HOVERCRAFT/MEDEVACS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-246 HOVERCRAFT /TICKETS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-247 HOVERCRAFT/ VEHICLES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 22-248 HOVERCRAFT/ FREIGHT	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total Fund 22 OPERATIONS</b>	<b>\$295,920.00</b>	<b>\$265,219.99</b>	<b>\$6,635.11</b>	<b>\$30,700.01</b>	<b>89.63%</b>

# ALEUTIANS EAST BOROUGH

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Current Period: MARCH 11-12

		11-12	11-12	MARCH	11-12	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 22 OPERATIONS</b>						
<b>DEPT 802 CAPITAL - COLD BAY</b>						
Active	E 22-802-200-300 SALARIES	\$25,519.00	\$18,105.00	\$2,000.00	\$7,414.00	70.95%
Active	E 22-802-200-350 FRINGE BENEFITS	\$3,617.00	\$1,768.44	\$211.40	\$1,848.56	48.89%
Active	E 22-802-200-380 CONTRACT LABO	\$156,300.00	\$118,921.60	\$0.00	\$37,378.40	76.09%
Active	E 22-802-200-381 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-802-200-400 TRAVEL AND PER	\$3,000.00	\$0.00	\$0.00	\$3,000.00	0.00%
Active	E 22-802-200-425 TELEPHONE	\$4,500.00	\$3,995.33	\$465.07	\$504.67	88.79%
Active	E 22-802-200-475 SUPPLIES	\$15,000.00	\$14,592.68	\$713.00	\$407.32	97.28%
Active	E 22-802-200-525 RENTAL/LEASE	\$5,335.00	\$4,175.12	\$4,065.12	\$1,159.88	78.26%
Active	E 22-802-200-526 UTILITIES	\$24,000.00	\$17,782.13	\$2,403.43	\$6,217.87	74.09%
Active	E 22-802-200-551 LEGAL	\$100,000.00	\$20,120.18	\$4,135.40	\$79,879.82	20.12%
Active	E 22-802-200-576 GAS	\$1,500.00	\$0.00	\$0.00	\$1,500.00	0.00%
Active	E 22-802-200-577 FUEL	\$15,000.00	\$10,542.26	\$1,886.50	\$4,457.74	70.28%
Active	E 22-802-200-753 MISC EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-802-200-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>SUBDEPT 200 COLD BAY TERMINAL</b>	<b>\$353,771.00</b>	<b>\$210,002.74</b>	<b>\$15,879.92</b>	<b>\$143,768.26</b>	<b>59.36%</b>
	<b>Total DEPT 802 CAPITAL - COLD BAY</b>	<b>\$353,771.00</b>	<b>\$210,002.74</b>	<b>\$15,879.92</b>	<b>\$143,768.26</b>	<b>59.36%</b>
<b>DEPT 843 Hovercraft Operation</b>						
Active	E 22-843-100-300 SALARIES	\$10,000.00	\$4,455.00	\$1,305.00	\$5,545.00	44.55%
Active	E 22-843-100-350 FRINGE BENEFITS	\$5,000.00	\$448.71	\$137.94	\$4,551.29	8.97%
Active	E 22-843-100-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-381 ENGINEERING	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-400 TRAVEL AND PER	\$1,000.00	\$234.00	\$0.00	\$766.00	23.40%
Active	E 22-843-100-425 TELEPHONE	\$5,000.00	\$2,659.95	\$286.01	\$2,340.05	53.20%
Active	E 22-843-100-475 SUPPLIES	\$10,000.00	\$3,630.49	\$452.55	\$6,369.51	36.30%
Active	E 22-843-100-477 HOVERCRAFT FR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-500 EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 22-843-100-510 EQUIPMENT REPA	\$25,000.00	\$2,000.00	\$0.00	\$23,000.00	8.00%
Active	E 22-843-100-526 UTILITIES	\$5,000.00	\$3,709.91	\$61.05	\$1,290.09	74.20%
Active	E 22-843-100-552 INSURANCE	\$215,000.00	\$259,214.51	\$0.00	-\$44,214.51	120.56%
Active	E 22-843-100-576 GAS	\$5,000.00	\$2,207.81	\$272.37	\$2,792.19	44.16%
Active	E 22-843-100-577 FUEL	\$5,000.00	\$686.96	\$0.00	\$4,313.04	13.74%
Active	E 22-843-100-770 Depreciation Expen	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>SUBDEPT 100 HOVERCRAFT OPERATION</b>	<b>\$286,000.00</b>	<b>\$279,247.34</b>	<b>\$2,514.92</b>	<b>\$6,752.66</b>	<b>97.64%</b>
	<b>Total DEPT 843 Hovercraft Operation</b>	<b>\$286,000.00</b>	<b>\$279,247.34</b>	<b>\$2,514.92</b>	<b>\$6,752.66</b>	<b>97.64%</b>
	<b>Total Fund 22 OPERATIONS</b>	<b>\$639,771.00</b>	<b>\$489,250.08</b>	<b>\$18,394.84</b>	<b>\$150,520.92</b>	<b>76.47%</b>

# ALEUTIANS EAST BOROUGH

## \*Revenue Guideline©

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		11-12	11-12	MARCH	11-12	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 24 BOND CONSTRUCTION</b>						
Active	R 24-201 INTEREST REVENUE	\$0.00	-\$6,977.27	\$14,208.89	\$6,977.27	0.00%
Active	R 24-203 OTHER REVENUE	\$0.00	\$71,484.30	\$35,742.15	-\$71,484.30	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	\$1,649,556.99	\$0.00	\$0.00	\$1,649,556.99	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%
<b>Total Fund 24 BOND CONSTRUCTION</b>		<b>\$3,701,801.99</b>	<b>\$64,507.03</b>	<b>\$49,951.04</b>	<b>\$3,637,294.96</b>	<b>1.74%</b>

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Current Period: MARCH 11-12

	11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
<b>Fund 24 BOND CONSTRUCTION</b>					
<b>DEPT 809 Akutan Airport/Grant</b>					
Active E 24-809-000-850 CAPITAL CONSTR	\$2,782,438.17	\$34,041.73	\$0.00	\$2,748,396.44	1.22%
<b>SUBDEPT 000</b>	\$2,782,438.17	\$34,041.73	\$0.00	\$2,748,396.44	1.22%
<b>Total DEPT 809 Akutan Airport/Grant</b>	\$2,782,438.17	\$34,041.73	\$0.00	\$2,748,396.44	1.22%
<b>DEPT 830 KING COVE HARBOR</b>					
Active E 24-830-000-850 CAPITAL CONSTR	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
<b>SUBDEPT 000</b>	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
<b>Total DEPT 830 KING COVE HARBOR</b>	\$89,676.00	\$0.00	\$0.00	\$89,676.00	0.00%
<b>DEPT 831 SAND POINT HARBOR</b>					
Active E 24-831-132-850 CAPITAL CONSTR	-\$330,688.72	\$21,092.70	\$0.00	-\$351,781.42	-6.38%
<b>SUBDEPT 132 Sand Point Harbor</b>	-\$330,688.72	\$21,092.70	\$0.00	-\$351,781.42	-6.38%
<b>Total DEPT 831 SAND POINT HARBOR</b>	-\$330,688.72	\$21,092.70	\$0.00	-\$351,781.42	-6.38%
<b>DEPT 833 FALSE PASS HARBOR</b>					
Active E 24-833-000-850 CAPITAL CONSTR	\$465,963.52	\$30,045.84	\$2,161.24	\$435,917.68	6.45%
<b>SUBDEPT 000</b>	\$465,963.52	\$30,045.84	\$2,161.24	\$435,917.68	6.45%
<b>Total DEPT 833 FALSE PASS HARBOR</b>	\$465,963.52	\$30,045.84	\$2,161.24	\$435,917.68	6.45%
<b>DEPT 839 AKUTAN HARBOR</b>					
Active E 24-839-000-850 CAPITAL CONSTR	\$1,646,956.99	\$114,097.50	\$44,503.10	\$1,532,859.49	6.93%
<b>SUBDEPT 000</b>	\$1,646,956.99	\$114,097.50	\$44,503.10	\$1,532,859.49	6.93%
<b>Total DEPT 839 AKUTAN HARBOR</b>	\$1,646,956.99	\$114,097.50	\$44,503.10	\$1,532,859.49	6.93%
<b>DEPT 862 NELSON LAGOON DOCK</b>					
Active E 24-862-000-850 CAPITAL CONSTR	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
<b>SUBDEPT 000</b>	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
<b>Total DEPT 862 NELSON LAGOON DOCK</b>	\$17,809.36	\$0.00	\$0.00	\$17,809.36	0.00%
<b>DEPT 867 KCC Alternative Road</b>					
Active E 24-867-169-850 CAPITAL CONSTR	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
<b>SUBDEPT 169 KCAP Road Completion</b>	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
<b>Total DEPT 867 KCC Alternative Road</b>	\$2,000,000.00	\$0.00	\$0.00	\$2,000,000.00	0.00%
<b>DEPT 900 OTHER</b>					
Active E 24-900-000-380 CONTRACT LABO	\$0.00	\$25,247.34	\$2,979.02	-\$25,247.34	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%
<b>SUBDEPT 000</b>	\$0.00	\$25,247.34	\$2,979.02	-\$25,247.34	0.00%
<b>Total DEPT 900 OTHER</b>	\$0.00	\$25,247.34	\$2,979.02	-\$25,247.34	0.00%
<b>Total Fund 24 BOND CONSTRUCTION</b>	\$6,672,155.32	\$224,525.11	\$49,643.36	\$6,447,630.21	3.37%

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		11-12	11-12	MARCH	11-12	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 30 BOND FUND</b>						
Active	R 30-201 INTEREST REVENUE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	R 30-203 OTHER REVENUE	\$1,597,433.00	\$0.00	\$0.00	\$1,597,433.00	0.00%
Active	R 30-204 OPERATING TRANSFER F	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Fund 30 BOND FUND</b>		<b>\$1,597,433.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,597,433.00</b>	<b>0.00%</b>

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		11-12	11-12	MARCH	11-12	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 30 BOND FUND</b>						
<b>DEPT 900 OTHER</b>						
Active	E 30-900-000-725 BOND INTEREST	\$837,433.00	\$915,821.67	\$108,164.10	-\$78,388.67	109.36%
Active	E 30-900-000-726 BOND PRINCIPAL	\$760,000.00	\$1,185,000.00	\$0.00	-\$425,000.00	155.92%
Active	E 30-900-000-745 Bond Sale Expense	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>		<u>\$1,597,433.00</u>	<u>\$2,100,821.67</u>	<u>\$108,164.10</u>	<u>-\$503,388.67</u>	<u>131.51%</u>
<b>Total DEPT 900 OTHER</b>		<u>\$1,597,433.00</u>	<u>\$2,100,821.67</u>	<u>\$108,164.10</u>	<u>-\$503,388.67</u>	<u>131.51%</u>
<b>Total Fund 30 BOND FUND</b>		<u>\$1,597,433.00</u>	<u>\$2,100,821.67</u>	<u>\$108,164.10</u>	<u>-\$503,388.67</u>	<u>131.51%</u>

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Current Period: MARCH 11-12

		11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
<b>Fund 40 PERMANENT FUND</b>						
Active	R 40-201 INTEREST REVENUE	\$0.00	\$890,339.53	\$2,010,286.34	-\$890,339.53	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%
	<b>Total Fund 40 PERMANENT FUND</b>	<b>\$350,000.00</b>	<b>\$890,339.53</b>	<b>\$2,010,286.34</b>	<b>-\$540,339.53</b>	<b>254.38%</b>



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Current Period: MARCH 11-12

		11-12	11-12	MARCH	11-12	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 40 PERMANENT FUND</b>						
<b>DEPT 900 OTHER</b>						
Active	E 40-900-000-380 CONTRACT LABO	\$35,000.00	\$25,247.31	\$2,979.02	\$9,752.69	72.14%
Active	E 40-900-000-751 OPERATING TRAN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>SUBDEPT 000</b>		<u>\$35,000.00</u>	<u>\$25,247.31</u>	<u>\$2,979.02</u>	<u>\$9,752.69</u>	<u>72.14%</u>
<b>Total DEPT 900 OTHER</b>		<u>\$35,000.00</u>	<u>\$25,247.31</u>	<u>\$2,979.02</u>	<u>\$9,752.69</u>	<u>72.14%</u>
<b>Total Fund 40 PERMANENT FUND</b>		<u>\$35,000.00</u>	<u>\$25,247.31</u>	<u>\$2,979.02</u>	<u>\$9,752.69</u>	<u>72.14%</u>

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		11-12	11-12	MARCH	11-12	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 41 MAINTENANCE RESERVE FUND</b>						
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	\$0.00	\$0.00	\$100,000.00	0.00%
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	\$0.00	\$0.00	\$0.00	0.00%
<b>Total Fund 41 MAINTENANCE RESERVE FUND</b>		<b>\$100,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$100,000.00</b>	<b>0.00%</b>

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		11-12	11-12	MARCH	11-12	% of
		YTD Budget	YTD Amt	MTD Amt	YTD Balance	Budget
<b>Fund 41 MAINTENANCE RESERVE FUND</b>						
<b>DEPT 800 CAPITAL - SCHOOL</b>						
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%
	<b>SUBDEPT 857 FALSE PASS SCHOOL</b>	\$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%
	<b>SUBDEPT 860 SAND POINT Gym Floor</b>	\$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	\$147.76	\$0.00	-\$147.76	0.00%
	<b>SUBDEPT 865 Akutan School</b>	\$0.00	\$147.76	\$0.00	-\$147.76	0.00%
Active	E 41-800-866-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-866-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	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	\$0.00	\$0.00	\$0.00	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	\$930.00	\$0.00	-\$930.00	0.00%
	<b>SUBDEPT 866 NELSON LAGOON SCHOOL</b>	\$0.00	\$930.00	\$0.00	-\$930.00	0.00%
Active	E 41-800-867-300 SALARIES	\$0.00	\$55,015.25	\$0.00	-\$55,015.25	0.00%
Active	E 41-800-867-350 FRINGE BENEFITS	\$0.00	\$5,173.37	\$0.00	-\$5,173.37	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	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-867-850 CAPITAL CONSTR	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>SUBDEPT 867 Sand Point School</b>	\$0.00	\$60,188.62	\$0.00	-\$60,188.62	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	\$4,502.71	\$0.00	-\$4,502.71	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	\$0.00	\$0.00	\$0.00	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%
	<b>SUBDEPT 868 King Cove School</b>	\$0.00	\$4,502.71	\$0.00	-\$4,502.71	0.00%
Active	E 41-800-869-300 SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-869-350 FRINGE BENEFITS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-869-380 CONTRACT LABO	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-869-400 TRAVEL AND PER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-869-475 SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Active	E 41-800-869-942 PROPERTY LEASE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>SUBDEPT 869 COLD BAY SCHOOL</b>	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
	<b>Total DEPT 800 CAPITAL - SCHOOL</b>	\$0.00	\$65,769.09	\$0.00	-\$65,769.09	0.00%
<b>DEPT 900 OTHER</b>						
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	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
Active	E 41-900-000-880 LAND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

# ALEUTIANS EAST BOROUGH

## \*Expenditure Guideline©

04/02/12 10:37 AM

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Current Period: MARCH 11-12

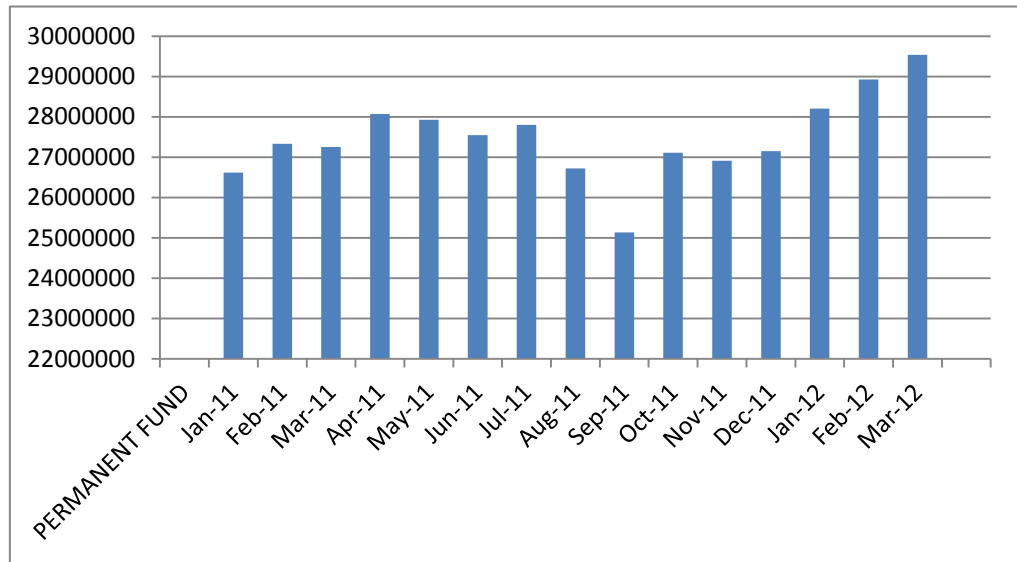
	11-12 YTD Budget	11-12 YTD Amt	MARCH MTD Amt	11-12 YTD Balance	% of Budget
SUBDEPT 000	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
Total DEPT 900 OTHER	\$100,000.00	\$0.00	\$0.00	\$100,000.00	0.00%
Total Fund 41 MAINTENANCE RESERVE FUND	\$100,000.00	\$65,769.09	\$0.00	\$34,230.91	65.77%

# INVESTMENT REPORT

## INVESTMENT REPORT

### PERMANENT FUND

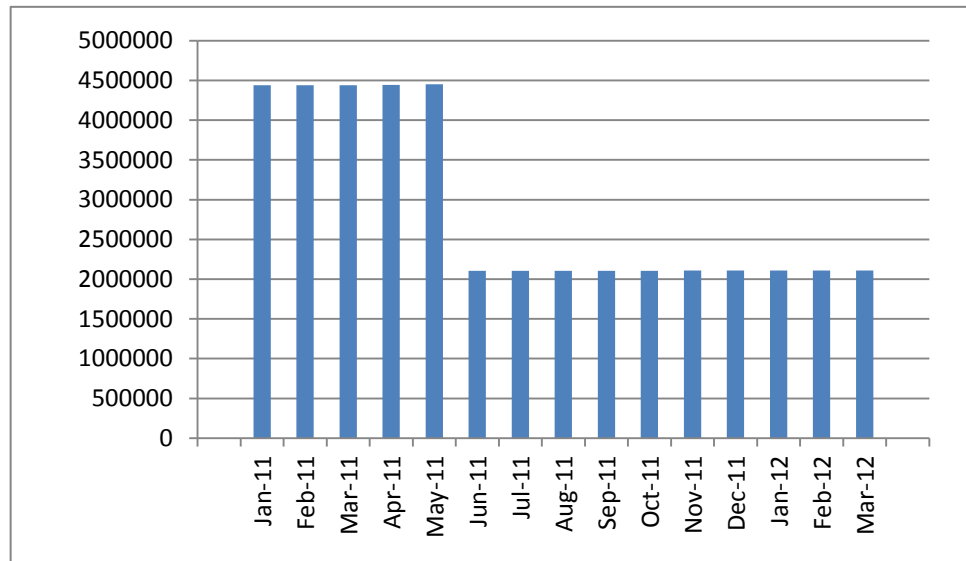
Jan-11	\$	26,614,385
Feb-11	\$	27,331,859
Mar-11	\$	27,255,306
Apr-11	\$	28,068,639
May-11	\$	27,927,285
Jun-11	\$	27,545,491
Jul-11	\$	27,798,887
Aug-11	\$	26,724,435
Sep-11	\$	25,138,378
Oct-11	\$	27,112,655
Nov-11	\$	26,909,212
Dec-11	\$	27,147,687
Jan-12	\$	28,205,944
Feb-12	\$	28,929,315
Mar-12	\$	29,535,690



\*on 7/13/11 deposit of \$500,000

### AKUTAN HARBOR

Jan-11	\$	4,440,234
Feb-11	\$	4,440,006
Mar-11	\$	4,438,559
Apr-11	\$	4,444,918
May-11	\$	4,451,132
Jun-11	\$	2,105,056
Jul-11	\$	2,105,495
Aug-11	\$	2,106,212
Sep-11	\$	2,104,005
Oct-11	\$	2,105,765
Nov-11	\$	2,106,689
Dec-11	\$	2,107,607
Jan-12	\$	2,109,462
Feb-12	\$	2,109,038
Mar-12	\$	2,109,169



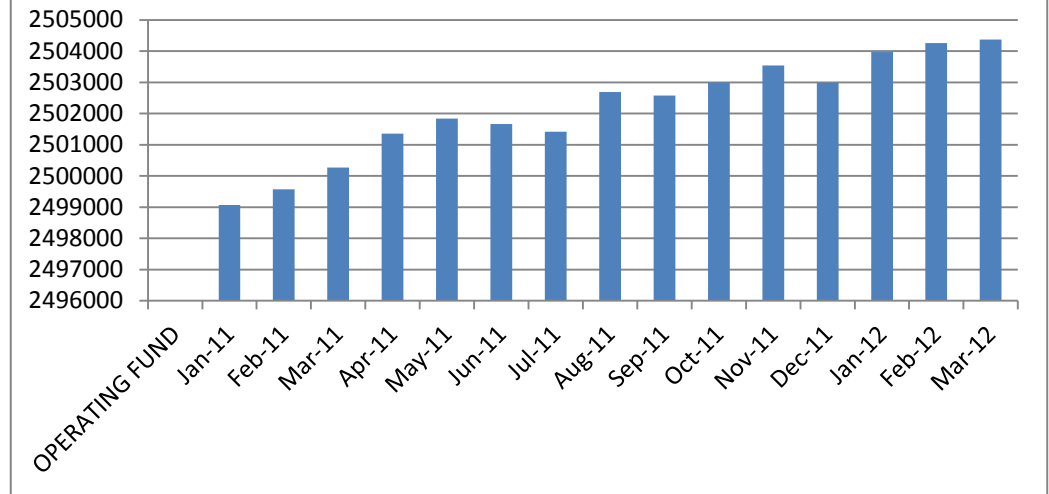
\$440,234 withdrawn on 1/18/11

June: \$2,835,471.20 withdrawn and \$488,167.50 re-deposited.

## INVESTMENT REPORT

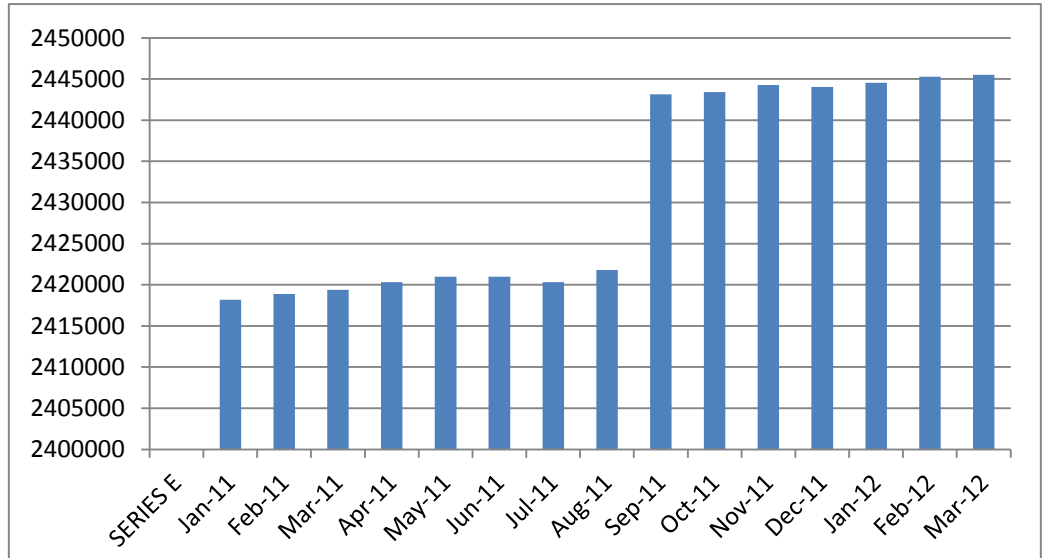
### OPERATING FUND

Jan-11	\$	2,499,072
Feb-11	\$	2,499,575
Mar-11	\$	2,500,274
Apr-11	\$	2,501,354
May-11	\$	2,501,841
Jun-11	\$	2,501,668
Jul-11	\$	2,501,414
Aug-11	\$	2,502,684
Sep-11	\$	2,502,580
Oct-11	\$	2,502,998
Nov-11	\$	2,503,537
Dec-11	\$	2,502,989
Jan-12	\$	2,503,969
Feb-12	\$	2,504,255
Mar-12	\$	2,504,370



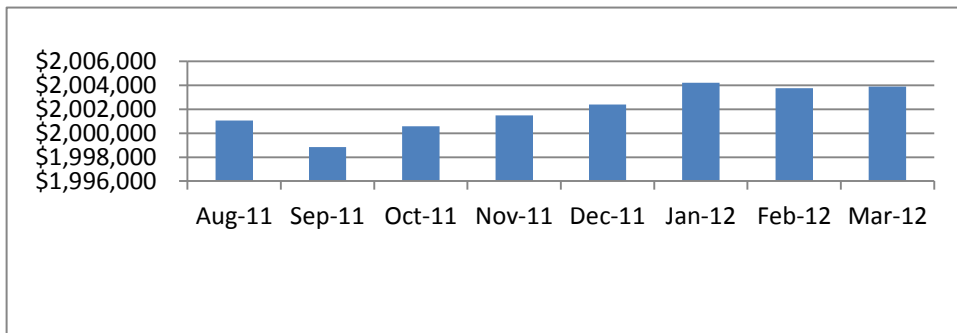
### SERIES E

Jan-11	\$	2,418,191
Feb-11	\$	2,418,888
Mar-11	\$	2,419,376
Apr-11	\$	2,420,314
May-11	\$	2,420,968
Jun-11	\$	2,420,973
Jul-11	\$	2,420,304
Aug-11	\$	2,421,801
Sep-11	\$	2,443,132
Oct-11	\$	2,443,406
Nov-11	\$	2,444,283
Dec-11	\$	2,444,039
Jan-12	\$	2,444,563
Feb-12	\$	2,445,281
Mar-12	\$	2,445,516



### 2010 Series A (KC Access)

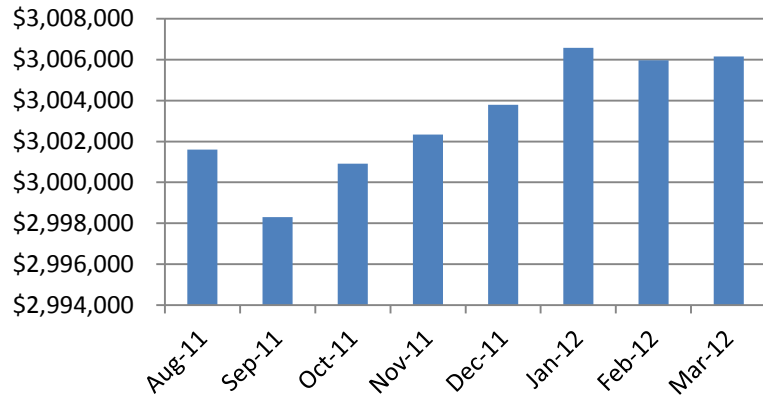
Aug-11	\$2,001,077
Sep-11	\$1,998,849
Oct-11	\$2,000,592
Nov-11	\$2,001,492
Dec-11	\$2,002,396
Jan-12	\$2,004,207
Feb-12	\$2,003,771
Mar-12	\$2,003,889



## INVESTMENT REPORT

### 2010 Series B (Akutan Airport)

Aug-11	\$	3,001,604
Sep-11	\$	2,998,292
Oct-11	\$	3,000,917
Nov-11	\$	3,002,337
Dec-11	\$	3,003,796
Jan-12	\$	3,006,577
Feb-12	\$	3,005,970
Mar-12	\$	3,006,159







April 9, 2012

Sharon Boyette  
Administrator  
Aleutians East Borough  
3380 C Street, Suite 205  
Anchorage, Alaska 99503

*sent via email*

Dear Ms. Boyette,

Enclosed is the March 2012 report for the Aleutians East Borough, which includes a listing of portfolio assets, purchases and sales. .

**Permanent Fund:**

The month-end market value of the portfolio was \$29,535,690, which includes \$58,158 in accrued interest receivable. Estimated annual cash income from the portfolio, excluding dividends on equities, is \$274,215. During March we implemented the new asset allocation by selling Large and Mid-Cap Equities and purchasing Emerging Market Equities.

**Series E account:**

The month-end market value of the portfolio was \$2,445,516.

**Akutan Harbor-2006A:**

The month-end market value of the account was \$2,109,169.

**Operating Fund:**

The month-end market value of the portfolio was \$2,504,370.

**2010 Series A:**

The month-end balance \$2,003,889.

**2010 Series B:**

The month-end balance was \$3,006,159.

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 - Period Ending March 31, 2012

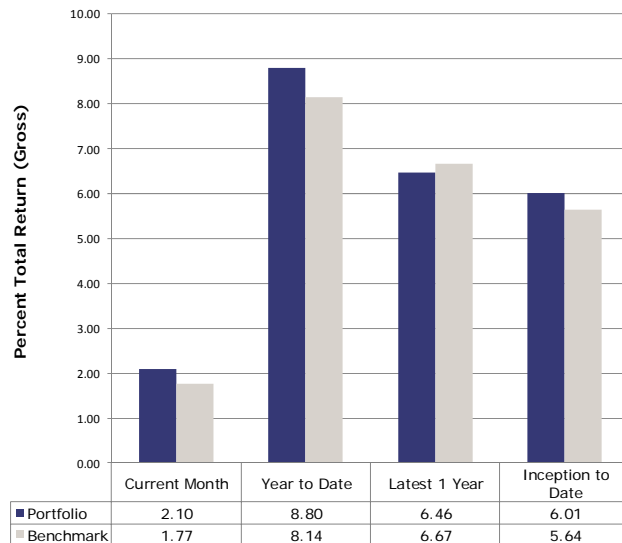


## ACCOUNT ACTIVITY

Portfolio Value on 12-31-11	27,147,687
Contributions	0
Withdrawals	-2,256
Change in Market Value	2,237,351
Interest	69,676
Dividends	83,233
Portfolio Value on 03-31-12	29,535,690

## INVESTMENT PERFORMANCE

Current Account Benchmark:  
Equity Blend

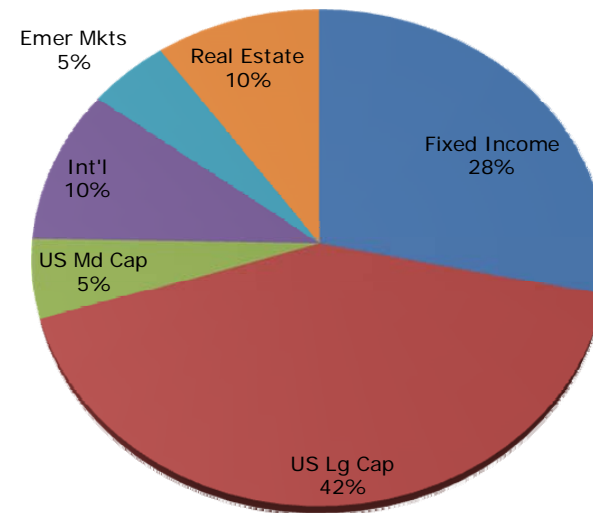


Performance for Periods One Year and Greater are Annualized

## 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, 2012*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
500,000	US TREASURY NOTES 0.625% Due 07-31-12	100.21	501,035	100.16	500,820	1.70	3,125	524	0.14
125,000	US TREASURY NOTES 1.875% Due 02-28-14	98.35	122,940	102.91	128,632	0.44	2,344	204	0.35
300,000	US TREASURY NOTES 2.625% Due 06-30-14	100.45	301,337	104.97	314,907	1.07	7,875	1,990	0.40
525,000	US TREASURY NOTES 1.250% Due 10-31-15	97.52	511,991	101.99	535,458	1.81	6,562	2,758	0.69
275,000	US TREASURY NOTES 3.375% Due 11-15-19	97.63	268,490	111.64	307,013	1.04	9,281	3,519	1.74
150,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	156,059	112.48	168,726	0.57	5,250	1,990	1.84
500,000	US TREASURY NOTES 2.625% Due 11-15-20	104.36	521,820	105.16	525,820	1.78	13,125	4,976	1.97
100,000	US TREASURY NOTES 2.000% Due 02-15-22	100.20	100,203	98.08	98,078	0.33	2,000	253	2.22
	Accrued Interest				16,214	0.05			
			2,483,875		2,595,668	8.79		16,214	
<b>AGENCIES</b>									
200,000	FNMA 0.750% Due 11-29-16	100.00	200,000	100.07	200,132	0.68	1,500	508	0.74
400,000	FEDERAL HOME LN BKS 4.875% Due 05-17-17	99.74	398,946	118.59	474,344	1.61	19,500	7,258	1.13
	Accrued Interest				7,767	0.03			
			598,946		682,243	2.31		7,767	
<b>FNMA &amp; FHLMC</b>									
152,140	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	104.56	159,081	105.65	160,742	0.54	6,086	507	1.36
	Accrued Interest				507	0.00			
			159,081		161,249	0.55		507	
<b>ASSET-BACKED SECURITIES</b>									
150,000	GE CAPITAL CREDIT CARD MASTER NOTE TRUST 3.690% Due 07-15-15	103.37	155,062	100.95	151,429	0.51	5,535	246	0.42
	Accrued Interest				246	0.00			
			155,062		151,675	0.51		246	

\* Callable security

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**ALEUTIANS EAST BOROUGH**  
*March 31, 2012*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>COMMERCIAL MORTGAGE-BACKED SECURITIES</b>									
500,000	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41 Accrued Interest	100.55	502,726	104.12	520,579	1.76	27,590	2,299	3.21
					2,299	0.01			
			502,726		522,878	1.77		2,299	
<b>CORPORATE BONDS</b>									
150,000	CREDIT SUISSE NEW YORK 3.450% Due 07-02-12	103.38	155,070	100.74	151,107	0.51	5,175	1,092	0.52
150,000	UNITED PARCEL SVC INC 4.500% Due 01-15-13	99.57	149,362	103.17	154,753	0.52	6,750	1,425	0.47
150,000	GLAXOSMITHKLINE CAP INC 4.850% Due 05-15-13	99.79	149,683	104.97	157,449	0.53	7,275	2,748	0.41
150,000	TOYOTA MOTOR CREDIT 1.375% Due 08-12-13	101.03	151,539	101.20	151,795	0.51	2,062	281	0.49
150,000	GENERAL MILLS INC 5.250% Due 08-15-13	109.31	163,971	106.12	159,187	0.54	7,875	1,006	0.75
150,000	BARRICK GOLD FINANCE CO. 6.125% Due 09-15-13	111.45	167,173	107.26	160,885	0.54	9,187	408	1.08
100,000	CATERPILLAR FINANCIAL 6.125% Due 02-17-14	100.12	100,125	109.92	109,923	0.37	6,125	749	0.79
100,000	MORGAN STANLEY 6.000% Due 04-28-15	95.25	95,250	104.67	104,668	0.35	6,000	2,550	4.36
250,000	GENERAL ELECT CAP CORP MED TERM NT SER A 6.900% Due 09-15-15	104.49	261,227	114.71	286,770	0.97	17,250	767	2.43
150,000	PPG INDUSTRIES INC 1.900% Due 01-15-16	98.62	147,937	100.46	150,697	0.51	2,850	602	1.77
150,000	HSBC FINANCE CORP 5.500% Due 01-19-16	97.07	145,611	108.36	162,543	0.55	8,250	1,650	3.14
150,000	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16	99.98	149,971	104.26	156,393	0.53	3,150	1,164	1.04
150,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	117.91	176,866	117.66	176,484	0.60	8,437	3,891	1.58
150,000	JOHN DEERE CAPITAL CORP 2.000% Due 01-13-17	102.52	153,774	102.01	153,009	0.52	3,000	992	1.56
150,000	STATOIL ASA 3.125% Due 08-17-17	107.07	160,599	107.27	160,906	0.54	4,687	573	1.70
150,000	ASTRAZENECA PLC 5.900% Due 09-15-17	101.14	151,711	119.85	179,779	0.61	8,850	393	2.04
150,000	JPMORGAN CHASE 6.000% Due 01-15-18	103.99	155,979	115.68	173,521	0.59	9,000	1,900	3.02

\* Callable security

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**ALEUTIANS EAST BOROUGH**  
*March 31, 2012*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
150,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	149,358	116.26	174,394	0.59	8,625	1,437	2.71
150,000	BANK OF AMERICA CORP 5.650% Due 05-01-18	83.68	125,521	106.75	160,125	0.54	8,475	3,531	4.37
150,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	116.51	174,771	114.25	171,379	0.58	11,250	1,437	5.02
165,314	SOUTHWEST AIRLS 2007-1 PASS 6.150% Due 08-01-22 Accrued Interest	102.36	169,219	113.50	187,631	0.64	10,167	1,694	4.50
					30,291	0.10			
			3,254,721		3,473,694	11.76		30,291	
<b>MUNICIPAL BONDS</b>									
200,000	FAIRBANKS NORTH STAR BORO AK 5.000% Due 09-01-22 Accrued Interest	120.54	241,078	123.25	246,500	0.83	10,000	833	2.46
					833	0.00			
			241,078		247,333	0.84		833	
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>									
95,877	VANGUARD INST'L S&P500 INDEX FUND	96.21	9,224,744	128.94	12,362,398	41.86	NA		
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>									
15,444	ISHARES S&P MIDCAP 400	72.41	1,118,232	99.22	1,532,354	5.19	NA		
<b>INTERNATIONAL FUNDS/ETF</b>									
86,372	VANGUARD MSCI EAFE ETF	37.88	3,271,921	34.03	2,939,239	9.95	NA		
<b>EMERGING MARKET FUNDS/ETF</b>									
33,080	VANGUARD EMERGING MARKET ETF	43.84	1,450,144	43.47	1,437,988	4.87	NA		
<b>REAL ESTATE</b>									
45,907	VANGUARD REIT ETF	53.03	2,434,236	63.65	2,921,981	9.89	NA		
<b>TREASURY BILLS</b>									
100,000	US TREASURY BILLS 0.000% Due 05-31-12	99.83	99,833	99.99	99,991	0.34	NA	0	0.05
<b>CASH AND EQUIVALENTS</b>									
	VICTORY MONEY MARKET FUND		407,000		407,000	1.38			
<b>TOTAL PORTFOLIO</b>			<b>25,401,600</b>		<b>29,535,690</b>	<b>100</b>	<b>274,215</b>	<b>58,158</b>	

\* Callable security

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***ALEUTIANS EAST BOROUGH***  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>PURCHASES</b>				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
03-30-12	03-30-12	VANGUARD INST'L S&P500 INDEX FUND	424.2840	54,503.58
EMERGING MARKET FUNDS/ETF				
03-26-12	03-29-12	VANGUARD EMERGING MARKET ETF	33,080.0000	1,450,144.50
U.S. TREASURY				
03-16-12	03-19-12	US TREASURY NOTES 2.625% Due 11-15-20	100,000	104,429.67
				<b>1,609,077.75</b>
<b>DIVIDEND</b>				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
03-30-12	03-30-12	VANGUARD INST'L S&P500 INDEX FUND		54,503.58
DOMESTIC MID CAP EQUITY FUNDS/ETF				
03-30-12	03-30-12	ISHARES S&P MIDCAP 400		4,734.05
INTERNATIONAL FUNDS/ETF				
03-28-12	03-28-12	VANGUARD MSCI EAFE ETF		950.09
REAL ESTATE				
03-30-12	03-30-12	VANGUARD REIT ETF		23,045.31
				<b>83,233.03</b>

\* Callable security

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***ALEUTIANS EAST BOROUGH***  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>INTEREST</b>				
AGENCIES				
03-30-12	03-30-12	FHLB 2.000% Due 09-30-15		3,500.00
ASSET-BACKED SECURITIES				
03-15-12	03-15-12	GE CAPITAL CREDIT CARD MASTER NOTE TRUST 3.690% Due 07-15-15		461.25
CASH AND EQUIVALENTS				
03-01-12	03-01-12	VICTORY MONEY MARKET FUND		30.88
COMMERCIAL MORTGAGE-BACKED SECURITIES				
03-11-12	03-12-12	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41		2,299.17
CORPORATE BONDS				
03-15-12	03-15-12	ASTRAZENECA PLC 5.900% Due 09-15-17		4,425.00
03-15-12	03-15-12	BARRICK GOLD FINANCE CO. 6.125% Due 09-15-13		4,593.75
03-15-12	03-15-12	GENERAL ELECT CAP CORP MED TERM NT SER A 6.900% Due 09-15-15		8,625.00
				17,643.75

\* Callable security

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***ALEUTIANS EAST BOROUGH***  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Security	Quantity	Trade Amount
FNMA & FHLMC				
03-15-12	03-15-12	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26		525.08
MUNICIPAL BONDS				
03-01-12	03-01-12	FAIRBANKS NORTH STAR BORO AK 5.000% Due 09-01-22		2,722.22
				<b>27,182.35</b>
<b>PRINCIPAL PAYDOWNS</b>				
FNMA & FHLMC				
03-15-12	03-15-12	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	5,385.57	5,385.57
				<b>5,385.57</b>
<b>PURCHASED ACCRUED INTEREST</b>				
U.S. TREASURY				
03-16-12	03-19-12	US TREASURY NOTES 2.625% Due 11-15-20		901.44
				<b>901.44</b>
<b>SALES, MATURITIES, AND CALLS</b>				
AGENCIES				
03-30-12	03-30-12	FHLB 2.000% Due 09-30-15	350,000	350,000.00
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
03-26-12	03-27-12	VANGUARD INST'L S&P500 INDEX FUND	8,909.3700	1,160,000.00

\* Callable security



Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***ALEUTIANS EAST BOROUGH***  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Security	Quantity	Trade Amount
DOMESTIC MID CAP EQUITY FUNDS/ETF				
03-26-12	03-29-12	ISHARES S&P MIDCAP 400	2,898.0000	289,948.95
				<b>1,799,948.95</b>
<b>WITHDRAW</b>				
CASH AND EQUIVALENTS				
03-15-12	03-15-12	VICTORY MONEY MARKET FUND		731.13
03-15-12	03-15-12	VICTORY MONEY MARKET FUND		15.00
				<hr/>
				746.13
				<b>746.13</b>

\* Callable security

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***ALEUTIANS EAST BOROUGH***  
*From 03-01-12 Through 03-31-12*

<b>Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Avg. Cost Basis</b>	<b>Proceeds</b>	<b>Gain Or Loss</b>
03-15-12	5,385.57	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	5,631.29	5,385.57	-245.72
03-26-12	2,898.0000	ISHARES S&P MIDCAP 400	209,831.34	289,948.95	80,117.61
03-26-12	8,909.3700	VANGUARD INST'L S&P500 INDEX FUND	855,931.07	1,160,000.00	304,068.93
03-30-12	350,000	FHLB 2.000% Due 09-30-15	350,000.00	350,000.00	0.00
TOTAL GAINS					384,186.54
TOTAL LOSSES					-245.72
			<b>1,421,393.69</b>	<b>1,805,334.52</b>	<b>383,940.83</b>

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***ALEUTIANS EAST BOROUGH***

*From 03-01-12 To 03-31-12*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
<b>VICTORY MONEY MARKET FUND</b>					
03-01-12			Beginning Balance		101,975.08
03-01-12	03-01-12	dp	Interest	FAIRBANKS NORTH STAR BORO AK 5.000% Due 09-01-22	2,722.22
03-01-12	03-01-12	dp	Interest	VICTORY MONEY MARKET FUND	30.88
03-11-12	03-12-12	dp	Interest	FRN - BEAR STEARNS COML MTG SECS TR 5.518% Due 09-11-41	2,299.17
03-15-12	03-15-12	wd	Withdrawal	from Portfolio	-731.13
03-15-12	03-15-12	wd	Withdrawal	from Portfolio	-15.00
03-15-12	03-15-12	dp	Interest	ASTRAZENECA PLC 5.900% Due 09-15-17	4,425.00
03-15-12	03-15-12	dp	Interest	BARRICK GOLD FINANCE CO. 6.125% Due 09-15-13	4,593.75
03-15-12	03-15-12	dp	Interest	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	525.08
03-15-12	03-15-12	dp	Paydown	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	5,385.57
03-15-12	03-15-12	dp	Interest	GE CAPITAL CREDIT CARD MASTER NOTE TRUST 3.690% Due 07-15-15	461.25
03-15-12	03-15-12	dp	Interest	GENERAL ELECT CAP CORP MED TERM NT SER A 6.900% Due 09-15-15	8,625.00

\* Callable security

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***ALEUTIANS EAST BOROUGH***

*From 03-01-12 To 03-31-12*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
03-16-12	03-19-12	wd	Purchase	US TREASURY NOTES 2.625% Due 11-15-20	-104,429.67
03-16-12	03-19-12	wd	Accrued Interest	US TREASURY NOTES 2.625% Due 11-15-20	-901.44
03-26-12	03-29-12	dp	Sale	ISHARES S&P MIDCAP 400	289,948.95
03-26-12	03-29-12	wd	Purchase	VANGUARD EMERGING MARKET ETF	-1,450,144.50
03-26-12	03-27-12	dp	Sale	VANGUARD INST'L S&P500 INDEX FUND	1,160,000.00
03-28-12	03-28-12	dp	Dividend	VANGUARD MSCI EAFE ETF	950.09
03-30-12	03-30-12	dp	Interest	FHLB 2.000% Due 09-30-15	3,500.00
03-30-12	03-30-12	dp	Dividend	ISHARES S&P MIDCAP 400	4,734.05
03-30-12	03-30-12	dp	Dividend	VANGUARD INST'L S&P500 INDEX FUND	54,503.58
03-30-12	03-30-12	dp	Dividend	VANGUARD REIT ETF	23,045.31
03-30-12	03-30-12	wd	Purchase	VANGUARD INST'L S&P500 INDEX FUND	-54,503.58
03-30-12	03-30-12	dp	Sale	FHLB 2.000% Due 09-30-15	350,000.00
<b>03-31-12</b>			<b>Ending Balance</b>		<b>406,999.66</b>

\* Callable security

# AEB 2010 SERIES A GO BOND/KCAP

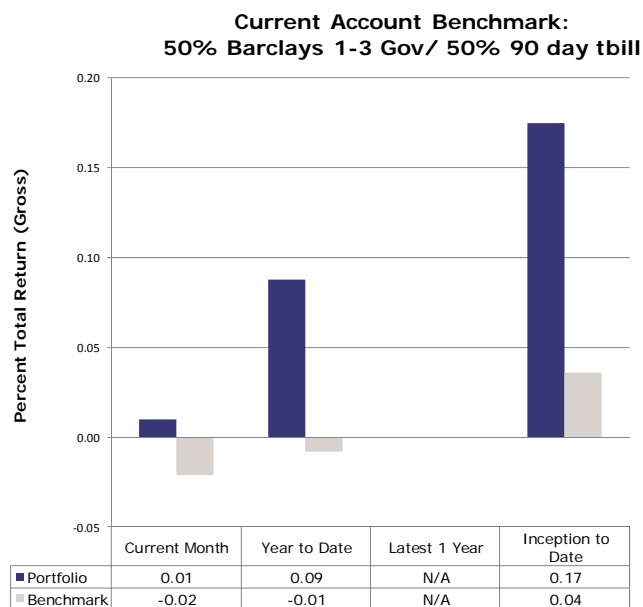
Account Statement - Period Ending March 31, 2012



## ACCOUNT ACTIVITY

Portfolio Value on 12-31-11	2,002,396
Contributions	0
Withdrawals	-265
Change in Market Value	-3,699
Interest	5,457
Dividends	0
Portfolio Value on 03-31-12	2,003,889

## INVESTMENT PERFORMANCE

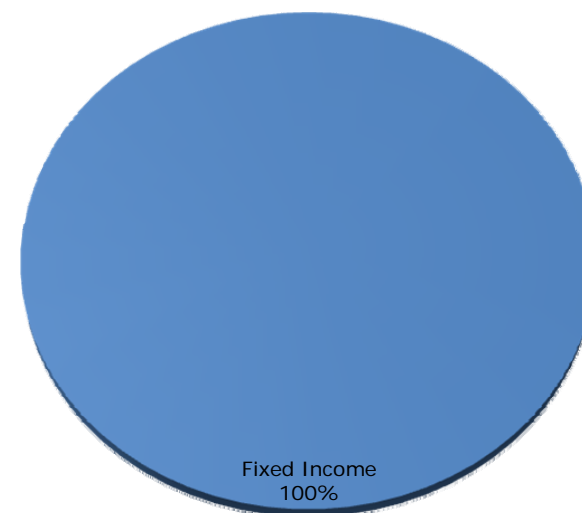


Performance for Periods One Year and Greater are Annualized

## 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



Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**AEB 2010 SERIES A GO BOND/KCAP**  
*March 31, 2012*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
500,000	US TREASURY NOTES 1.250% Due 02-15-14 Accrued Interest	102.33	511,641	101.69	508,455	25.37	6,250	790	0.35
					790	0.04			
			511,641		509,245	25.41		790	
<b>AGENCIES</b>									
250,000	FREDDIE MAC 1.125% Due 07-27-12	100.84	252,097	100.30	250,745	12.51	2,812	500	0.20
125,000	FNMA 0.500% Due 10-30-12	100.29	125,359	100.18	125,224	6.25	625	262	0.19
300,000	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	102.70	308,088	101.95	305,838	15.26	5,625	1,562	0.28
500,000	FNMA 1.000% Due 09-23-13	101.21	506,068	100.94	504,725	25.19	5,000	111	0.36
250,000	FNMA 0.600% Due 10-24-13 Accrued Interest	99.98	249,962	100.01	250,035	12.48	1,500	654	0.59
					3,090	0.15			
			1,441,575		1,439,657	71.84		3,090	
<b>CASH AND EQUIVALENTS</b>									
	VICTORY INSTITUTIONAL MONEY MARKET FUND		54,987		54,987	2.74			
<b>TOTAL PORTFOLIO</b>			<b>2,008,203</b>		<b>2,003,889</b>	<b>100</b>	<b>21,812</b>	<b>3,880</b>	

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***AEB 2010 SERIES A GO BOND/KCAP***  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>INTEREST</b>				
AGENCIES				
03-23-12	03-23-12	FNMA 1.000% Due 09-23-13		2,500.00
CASH AND EQUIVALENTS				
03-01-12	03-01-12	VICTORY INSTITUTIONAL MONEY MARKET FUND		8.82
				<b>2,508.82</b>
<b>WITHDRAW</b>				
CASH AND EQUIVALENTS				
03-15-12	03-15-12	VICTORY INSTITUTIONAL MONEY MARKET FUND		83.30
				<b>83.30</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***AEB 2010 SERIES A GO BOND/KCAP***  
*From 03-01-12 Through 03-31-12*

<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
			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>



Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**AEB 2010 SERIES A GO BOND/KCAP**  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
<b>VICTORY INSTITUTIONAL MONEY MARKET FUND</b>					
03-01-12			Beginning Balance		52,561.51
03-01-12	03-01-12	dp	Interest	VICTORY INSTITUTIONAL MONEY MARKET FUND	8.82
03-15-12	03-15-12	wd	Withdrawal	from Portfolio	-83.30
03-23-12	03-23-12	dp	Interest	FNMA 1.000% Due 09-23-13	2,500.00
<b>03-31-12</b>			<b>Ending Balance</b>		<b>54,987.03</b>

# AEB/AKUTAN HARBOR - 2006 A

Account Statement - Period Ending March 31, 2012

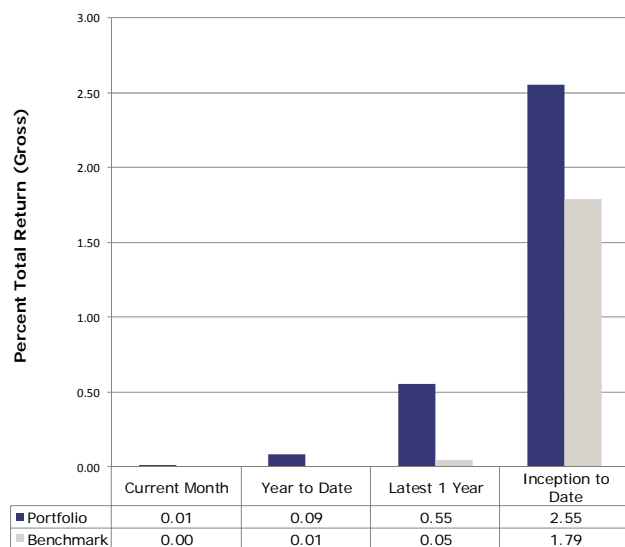


## ACCOUNT ACTIVITY

Portfolio Value on 12-31-11	2,107,607
Contributions	0
Withdrawals	-278
Change in Market Value	-3,764
Interest	5,604
Dividends	0
Portfolio Value on 03-31-12	2,109,169

## INVESTMENT PERFORMANCE

Current Account Benchmark:  
90 Day Tbill

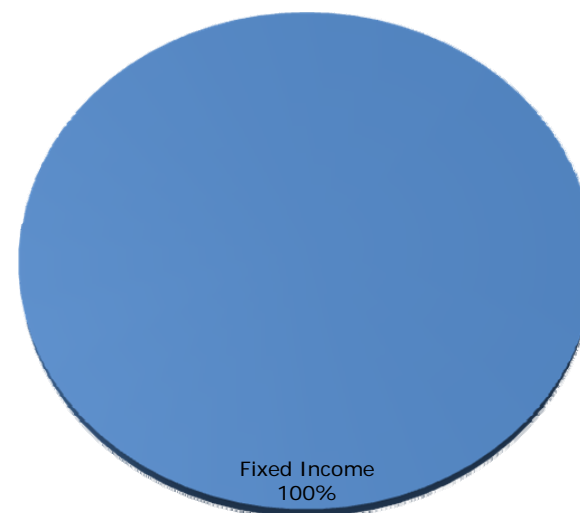


Performance for Periods One Year and Greater are Annualized

## 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



Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
***AEB/AKUTAN HARBOR - 2006 A***  
*March 31, 2012*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
500,000	US TREASURY NOTES 1.250% Due 02-15-14 Accrued Interest	102.45	512,227	101.69	508,455	24.11	6,250	790	0.35
					790	0.04			
			512,227		509,245	24.14		790	
<b>AGENCIES</b>									
275,000	FREDDIE MAC 1.125% Due 07-27-12	100.82	277,245	100.30	275,819	13.08	3,094	550	0.20
150,000	FNMA 0.500% Due 10-30-12	100.29	150,430	100.18	150,268	7.12	750	315	0.19
300,000	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	102.35	307,037	101.95	305,838	14.50	5,625	1,562	0.28
500,000	FNMA 1.000% Due 09-23-13	101.33	506,661	100.94	504,725	23.93	5,000	111	0.36
275,000	FNMA 0.600% Due 10-24-13 Accrued Interest	99.98	274,959	100.01	275,038	13.04	1,650	720	0.59
					3,258	0.15			
			1,516,332		1,514,947	71.83		3,258	
<b>CASH AND EQUIVALENTS</b>									
	VICTORY MONEY MARKET FUND		84,977		84,977	4.03			
<b>TOTAL PORTFOLIO</b>			<b>2,113,536</b>		<b>2,109,169</b>	<b>100</b>	<b>22,369</b>	<b>4,048</b>	

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***AEB/AKUTAN HARBOR - 2006 A***  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>INTEREST</b>				
AGENCIES				
03-23-12	03-23-12	FNMA 1.000% Due 09-23-13		2,500.00
CASH AND EQUIVALENTS				
03-01-12	03-01-12	VICTORY MONEY MARKET FUND		14.00
				<b>2,514.00</b>
<b>WITHDRAW</b>				
CASH AND EQUIVALENTS				
03-15-12	03-15-12	VICTORY MONEY MARKET FUND		87.68
				<b>87.68</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***AEB/AKUTAN HARBOR - 2006 A***  
*From 03-01-12 Through 03-31-12*

<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
			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***AEB/AKUTAN HARBOR - 2006 A***

*From 03-01-12 To 03-31-12*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
<b>VICTORY MONEY MARKET FUND</b>					
03-01-12			Beginning Balance		82,550.62
03-01-12	03-01-12	dp	Interest	VICTORY MONEY MARKET FUND	14.00
03-15-12	03-15-12	wd	Withdrawal	from Portfolio	-87.68
03-23-12	03-23-12	dp	Interest	FNMA 1.000% Due 09-23-13	2,500.00
<b>03-31-12</b>			<b>Ending Balance</b>		<b>84,976.94</b>

# AEB 2010 SERIES B BOND/AKUTAN AIR

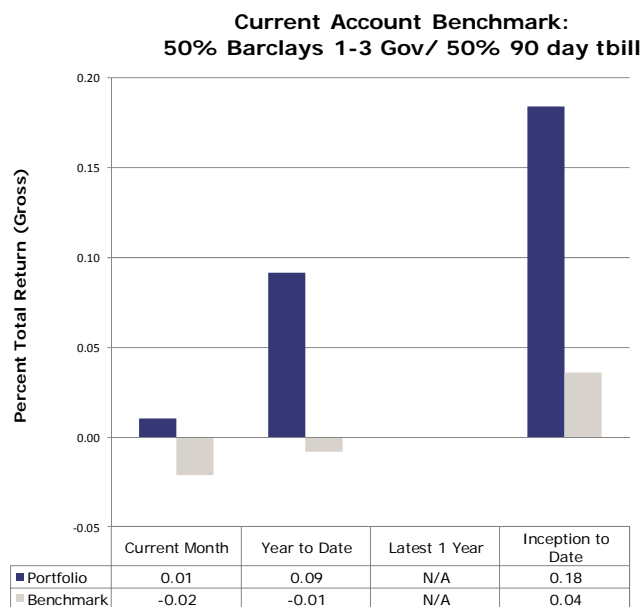
Account Statement - Period Ending March 31, 2012



## ACCOUNT ACTIVITY

Portfolio Value on 12-31-11	3,003,796
Contributions	0
Withdrawals	-390
Change in Market Value	-5,535
Interest	8,288
Dividends	0
Portfolio Value on 03-31-12	3,006,159

## INVESTMENT PERFORMANCE

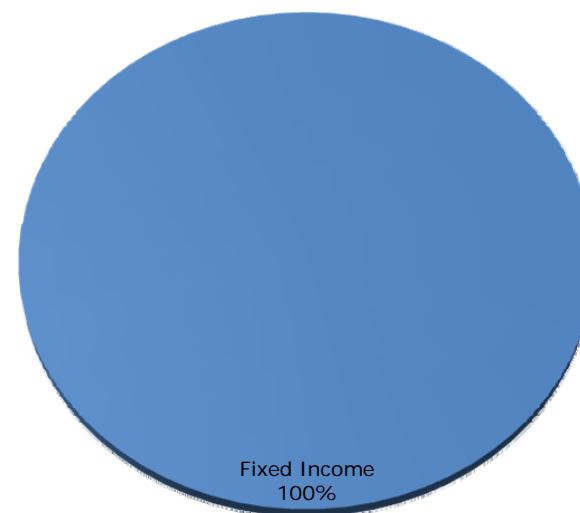


Performance for Periods One Year and Greater are Annualized

## 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



Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**AEB 2010 SERIES B BOND/AKUTAN AIR**  
*March 31, 2012*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
750,000	US TREASURY NOTES 1.250% Due 02-15-14 Accrued Interest	102.33	767,461	101.69	762,682	25.37	9,375	1,185	0.35
					1,185	0.04			
			767,461		763,867	25.41		1,185	
<b>AGENCIES</b>									
400,000	FREDDIE MAC 1.125% Due 07-27-12	100.84	403,356	100.30	401,192	13.35	4,500	800	0.20
100,000	FNMA 0.500% Due 10-30-12	100.29	100,287	100.18	100,179	3.33	500	210	0.19
450,000	FEDERAL HOME LOAN BANK 1.875% Due 06-21-13	102.70	462,132	101.95	458,757	15.26	8,437	2,344	0.28
750,000	FNMA 1.000% Due 09-23-13	101.21	759,103	100.94	757,087	25.18	7,500	167	0.36
475,000	FNMA 0.600% Due 10-24-13 Accrued Interest	99.98	474,929	100.01	475,066	15.80	2,850	1,243	0.59
					4,763	0.16			
			2,199,806		2,197,045	73.08		4,763	
<b>CASH AND EQUIVALENTS</b>									
	VICTORY INSTITUTIONAL MONEY MARKET FUND		45,247		45,247	1.51			
<b>TOTAL PORTFOLIO</b>			<b>3,012,514</b>		<b>3,006,159</b>	<b>100</b>	<b>33,162</b>	<b>5,948</b>	



Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***AEB 2010 SERIES B BOND/AKUTAN AIR***  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>INTEREST</b>				
AGENCIES				
03-23-12	03-23-12	FNMA 1.000% Due 09-23-13		3,750.00
CASH AND EQUIVALENTS				
03-01-12	03-01-12	VICTORY INSTITUTIONAL MONEY MARKET FUND		6.80
				<b>3,756.80</b>
<b>WITHDRAW</b>				
CASH AND EQUIVALENTS				
03-15-12	03-15-12	VICTORY INSTITUTIONAL MONEY MARKET FUND		124.96
				<b>124.96</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***AEB 2010 SERIES B BOND/AKUTAN AIR***  
*From 03-01-12 Through 03-31-12*

<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
			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**AEB 2010 SERIES B BOND/AKUTAN AIR**  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
<b>VICTORY INSTITUTIONAL MONEY MARKET FUND</b>					
03-01-12			Beginning Balance		41,614.67
03-01-12	03-01-12	dp	Interest	VICTORY INSTITUTIONAL MONEY MARKET FUND	6.80
03-15-12	03-15-12	wd	Withdrawal	from Portfolio	-124.96
03-23-12	03-23-12	dp	Interest	FNMA 1.000% Due 09-23-13	3,750.00
<b>03-31-12</b>			<b>Ending Balance</b>		<b>45,246.51</b>

# AEB OPERATING FUND

Account Statement - Period Ending March 31, 2012

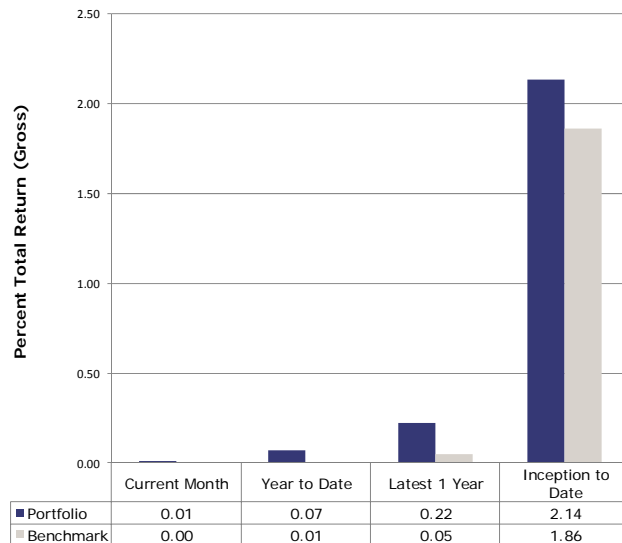


## ACCOUNT ACTIVITY

Portfolio Value on 12-31-11	2,502,989
Contributions	533,614
Withdrawals	-533,996
Change in Market Value	-4,939
Interest	6,701
Dividends	0
Portfolio Value on 03-31-12	2,504,370

## INVESTMENT PERFORMANCE

Current Account Benchmark:  
90 Day Tbill

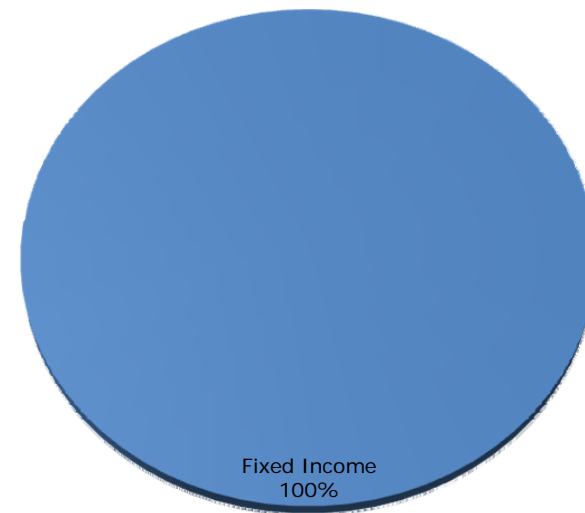


Performance for Periods One Year and Greater are Annualized

## 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



Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**AEB OPERATING FUND**  
*March 31, 2012*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
500,000	US TREASURY NOTES 0.375% Due 06-30-13 Accrued Interest	100.16	500,801	100.13	500,665	19.99	1,875	474	0.27
					474	0.02			
			500,801		501,139	20.01		474	
<b>AGENCIES</b>									
500,000	FHLB 1.125% Due 05-18-12	100.78	503,920	100.12	500,620	19.99	5,625	2,078	0.17
1,000,000	FHLB 1.375% Due 10-26-12	101.04	1,010,430	100.67	1,006,730	40.20	13,750	344	0.19
300,000	FEDERAL FARM CREDIT BANK 1.875% Due 12-07-12 Accrued Interest	102.10	306,298	101.14	303,411	12.12	5,625	1,781	0.21
					4,203	0.17			
			1,820,648		1,814,964	72.47		4,203	
<b>CASH AND EQUIVALENTS</b>									
	VICTORY MONEY MARKET FUND		188,267		188,267	7.52			
<b>TOTAL PORTFOLIO</b>			<b>2,509,716</b>		<b>2,504,370</b>	<b>100</b>	<b>26,875</b>	<b>4,677</b>	

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***AEB OPERATING FUND***  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>DEPOSITS AND EXPENSES</b>				
CASH AND EQUIVALENTS				
03-08-12	03-08-12	VICTORY MONEY MARKET FUND		382.18
03-19-12	03-19-12	VICTORY MONEY MARKET FUND		108,164.10
				108,546.28
				<b>108,546.28</b>
<b>INTEREST</b>				
AGENCIES				
03-22-12	03-22-12	FHLB 1.375% Due 10-26-12		6,875.00
CASH AND EQUIVALENTS				
03-01-12	03-01-12	VICTORY MONEY MARKET FUND		70.15
				<b>6,945.15</b>
<b>WITHDRAW</b>				
CASH AND EQUIVALENTS				
03-08-12	03-08-12	VICTORY MONEY MARKET FUND		382.18
03-15-12	03-15-12	VICTORY MONEY MARKET FUND		103.95
03-15-12	03-15-12	VICTORY MONEY MARKET FUND		15.00
03-19-12	03-19-12	VICTORY MONEY MARKET FUND		108,164.10
				108,665.23
				<b>108,665.23</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***AEB OPERATING FUND***  
*From 03-01-12 Through 03-31-12*

<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
			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***AEB OPERATING FUND***

*From 03-01-12 To 03-31-12*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
<b>VICTORY MONEY MARKET FUND</b>					
03-01-12			Beginning Balance		181,440.65
03-01-12	03-01-12	dp	Interest	VICTORY MONEY MARKET FUND	70.15
03-08-12	03-08-12	dp	Addition	to Portfolio	382.18
03-08-12	03-08-12	wd	Withdrawal	from Portfolio	-382.18
03-15-12	03-15-12	wd	Withdrawal	from Portfolio	-103.95
03-15-12	03-15-12	wd	Withdrawal	from Portfolio	-15.00
03-19-12	03-19-12	dp	Addition	to Portfolio	108,164.10
03-19-12	03-19-12	wd	Withdrawal	from Portfolio	-108,164.10
03-22-12	03-22-12	dp	Interest	FHLB 1.375% Due 10-26-12	6,875.00
<b>03-31-12</b>			<b>Ending Balance</b>		<b>188,266.85</b>



# ALEUTIANS EAST BOROUGH SERIES E BOND

Account Statement - Period Ending March 31, 2012

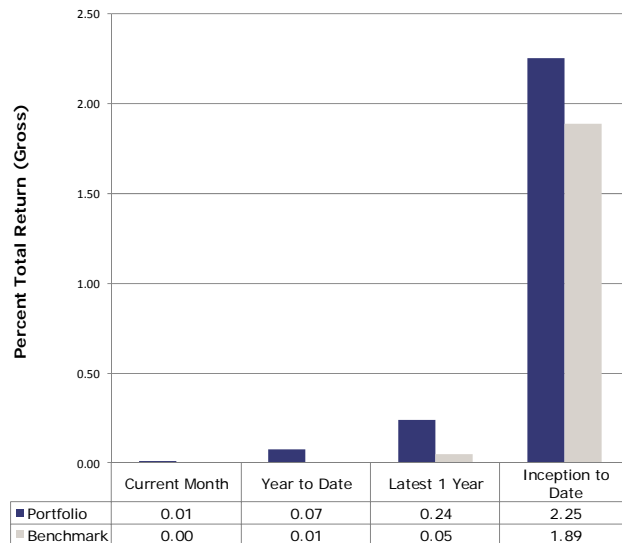


## ACCOUNT ACTIVITY

Portfolio Value on 12-31-11	2,444,039
Contributions	137,302
Withdrawals	-137,637
Change in Market Value	-6,339
Interest	8,151
Dividends	0
Portfolio Value on 03-31-12	2,445,516

## INVESTMENT PERFORMANCE

Current Account Benchmark:  
90 Day Tbill

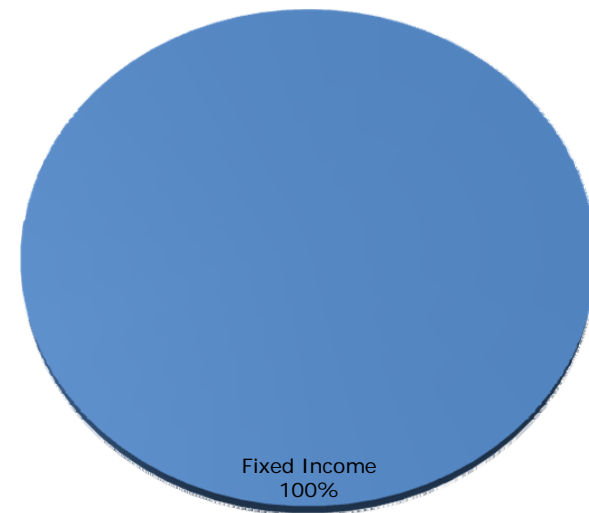


Performance for Periods One Year and Greater are Annualized

## 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



Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**ALEUTIANS EAST BOROUGH SERIES E BOND**  
*March 31, 2012*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
500,000	US TREASURY NOTES 1.375% Due 04-15-12 Accrued Interest	101.28	506,406	100.04	500,215	20.45	6,875	3,175	0.32
					3,175	0.13			
			506,406		503,390	20.58		3,175	
<b>AGENCIES</b>									
500,000	FHLB 1.125% Due 05-18-12	100.78	503,920	100.12	500,620	20.47	5,625	2,078	0.17
750,000	FHLB 1.375% Due 10-26-12	101.04	757,822	100.67	755,047	30.87	10,312	258	0.19
500,000	FEDERAL FARM CREDIT BANK 1.875% Due 12-07-12	102.10	510,496	101.14	505,685	20.68	9,375	2,969	0.21
125,000	FHLMC 0.375% Due 10-30-13 Accrued Interest	100.07	125,088	100.22	125,281	5.12	469	197	0.23
					5,501	0.22			
			1,897,327		1,892,135	77.37		5,501	
<b>CASH AND EQUIVALENTS</b>									
	VICTORY FEDERAL MONEY MARKET FUND		49,991		49,991	2.04			
<b>TOTAL PORTFOLIO</b>			<b>2,453,724</b>		<b>2,445,516</b>	<b>100</b>	<b>32,656</b>	<b>8,676</b>	

\* Callable security

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***ALEUTIANS EAST BOROUGH SERIES E BOND***  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>INTEREST</b>				
AGENCIES				
03-22-12	03-22-12	FHLB 1.375% Due 10-26-12		5,156.25
CASH AND EQUIVALENTS				
03-01-12	03-01-12	VICTORY FEDERAL MONEY MARKET FUND		7.74
				<b>5,163.99</b>

\* Callable security

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
***ALEUTIANS EAST BOROUGH SERIES E BOND***  
*From 03-01-12 Through 03-31-12*

<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
			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Alaska Permanent Capital Management Co.  
**CASH LEDGER**  
**ALEUTIANS EAST BOROUGH SERIES E BOND**  
*From 03-01-12 To 03-31-12*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
<b>VICTORY FEDERAL MONEY MARKET FUND</b>					
03-01-12			Beginning Balance		44,827.16
03-01-12	03-01-12	dp	Interest	VICTORY FEDERAL MONEY MARKET FUND	7.74
03-22-12	03-22-12	dp	Interest	FHLB 1.375% Due 10-26-12	5,156.25
<b>03-31-12</b>			<b>Ending Balance</b>		<b>49,991.15</b>

\* Callable security

# QUARTERLY PERSPECTIVES

## ECONOMY & MARKETS

Déjà vu, all over again?

For the past two years “sell in May and go away” has worked well for equity investors as double dip economic concerns unfolded in mid 2010 and 2011. Equity markets swooned during the summer and early fall of each of the last two years.

This year stocks have rallied right on cue over the first quarter. The S&P 500 gained +12.6%, its best quarterly performance since 1998. Risk premiums in the European bond market have narrowed, as have credit spreads on U.S. corporate bonds. Risk on.

Safe haven Treasury bonds have sold off with yields up anywhere from 10 to 30 basis points depending on maturity. Thirty year Treasury bonds fell -7.8% over the quarter.

The main difference this year is that we are now in a global easing cycle led by the Federal Reserve and recently the ECB. The Fed has offered to keep rates close to zero until 2014 and the ECB has offered up a Long Term Repo Operation (LTRO), which provides three year loans to European banks at very low rates. This has eased the crisis in Europe although it is just a liquidity fix.

Greece's debt restructuring (otherwise known as default where bondholders got 30 cents on the dollar) was completed in March, but the Eurozone debt crisis is far from over as solvency issues remain. Portuguese ten year bonds are trading close to 12% and the unemployment rate is 15%. While Spain's debt yields 5.6%, its unemployment rate is 23% and social unrest is simmering. Europe remains a wildcard for the investment outlook and is probably in a mild recession now.

Another wildcard is ongoing turmoil in the Middle East, especially saber rattling between Iran and Israel over the former's nuclear program. International sanctions have led Iran to threaten to close the Strait of Hormuz, through which 20% of the world's oil flows.

The rise in oil and gas prices could put a crimp in the budding U.S. recovery. Still, growth was +3% in the fourth quarter and expectations are for 2 to 3% growth this year.

The unemployment rate is 8.2% (down from 9% a year ago), which is still high but it is heading in the right direction. Manufacturing is doing better, car sales are strong and signs of a bottoming in housing signal recovery. Furthermore, natural gas prices have fallen to a ten year low on rising production, high inventories, and the warmest winter since 2000.

The Federal Reserve said it will keep rates close to zero until late 2014 (that means negative real rates) and doesn't seem to be backing away from that promise. The high unemployment rate, not the potential for inflation, remains their primary concern. They believe that tepid wage gains and plenty of unused capacity will keep inflation in check. Still, the huge increases in central bank balance sheets and unorthodox policies have some investors on edge.

Fiscal policy is likely to tighten in 2013 as various one off measures to stimulate the economy expire, including the Bush tax cuts and favorable dividend and capital gains tax rates. Dubbed the Fiscal Cliff issue, these measures together add up to 3 or 4% of GDP and would be a huge drag on growth next year, unless changed by year end. Some austerity is needed, but not this much!

The emerging stock markets gained +14% over the first three months of the year. But China was up only +2.3%. Last month the government said growth in 2012 would be +7.5%, down from +9.2% last year and +10.4% in 2010. Worries of a housing bust are probably overblown and the government has several policy options now that inflation has cooled.

We still like stocks over bonds, though a more choppy market is no doubt in the cards. Favor large cap over small, domestic over international (except for the emerging markets), and spread product in bond land. Allocations to commodities make sense as insurance against a spike in inflation as do some bonds in case of another flare up in risk.

So no, not déjà vu all over again.

## PORTFOLIO STRATEGY

Every year APCM reviews our asset class return and risk assumptions looking out 5 to 7 years. These are used to develop efficient and diversified strategic portfolios for clients. We evaluate current market conditions, historical data and look carefully at what others in the industry assume.

Recall that the strategic asset allocation is very important and is what drives portfolio returns. Client input as to return needs and appetite for risk is critical to developing the right portfolio.

This year our equity assumptions are roughly unchanged from last year though we have assumed a bit more volatility. We expect +8.7% long run returns from U.S. stocks compared to the +9.8% reported by Ibbotson Associates from 1926 to 2011, for example. This reflects the lower economic growth environment and very low interest rates. Bond returns were reduced and we now expect a +2.8% return from the bond market.

Of course we know that there is a big dispersion about these numbers. Forecasting is hard. But they do get us in the ballpark and provide a basis for running our quantitative models.

We use Windham software and analytics to develop both customized and model portfolios that reflect various combinations of risk and return. It also allows us to consider downside risks. The assumption changes we made this year did not result in changes to the basic asset mix of these portfolios.

We have identified four new investments that may make sense to use opportunistically. That is, while they don't seem to add much to portfolios when thinking strategically, there are times when a tactical temporary position makes sense.

Bonds	Stocks	Alternatives
U.S. Government U.S. Investment Grade U.S. TIPS Foreign Government	U.S. Large, Medium, & Small Cap Foreign Developed Foreign Emerging	Real Estate Commodities
Emerging Markets <sup>†</sup> High Yield <sup>†</sup> International Corporate <sup>†</sup>	Foreign Small Cap <sup>†</sup>	Private Equity* Hedge Funds*

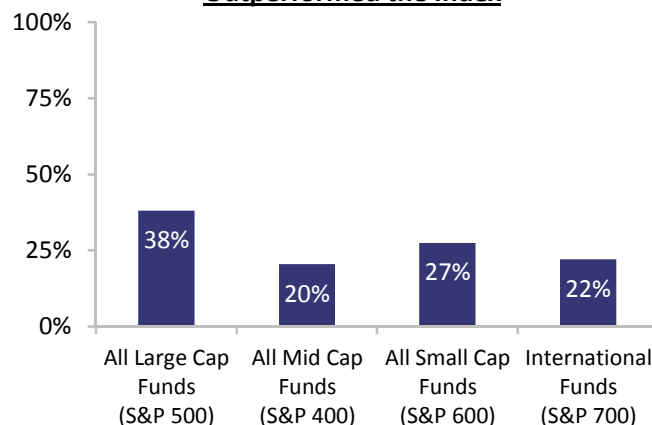
\* APCM believes PE & HFs are strategies, not asset classes

<sup>†</sup> Opportunistic asset classes – not in strategic benchmark

For example, high yield bonds are sometimes thought of as halfway between corporate bonds and stocks. And we have found that they don't add much to portfolios that already have stocks and bonds! But the sector can get attractive from time to time and we may want to add to it. The table to the left depicts the eleven strategic asset classes we use and the four new opportunistic asset classes we'll use going forward.

We also review the specific investment vehicles used in portfolios. Clients know that we favor index mutual funds and ETFs for their low fees, diversification, and low tracking error compared to benchmarks. And of course, as the chart below shows, they consistently outperform active managers.

**Percentage of Equity Mutual Funds That Outperformed the Index**



Over a 5 year period ending 12/31/2011. Equal weighted. Net returns. Source: Standard & Poor's

This past year our holdings have done well against the indices and peers once again. So generally we are not going to swap from one fund to another. However, a new generation of commodity index trackers have become available.

Currently we get commodity exposure through a note based on the Dow Jones – UBS Commodity Index. This is a well-diversified index that is divided fairly equally between the metals, agriculture, and energy sectors. However, like all old generation products it “goes long” the futures market to get exposure; specifically it buys the front futures contract only.

New generations of indices use a more complicated algorithm and buy futures contracts across the curve to diversify their exposure. They appear to be a better way to invest in commodity markets and now the funds have a couple of year's track record and reasonable liquidity and fees. We are in the final stages of analysis, but expect to swap our commodity note for these newer products. Stay tuned.

**Jeff Pantages, CFA**  
Chief Investment Officer



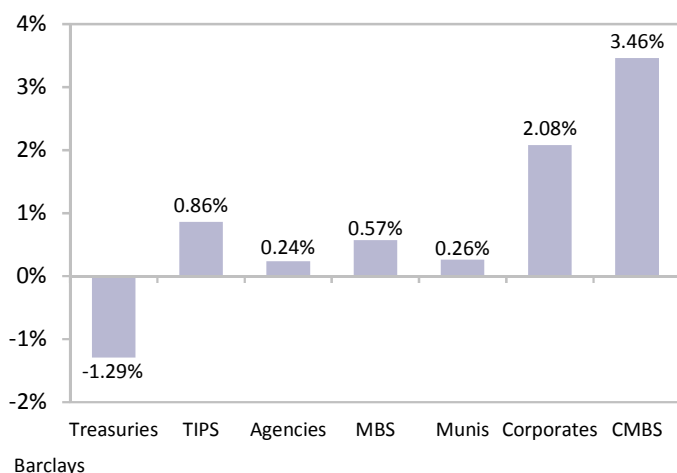
**Bill Lierman, CFA**  
**Sr. Investment Analyst**

■ Nominal Treasuries took their lumps in the first quarter producing a -1.29% return and finishing last among all fixed income sectors. Investors rotated into more risky assets as recession fears eased during the quarter. The 10-year bond ended March at 2.21%, up over 30 basis points (bps).

■ The FOMC met on March 13th and stated that labor conditions are improving, household and business spending is advancing, and strains in global markets have eased, but inflation remains in check.

■ Agencies spreads continued to narrow. For the quarter, the spread vs. Treasuries on the Agency Composite Index went from 36bps to 19bps. FHLMC made a profit in Q4 2011 of \$0.6bn with a total cumulative capital draw from the U.S. Treasury of \$72.3bn.

## Q1 2012 Bond Total Return



■ Corporates produced a +3.77% excess return (vs. Treasuries) for the quarter. Financials led the way as three events—Greek debt exchange and CDS trigger, passing of the second LTRO, and the release of bank stress tests—eased market concern in the sector.

■ Mortgages did quite well for the month returning +0.57% in the face of primary mortgage rates inching above 4% for the first time since the beginning of December 2011. There is still demand for the product among foreigners, banks, and investors.

■ CMBS and ABS generated a +3.46% and +0.83% return, respectively. New issuance was light for the quarter. ABS should continue to do well as the consumer deleverages and bank lending standards remain tight. Credit enhancements in both sectors are in excess of projected cumulative losses even in recession scenarios.

■ The 7-year municipal index produced a modest return of +0.26%. Inflows into Municipal bonds continue but not at a torrid pace. JPM noted that state and local government debt fell last year for the first time since 1996.

■ Large company U.S. stocks were up +12.6% in Q1. It was the best Q1 since 1998, when the markets gained +13.5%. The best performing stocks were Sears Holdings (+109%) and Bank of America (+72%). Apple's impact on the index was widely covered in the media as the company initiated a \$9.9B annual dividend, becoming the second largest dividend payer, behind AT&T which pays \$10.4B. Without Apple, Q1 profits would have been up only +10%, not the +13% reported.

■ Developed international equities lagged their U.S. counterparts by -1.7% USD. Japan's equity market surged +19% in local currency (+11% USD). Germany gained +18% in local currency (+21% USD), European equities recovered +8% in local currency (+11% USD), while Spanish equities lost -6% in local currency (-3% USD).

■ The MSCI Emerging Markets Index lost over -3% in March as the Chinese government lowered GDP growth expectations to +7.5%. Despite a March sell off, emerging markets outperformed developed markets gaining +14% for the quarter. Eastern Europe, Middle East, and Africa led the rally (+16%).

■ Commodities eked out a positive return (+0.9%) with wide dispersions among sectors. YTD gas was both the best performer and the worst. Natural gas prices have plunged to fresh 10 year lows, and futures are down -39% as natural gas supplies have soared in the U.S. because of increased production from hydraulic fracturing. Meanwhile, oil remains above \$100 a barrel and on an energy equivalent basis costs more than 8x as much as natural gas. Gasoline futures are up +19% YTD, and it cost \$70 to fill my tank last week!

## Total Return (%) as of March 31, 2012

	Q1 2012	1 Year	3 Years	5 Years
<b>Domestic Equities</b>				
Large Cap S&P 500	12.6	8.5	23.4	2.0
Mid Cap S&P 400	13.5	2.0	28.6	4.8
Small Cap S&P 600	12.0	5.0	29.2	3.6
<b>International Equities</b>				
Developed MSCI EAFE	10.9	-5.8	17.1	-3.5
Emerging MSCI Emerging Markets	14.1	-8.8	25.1	4.7
<b>Other</b>				
Commercial Property S&P U.S. REIT	10.7	12.9	43.4	-0.3
Commodities DJ-UBS Commodity	0.9	-16.3	9.1	-13.1
<b>Fixed Income</b>				
Total Bond Market Barclays Aggregate	0.3	7.7	6.8	6.3
1-3 Yr U.S. Treasury/Agency Barclays 1-3 Gov	0.0	1.5	1.7	3.5
Int'l Treasury Barclays Global Tsy ex-US	-0.2	4.0	7.3	6.9

Returns are annualized for periods greater than one year

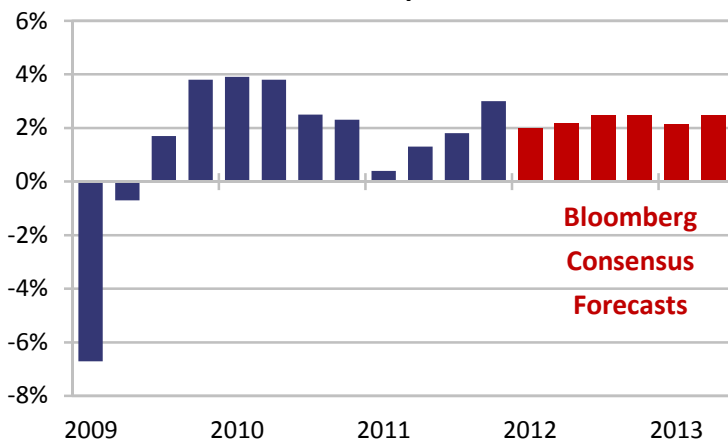


**Brandy Niclai, CFA**  
**Sr. Investment Analyst**

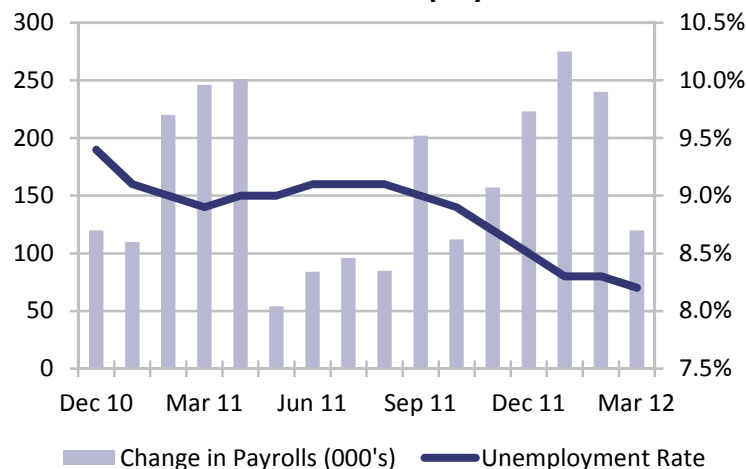
**ALASKA  
PERMANENT  
APCM  
CAPITAL MANAGEMENT**



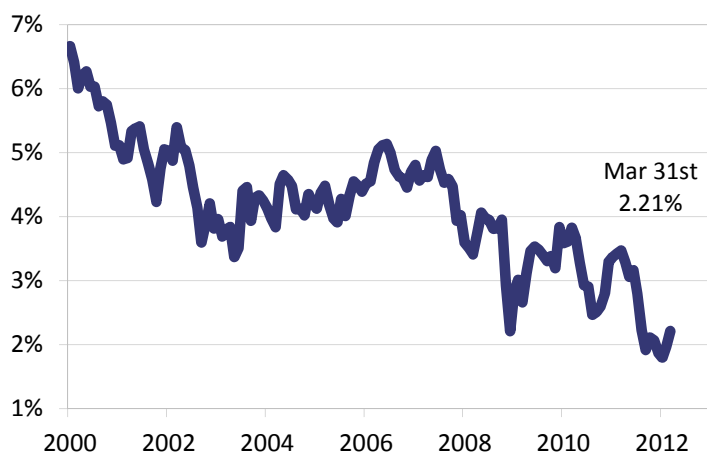
### Modest GDP Growth Expected to Continue



### Job Growth and Unemployment Rate

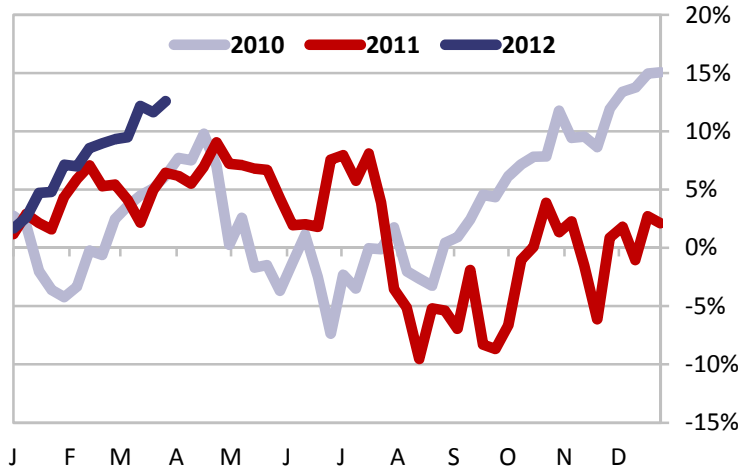


### 10 Year Treasury Note Yield



Bloomberg

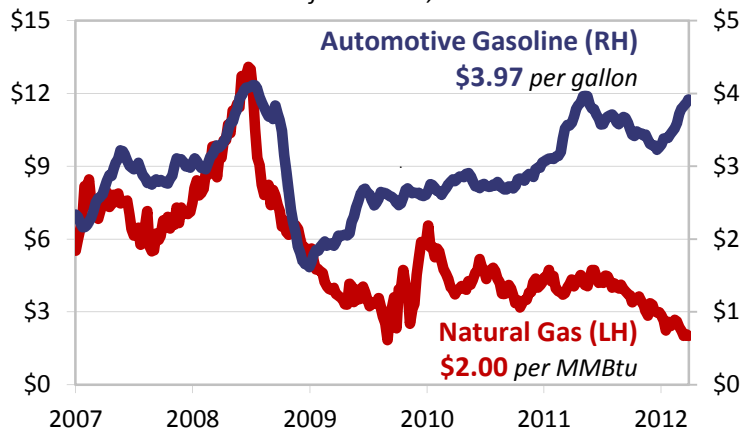
### S&P 500 Index Total Return



Bloomberg

### Gasoline vs. Natural Gas

as of March 31, 2012



Bloomberg

### Bloomberg Consensus Forecasts

Data as of 4/10/12	2011	2012	2013	2014
Real GDP (% YoY)	1.70	2.20	2.40	2.85
CPI Inflation (% YoY)	3.17	2.30	2.20	2.50
Unemployment (%)	9.0	8.2	7.8	7.3
Fed Funds (%)	0.25	0.25	-	-
10-Yr Note (%)	1.88	2.58	-	-

# Ordinances

## ORDINANCE 12-05

### AN ORDINANCE ADOPTING THE OPERATING AND CAPITAL BUDGET FOR THE ALEUTIANS EAST BOROUGH FISCAL YEAR 2013.

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 2013 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	\$1,664,919
	Extraterritorial Fish Tax	\$243,084
	Landing Tax	\$53,571
	Debt Reimbursement	\$1,045,464
	State Aid to Local Government	\$542,712
Federal	Payment in Lieu of Taxes	\$559,000
	USF&WS Lands	\$36,256
Total FY13 Revenues		\$7,387,785
AEBSD Revenue		\$6,977,000

### OPERATING FUND EXPENDITURES

Mayor	\$247,795
Assembly	\$126,000
Administration	\$339,950
Clerk/Planning	\$194,484
Finance	\$238,963
Natural Resources	\$324,040
Communications Director	\$171,645
Development Director	\$113,006
Public Works	\$126,099
Educational Support	\$1,525,000
KCAP	\$23,800
Other Gen.Fund	
Equipment	\$8,200
AEB Vehicles	\$10,000
Repairs	\$5,000
Utilities	\$13,000
Aleutia Crab	\$58,522
Legal	\$150,000
Insurance	\$180,000
Bank Fees	\$2,000
EATS	\$150,000
Misc.	\$1,000
Donations	\$23,500
NLG Rev. Sharing	32,000
Web Service/Tech	\$16,000
Total Other	\$649,222
Total General Fund	\$4,080,004
Capital Projects	\$0
Bond Projects	\$0
Debt Services	\$2,159,005
Maintenance Reserve	\$100,000
Total Expenditure	\$6,339,009
AEB Surplus	\$1,048,776
AEBSD Expenses	\$6,977,000
Fund 20, Grants, Revenues	\$225,000
Fund 20, Grants, Expenditures	\$225,000
Fund 22, Hovercraft, Revenues	\$585,000
Fund 22, Hovercraft, Expenditures	\$2,180,000
Fund 22, Terminal Operations, Revenues	\$139,620
Fund 22, Terminal Operations, Expenditures	\$195,952

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, 2012.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk

REVENUES		FY13		FY12 Amounts/Will Change FY13		
				Medical	\$ 876.02	month
	AEBSD Revenues	\$6,977,000		PERS	22%	
				ESC	2.92%	
				Medicare	1.45%	
	Interest Income	\$35,000		PERS/DC	5.71%	
Local	AEB Fish Tax	\$3,200,779			74.09	
	AEBSD Refund					
	Other Revenue	\$7,000				
State	Shared Fishery Tax	\$1,664,919				
	Extraterritorial Fish Tax	\$243,084				
	Landing Tax	\$53,571				
	Debt Reimbursement	\$1,045,464				
	Coastal Management	\$0				
	State Aid to Local Governments	\$542,712				
Federal	Payment in Lieu of Taxes	\$559,000				
	USF&WS Lands	\$36,256				
	<b>Total FY13 Revenues</b>	<b>\$7,387,785</b>				
Operating Fund Expenditures						
	Mayor	\$ 247,795.00				
	Assembly	\$ 126,000.00				
	Administration	\$ 339,950.00				
	Clerk/Planning	\$ 194,484.00				
	Finance	\$ 238,963.00				
	Natural Resources	\$ 324,040.00				
	Public Information Officer	\$ 171,645.00				
	Development Coordinator	\$ 113,006.00				
	Public Works	\$ 126,099.00				
	Educational Support	\$ 1,525,000.00				
	KCAP	\$ 23,800.00				
	<b>Other GF</b>					
	Equipment	\$8,200				
	AEB Vehicles	\$10,000				
	Repairs	\$5,000				
	Utilities	\$13,000				
	Aleutia Crab	\$58,522				
	Legal	\$150,000				
	Insurance	\$180,000				
	Bank Fees	\$2,000				
	EATS	\$150,000				
	Misc.	\$1,000				
	Donations	\$23,500				
	NLG Rev. Sharing	\$32,000				
	Web Service/Tech Support	\$16,000				
		<b>\$649,222</b>				
	Total General Fund	<b>\$4,080,004</b>	<b>\$0</b>			
	Capital Projects	\$0				
	Bond Projects	\$0				
	Debt Services	\$2,159,005				
	Maintenance Reserve	\$100,000				

	Total Expenditure		<b>\$6,339,009</b>				
	AEB Surplus		<b>\$1,048,776</b>				
	AEBSD Expenditures		<b>\$6,977,000</b>				
Fund 20, Grants, Revenues			\$225,000				
Fund 20, Grants, Expenditures			\$225,000				
Fund 22, Hovercraft, Revenues			\$585,000				
Fund 22, Hovercraft, Expenditures			\$2,180,000				
Fund 22, Terminal Operations, Revenues			\$139,620				
Fund 22, Terminal Operations, Expenditures			\$195,952				
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				

<b>Mayor's Office</b>			<b>FY13</b>		
	Salary		\$68,985		
	Fringe		\$27,810		
	Travel		\$36,000		
	Phone		\$2,400		
	Supplies		\$1,000		
	Lobbying, federal		\$75,600		
	Lobbying, state		\$36,000		
	<b>Total Mayor's Office</b>		<b>\$247,795</b>		
<b>Assembly</b>					
	Meeting Fee		\$ 25,000.00		
	Fringe		\$ 56,000.00		
	Travel		\$ 40,000.00		
	Phone		\$ 4,500.00		
	Supplies		\$ 500.00		
	Retreat		\$ -		
	<b>Total Assembly</b>		<b>\$126,000</b>		
<b>Administration</b>					
	Salary		\$166,116		
	Fringe		\$64,234		
	Contract labor		\$25,000		
	Travel & per diem		\$15,000		
	Phone		\$6,000		
	Postage		\$2,500		
	Supplies		\$18,120		
	Rent		\$36,980		
	Dues & fees		\$1,500		
	Equipment		\$4,500		
	<b>Total Administration</b>		<b>\$339,950</b>		
<b>Clerk/Planning</b>					
	Salary		\$81,160		
	Fringe		\$33,524		
	Travel & per diem		\$12,500		
	Phone		\$7,500		
	Postage		\$1,500		
	Supplies		\$9,000		
	Utilities		\$15,000		
	Dues & fees		\$5,000		
	Elections		\$25,000		
	Planning Com.		\$4,300		
	<b>Total Clerk/Planning</b>		<b>\$194,484</b>		
<b>Finance</b>					
	Salary		\$116,802		
	Fringe		\$51,161		
	Travel & per diem		\$4,000		
	Phone		\$5,000		
	Postage		\$2,500		

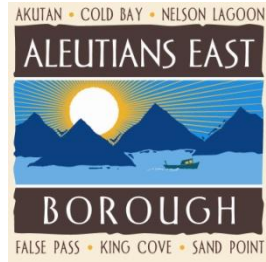


	Supplies		\$10,500		
	Utilities		\$4,000		
	Audit		\$45,000		
	<b>Total Finance</b>		<b>\$238,963</b>		
<b>Natural Resources</b>					
	Salary		\$70,000		
	Fringe		\$30,040		
	Contract labor		\$75,000		
	Travel & per diem		\$35,000		
	Phone		\$3,000		
	Supplies		\$3,000		
	SEMD Sampling		\$62,000		
	NPFMC		\$15,000		
	BOF Meeting		\$25,000		
	Rent		\$6,000		
	<b>Total</b>		<b>\$324,040</b>		
<b>Public Information Officer</b>					
	Salary		\$84,959		
	Fringe		\$32,736		
	Contract labor		\$0		
	Travel & per diem		\$15,000		
	Phone		\$2,400		
	Postage		\$250		
	Supplies		\$4,500		
	Rent		\$6,800		
	Advertising/promotions		\$25,000		
	<b>Total</b>		<b>\$171,645</b>		
<b>Other</b>	Equipment		\$8,200		
	AEB Vehicles		\$10,000		
	Repairs		\$5,000		
	Utilities		\$13,000		
	Aleutia Crab		\$58,522		
	Legal		\$150,000		
	Insurance		\$180,000		
	Bank Fees		\$2,000		
	EATS		\$150,000		
	Misc.		\$1,000		
	Donations		\$23,500		
	NLG Rev. Sharing		\$32,000		
	Web Service/Tech Support		\$16,000		
	<b>Total Other</b>		<b>\$649,222</b>		
<b>Development Coordinator</b>					
	Salary		\$60,000		
	Fringe		\$27,256		
	Travel & per diem		\$10,000		
	Phone		\$4,000		
	Postage		\$250		

	Supplies		\$4,500		
	Rent		\$7,000		
	<b>Total Development</b>		<b>\$113,006</b>		
<b>Public Works</b>					
	Salary		\$72,997		
	Fringe		\$29,602		
	Travel & per diem		\$12,000		
	Phone		\$1,500		
	Postage		\$0		
	Supplies		\$6,000		
	Equipment		\$1,500		
	Utilities		\$2,500		
	<b>Total Public Works</b>		<b>\$126,099</b>		
<b>Education</b>					
	Local Contribution		\$1,500,000		
	Scholarships		\$20,000		
	Student travel		\$5,000		
	<b>Total Educational Support</b>		<b>\$1,525,000</b>		
<b>KCAP</b>					
	Salary		\$ 4,500.00		
	Fringe		\$ 6,000.00		
	Telephone		\$ 2,120.00		
	Supplies		\$ 3,600.00		
	Rental/Lease		\$ 7,580.00		
			<b>\$ 23,800.00</b>		
<b>TOTAL OPERATING BUDGT</b>			<b>\$4,080,004</b>		

<b>Fund 22 Terminal Operations</b>			<b>FY13</b>		
Revenues					
	Remaining construction Loan/				
	Remaining FAA reimbursement			\$0	
	Leases			\$139,620	
				<b>\$139,620</b>	
Expenses					
	Salary			\$24,000	
	Fringe			\$3,617	
	Travel & per diem			\$3,000	
	Phone, Internet			\$4,500	
	Legal			\$100,000	
	Supplies			\$15,000	
	Rental/Lease			\$5,335	
	Utilities			\$24,000	
	Fuel/Gas			\$1,500	
	Fuel/diesel			\$15,000	
				<b>\$195,952</b>	
<b>Fund 22 Hovercraft Operations</b>			<b>FY13</b>		
Revenues					
	Grant			\$0	
	Medivacs			\$5,000	
	Freight			\$100,000	
	Other Income			\$150,000	
	Tickets, fees, etc.			\$330,000	
	Other			\$0	
				<b>\$585,000</b>	
Expenses					
	Salary			\$0	
	Fringe			\$0	
	Travel & per diem			\$0	
	Phone/Internet			\$0	
	Supplies			\$0	
	Contract			\$1,950,000	Sept.-June
	Fuel/gas			\$5,000	
	Fuel/diesel			\$5,000	
	Insurance			\$215,000 *	
	Utilities			\$5,000	
				<b>\$2,180,000</b>	

**OLD BUSINESS**



TO: Assembly Members

THROUGH: Mayor Mack

FROM: Sharon Boyette

DATE: March 19, 2012

RE: Sand Point Request for Funding

I would like to offer my opinions regarding the City of Sand Point Request for funding from the AEB's permanent fund.

The AEB owns new harbors in Sand Point, King Cove, False Pass and Akutan and the public docks in Cold Bay, False Pass and Nelson Lagoon. These are facilities that the AEB has agreed in writing (except Akutan Harbor which is in process) to provide for major repairs. Some of the facilities that the AEB owns are in terrible condition and pretty soon there will be no choice but to start repairing them --- or stop using them. The Cold Bay dock will be the first to go down; it is well on its way now.

We are about to start running a hovercraft operation in Akutan that --this is just my opinion the business plan has not been updated-- could cost over \$1 Million/year over revenues at least for the first five or so years. The AEB is committed in writing to running and paying for the marine link between Akutan village and Akun airport for the next twenty years.

If you look at the revenue and expenses of the administrative budget, you will see that we budget to spend every nickel that comes in each year.

So, it is pretty easy math. If the assembly intends to keep its permanent fund and even grow it, we cannot pull millions of dollars out for projects and for education and for the hovercraft deficit each year.

Sand Point says the city can't afford a major contribution to repair and renovate the old harbor. I would recommend they speak to the City of King Cove where they went through similar funding pains with their old harbor.

A quick little research produced the following: North Slope Borough has over \$300 M and Valdez has over \$100 M in their permanent funds. Fairbanks North Star Borough has over \$100 M in investment accounts for their various "reserve funds."

Aleutians East Borough			
Grants and Bonds			
19-Mar-12			
	<b>Grants</b>	<b>Bonds</b>	<b>Total</b>
<b>Sand Point</b>	2,253,000.00	4,400,000.00	<b>6,653,000.00</b>
FY08	107,350.00		<b>107,406.00</b>
FY12	150,000.00		<b>150,000.00</b>
<b>King Cove</b>	2,207,000.00	7,100,000.00	<b>9,307,000.00</b>
FY08	0.00		<b>0.00</b>
FY12	150,000.00		<b>150,000.00</b>
<b>Cold Bay</b>	1,178,500.00	2,000,000.00	<b>3,178,500.00</b>
FY08	107,350.00		<b>107,406.00</b>
FY12	75,000.00		<b>75,000.00</b>
<b>False Pass</b>	1,611,866.00	4,500,000.00	<b>6,111,866.00</b>
FY08	107,350.00		<b>107,406.00</b>
FY12	75,000.00		<b>75,000.00</b>
<b>Nelson Lagoon</b>	1,914,371.00	1,500,000.00	<b>3,414,371.00</b>
FY08	107,350.00		<b>107,406.00</b>
FY12	75,000.00		<b>75,000.00</b>
<b>Akutan</b>	1,835,124.00	9,000,000.00	<b>10,835,124.00</b>
FY08	107,350.00		<b>107,406.00</b>
FY12	150,000.00		<b>150,000.00</b>
<b>Total</b>	<b>12,211,611.00</b>	<b>28,500,000.00</b>	<b>\$ 40,711,891.00</b>
<b>Aleutians East Borough</b>	<b>Grants</b>	<b>Bonds</b>	
<b>School Projects</b>			
Sand Point		1,100,000.00	<b>1,100,000.00</b>
King Cove		13,646,000.00	<b>13,646,000.00</b>
Cold Bay		329,000.00	<b>329,000.00</b>
False Pass		1,275,000.00	<b>1,275,000.00</b>
KeyBank Loan	1,450,000.00		<b>1,450,000.00</b>
Nelson Lagoon		450,000.00	<b>450,000.00</b>
Akutan		1,275,000.00	<b>1,275,000.00</b>
KeyBank Loan	1,116,455.00		<b>1,116,455.00</b>
Total	2,566,455.00	<b>18,075,000.00</b>	<b>\$ 20,641,455.00</b>
		<b>46,575,000.00</b>	

# Robert E. Galovin

## Small Boat Harbor



Prepared for the Aleutians East Borough  
By the City of Sand Point  
April 23, 2012

# **Status of Harbor**

**(Information taken from May 2010 Inspection Report)**



## EXECUTIVE SUMMARY

The May 2010 inspection of the Sand Point Robert E Galovin Small Boat Harbor included a low tide inspection of the approach docks and bulkhead and a visual inspection of the floating docks. The harbormaster office and the Travelift dock were also included. It did not include an underwater inspection or an electrical and lighting inspection.

The following is a summary of the findings:

- The floating docks are at or beyond their service life and should be replaced. They were generally found to be in Poor, Serious, or Critical condition.
- Float A is in the worst condition in the harbor and was found to be in Critical condition. Load restrictions should be placed on Float A including no rafting of vessels. Float A will likely suffer a structural failure if a large storm occurs when this float is full of vessels.
- The grid is in Critical condition and should not be used. It is likely that the grid will fail under the load of a large vessel.
- Floats B and C are in Serious condition. These floats should be replaced on a high priority basis.
- The harbor fire suppression system is in Serious condition. There is no piped fire system on the floats as required by modern codes. There are not enough fire extinguishers in the harbor.
- The boat launch ramp is in Serious condition. It does not extend far enough and vehicles must back over mudflat at low tide. There is no boarding float.

Cost estimates for repairs are outlined in the report. A significant cost item is mobilization to the site. Because of this, it is more efficient to combine repairs into a large project. This will enable more work to be done under a single mobilization.

- The cost estimate for all projects done individually with separate mobilizations is \$19,324,000
- The cost estimate to repair or replace the Serious and Critical items in a single project is \$11,363,000

Three phases of repairs and replacements are outlined

- Phase One includes replacing Float A Float B and the Grid. The cost estimate for Phase One is \$9,296,000
- Phase Two includes replacing Float C, Float T, renovating the Harbor Dock and B Float Trestle and renovations to the East Wall Bulkhead. The cost estimate for Phase Two is \$6,693,000
- Phase Three includes renovations to the harbormaster office and Boat Launch Ramp. The cost estimate for Phase Three is \$873,000.

# 1. INTRODUCTION

## ***Existing Structure***

The Sand Point Small Boat Harbor was constructed in the 1970s. There have been several extensions, modifications, and renovations over the years. There are four main floats; A, B, C, and T float. All of the floats are constructed of modular concrete tubs with timber walers and timber bullrails. The walers are connected with through-rods. These are typical of floating docks produced by Bellingham Marine Inc. There is a steel sheet pile bulkhead along the eastern edge of the harbor known locally as the "East Wall". There is a timber dock near the Northeast side of the basin. This is known locally as the "Harbor Dock". A-float and T-float are accessed from 6 foot by 50 foot steel gangways off of the harbor dock, one gangway for each float. There is a timber approach trestle located adjacent to B-float at the north edge of the harbor basin. A single 6 foot by 50 foot gangway on this trestle provides access to B and C floats. There is a dock designed to support a 150-ton Travelift located in the north center end of the harbor. There is a harbormaster building with an office, restrooms, showers, and a shop located near the B-float trestle.

T-float is a heavy duty float with two rows of piling. It is side-tie on the west side and has slips on the east side. The float is 12'-8" wide and 410 feet long. There are 6 each 6 foot x 61 foot angled fingers on the east side. Each finger has two piling, one at the end and one at the mid-section.

A-float has side-tie on the east side and angled slips on the west side. A-float is 9 feet wide and 852 feet long. There are 15 each 6 foot x 61 foot angled fingers on the west side. Each finger has two piling, one at the end and one at the mid-section.

B-float is 9 feet wide and has stalls on both sides. There is a single row of exterior piling on the west side, centered in the stalls. There are single piles at the end of each finger. There are 16 each 3'-6" wide x 40 foot long fingers on the west side and 14 each 4'-6" wide x 49'-6" long angled fingers on the east side.

C-float is 9 feet wide and has stalls on both sides. There are 3'-6" x 30'-6" cantilever fingers on the west side. There are 3'-6" wide x 41' long fingers with a pile at the end on the east side.

The B-float access trestle is about 12 feet wide and 102 feet long. There are 7 each 2-pile timber pile bents, including the abutment. Each bent is 16 to 18 feet apart. The decking is 2-1/2 inches thick and 11-1/4 inches wide.

The Harbor Dock is constructed from timber. There is an access trestle that is about 16 feet wide and 315 feet long. It has 20 each 3-pile bents counting the abutment. The end of the dock is a 42 feet wide by 105 feet long platform. This has 8 each 6-pile bents at about

15 feet on center. It has timber fender piling at about 7'-6" on center. The decking is 2-1/2 inches thick and 11-1/4 inches wide. There are 12"x 12" timber bullrails.

There is a sheet pile bulkhead along the east side of the harbor basin. This is approximately 740 feet long and has timber fender piling at about 10 feet on center.

There is an 18 foot wide grid that is about 80 feet long. It has 11 pile-supported (timber piles) cross timbers.

There is a boat launch ramp near the grid

## **Tides**

NOAA publishes the following tidal statistics for Sand Point:

Highest observed water	11.58 feet
MHHW	7.23 feet
MHW	6.52 feet
MTL	3.93 feet
MSL	3.87 feet
MLW	1.33 feet
MLLW	0.0 feet
Lowest observed water	-3.67 feet

## ***Inspection Program***

The scope of work for the 2010 inspection program included:

- A visual inspection of all floats and fingers.
- A visual inspection of all docks and trestles from the waterline to the top of the structure.
- A preliminary as-built of the general dimensions and features of the current infrastructure in the harbor.
- A spot check of the cathodic protection system with a CP  $\frac{1}{2}$ -cell.

No underwater inspection was done. The electrical and lighting systems were not inspected. The fieldwork was done May 11 through 13, 2010 under the direct supervision of John C. Daley, P.E., project engineer.

## ***Condition Assessment: Rating System Description***

A condition assessment rating system was chosen for the evaluation of the structure. The purpose of a rating system is to provide a uniform and repeatable method of tracking the condition of structures throughout their service life.

The correct rating assignment requires professional engineering judgment and considers:

- the scope of damage,
- severity of damage,
- distribution of damage,
- types of components affected and their structural sensitivity, and
- location of defect on the component relative to the point of maximum stress.

Therefore, the qualifications of the individuals assigning ratings are important to ensure that the ratings are assigned consistently in accordance with sound engineering principles and the selected guidelines.

The rating system used in this report generally follows that recommended by the "Standards of Practice for Underwater Investigations" published by the American Society of Civil Engineers (ASCE, 2004). Ratings are assigned to each structure or element to facilitate establishing the priority of maintenance, repair or replacement actions. A numerical scale is used for routine condition assessments and should remain associated with the structural unit until the structure is re-rated after a quantitative engineering evaluation of repairs, or on completion of the next scheduled routine inspection.

The ASCE rating system, summarized in Table 1.1, uses a scale of 1 to 6 with 6 corresponding to a structure in good condition, and a rating of 1 corresponding to a structure in critical condition. These ratings are used to describe the existing in-place structure relative to its condition when newly constructed. The fact that the structure was

designed for loads that are lower than the current standards for design have no influence on the ratings.

**Table 1.1: Rating System for Overall Condition of Structures**

RATING		DESCRIPTION
6	Good	No visible damage or only minor damage is noted. Structural elements may show very minor deterioration, but no overstressing is observed. <i>No visible safety issues are observed.</i> No repairs are required.
5	Satisfactory	Limited minor to moderate defects or deterioration are observed, but no overstressing is observed. <i>No significant safety / code violations are observed but minor safety issues may be present.</i> No repairs are required.
4	Fair	All primary structural elements are sound, but minor to moderate defects or deterioration is observed. Localized areas of moderate to advanced deterioration may be present but do not significantly reduce the load-bearing capacity of the structure. <i>Minor safety issues/code violations may be present, but no hazards that are expected to cause serious injury or death are observed.</i> Repairs are recommended, but the priority of the recommended repairs is low.
3	Poor	Advanced deterioration or overstressing is observed on widespread portions of the structure but does not significantly reduce the load-bearing capacity of the structure. <i>Minor-Moderate safety issues/code violations may be present, but no hazards that are expected to cause serious injury or death are observed.</i> Repairs may need to be carried out with moderate urgency.
2	Serious	Advanced deterioration, overstressing, or breakage may have significantly affected the load-bearing capacity of primary structural components. Local failures are possible and loading restrictions may be necessary. <i>Safety issues/code violations that could result in minor injury to the public may be present, but no hazards that could cause serious injury or death are observed.</i> Repairs may need to be carried out on a high-priority basis with urgency.
1	Critical	Very advanced deterioration, overstressing, or breakage has resulted in localized failure(s) of primary structural components. More widespread failures are possible or likely to occur, and load restrictions should be implemented as necessary. <i>Safety issues that could result in serious injury or death may be present.</i> Repairs may need to be carried out on a very high priority basis with strong urgency.

Source: Underwater Investigations Standard Practice Manual (ASCE, 2004).

Note: Items in table shown in italics are general facility safety issues (non-structural) that are not included in the ASCE (2004) rating system.



## 2. FINDINGS

### *General*

Most of the floating docks have reached the end of their normal service life and should be replaced. Most of them are over 30 years old and have seen hard use. The concrete is deteriorating from salt water penetration, freeze thaw damage, and from hard use. Many of the connections between the main float and finger floats are in poor shape and, as a result, many fingers are listing. In places the deck is delaminating exposing the reinforcing steel and Styrofoam core.

One mode of failure is concrete deterioration at the junction of the deck and sidewall of the float modules. This area is just above the waterline and is normally covered with timber walers. It is subject to freeze thaw, to saltwater or chloride ion intrusion and to oxidation by exposure to the air. The harbormaster reports numerous cracks and breaks at this location.

Once the concrete cracks or breaks, and the Styrofoam is exposed, it slowly starts to absorb water. This combined with marine growth on the bottom causes a loss of freeboard. In many places the freeboard is low enough so that the electrical supply wiring (attached to the underside of the timber walers) is in the water.

Another problem is loose through-rods and cracked or deteriorated walers. The threaded through-rods connect the walers together and the walers provide the structural connection between adjacent float modules. Once they become loose they allow the float modules to move relative to each other. This movement can put an added load on the concrete modules and damage holes in the concrete for the through-rods. This can add stress to the deck and may result in cracks between the deck and sidewall.

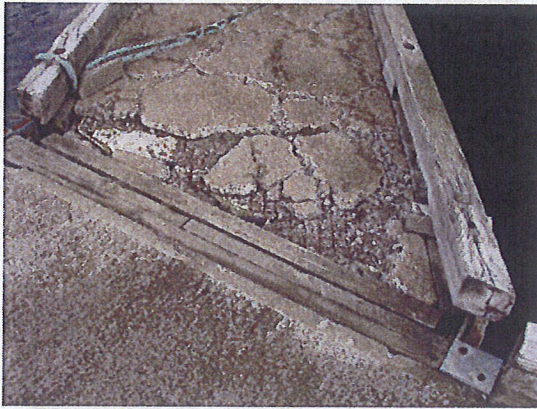


Concrete float with damage below the deck



Deck delaminating





Damaged finger connection area



Listing finger with low freeboard

### ***Level of Service and Service Life***

A service life of 40 to 50 years is normal for waterfront facilities. One can expect increasing maintenance costs and decreasing level of service as the end of the service life is approached. At some point the owner must weigh the maintenance cost and the level of service with the cost of replacement.

An analogy can be made to the service life of an automobile. It is easy to understand that one expects a high level of service and reliability from a new automobile. When the vehicle gets 10 or so years old, and has over 100,000 miles on it, one can expect increased maintenance costs and a lower level of service. Although it is possible to keep a vehicle running indefinitely, it is reasonable to expect increased maintenance and replacement parts. In this regard the Sand Point Harbor infrastructure is analogous to a 20 year old vehicle with 200,000 miles on it. It is still functioning, but can be expected to start having real issues with maintenance and reliability.

The level of service that the Sand Point Harbor infrastructure currently provides is below the industry standard. There is no 3-phase power available to vessels. The potable water system is pieced together and requires long, garden hose connections strung across the floats. There is no piped fire suppression system. The moorage conditions include severely listing fingers and broken bullrails. The harbormaster reports a loss of business resulting from larger vessels going elsewhere to get the power they require and more secure moorage.

## Condition Summary

The table below summarized the condition rating of each primary element in the harbor.

**Table 2.1: Condition Summary**

ITEM	RATING		DESCRIPTION
A-Float	1	Critical	
B-Float	2	Serious	
C-Float	2	Serious	
T-Float	3	Poor	
B-Float Access Trestle	4	Fair	
Harbor Dock	3	Poor	
Travel Lift Dock	5	Satisfactory	
Grid	1	Critical	
Boat Launch Ramp	2	Serious	
East Wall	3	Poor	
Harbor Master Building	4	Fair	
Water System	3	Poor	
Fire Suppression System	2	Serious	

### A-Float

A-float is in critical condition. It should be replaced as soon as possible. It is likely that A-float could fail in a storm when the float is full of moored vessels. Load restrictions should be placed on this float. Rafting should not be allowed.

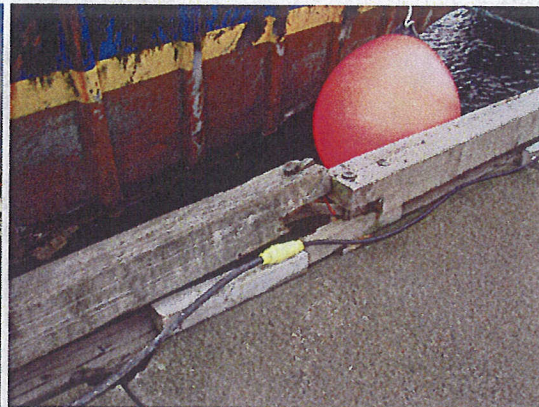
This float is in the worst condition of any facility in the harbor. There are large commercial fishing vessels rafted along side, which place large loads on the system. There are insufficient piling anchoring this float for the number of vessels moored to it even if it were new. Typically, floats designed to raft these types of vessel have two rows of steel piling at about 25 feet on center. This float has a single row of piling, many of them timber, and at about 50 feet on center, less than half the required number of piling.

There is broken concrete from mooring toggles, broken bullrails, delaminated concrete decking, loose concrete modules, and the fingers are in poor condition and are listing.





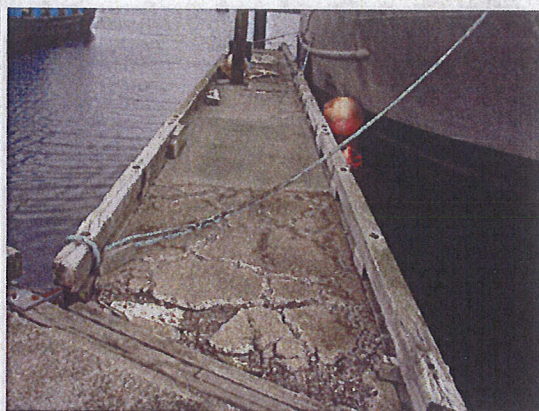
Rafted vessels on A float



Broken Bullrail



Loose concrete modules



Delaminating finger deck



Deck delaminating at electric pedestal



Deck damage at mooring toggle

### ***B-Float***

B-float is in serious condition. It should be replaced as soon as possible. The fingers are in particularly bad condition. Many of the fingers are listing badly and have lost freeboard. It is possible that some of the fingers could sink in a heavy snow fall. The deck is spalled in places and some of the timber piling are worn.





Listing Finger



Finger with Low Freeboard and listing



Deteriorated timber pile



Spalled deck

### **C-Float**

C-float is in serious condition. It should be replaced as soon as possible. Similar to B-float, the fingers are in particularly bad condition. Many of the fingers are listing badly and have lost freeboard. It is possible that some of the fingers will sink in a heavy snow fall. The deck is spalled in places. Some of the piling at the south end of the float are leaning. They are either broken or sitting on shallow bedrock with insufficient penetration in the bottom to resist wind loads. These piling should be replaced and, if necessary, socketed into the bedrock.





Listing and sinking finger



Spalled deck



Pile leaning



C Float

### ***T-Float***

T-float (also know as D-float) is in poor condition. The gangway is bent probably from a vessel collision. The concrete deck is delaminating in places. The piling are leaning at the south end of this float indicating they are either broken or have insufficient soil penetration due to shallow bedrock. Similar to C-float, it is likely that the piling in this area do not have capacity to resist design wind loads. These piling should be replaced and, and if necessary, socketed into the bedrock.





T Float



Delaminating deck



Bent gangway



Deck at gangway landing

### ***B- Float Access Trestle***

The B-float access trestle is in fair condition with decking that is worn and should be replaced. The handrails are in poor condition and do not meet current code for rail spacing. The handrails could collapse under a lateral load, such as a number of people leaning on them. New handrails should be installed. Some of the timber cross bracing is cracked or broken and should be replaced. The gangway is 6 feet wide and 50 feet long. Modern standards call for a 6 feet wide by 80 feet long gangway. A new gangway should be installed. This will require cutting about 20 feet off the end of the trestle and installing a new pile bent to support the gangway. In order to provide better footing in inclement weather it is recommended that the gangway be covered and have interior lighting.





Deck and handrails



Deck



Side view



Side view

### ***Harbor Dock***

The harbor dock is in poor condition. The decking on the approach is severely worn and should be replaced. Like B-float, trestle hand rails are in poor condition and do not meet code for rail spacing. These hand rails could fail under a lateral load, such as a number of people leaning on it. New hand rails should be installed. Some of the timber cross bracing is cracked or broken and should be replaced. The bullrails are worn, rounded, and should be replaced. The ladders are in poor condition; they are bent, corroded at the bottom and the tops do not have handrails. New ladders should be installed. There are two gangways off of the harbor dock, one to A-float and one at D-float. Both are 6 feet wide and 50 feet long. The D-float gangway is bent. Both gangways should be replaced. B-float gangway should be a 6 feet wide by 80 feet long. Because D-float is primarily an industrial float the gangway should be 6 feet wide by 50 feet long. In order to provide better footing in inclement weather it is recommended that the gangways be covered and have interior lighting.





Side view



Side view



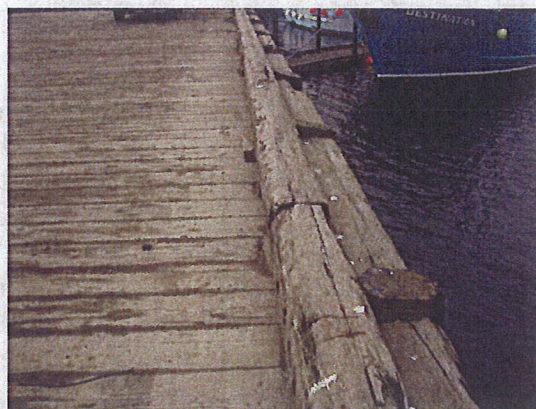
Timber fenders and ladder



Trestle



Worn Deck at approach



Worn Bullrail

### ***Travelift Dock***

The Travelift dock is in satisfactory condition. The timber rubrails on the interior of the lift bay are damaged and should be replaced. The concrete approach is spalled and should be patched.





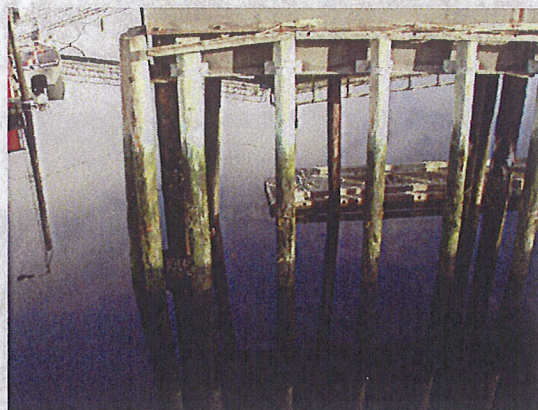
Side view



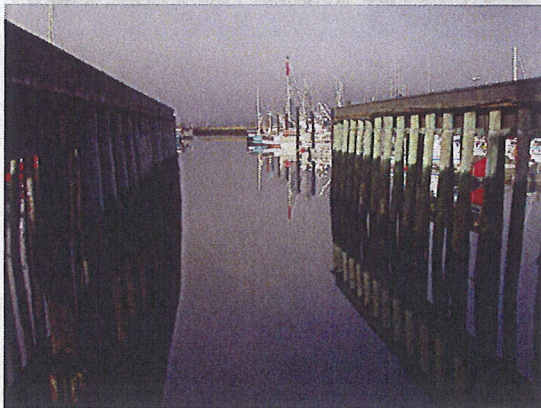
Concrete damage at approach



Rub rail damage



Rub rail damage



Lift bay



Travelift operation

### **Grid**

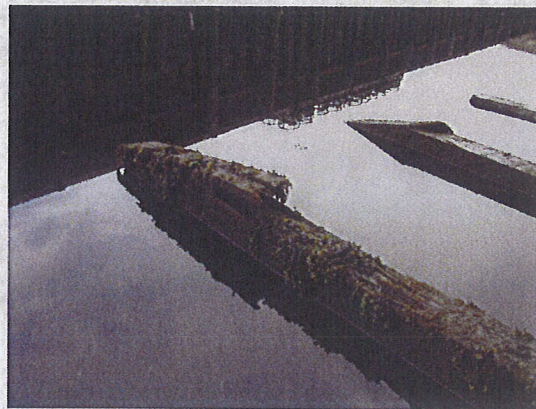
The grid is in critical condition. The timber cross beams are rotten, cracked, and broken. Some of the timber piling are rotten. It is likely that it will collapse under the load of a vessel and therefore should not be used until replaced. The replacement structure should



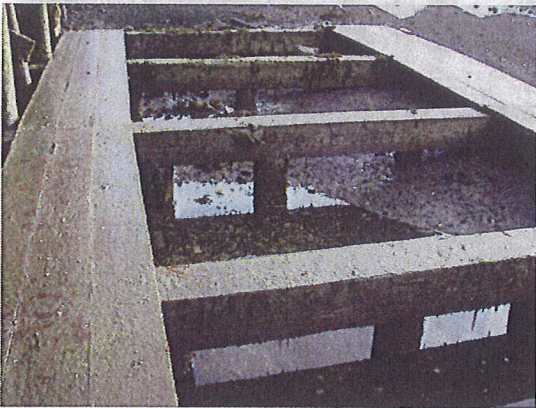
utilize galvanized steel pipe piles and beams, including a high molecular weight plastic wear surface on the beams.



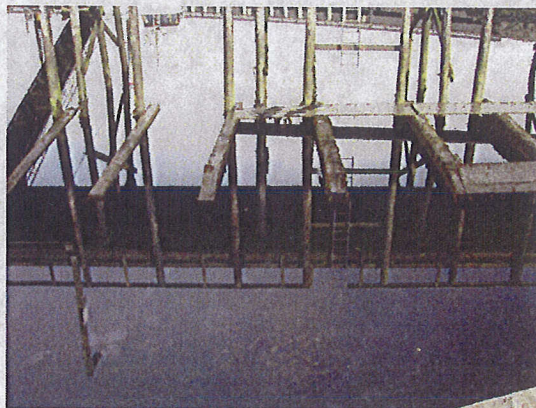
Grid



Broken timber



Grid

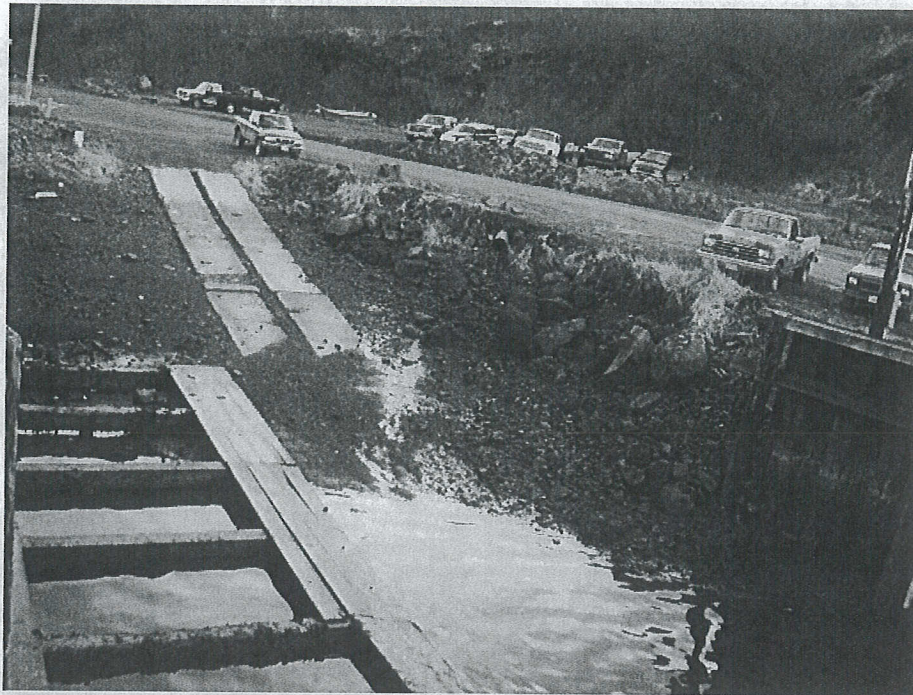


Grid

### ***Boat Launch Ramp***

The boat launch ramp is in serious condition. The end of the ramp is significantly above the low tide line. There is no boarding float. It is recommended that the ramp be extended and that a boarding float be installed.





Boat Launch Ramp

### ***East Wall***

The east wall is in poor condition. There is active corrosion evident. There are some sacrificial anodes installed for cathodic protection, but not enough. The anodes do not protect the structure above the waterline and this area is corroding. A cathodic protection  $\frac{1}{2}$  cell was used to measure the potential in a couple of locations. The readings did not indicate adequate cathodic protection.

**Table 2.2: Cathodic Protection Half-Cell Readings**

LOCATION	RESULT*
North End	-0.732 V
South End	- 0.667 V
*Result < 0.85 = inadequate protection, Result < 0.70 = active corrosion	

It is recommended that anodes be installed on a 10 foot grid both horizontally and vertically. The anodes should be designed by a corrosion engineer. It is typical that they will be in the range of 150 pounds each. It is also recommend that the wall be coated or spray metalized above the mean tide line.

A number of boats were moored along the wall and in some places the users ran electric power chords across the road to the dock. Vehicles were observed driving over these extension chords creating an unsafe and undesirable condition. It is recommended that power pedestals be installed at regular intervals along the upland portion of the wall.





East wall



Top of wall



East wall



East wall



Uplands near bulkhead



Power cable strung across road

### ***Harbormaster Building***

The harbormasters building is in fair condition. The building has two levels. The harbor office is on the top level with restrooms and a shop on the lower level. A portion of the ground floor is leased. The metal siding is mixed type and color and missing in places and should be renovated. The entryways for the office and for the restroom are worn and



# **Cost Estimates**

**(Information taken from May 2010 Inspection Report)**

### 3. RECOMMENDATIONS AND COST ESTIMATES

Items rated as poor or worse are listed below as Priority One repairs. Items listed as fair are show as Priority Two repairs.

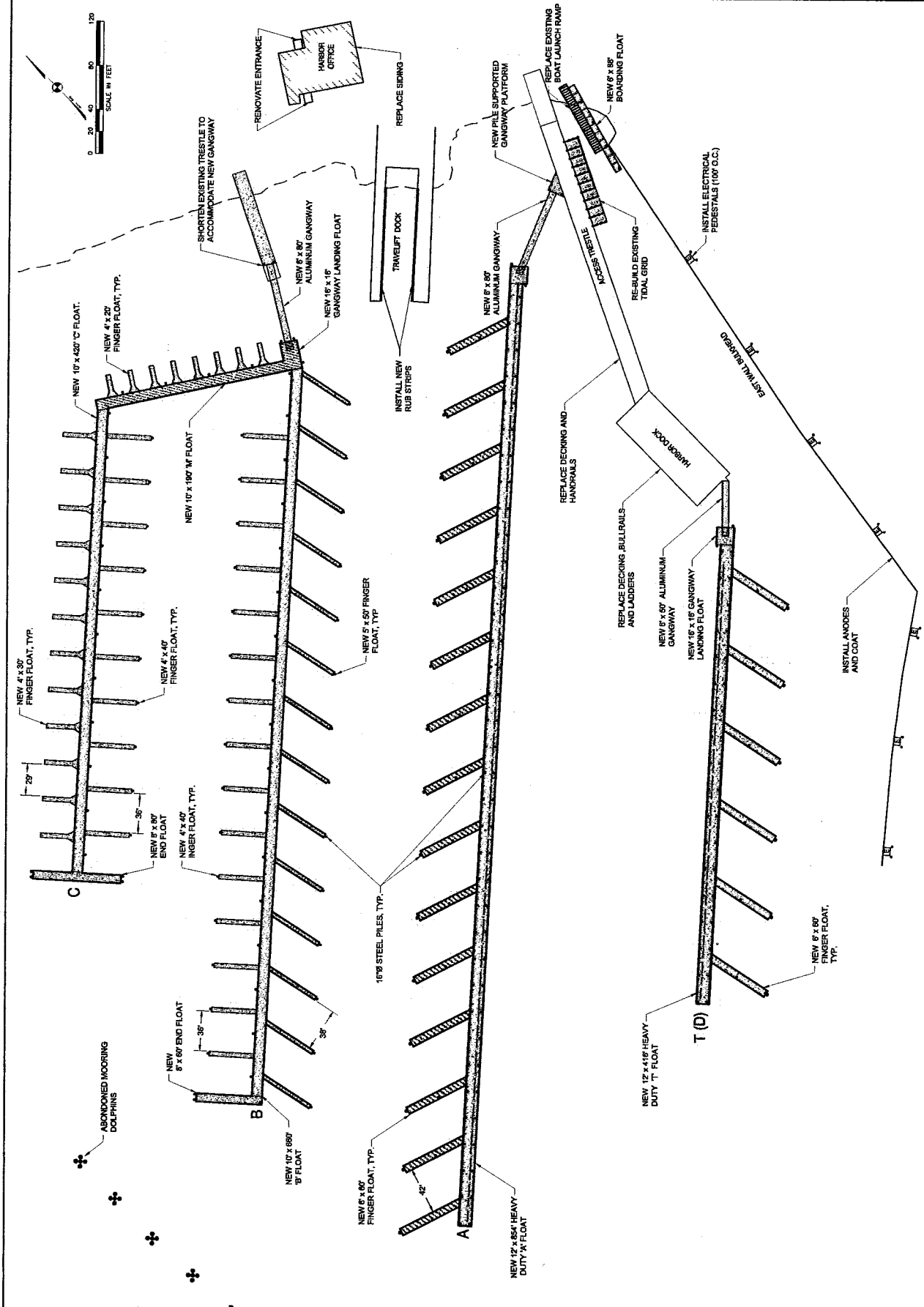
Cost estimates for repairs are outlined below. A significant part of the cost for repairs is related to mobilization. This can be very expensive and vary widely. If the work requires a barge and crane, mobilizing this equipment to the site can dominate the cost of the work. Because of the high cost of mobilization, it will be most cost-effective to do as much work under a single project, or mobilization, as possible.

The following cost estimates are outlined first as a stand-alone project for that item followed by a combined Priority One project total cost. The mobilization estimate is \$350,000 when a barge and crane is required, and \$100,000 if not. Labor and equipment for a barge, crane, and pile driving crew (6-man) is \$15,000 per day. Labor alone for a shore-based crew is estimated at \$1,000 per man per day. The estimates include 10% of the base construction estimate for engineering and administration and 25% of the base construction estimate for contingencies.

The drawing below depicts the replacement of the various floats in the harbor and shows the general layout of the recommended new features. It is for the most part a direct replacement of existing infrastructure and not an expansion. The new A-float is shown as 12 feet wide with interior steel bullrails as opposed to the existing 10 foot wide unit with exterior timber bullrails. This is to accommodate the existing fleet of large commercial fishing vessels. There are Tee docks shown on the ends of B and C-floats that are not currently in the harbor. These are typical in modern harbors and provide for transient moorage of larger vessels at the ends of the floats. Several of the gangways are replaced with 80 foot long ramps as opposed to the current 50 foot units. This meets modern codes and provides a less steep ramp during low tide. Three- phase power should be provided to A, B, and T-floats. C-float should have 220 volt single phase power.

There are timber mooring dolphins located south of B and C-floats. These are currently not used and are not connected to shore. A vessel using these would need a skiff to come to shore. It is possible to remove these and lengthen B and C-floats to accommodate additional vessels. This is not considered in the following estimates.

It should be pointed out that renovation work always has the risk of uncovering unforeseen problems or damage not identified.

[illegible]

## Priority One

### Float-A.

Float-A should be completely replaced. This includes the floats, piling, utilities and gangway. The new float should include 2 rows of piling and should be designed for side-tie moorage of commercial fishing vessels. The main float should be 12 feet wide as opposed to the existing 10 foot wide unit. This will allow the addition of an internal steel bullrail designed for moorage of larger vessels. The utilities should include potable water, a fire suppression system and 3 phase power. A new covered aluminum gangway should be included. The table below outlines approximate quantities and an estimated cost for replacement of this float as a stand alone project.

**Table 3.1: Float A Replacement Estimate**

ITEM	UNIT	QUANTITY	UNIT COST	ESTIMATED COST
Mobilization	EA	1	\$350,000	\$350,000
Demo	LS	1	\$100,000	\$100,000
Main Floats	SF	10250	80	\$820,000
Fingers	SF	5400	80	\$432,000
Gangway Float	SF	256	80	\$20,480
Piling	EA	108	\$10,000	\$1,080,000
Back Flow Preventor	EA	1	\$30,000	\$30,000
Potable Water on Floats	LF	850	\$200	\$170,000
Fire Suppression	LF	850	\$100	\$85,000
Electrical and Lighting	LF	850	\$450	\$382,500
Gangway	EA	1	\$65,000	\$65,000
Gangway Platform	EA	1	\$40,000	\$40,000
Anodes	EA	108	\$1,200	\$129,600
Ladders, Life Rings, and Fire Extinguishers	LF	850	\$12	\$10,200
Sub Total				\$3,714,780
Engineering and admin (10%)				\$371,478
Contingency (25%)				\$928,695
Total Project				\$5,014,953

## Float-B

Float-B should be completely replaced. This includes the floats, piling, utilities and gangway. The new float should include both B float and the connecting float to C float. The main floats should be 10 feet wide. The utilities should include potable water, fire suppression and 3 phase power. A new covered aluminum gangway should be included. The table below outlines approximate quantities and an estimated cost for replacement of this float as a stand alone project.

**Table 3.2: Float B Replacement Estimate**

ITEM	UNIT	QUANTITY	UNIT COST	ESTIMATED COST
Mobilization	EA	1	\$350,000	\$350,000
Demo	LS	1	\$100,000	\$100,000
Main Floats	SF	8500	\$80	\$680,000
Fingers	SF	5860	\$80	\$468,800
Tee Float	SF	480	\$80	\$38,400
Gangway Float	SF	256	\$80	\$20,480
Piling	EA	58	\$10,000	\$580,000
Back Flow Preventor	EA	1	\$30,000	\$30,000
Potable Water	LF	850	\$200	\$170,000
Fire Suppression	LF	850	\$100	\$85,000
Electrical and Lighting	LF	850	\$450	\$382,500
Gangway	EA	1	\$65,000	\$65,000
Trestle Modification	EA	1	\$40,000	\$40,000
Anodes	EA	58	\$1200	\$69,600
Ladders, Life Rings, and Fire Extinguishers	LF	850	\$12	\$10,200
Sub Total				\$3,089,980
Engineering and admin (10%)				\$308,998
Contingency (25%)				\$772,495
Total Project				\$4,171,473

### Float-C

Float-C should be completely replaced. This includes the floats, piling, and utilities. The main float should be 10 feet wide. The utilities should include potable water, fire suppression and single phase power. The table below outlines approximate quantities and an estimated cost for replacement of this float as a stand alone project.

**Table 3.3: Float C Replacement Estimate**

ITEM	UNIT	QUANTITY	UNIT COST	ESTIMATED COST
Mobilization	EA	1	\$350,000	\$350,000
Demo	LS	1	\$100,000	\$100,000
Main Floats	SF	4200	\$80	\$336,000
Fingers	SF	3213	\$80	\$257,040
Tee Float	SF	640	\$80	\$51,200
Piling	EA	25	\$10,000	\$250,000
Potable Water	LF	420	\$200	\$84,000
Fire Suppression	LF	420	\$100	\$42,000
Electrical and Lighting	LF	420	\$450	\$189,000
Anodes	EA	25	\$1200	\$30,000
Ladders and Life Rings	LF	420	\$12	\$5,040
Sub Total				\$1,694,280
Engineering and admin (10%)				\$169,428
Contingency (25%)				\$423,570
Total Project				\$2,287,278

### Float-T.

Float-T should be completely replaced. This includes the floats, piling, utilities and gangway. The new float should include 2 rows of piling and should be designed for side tie moorage of commercial fishing vessels. The main float should be 12 feet wide. This will allow the addition of an internal steel bullrail designed for larger vessel moorage. The utilities should include potable water, fire suppression and 3 phase power. A new covered aluminum gangway should be included. The table below outlines approximate quantities and an estimated cost for replacement of this float as a stand alone project.



**Table 3.4: Float T Replacement Estimate**

ITEM	UNIT	QUANTITY	UNIT COST	ESTIMATED COST
Mobilization	EA	1	\$350,000	\$350,000
Demo	LS	1	\$100,000	\$100,000
Main Floats	SF	4992	80	\$399,360
Fingers	SF	2160	80	\$172,800
Gangway Float	SF	256	80	\$20,480
Piling	EA	50	\$10,000	\$500,000
Back Flow Preventor	EA	1	\$30,000	\$30,000
Potable Water on Floats	LF	416	\$200	\$83,200
Fire Suppression	LF	416	\$100	\$41,600
Electrical and Lighting	LF	416	\$450	\$187,200
Gangway	EA	1	\$50,000	\$50,000
Gangway Platform	EA	1	\$20,000	\$20,000
Anodes	EA	50	\$1,200	\$60,000
Ladders, Life Rings, and Fire Extinguishers	LF	416	\$12	\$4,992
Sub Total				\$2,019,632
Engineering and admin (10%)				\$201,963
Contingency (25%)				\$504,908
Total Project				\$2,726,503

### Harbor Dock

The harbor dock should have the decking, bullrails, handrails and ladders replaced. Life rings and fire extinguishers should be installed in cabinets on the dock. Two units should be placed on the trestle and two on the dock. The table below outlines approximate quantities and an estimated cost for renovation of this dock as a stand alone project.

**Table 3.5: Harbor Dock Renovation Estimate**

ITEM	UNIT	QUANTITY	UNIT COST	ESTIMATED COST
Mobilization	EA	1	\$350,000	\$350,000
Demo	LS	1	\$100,000	\$100,000
Deck	SF	9450	\$20	\$189,000
Bullrail	LF	908	\$70	\$63,560
Hand rail	LF	630	\$25	\$15,750
Ladders	EA	10	\$5,000	\$50,000
Fire Extinguishers and Life Rings	EA	4	\$3,000	\$12,000
Sub Total				\$780,310
Engineering and admin (10%)				\$78,031
Contingency (25%)				\$195,078
Total Project				\$1,053,419

**Grid**

The Grid should be replaced. New piling should be driven, a steel pile cap / beam should be paced on each bent, and plastic timbers should be installed on each beam. Anodes should be installed on each piling to help ensure a long service life. The piling and anodes will be smaller than the typical float pile. The table below outlines approximate quantities and an estimated cost for replacement of this grid as a stand alone project.

**Table 3.6: Grid Replacement Estimate**

ITEM	UNIT	QUANTITY	UNIT COST	ESTIMATED COST
Mobilization	EA	1	\$350,000	\$350,000
Demo	LS	1	\$100,000	\$100,000
Piling	EA	44	\$7,000	\$308,000
Steel Beams	EA	11	\$3,200	\$35,200
Plastic Timbers	EA	11	\$6,000	\$66,000
Anodes	EA	44	\$500	\$22,000
Sub Total				\$881,200
Engineering and admin (10%)				\$88,120
Contingency (25%)				\$220,300
Total Project				\$1,189,620

## Boat Launch Ramp

The Boat Launch Ramp should be extended. Additional concrete planks should be installed on a prepared gravel base. These should extend below the extreme low tide line. A boarding float should be installed along side the extended ramp. The table below outlines approximate quantities and an estimated cost for renovation of this launch ramp as a stand alone project.

**Table 3.7: Boat Launch Ramp Renovation Estimate**

ITEM	UNIT	QUANTITY	UNIT COST	ESTIMATED COST
Mobilization	EA	1	\$350,000	\$350,000
Excavation and Backfill	LS	1	\$20,000	\$20,000
Concrete Planks	EA	15	\$2,000	\$30,000
Boarding Float	SF	530	\$80	\$42,400
Piling	EA	4	\$10,000	\$40,000
Anodes	EA	4	\$1,200	\$4,800
Sub Total				\$487,200
Engineering and admin (10%)				\$48,720
Contingency (25%)				\$121,800
Total Project				\$657,720

## East Wall

The East Wall should be renovated. New anodes should be installed on a 10 foot grid. The wall should be coated or spray metalized above the waterline. Shore power pedestals should be installed at intervals along the upland side of the wall. The ladders should be replaced. The table below outlines approximate quantities and an estimated cost for renovation of this launch ramp as a stand alone project.

**Table 3.8: East Wall Renovation Estimate**

ITEM	UNIT	QUANTITY	UNIT COST	ESTIMATED COST
Mobilization	EA	1	\$100,000	\$100,000
Anodes	EA	120	\$1,200	\$144,000
Coating	SF	15,000	\$40	\$600,000
Shore Power Pedestals	LF	730	\$450	\$328,500
Ladders	EA	8	\$5,000	\$40,000
Sub Total				\$1,212,500
Engineering and admin (10%)				\$121,250
Contingency (25%)				\$303,125
Total Project				\$1,636,875

**Critical and Serious Items Combined Project**

If all critical and serious items are combined into one project the owner will save some money on mobilization. The table below outlines the estimated cost these items combined into a single project. Mobilization is increased to \$450,000 to account for the larger project. Demolition is also increased to \$250,000 to account for the larger project

**Table 3.9: Combined Critical and Serious Items Estimate**

ITEM	ESTIMATED COST
Mobilization	\$450,000
Demolition	\$250,000
A Float	3,264,780
B Float	\$2,639,980
C Float	\$1,244,280
Grid	\$431,200
Boat Launch Ramp	\$137,200
Sub Total	\$8,417,440
Engineering and admin (10%)	\$841,744
Contingency (25%)	\$2,104,360
Total Project	\$11,363,544

### Priority One Items Combined Project

If all priority one items are combined into one project the owner will save some money on mobilization. The table below outlines the estimated cost these items combined into a single project. Mobilization is increased to \$450,000 to account for the larger project. Demolition is also increased to \$250,000 to account for the larger project.

**Table 3.10: Combined Priority One Items Estimate**

ITEM	ESTIMATED COST
Mobilization	\$450,000
Demolition	\$250,000
A-Float	3,264,780
B-Float	\$2,639,980
C-Float	\$1,244,280
T-Float	\$1,569,632
Harbor Dock	\$330,310
Grid	\$431,200
Boat Launch Ramp	\$137,200
East Wall	\$1,112,500
Sub Total	\$11,429,882
Engineering and admin (10%)	\$1,142,988
Contingency (25%)	\$2,857,470
Total Project	\$15,430,340

### Priority Two

Items rated as Fair or better are listed under Priority Two repairs. These include repairs to the B Float Access Trestle, the Travelift Dock and the Harbormaster Building.

#### The B-Float Access Trestle

The B-float access trestle needs a new deck, new handrails, new bullrails, and some cross bracing replaced. Life rings and fire extinguishers should be installed in cabinets on the trestle near the gangway. The table below outlines approximate quantities and an estimated cost for renovation of this dock as a stand alone project.

**Table 3.11: B Float Access Trestle Renovation Estimate**

ITEM	UNIT	QUANTITY	UNIT COST	ESTIMATED COST
Mobilization	EA	1	\$100,000	\$100,000
Demo	LS	1	\$50,000	\$50,000
Deck	SF	1224	\$20	\$24,480
Bullrail	LF	210	\$70	\$14,700
Hand Rail	LF	210	\$25	\$5,250
Cross Bracing	EA	10	\$400	\$4,000
Fire Extinguishers and Life Rings	EA	1	\$3,000	\$3,000
Sub Total				\$201,430
Engineering and admin (10%)				\$20,143
Contingency (25%)				\$50,358
Total Project				\$271,931

### **The Travelift Dock**

The Travelift Dock needs new rub strips in the lift bay. It is recommend that plastic lumber or HDPE timber be used as opposed to timber. This item can be competed by harbor maintenance staff. It is estimated that materials will cost about \$5,000 for this repair.

### **The Harbormaster Office**

It is recommended that the city hire an architect to inspect the Harbormaster Office and discuss renovations to bring the building up to modern standards. Items that should be considered include new siding, new entrances for the restroom and main entrance and an emergency standby generator. It is beyond the scope of this report to provide a detailed cost estimate for this building. The below estimate is schematic in nature.

**Table 3.12: Harbormaster Office Renovation Estimate**

ITEM	UNIT	QUANTITY	UNIT COST	ESTIMATED COST
Mobilization	EA	1	\$100,000	\$100,000
Demo	LS	1	\$50,000	\$50,000
Siding	LS	1	\$50,000	\$50,000
Restroom Entrance	EA	1	\$5,000	\$5,000
Main Entrance	EA	1	\$15,000	\$15,000
Transfer Switch	EA	1	\$2,500	\$2,500
Standby Generator	EA	1	\$7,000	\$7,000
Sub Total				\$229,500
Engineering and admin (10%)				\$22,950
Contingency (25%)				\$57,375
Total Project				\$309,825

### Priority Two Items Combined Project

If all priority two items are combined into one project the owner will save some money on mobilization. The table below outlines the estimated cost these items combined into a single project. Mobilization is increased to \$150,000 to account for the larger project.

**Table 3.13: Combined Priority Two Items Estimate**

ITEM	ESTIMATED COST
Mobilization	\$150,000
B-Float Access Trestle	\$101,430
Travelift Dock	\$5,000
Harbormaster office	\$129,500
Sub Total	\$385,930
Engineering and admin (10%)	\$38,593
Contingency (25%)	\$96,482
Total Project	\$521,005

#### **4. PHASED REPLACEMENT AND RENOVATIONS**

The City would like to advance the replacements and renovations in phases. This will allow the City to match groups of projects with available funding.

##### ***Phase One***

Phase One will consist of replacement of Float A and Float B as well as the grid. The cost estimate for Phase One is \$9,292,046

##### ***Phase Two***

Phase Two will consist of the replacement of Float C, replacement of Float T, renovation of the Harbor Dock, Renovation of the B Float Trestle, and renovation of the East Wall. The cost estimate for Phase Two is \$6,693,505.

##### ***Phase Three***

Phase Three will consist of renovations to the Harbor Office and Boat Launch Ramp. The cost estimate for Phase Three is \$873,045.



**State of Alaska**  
**\$5 million Harbor Grant**

# STATE OF ALASKA

## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

STATEWIDE DESIGN & ENGINEERING SERVICES DIVISION  
*Ports and Harbors Section*

3132 CHANNEL DRIVE  
P.O. Box 112500  
JUNEAU, ALASKA 99811-2500  
PHONE: (907) 465-2960  
FAX: (907) 465-2460  
TEXT: (907) 465-3652

October 19, 2011

Mr. Paul Day  
City Administrator  
City of Sand Point  
P.O. Box 249  
Sand Point, Alaska 99661

Subject: Letter of Award of the FY12 Municipal Harbor Facility Grant Funds

Dear Mr. Day:

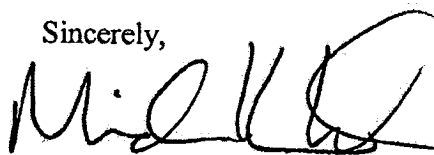


Congratulations on your successful application for the Department of Transportation and Public Facilities' Municipal Harbor Facility Grant Program. Upon successful execution of a harbor grant agreement with the department, the City of Sand Point will receive a Tier I 50/50 matching harbor grant in the amount of \$5,000,000 for construction of the Robert E. Galovin Harbor project. These funds are 100% state general funds.

As a reminder, and as explained in the harbor grant instructions, the municipality will have six (6) months from the date of this Letter of Award to properly ratify and execute a mutually agreeable grant agreement with the department. Note if there is a change in your harbor project that affects the nature of the municipality's original application, then that could prevent us from executing a harbor grant agreement. If a grant agreement cannot be completed within that six month period, the department may deny the award and select the next highest scoring proposal or award the funds in subsequent years. After the grant agreement is signed, the City of Sand Point will have eighteen (18) months to complete the construction phase of the Robert E. Galovin Harbor project.

Please contact me at your earliest convenience to discuss the grant agreement and the timing for your harbor project. I look forward to working with you on this important municipal harbor project. My phone number is 465-3979.

Sincerely,



Michael Lukshin, P.E.  
State Ports and Harbors Engineer

*"Providing for the movement of people and goods and the delivery of state services."*

**From:** Lukshin, Michael A (DOT) [michael.lukshin@alaska.gov]  
**Sent:** Wednesday, April 04, 2012 5:08 PM  
**To:** Paul Day  
**Cc:** Mayor Martin Gundersen; Jade Cromer  
**Subject:** RE: Sand Point HBR - harbor grant

Paul,

Thanks for the update. I understand the city's situation. It is much like we talked about a while ago with Mayor Gundersen.

But I am here to encourage you and the city to get an early start on the design rather than wait until later. I recommend that you review my award letter dated October 19, 2011. The second paragraph does say that you have six months in which to enter into a grant agreement with us in order to secure the state funding for the grant. But since you're not ready to advertise the Robert Galovin harbor project, I will hold on to the funding until you advertise a project. It seems my letter could be used an additional factor during your meeting of April 23<sup>rd</sup>.

If your match funding is reduced to \$4M (with \$2M from AEB) or just \$2M of local City of Sand Point funds, then I have no choice but to reduce the state funding to \$4M or \$2M, respectively.

Mike

*Michael Lukshin, P.E.*  
 Statewide Ports and Harbors Engineer  
 Alaska DOT&PF  
 W: 907-465-3979

---

**From:** Paul Day [mailto:daypar72@gci.net]  
**Sent:** Wednesday, April 04, 2012 11:31 AM  
**To:** Lukshin, Michael A (DOT)  
**Cc:** Mayor Martin Gundersen; 'Jade Cromer'  
**Subject:** RE: Sand Point HBR - harbor grant

Mike,  
 It seems like two steps forward and one step back...

As for our matching funds: We recently received word that both our CDBG application and our Denali Commission application were not selected for funding this cycle. I still think the Denali \$\$ will be available when crunch time rolls around. To move the process along, the city has committed \$2 million of either grants or loans to be used as match (see attached Resolution adopted last month). The BIG meeting is on the 23<sup>rd</sup>. The Aleutians East Borough is holding their quarterly meeting in Sand Point and we are asking them to match our local commitment of \$2 million. Right now, it's a 50-50 proposition that they'll step up to the plate but I am a positive guy so I think they will. If they do, that will be \$4 million of the \$5 million needed and I will continue to 'beat the bushes' for the remaining funds (worst case is the city will go on the hook for \$3 million when it's time to pay construction bills).

As for the design: I have been getting almost daily calls from several firms wanting to do the design. I know I promised to get this design work out asap but I'm too fiscally conservative to spend design money when the actual construction is so up in the air. I promise (in writing this time) that depending on the Borough's help on the 23<sup>rd</sup>, I will get the design started. I've been told that the design could be completed and a set of construction documents available in about 4-6 months which gives us plenty of time to bid the project for the 2013 construction season.

file:///C:/Users/City%20of%20Sand%20Point/AppData/Local/Microsoft/Windows/Tempo... 4/17/2012

Keep the faith Mike!

Cc: Mayor Martin Gundersen  
Sand Point City Council

Paul Day  
City of Sand Point  
3380 C Street #205  
Anchorage, Alaska 99503  
(907) 274-7561 (phone)  
(907) 274-3540 (fax)

**From:** Lukshin, Michael A (DOT) [<mailto:michael.lukshin@alaska.gov>]

**Sent:** Wednesday, April 04, 2012 9:50 AM

**To:** Paul Day

**Subject:** Sand Point HBR - harbor grant

Paul,

Where are you in getting the design finished for the old Sand Point Harbor project?

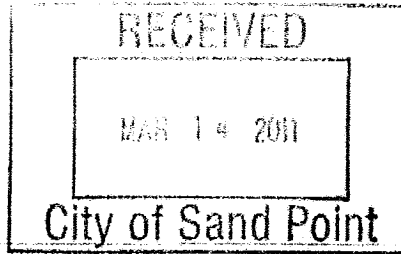
Do you have your matching funds situation resolved?

Mike

*Michael Lukshin, P.E.*  
Statewide Ports and Harbors Engineer  
Alaska DOT&PF  
W: 907-465-3979

# **Funding Request(s)**





Denali Commission  
510 L Street, Suite 410  
Anchorage, AK 99501

907.271.1414 tel  
907.271.1415 fax  
888.480.4321 toll free  
[www.denali.gov](http://www.denali.gov)

March 8, 2011

Paul Day  
City Administrator  
P.O. Box 249  
Sand Point, Alaska 99661

Re: Sand Point Galovin Small Boat Harbor

Dear Mr. Day:

The Denali Commission's (Commission's) Transportation Advisory Committee (TAC) met in Anchorage January 18-20, 2011, to select waterfront development projects for Fiscal Year 2011.

After careful consideration your proposed project, Sand Point Galovin Small Boat Harbor, was not selected for funding.

Specifically, the TAC determined that it would be best for the City of Sand Point complete the two active Commission projects, the Sand Point New Harbor Project and the School Loop Road Project prior to receiving additional funding from the agency.

If you have any questions regarding this decision, please feel free to contact me at (907) 271-1624, [tdelong@denali.gov](mailto:tdelong@denali.gov), or Ms. Adison Smith at (907)-271-1640, [asmith@denali.gov](mailto:asmith@denali.gov).

Sincerely,

A handwritten signature in cursive script, appearing to read "Tessa L. DeLong".

Tessa L. DeLong, MPA  
Senior Transportation Program Manager



Denali Commission  
510 L Street, Suite 410  
Anchorage, AK 99501

907.271.1414 *tel*  
907.271.1415 *fax*  
888.480.4321 *toll free*  
[www.denali.gov](http://www.denali.gov)

February 14, 2012

Paul Day  
City Administrator  
City of Sand Point  
3380 C Street #205  
Anchorage, Alaska 99503

Re: Galovin Small Boat Harbor Reconstruction

Dear Mr. Day:


The Denali Commission's (Commission's) Transportation Advisory Committee (TAC) met in Anchorage January 26-27, 2012, to select waterfront development projects for Federal Fiscal Year (FFY) 2012.

After careful consideration your proposed project, Galovin Small Boat Harbor Reconstruction, was not selected for funding.

Specifically, the TAC did not recommend FFY12 funding for this project due to the City having 1 active project (Sand Point School Loop Road Rehabilitation), and 1 project that closed out in FFY11 (Sand Point New Harbor Float Construction). The TAC recommends the City complete the design of the Galovin Small Boat Harbor Reconstruction Project and reapplies for construction funding once the design is complete.

If you have any questions regarding this decision, please feel free to contact me at (907) 271-1624, [tdelong@denali.gov](mailto:tdelong@denali.gov), or Ms. Adison Wetzel at (907)-271-1640, [awetzel@denali.gov](mailto:awetzel@denali.gov).

Sincerely,

  
Yessa L. DeLong, MPA  
Senior Program Manager





STATE OF ALASKA  
DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

Division of Community and Regional Affairs

*Sean Parnell, Governor*  
*Susan K. Bell, Commissioner*  
*Scott Ruby, Director*

March 7, 2012

The Honorable Martin Gundersen  
Mayor, City of Sand Point  
PO Box 249  
Sand Point, Alaska 99661

**RE: FFY11 CDBG Application**

Dear Mayor Gundersen,

The Department of Commerce, Community, and Economic Development thanks you for submitting an application to the FFY 11 Community Development Block Grant program.

The Application Selection Committee met recently to evaluate and score the applications that were submitted. I regret to inform you that the application from the city of Sand Point for the Small Boat Harbor Renovation project was not selected for CDBG funding.

An applicant may appeal the notification of the rating results to the Director of the Division of Community and Regional Affairs. The only basis for an appeal is non-adherence by the Department to the grant selection and award procedures. Appeals must be received by the Department in writing within thirty days of the date of notification of rating results, and must clearly state the basis for the appeal.

If you have any questions regarding the Community Development Block Grant program or the review process, please feel free to contact Janet Davis, Grant Administrator in our Fairbanks Office at 907-451-2746.

Sincerely,

Scott Ruby  
DCRA Director

cc: Jill Davis, Grants Administration Manager

# City of Sand Point



## Resolution 12-01

### **A RESOLUTION OF THE SAND POINT CITY COUNCIL COMMITTING UP TO \$2 MILLION IN LOCAL FUNDING TO BE USED FOR THE RENNOVATION AND IMPROVEMENTS TO THE ROBERT E. GALOVIN SMALL BOAT HARBOR**


**WIIEREAS**, the State of Alaska, Department of Transportation and Public Facilities has awarded a \$5 million Municipal Harbor Grant to the City to be used for the purpose of rebuilding and improving the Robert E. Galovin Small Boat Harbor (Harbor); and

**WIIEREAS**, these funds must be matched dollar-for-dollar with non-state funding; and

**WHEREAS**, the City of Sand Point has aggressively pursued and will continue to pursue other appropriate and available funding that can and will be used for this project including the Denali Commission, federal granting agencies, Aleutians East Borough and others;

**NOT THEREFORE BE IT RESOLVED** that the Sand Point City Council hereby commits up to \$2 million in local funding that will be used for this project and these funds may come from direct loans, bonds or savings from the City treasury.

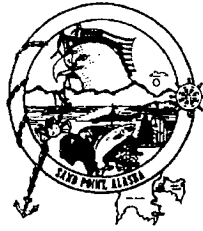
**PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE SAND POINT CITY COUNCIL ON THIS 13<sup>TH</sup> DAY OF MARCH, 2012.**

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

# City of Sand Point



October 27, 2010

Honorable Mayor Stanley Mack  
Aleutians East Borough  
P.O. Box 349  
Sand Point, Alaska 99661

Re: Capital funding request

Dear Mayor Mack:

As you know, the Robert E. Galovin Small Boat Harbor (Harbor) in Sand Point is in poor condition and badly in need repair. A study was completed this May, conducted by URS, which shows an estimated \$12-15 million will be needed to completely and fully refurbish the Harbor; replacing piling, floats, gangways, lighting, etc. A copy of that report can be made available to those interested in looking at the details.

The city has completed the first step of this process, requesting funding from the state of Alaska - Harbor Facilities Fund; a program that matches dollar-for-dollar, monies needed for these types of projects. I won't get into the 'fine print' of this grant, but the short version is: entities like the city of Sand Point are eligible once for Tier I grant funds and the maximum request allowed is \$5 million. Once we receive a Tier I grant for any amount, we then move to the end-of-the-line for further grant dollars. Earlier this month, we received notice that our Tier I application received the second highest score statewide and \$5 million in funding for our project will be included in the state 2011-2012 budget. We must now match these monies with 'non-state' funds.

This letter is a follow-up to our recent conversation requesting Borough assistance to secure the needed matching funds for this project. We are applying to the Denali Commission for \$1 million and the city is willing to bond/borrow up to \$2 million to

---

City Office  
P.O. Box 249  
Sand Point, Alaska 99661  
(907) 383-2696  
(907) 383-2698 FAX

Administrator  
3380 C Street, Suite 205  
Anchorage, Alaska 99503  
(907) 274-7561  
(907) 274-3540 FAX  
daypar72@gci.net

move us closer to the match needed. We are requesting \$1 million from the Aleutians East Borough, either through a direct appropriation, available bonds or a combination of both, to apply to our matching efforts. Even if successful with this funding scenario, we still must find an additional \$1 million to bring us up to the required match.

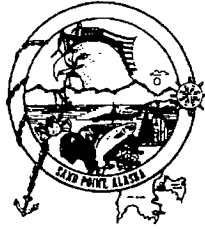
Mayor Mack, you know the significance of having safe, reliable harbors in the fishing communities of the Aleutians East Borough. I would hope that the Borough would place a high priority and lend assistance to the city in our effort to refurbish are old, tired Harbor. If I can answer any questions or help deliver this message to other AEB officials, please let me know.

Sincerely,

Glen Gardner, Jr.  
Mayor

cc: Aleutian East Borough Assembly  
Sand Point City Council  
Sharon Boyette – AEB Administrator  
Paul Day – City of Sand Point Administrator

# City of Sand Point



October 11, 2011

Honorable Mayor Stanley Mack  
Aleutians East Borough  
P.O. Box 349  
Sand Point, Alaska 99661

Re: Capital funding request

Dear Mayor Mack:

Congratulations on earning another 3-year term as the Mayor of the Aleutians East Borough. I hope together we can do some great things for our area in the years ahead.

As you know, the Robert E. Galovin Small Boat Harbor (Harbor) in Sand Point is in poor condition, badly in need repair and getting worse by the season. A study was completed on May 2010, conducted by URS, which shows an estimated \$12-15 million will be needed to completely and fully refurbish the Harbor; replacing piling, floats, gangways, lighting, etc. A copy of that report can be made available to those interested in looking at the details.

The city has completed the first step of this process, requesting and receiving funding from the state of Alaska - Harbor Facilities Fund; a program that matches dollar-for-dollar, monies needed for these types of projects. I won't get into the 'fine print' of this grant, but the short version is: entities like the city of Sand Point are eligible once for Tier I grant funds and the maximum request allowed is \$5 million. Once we receive a Tier I grant for any amount, we then move to the end-of-the-line for further grant dollars. We were notified in early July that our Tier I application received the second highest score statewide and \$5 million in funding for our project was approved. We must now match these monies with 'non-state' funds.

---

City Office  
P.O. Box 249  
Sand Point, Alaska 99661  
(907) 383-2696  
(907) 383-2698 FAX

Administrator  
3380 C Street, Suite 205  
Anchorage, Alaska 99503  
(907) 274-7561  
(907) 274-3540 FAX  
daypar72@gci.net

This letter is a follow-up to our recent conversation requesting Borough assistance to secure the needed matching funds for this project. To match the \$5 million in state funds, the city is applying to the Denali Commission for \$1 million and the Community Development Block Grant (CDBG) program for \$750,000. In addition, the city is willing to bond/borrow up to \$1.75 million to move us closer to the match needed. We are requesting the Aleutians East Borough match our local contribution of \$1.5 million, either through a direct appropriation, available bonds or a combination of both, to apply to our matching efforts. If successful with these funding scenarios - we will have in-hand, \$4.75 million to match the state funds - we will have enough funding available to begin construction this coming summer - we will be on our way to improve the economic engine that drive this community and in turn, drives the well-being of the entire Borough.

Mayor Mack, you know the significance of having safe, reliable harbors in the fishing communities of the Aleutians East Borough. I would hope that the Borough would place a high priority and lend assistance to the city in our effort to refurbish our old, tired Harbor. If I can answer any questions or help deliver this message to other AEB officials, please let me know.

Sincerely,

Martin Gundersen  
Mayor

cc: Aleutian East Borough Assembly  
Sand Point City Council  
Sharon Boyette – AEB Administrator  
Paul Day – City of Sand Point Administrator

**From:** Paul Day [daypar72@gci.net]  
**Sent:** Wednesday, April 04, 2012 10:19 AM  
**To:** 'Milburn, Amy - RD, Kenai, AK'  
**Subject:** RE: Funding

Please forward me your application packet...

Paul Day  
 City of Sand Point  
 3380 C Street #205  
 Anchorage, Alaska 99503  
 (907) 274-7561 (phone)  
 (907) 274-3540 (fax)

**From:** Milburn, Amy - RD, Kenai, AK [mailto:amy.milburn@ak.usda.gov]  
**Sent:** Wednesday, April 04, 2012 10:08 AM  
**To:** Paul Day  
**Subject:** RE: Funding

Paul,

I have attached our Community Facility (CF) Pamphlet regarding loans and grants. The maximum grant we can do in the CF program is \$50,000.00 (depending on availability of funding), we can do a loan as well. The current rate is 3.375% with a term up to 40 years. If we did a \$2,950,000 loan for 30 years the annual payment would be \$156,822 (\$13,068.50/mo.) or at 40 years the annual payment would be \$134,520 (\$11,210.00/mo).

The small boat harbor is an eligible project that Community Facility funds can be used for.

If you wish to receive an application, please let me know and I will gladly send one out. I can mail it to you or email it for your convenience.

Thank you for your patience.

Amy Milburn  
 Acting Area Manager  
 USDA Rural Development  
 110 Trading Bay Rd., Suite 160  
 Kenai, AK 99611  
 Phone 907-283-6640 ex. 101  
 Fax 907-283-9667

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**From:** Paul Day [mailto:daypar72@gci.net]  
**Sent:** Wednesday, April 04, 2012 9:29 AM  
**To:** Milburn, Amy - RD, Kenai, AK  
**Subject:** Funding

As we discussed a few weeks ago, the city of Sand Point is seeking funding to rehabilitate our small boat harbor. We have a \$5 million grant from the state of Alaska that must be matched dollar-for-dollar. The city is considering locally financing thru loans or grants, up to \$3 million of the required match. Would you please send me information on how your agency might assist us in this endeavor? As I mentioned before, of course we like

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GRANTS more than borrowing money, but we are pragmatic and know that we will probably have to borrow a large portion of any funding we receive.

Paul Day  
City of Sand Point  
3380 C Street #205  
Anchorage, Alaska 99503  
(907) 274-7561 (phone)  
(907) 274-3540 (fax)



# Proposal

## BRECHAN ENTERPRISES, INC. / GENERAL CONTRACTOR



2705 Mill Bay Road · Kodiak, AK 99615

(907) 486-3215 · Fax: (907) 486-4889



Alaska Business License #001858 · Alaska Contractors License #AA441

PROPOSAL SUBMITTED TO <b>Aleutians East Borough School District</b>		PHONE <b>907-383-5222</b>	DATE <b>September 2, 2011</b>
CONTACT <b>Jim Brown</b>		JOB NAME <b>Sand Point School Pave Access Roads &amp; Parking Area</b>	
CONTACT PHONE # <b>907-386-1122</b>		JOB LOCATION <b>Sand Point School</b>	
ARCHITECT	DATE OF PLANS	Fax	JOB PHONE

### We hereby submit specifications and estimates for:

**General Specs:** Supply and Installation of D-1 to grade and 2" of Asphalt Paving.

**Base Bid:** This area utilizes the existing gravel loop and rear parking areas as represented in pink on the attached drawing. There will be approximately 47,395 sf of pavement in this area. We can perform this work for the unit price of \$6.00 per sf for a total of \$284,370, plus city sales tax.

**Additive Alternate #1:** This area ties in the front parking area between the pool and the main road as represented in green on the attached drawing. There will be an additional 32,923 sf of pavement in this area. We can perform this work for the unit price of \$6.00 per sf for an additional \$197,538, plus city sales tax.

**Additive Alternate #2:** This area ties in the access road for the playground as represented in blue on the attached drawing. There will be an additional 2,740 sf of pavement in this area. We can perform this work for the unit price of \$6.00 per sf for an additional \$16,440, plus city sales tax.

**Additive Alternate #3:** This area ties in the loading dock access road as represented in orange on the attached drawing. There will be an additional 3,160 sf of pavement in this area. We can perform this work for the unit price of \$6.00 per sf for an additional \$18,960, plus city sales tax.

\*\*\*BEI assumes no liability for existing subbase being frost-susceptible. If organic soils are encountered during grade prep, owner will be notified and a proper solution will be made.

Payment to be made as follows: \$200 deposit prior to estimate which will be applied to estimate total if Owner agrees to proceed. Half of estimate total due prior to beginning project, balance due upon completion of project.

**TERMS: NET 30 UPON APPROVED CREDIT (APPLICATION ATTACHED) or VISA / MASTER CARD**

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over, and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized  
Signature \_\_\_\_\_

Note: This proposal may be withdrawn  
by us if not accepted within 30 days.

### Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do work as specified. Payment will be made as outlined above.

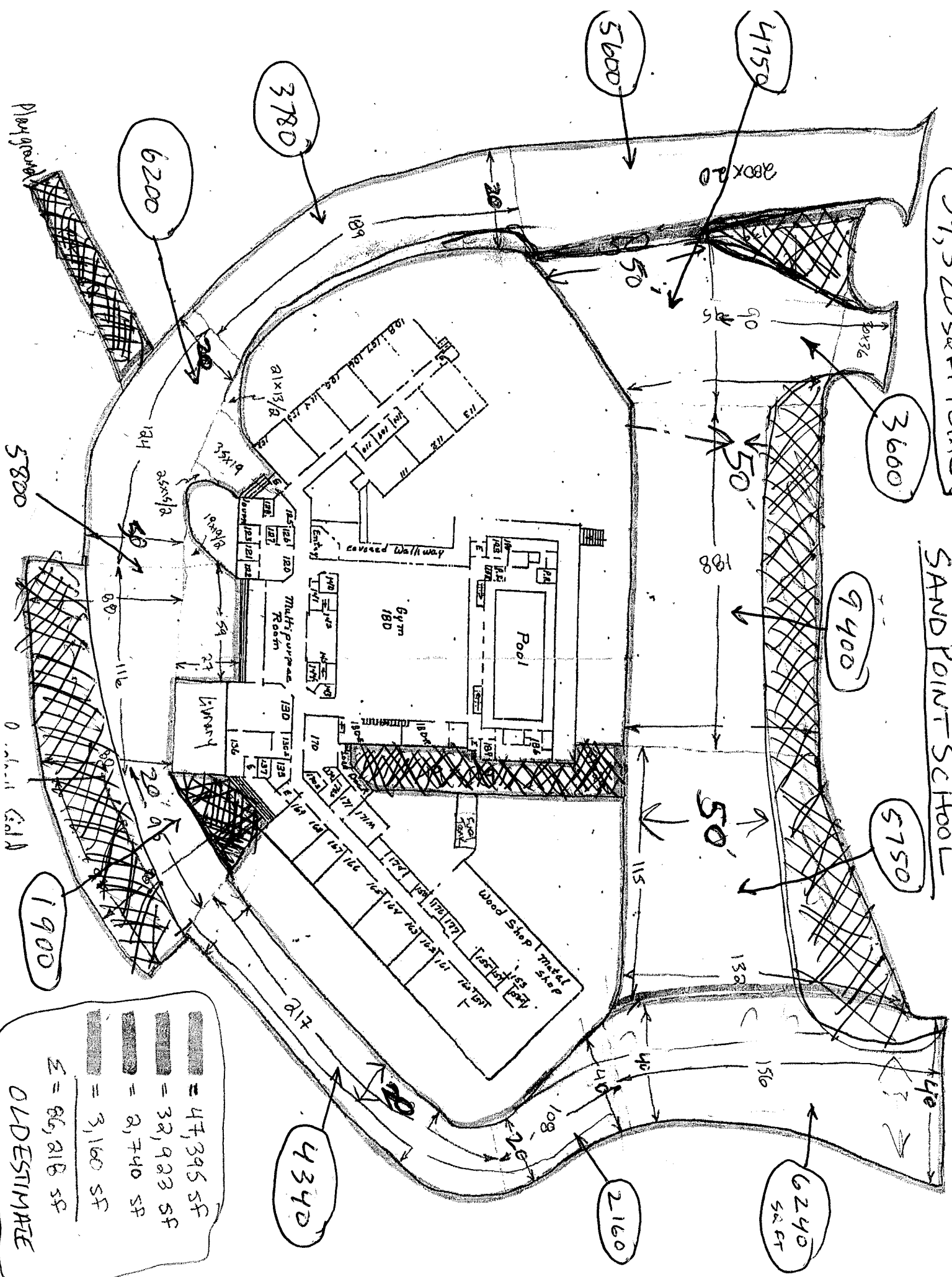
Date of Acceptance: \_\_\_\_\_

Signature \_\_\_\_\_

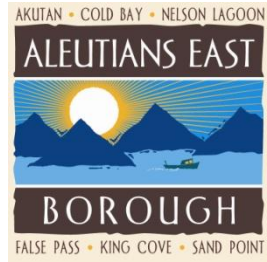
Signature \_\_\_\_\_

59,520 S&ETOTAL

SANDPOINT SCHOOL



# New Business



TO: Assembly Members

THROUGH: Mayor Mack

FROM: Sharon Boyette

DATE: April 17, 2012

RE: Akutan Hovercraft Operating Plan

I would like to present a draft of the Akutan Hovercraft Operating Plan that HoverLink and I have worked on in the past few weeks. This draft is offered for your comments and can be altered and presented again in May for your final approval. There are a few sections you will want to read very carefully, especially the budget and the section on how HoverLink is paid.

We are compelled by the Co-sponsorship Agreement with the City of Akutan and the State of Alaska to provide hovercraft operations. Previously, you will remember, you authorized me to look for a hovercraft operator. We reviewed two proposals and decided to go with HoverLink. This draft document represents their thoughts on how we provide that service and how much it will cost.

The other deliverable from HoverLink, as part of their phase one contract, is a draft of the route manual. It is being reviewed by the State and the environmental permitting agencies now. It is available as a working draft, if you are interested.

## **Akutan – Akun Hovercraft Ferry Service Plan**

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### **I. Summary of the Service**

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#### **A. The Route**

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The ferry route shall be served by a single hovercraft owned by the Aleutians East Borough (AEB) and operated under contract by HoverLink, LLC (HoverLink).

HoverLink is a wholly owned subsidiary of Kvichak Marine Industries, Inc. (KMI). The service route shall be from an improved sea plane ramp located on Akutan Island near the village, to the new airport being constructed on Akun Island. The landing on Akun Island will be via the beach at Surf Bay. There will also be a hovercraft hangar built at the head of Akutan Harbor.

#### **B. Service Schedule**

---

The ferry service will provide the marine link between the new airport and Akutan. Flight schedules to Akun have not been established. HoverLink has already met with Peninsula Airways (PenAir) and they have not yet finalized their schedules. Other airlines may also choose to provide scheduled or chartered service to Akun with passengers and/or freight. HoverLink will respond to the PenAir schedule, and coordinate with other airline arrivals as necessary, to provide the marine link in an efficient manner.

The ferry service may consist of one or two daily scheduled round trips between Akutan Island and Akun Island. The schedule will integrate with future air service into Akun Island by all airlines that establish such service. For example, PenAir currently offers direct service from Dutch Harbor (DUT) to Akutan Island (KQA) using the Grumman G21 Goose sea plane. It is could be anticipated that the new fixed wing service to Akun Island will roughly follow the current schedule, and that is the current assumption of this Plan. The following flight schedule is currently in effect and is operated seven days per week:

- Flight 322 Depart DUT 11:00 Arrive KQA 11:20
- Flight 323 Depart KQA 11:40 Arrive DUT 12:00
- Flight 324 Depart DUT 15:45 Arrive KQA 16:05
- Flight 325 Depart KQA 16:25 Arrive DUT 16:45

The PenAir schedule is subject to seasonal and demand changes, as well as weather limitations on the existing aircraft and facilities. Direct service from Anchorage (ANC) to Akun Island bypassing DUT is also a possibility. PenAir may serve the route with Saab 340 or 340B model aircraft that will have a greater passenger capacity than the Grumman Goose. During peak personnel changes at the Trident Seafood plant in Akutan, additional sailings may be required. Those peak travel times are mid-December to mid-January, mid-March to late April, and late May to late June. Based on the current pattern of flights, a nominal ferry timetable is proposed as follows:

Action	Time	Action	Time
Crew On at Hangar	8:30	Depart Hangar	9:30
Arrival Akutan Village – Load Outbound Pax	9:45	<b>Depart Akutan Trip #1</b>	<b>10:00</b>
Arrive Akun Island – Surf Bay	10:30	Unload Pax	10:45
PenAir Flight Arrives with Inbound Pax	11:20	Shuttle Pax to Surf Bay	11:45
Load Inbound Passengers	11:45	Depart Surf Bay	12:00
<b>Arrive Akutan Trip #1</b>	<b>12:30</b>	Unload Pax	12:45
Depart for Hangar	12:45	Arrive Hangar	13:00
Crew Break at Hangar	13:00	Depart Hangar	14:15
Arrival Akutan Village – Load Outbound Pax	14:30	<b>Depart Akutan Trip #2</b>	<b>14:45</b>
Arrive Akun Island – Surf Bay	15:15	Unload Pax	15:30
PenAir Flight Arrives with Inbound Pax	16:05	Shuttle Pax to Surf Bay	16:30
Load Inbound Passengers	16:30	Depart Surf Bay	16:45
<b>Arrive Akutan Trip #2</b>	<b>17:15</b>	Unload Pax	17:30

Fuel Vessel	17:45	Depart for Hangar	18:15
Arrive Hangar	18:30	Crew Off at Hangar	19:30

The assumed schedule is based on two flights per day, and will be adjusted to any seasonal or timetable adjustments made by the air carriers. The hovercraft crew operating day is therefore 11 hours in duration, with a one hour mid-day break. The vessel will be underway for three hours per day, with two of those hours in revenue service.

### C. The Vessel

The route will be served by the SUNA X, Official Number 1190205 owned by AEB. SUNA X is a BHT-130WD hovercraft and she currently holds a United States Coast Guard Certificate of Inspection (COI) as a Subchapter T vessel. The vessel admeasures at 92 gross tons.

SUNA X and will carry up to 49 passengers with luggage, with an operating crew of up to four, maximum of 53 persons allowed onboard. The vessel can also accommodate one heavy duty pickup truck as cargo. The current COI is attached as Appendix A to this Plan.

### D. The Facilities

AEB is in the process of carrying out all capital improvements at the following hovercraft sites with other agencies; and is responsible for any future or ongoing maintenance needed at these sites as they pertain to hovercraft operations. HoverLink’s role will be to provide operational guidance to AEB as requested for all facilities; and to keep AEB informed as to the status of these facilities regarding state of good repair.

- Akutan Village Sea Plane Ramp – RESERVED, pending receipt of information on construction activities, most recent information received from Alaska Department of Transportation (ADOT) is completion of the ramp by August 20, 2012.
- Hovercraft Hangar Site – same as above. We will need to arrange for storage of spare parts, tools, materials, and consumables at this site either in a permanent facility or using shipping containers.

- Surf Bay Landing Area – RESERVED, most recent information from ADOT indicates ramp completion near the end of July 2012.

Additionally, HoverLink's crew will require shore side logistical and infrastructure support in order to carry out the service. Following is a brief summary of these items; the status of each will be updated as more information becomes available during Phase 2 and an addendum (and possibly a revised budget) to this plan will be issued.

- Utilities – RESERVED, pending information on the utilities (if any) that are available at each of the hovercraft sites listed above. It is assumed that AEB will pay for all utilities at the sites (power, sewage, water, trash disposal, recycling, et cetera). If necessary HoverLink can pay for these items and they would be added to the budget via an addendum.
- Telecommunications – RESERVED, ideally there would be cellular service, land line, and high-speed internet access available at both the sea plane ramp and the hangar. In the event that HoverLink ends up paying for telecommunications, a placeholder value has been included in the proposed budget. There will be a marine band radio installed at the Snow Removal Equipment Building (SREB) at the airport. Additionally, SUNA X is equipped with an aviation band radio for direct communication with arriving aircraft. SUNA X is also equipped with a satellite telephone.
- Housing – RESERVED, suitable accommodation is required for a minimum of four (but ideally six) crew members either in the village or at the hangar site. If suitable accommodation is unavailable, HoverLink is prepared to procure and set up a modular trailer living compound for the crew to support the service (perhaps as a capital cost item versus operating cost). Sleeping accommodations for each crew member are required along with modest living space, basic kitchen and laundry facilities, and a small office space. Information was recently received regarding possible motel/inn space in Akutan via the Akutan Corporation, or the use of construction camp units as that work completes ... more information needs to be developed and the suitability of these options needs to be determined.
- Groceries – RESERVED, it is preferred that the crews provide for their own meal preparation much like a typical firehouse. HoverLink will be seeking information on this regarding the practicality of the approach, and the supply chain logistics. The GSA per diem rate for Dutch Harbor was used to establish a budget for this cost item, see Appendix B. The City of Akutan does have a fully stocked store and meals may be available at the Trident cafeteria.
- Transportation – AEB will be providing a 21 foot Workskiff, Inc. M-Series skiff, with a S-Series cabin and full outfit, for HoverLink's use for crew transportation between the village and the hangar. The hovercraft itself will be used to shuttle heavy freight or bulky items (oil drums, spare parts, et cetera). Further, AEB will be providing a pickup truck for the crew's use at Akutan, and a bus will be provided on Akun for shuttling passengers between



the hovercraft and the airport. HoverLink will provide bus driving services to support the marine link.

- Weather Data – RESERVED, data may be available from the airport on Akun for the Surf Bay landing conditions; this would require coordination with the FAA. Ideally we can get wind speed and direction at three points along the proposed route. We are also checking into the feasibility of deploying a wave rider buoy to monitor wave height along the route.

## E. Plan Implementation

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The work to develop this Plan is a deliverable item under HoverLink’s RFEI letter and the resultant letter agreement between AEB and HoverLink as executed on February 21, 2012. Those documents further describe Phase 2 and Phase 3 of this project as follows:

### For Phase 2 (Planning):

- hire all staff;
- finalize operations and safety plans and procedures as contained in this Plan;
- train and certify all staff for the operation;
- develop and finalize the go and no-go protocols;
- finalize maintenance procedures;
- provide demonstrations for United States Fish & Game, United States Coast Guard and other agencies as required or requested;
- all as outlined and described in this Plan, its appendices, and any agreed upon addendums.

### For Phase 3 (Operations):

- provide twelve months of safe, reliable, and efficient hovercraft ferry service;
- be prepared to do any other missions as requested by AEB;
- explore options for other revenue streams such as fuel and vehicular transportation, freight, mail, SAR, medical evacuation;
- all as outlined and described in this Plan, its appendices, and any agreed upon addendums.

## II. Operations

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### A. Route Manual & Wildlife Protection

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The hovercraft ferry service will be operated in a safe and environmentally responsible manner.

These operating requirements are paramount. HoverLink will train the operating crews during

Phase 2 of the project; and the crews will ultimately be qualified to operate and navigate SUNA X on the prescribed route in strict accordance with the AEB approved Route Plan.

Additionally, the crews will be thoroughly trained on all aspects for the protection of the environment, wildlife, marine mammals, fish, and bird resources. In particular, the operating crews will be trained regarding the proper treatment of threatened and endangered species; and their respective habitats. All federal and state laws regarding protection of the environment, wildlife, marine mammals, fish, and bird resources will be strictly followed.

See Appendix C of this Plan for the particulars and details of the Akutan – Akun Route Plan and Wildlife, Marine Mammal, Fish, and Bird Resource Protection Plans.

## B. Vessel Crewing

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For the Akutan to Akun Island hovercraft ferry route the vessel will normally operate with a fully qualified four person crew consisting of:

- One 100 Ton Master (minimum) – holding a radar observer qualification and hovercraft endorsement;
- One 100 Ton Master as First Officer (minimum) – holding a radar observer qualification and hovercraft endorsement;
- One Hovercraft Engineer/Deckhand – with radar observer qualification; and
- One Qualified high speed deckhand; at all times.

The decision to carry a four person crew is based on relative increase in risk arising from change in operating environments between Cold Bay and Akutan. The decision is also importantly based on the lack of operational data and history on which to conclude that risks maybe acceptable operating with a three person crew.

The strategy regarding USCG minimum manning will be to pursue a new COI that allows for operation of the hovercraft with a crew of only three. Given that the Master and First Officer are

both licensed to fully operate the craft; this will allow for hovercraft operations to continue without interruption should any one member of the crew be unavailable for duty.

Additionally, in this case the start-up costs to the project are relatively unaffected by the increase in student numbers (for example from two to four). The start-up training costs will yield four licensed operators – giving the project some capacity to immediately deal with unplanned personnel turnover or absences in first year.

Note: The COI will require only one hovercraft endorsed pilot onboard – the second license need only provide radar guidance.

Future risk analysis may conclude the route can be served with a three person crew at which point HoverLink and AEB can analyze the risk/benefit of making that change; versus ramping up with a second pilot training scheme in future.

Therefore, it is proposed that the service will be staffed by two four person operating crews, each consisting of one Captain (or Master), one First Officer, one Hovercraft Engineer, and one Deckhand. Each crew will work a shift rotation of three weeks on and three weeks off the vessel. All eight crew members will be direct employees of HoverLink and will report directly to the General Manager.

The oncoming crew will assemble in Seattle, WA on the day prior to their rotation date and will meet with the General Manager. This crew will then travel together from Seattle to Akutan on the scheduled rotation date. Once on-site both crews will participate in a turnover period where operational, maintenance, and logistical details will be shared with the oncoming crew. Once turnover of the route to the oncoming crew is complete, the off going crew will return to Seattle and meet with the General Manager prior to starting their three week off period.

Note: In the event that hovercraft ferry operations are reduced to one scheduled trip per day, a two day split crew turnover will be utilized to preclude a situation where one crew hands off to

the other at Surf Bay with minimal turnover time. Examples of these crew swap scenarios are included as Appendix D.

See Appendix E of this Plan for complete crew position descriptions, including key activities, responsibilities, job content knowledge, and required communication skills. The Captain, First Officer, and Deckhand will also assist the Hovercraft Engineer as required for preventative maintenance and repair activities; exercising the “total team” approach to operational safety, reliability, and service efficiency.

### C. Maintenance Crewing

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As outlined above in Section II.B, it is proposed that each crew include a Hovercraft Engineer to provide for proper daily vessel preventative maintenance and repairs.

See Appendix E of this Plan for a complete position description, including key activities, responsibilities, job content knowledge, and required communication skills. The Hovercraft Engineer will also assist the Captain, First Officer, and Deckhand as required for vessel navigation and underway operations.

HoverLink proposes to augment the skill set and experience of the Hovercraft Engineers with the consulting services of Hovertek (Mr. Paul Tobin). These services will be provided on an as needed basis and will be overseen by the General Manager. Specific ongoing support will be provided in these areas:

- audits and inspections of maintenance reports, records, and procedures;
- audit of craft technical and master log books;
- provide advice and recommended solutions to HoverLink personnel upon request with 24/7 telephone support;
- provide additional specific hovercraft maintenance training as requested;
- provide on-site certified hovercraft engineer to assist or augment the crew if required and subject to availability; and

- provide on-site BHT 130 experienced Pilot in Command (as an advisor to the crew) on an as required basis.

#### D. Preventative Maintenance & Repair Plan

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Hovercraft SUNA X shall be maintained in accordance with the manufacturers recommended service schedule and approved maintenance manual and procedures.

##### References:

DOC.066 BHT130WD Maintenance Manual  
DOC.065 BHT130WD Type Operating Manual  
CFR 46 Subchapter T parts 175 thru 185  
Hoffmann - Propeller Operation and Maintenance Manual No - E765A

Suitable maintenance and operation of this type of hovercraft includes:

1. Ensuring that up to date records are maintained, to include the following:
  - A) Operating hours
  - B) Any damage or defects which may affect the safe operation of the craft
  - C) Any incidents or unusual occurrences, including particularly severe weather conditions
  - D) All modifications or design changes approved by the manufacturer and USCG MSO
  - E) All service bulletins issued by the manufacturer
2. Daily Inspections:
  - A) Daily inspections are conducted by maintenance staff on a pre and post flight basis.
    - All defects are recorded in a craft technical log and are signed off as rectified or as a deferred defect
    - Craft is certified as *serviceable* by maintenance personnel and all findings, rectifications and signatures are noted in the technical log book
  - B) The Daily Inspection consists of inspecting and recording the following items pre flight:
    - All Fluid Levels - engine oils, coolant, hydraulic fluid etc. level and any addition
    - Engine hours – pre and post flight
    - Craft Hour Totals
    - Structure
    - Electrics
    - Engines
    - Propellers
    - Lifts Fans & shaft components
    - Control Systems
    - Skirt Systems
3. Major Inspections and Preventative Maintenance/Service:

Preventative maintenance and service shall be accomplished in a block check methodology consisting of inspection and servicing at every 50 hour interval of craft operations. The block check method consists of 20 separate checks and service over 1000 hrs of craft operations and is a proven technique adapted from the aircraft industry with the focus on safety and ensuring reliability.

Maintenance personnel refer to the block check service schedule and sign off on the related tasks as completed. This procedure occurs @ every 50 hours of craft operations until 1,000 hours is achieved. Once a particular block check is completed it is noted in the craft master and technical log book. At every 1,000 hour milestone the block check method defaults to Block 1 check 1 and the process repeats. See Appendix F and table below for *current* SUNA X schedule and block check sign off sheets, as an example:

**Block Check Service Schedule**  
**SUNA X BHT 150WD**

	Check 1	Check 2	Check 3	Check 4
Block 1	1050 hrs <i>Complete</i>	1300 hrs	1550 hrs	1800 hrs
Block 2	1100 hrs <i>Complete</i>	1350 hrs	1600 hrs	1850 hrs
Block 3	1150 hrs <i>Complete</i>	1400 hrs	1650 hrs	1900 hrs
Block 4	1200 hrs	1450 hrs	1700 hrs	1950 hrs
Block 5 *	1250 hrs (oils)	1500 hrs (oils)	1750 hrs (oils)	2000 hrs (oils)

\* - indicates oil changes every 250 hours

## E. Safety Management

The United States Coast Guard recommends the use of Safety Management Systems in all commercial passenger carrying services – irrespective of vessel size or class of voyage. HoverLink endorses this recommendation fully and has as a consequence developed a comprehensive suite of

standing orders, instructions and guidelines as operators of the SUNA X for the Akutan to Akun hovercraft ferry service. The documents are a Safety Management System (SMS) and provide guidance and direction for all employees to safely and effectively deliver the marine link connecting Akutan with Akun Island. The SMS is constituted of ten chapters – commencing with Standing Orders, and concluding with the vessel manufacturer’s type operating manual. These documents are “controlled” in that each chapter is assigned an alpha numeric designation with an approved company signature band and date. In this way Captains and crews can and should help “evolve” the safety management system based upon their operational experiences in and around the passenger service. Suggestions for change which have been approved by the company are in turn issued or re-issued with new tracking numbers. Operational crews will review parts of the SMS during each Occupational Safety Meeting – which are typically held once every 3 weeks. HoverLink will be tailoring the existing SMS for SUNA X to the Akutan to Akun route as part of Phase 2. The tailored SMS will become Appendix G (currently RESERVED) of this Plan when it is complete.

#### F. Security

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The SMS for this hovercraft ferry service contains specific and detailed information regarding safety and security procedures to be followed by the HoverLink crews in carrying out the service.

As this is a USCG Subchapter T vessel, HoverLink believes that we will not be required to operate under an approved vessel or facility security plan, as would be required under the Marine Transportation Security Act (MTSA). Regardless, HoverLink will coordinate with USCG personnel and confirm this assumption.

Currently there is no TSA screening process out of ANC and onwards to AEB on flights operated by PenAir. There is some information out there that indicates that this practice may be changing. HoverLink will meet with the air carrier and discuss any issues. For the purpose of this Plan and proposal we assume that there will be no security requirements enforced upon the ferry service.



### G. Operating & Environment Permits

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Any and all permits required for the service shall be paid for and secured by AEB. HoverLink will assist AEB as requested with technical and operational data. AEB shall communicate any future operating or environmental permit requirements to HoverLink for inclusion in future addenda to this Plan.

HoverLink will incorporate all known permit requirements into the respective operational and route manual documents.

## III. Management & Administration

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### A. Organization Chart

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An organizational chart for the service is provided as Appendix H.

### B. Position Descriptions

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Position descriptions for all HoverLink staff are contained in Appendix C of this Plan.

### C. Communications

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The General Manager will bear the primary responsibility for all communications between HoverLink and AEB; and prospective partners such as PenAir, other airline partners, and Trident. When completed, the SMS (Appendix G) will provide further details on communications internal to the HoverLink staff; and for notifications to outside agencies necessitated by ferry operations that are typically made by the crew.

HoverLink commits to providing the required communication links on a 24/7/365 basis in support of the hovercraft ferry service. The General Manager will nominally be available at all times and serve in an on-call status. During times of vacation, illness, or while otherwise out of cellular phone range, the General Manager will delegate the on-call responsibility to one of the off-duty Masters or First Officers, or to another person knowledgeable of the service (e.g., KMI management staff).

## D. Reports

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HoverLink will provide the following routine administrative reports to AEB, and will keep copies on file. These data reports will be generated by the crews, and the back office staff at KMI as part of the General & Administrative effort:

- monthly ridership and freight data, cumulative and by airline
- monthly fuel consumption
- monthly spare parts usage
- monthly emergent repair activity
- monthly vessel and machinery hour summary
- quarterly preventative maintenance summary
- quarterly budget update and true up
- quarterly Army Corps of Engineers ridership data
- annual Army Corps of Engineers vessel summary
- annual Drug & Alcohol Testing results to the USCG and FTA
- any inspection reports or other correspondence received from outside regulatory agencies (USCG 835)
- any complaints received from ferry customers or service partners, along with HoverLink's resolution of same
- AEB will be copied on all HoverLink outgoing correspondence to outside regulatory agencies
- any reportable marine casualties or incidents (USCG 2692)

In addition, the Masters will be responsible for maintaining all required logs and records on the vessel and at the Akutan office facilities; and for generating any required reports per the SMS.

## E. Insurance

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RESERVED - KMI is currently working with AEB and its insurance brokers on the insurance coverage issues. The efforts at this point are twofold: a) ensure that the AEB provided coverages are appropriate and offer the best insurance value for AEB, and b) ensure that all parties are fully insured and protected for the services being rendered. It is hoped that a single policy can be assembled to provide the total depth and breadth of insurance required. In the event that gap insurance coverage is required to fully insure both AEB and HoverLink for ferry operations, we propose that those premiums be billed to AEB directly. Therefore we have not included any provision in the budget for insurance premiums.

## F. Invoicing & Payment Procedures

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### 1. Invoicing

HoverLink shall invoice AEB once per month, at the end of each calendar month based on budgeted amounts as mutually approved. Within 45 days of the end of each calendar quarter a “true-up” invoice shall be submitted to adjust for the difference between budgeted (pro-forma) costs previously invoiced and actual costs incurred. Invoices will be electronically mailed to AEB by the General Manager in the form of a PDF file on the last weekday of each month. Books and records in support of actual costs for the cost plus portion of invoices shall be available at the corporate headquarters of KMI in Seattle, Washington. These records may be reviewed by the AEB in Seattle at a prearranged time of mutual convenience. See Section V and Appendix B of the Plan for more detailed information and budgets and monthly pro-formas for Phases 2 and 3.

### 2. Payments to HoverLink

Payment for each invoice sent to AEB shall be due within 15 calendar days of the date of the invoice. Payment shall be via wire transfer directly into the bank account of HoverLink. HoverLink will provide bank wire instructions under separate cover.

### 3. Payments to HoverLink Employees and Vendors

KMI has set up HoverLink as a completely separate entity in its corporate payroll, accounting software, and related financial systems; including separate bank accounts. HoverLink will be setup to make payments to HoverLink employees and all vendors who provide services directly in support of HoverLink operations for AEB. Strict separation of all financial transactions shall be maintained between KMI and HoverLink.

## G. Fare Revenue & Ticketing

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HoverLink will not collect fares (cash or credit cards) directly from hovercraft ferry passengers or produce tickets. All passenger fare and freight revenues will be collected by the airlines serving the Akun airport. HoverLink operating crews will count passengers, and document the weight and volume of any freight items. We will create and provide the appropriate records so that AEB can be accurately reimbursed for all marine link transportation services provided directly by the airlines serving Akun, see Section III.D.

HoverLink will assist AEB as required to determine tariffs and fee structures (including revenue sharing) for other potential services such as freight, fuel and vehicular transportation, medical evacuation, SAR, mail delivery, et cetera.

HoverLink will coordinate as necessary with partners such as PenAir and any other airline serving Akun to arrange for package deals, and Trident to make any fare revenue or ticketing system work in an efficient and auditable manner. Throughout Phase 2 and Phase 3 HoverLink will take the lead to identify and secure new and/or increased revenues for the service, see Section V.J for additional information regarding this effort.

## IV. Staff

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### A. HoverLink Staff Size

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In 2010 AEB applied for and received an amendment to the USCG COI for crew level on the SUNA X. The original four person crew which included:

- One Master (100Ton minimum);
- One Radar Observer; and
- Two Deckhands at all times.

Permission was received to reduce the crew to a total of three with the following designations:

- One (1) Master;
- One (1) Senior Deckhand (High Speed);

- One (1) Qualified Deckhand (High Speed) at all times;

with Deckhands trained in accordance with NVIC's 5-01, Ch1 and 1-91, CH1 respectively.

For the new hovercraft route from Akutan to Akun Island, HoverLink proposes that the vessel will operate in year one with a crew as detailed in Section II.B of the Plan. For the purposes of this Plan, HoverLink will then consist of nine total direct employees as follows:

- General Manager (GM)
- Two Captains
- Two First Officers
- Two Hovercraft Engineers
- Two Deckhands

Position descriptions for all operating staff are detailed in Appendix E of this Plan. The two operating crews will be designated as Crew A and Crew B. The GM will establish a strong personal presence in Akutan in support of the service, the community, the regulators, and the various partners; generally as follows:

- During Phase 2 planning and training, nominally two weeks per month on-site, and as needed
- During the second half of Phase 3, nominally one week per month in Akutan, and as needed

The GM has already been hired and will start working as a direct HoverLink employee upon AEB approval of this Plan; his first visit to Akutan will occur April 19-20, 2012 weather permitting.

The two hovercraft operating crews will be recruited nationwide. It is anticipated that crew members will live wherever it suits each individual. The crews will travel to Seattle independently and at their own cost; and assemble as a team prior to departure day for Akutan. These operating

crews will go “on the clock” at the time of their on-coming briefing in Seattle, and they will come “off the clock” upon completion of their off-going brief to the GM in Seattle following their three week shift. All vessel crew of HoverLink will be salaried to mitigate overtime labor costs, and all will execute a marine employee contract that covers all aspects of rotational and off-site employment.

Note: If a crew member normally lives between Seattle and Anchorage, or in Alaska; then final crew assembly would occur in Anchorage. That person would go “on the clock” upon crew departure to Akun.

Should it become necessary at some point in the future, HoverLink may hire an administrative assistant to supplement the staff.

#### B. Recruitment

HoverLink will advertise for crew positions starting in mid-April; with postings given the widest possible dissemination. HoverLink will also be advertising within the borough for employees. It is anticipated that a short list of interviewees will be determined by the end of April. In person interviews will be held in Seattle during early May and job offers will be made shortly thereafter. In order to support the required training program, the effective hire date for the crews will be early June.

#### C. Human Resources

KMI will provide human resource services to HoverLink as necessary to advertise for, recruit, hire, administer, retain, and replace as necessary all HoverLink employees. Employee policies, procedures, administration, and benefits will be generally comparable between employees of KMI and HoverLink. These services are provided as part of the fixed monthly G&A cost; see Section V and Appendix B of this Plan.

#### D. Training

The level of training required is very difficult to predict or estimate given the fact that crews have not yet been hired. For example, we could find, recruit, and hire a core group of very experienced hovercraft mariners (ex-US Navy for example) that require only basic familiarization training with SUNA X, and some route specific training at Akutan and Akun. On the other hand we could find ourselves hiring very capable and experienced mariners, but with little or no hovercraft experience at all. So the range in the “training level of effort required” is quite broad. This means that the cost to provide this training is equally hard to predict with any certainty. Another uncertainty and unknown that affects training (and its cost) is the weather factor. Given the weather in King Cove, Cold Bay, and the Akutan area there will be days when instructional staff are on-site but weather conditions preclude underway training time. We propose below that each Captain and First Officer accrue 40 hours of Pilot-In-Control time, and we will have to train and certify four. Additionally, we are building in an additional 40 hours of underway training time for instructor reconnaissance of the Akutan to Akun route; and full development and refinement of the “go/no-go” matrix with each crew.

HoverLink will provide all required training of hovercraft operations personnel during Phase 2 of the contract with AEB; all training will be complete prior to the start of ferry service. The training program summarized below is an example of the training regimen for the Captain (or Pilot) of the vessel, the most arduous and challenging position on the crew. Similar training will be undertaken for all other crew members.

## **PILOT TRAINING - PROGRAM SUNA X**

### **1.0 INTRODUCTION**

Controlled documents have been developed to guide an Air Cushion Vessel Master Instructor – approved by USCG and designated by HoverLink – in the pilot and navigation training evolutions required to make a certified deck officer (here-in-after described as a



Student) competent to serve in commercial operations aboard the hovercraft SUNA X.

Successful completion of this training program will permit the Trainee to safely operate the vessel within the manufacturer’s prescribed operating envelope.

## **2.0 METHODOLOGY**

The course follows a 240 hour training progression from a classroom environment covering ‘ground school’ topics - to final consolidation evolutions requiring real-time pilot and navigation skills at sea. There are four modules to this training scheme:

- 2.1 principles and theory of Air Cushion Vehicles and BHT-130WD SMS;
- 2.2 craft systems and maintenance training;
- 2.3 basic piloting and control of the BHT-130WD;
- 2.4 principles of the safe operational envelope, individual and team high-speed navigation skills under radar guidance.

160 total hours of mission time must be accumulated on the SUNA X as part of the USCG endorsement requirements; this will yield four fully credentialed hovercraft pilots. Forty (40) of these hours will be as “pilot-in-control” with 15 hours providing radar guidance. Trainees will track these hours in a personal pilot logbook which will be made available to USCG examiners upon request. Upon successful completion of the training program the approved instructor authority will issue an “attestation of training completion” to each trainee. The attestation must be presented to the USCG regional examination center in order to obtain a Hovercraft endorsement to their marine certificate – which will authorize them to operate the SUNA X.

## **V. Budget**

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The estimated budget for Phases 2 and 3 is attached as Appendix B of this Plan. The following paragraphs provide a brief narrative of the budgeting thoughts, assumptions, and methodology for

each of the budget line items. The first page of Appendix B is a summary sheet, showing total cost by both line item and phase, and a grand total. The proposed monthly pro-formas for each phase are also shown. Subsequent pages of the budget show details, quantities, unit costs, et cetera.

Careful and prudent management of the budget is critical. It shall be the responsibility of the General Manager to keep AEB completely informed regarding budget performance. Significant budget anomalies will be brought to the attention of AEB immediately for resolution; typically these would involve some mechanical failure necessitating expensive repair services or parts that go well beyond the respective budget line items.

Additionally, the GM will produce a budget update on a quarterly basis along with the true-up budget accounting numbers.

For certain costs items such as the consumables, vendors, and maintenance and repair the costs have been pro-rated across Phases 2 and 3 according the ratio of anticipated vessel hours.

#### A. Labor

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All HoverLink employees are to be salaried to preclude overtime, all will be considered to be employed in Seattle, WA or Alaska for tax and employment law purposes. Detail Sheet 2 shows the estimated direct and indirect labor costs. Salaries for crew, and consultant days required, are best estimates only at this time. During the hiring phase HoverLink will endeavor to deliver highly qualified and experienced crew hires at these rates, or lower if possible. Compensation for the GM is set. For the operating crews, there will be “day-rate” adjustments in their employment contracts to account for extra or fewer days worked in any given payroll period. Provisions will also be made for per diem if crews are stranded in a non-duty status due to weather or transportation delays. To cover this cost we have included a 5% direct labor contingency in the budget; see Sheet 2 of Appendix B. See Section IV.D above for further discussion concerning the broad range of potential

training costs; and their potential impact on overall labor costs. We have aimed near the middle of the range with our estimates.

HoverLink will also be utilizing the services of consultant labor for both phases; these gentlemen are already working on Phase 1 as agreed, and are well known to AEB. There is heavy consultant involvement in Phase 2, and a much reduced role foreseen in Phase 3. They have all indicated a day rate to cover their travel and working time. They will be traveling to Seattle during the crew interview process and possibly for some classroom training, otherwise they will be traveling to Cold Bay or Akutan for on-site and on-vessel work. HoverLink will assist as necessary to ensure that these Canadian citizens have the appropriate credentials to work in the United States.

#### B. Travel & Per Diem Costs

Costs for crew, staff, and consultant travel and per diem are detailed on Sheet 3 of the budget, split out for each phase. All costs for airfare and lodging are best estimates or placeholders at this point pending resolution of previously RESERVED items of this Plan.

Regarding airfare, HoverLink has teamed up with US Travel – Fisheries Division in order to procure air travel with the required flexibility and best pricing. We will also speak with PenAir about possible airfare arrangements. As previously mentioned, crews will be responsible for their own travel between the lower 49 and Seattle.

Regarding lodging and accommodation see the discussion in Section I.D of the Plan. Included here as a placeholder we have accommodations both in Cold Bay/King Cove and Akutan for crews, the GM, and the consultant team. For CB/KC we have identified a suitable accommodation at \$4,500 per month. For Akutan we are still researching the options as previously discussed. Once the Akutan picture comes into focus for crew housing, we will prepare a budget addendum for AEB approval.

Crew, GM, and consultant per diem is set at the currently approved federal rate of \$102 per day as determined by the GSA for Dutch Harbor. Likewise, we have used the GSA rate as an estimate for any hotel stays that may be incurred. As with airfares, we are working with US Travel to secure better hotel deals in Seattle, Anchorage, and Dutch Harbor. HoverLink will bill for any required hotels at actual cost.

### C. Maintenance & Repairs

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There is no detail sheet for repairs, for preventative maintenance costs the labor is included in crew labor, and the associated consumables are spoken to in Section V.D below. In terms of emergent (unplanned) maintenance and repair work; predicting what might break during any given year of ferry operations is difficult at best. While preventative (planned) maintenance costs are well understood and easy to budget for, emergent repairs are much more random in nature. To mitigate the risk certain spare parts are being procured in support of the service under KMI's separate efforts to prepare the vessel for service, see Section VI.A below. Our philosophy will be to have critical spares on the shelf and to maintain that stock at all times; especially difficult or long lead time items.

As a starting point and place holder, we have examined historical repair cost histories for other ferry services and determined that repairs typically run at about 15% of the total cost of all other direct costs. Therefore we are using that value as a first estimate. As mentioned above, HoverLink will provide AEB immediate notification in the event that the need for expensive repairs becomes apparent. As the craft sees regular service over the first years this number will become somewhat easier to predict.

### D. Consumables

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Sheet 4 of the budget shows the anticipated costs for consumables for the first 1,200 hours of craft operation. In order to get best value for known consumables, we will buy items in bulk out of

Seattle and arrange for cost effective shipping to Akutan and/or Cold Bay. We will purchase a one year supply of given items being mindful of any shelf life limitations. The combined value of consumables and spare parts will necessitate the need for secure and dry storage. All items will be inventory controlled; and we will set up a system to track usage and provide for cost effective replenishment. As with all direct costs, HoverLink will bill only the actual cost incurred and will stretch AEB's budget dollars to the greatest extent possible.

#### E. Vendors

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Sheet 5 of the budget shows estimates for the service of outside vendors in support of hovercraft operations. In some cases these are services that may or may not be required, but we felt it prudent to put some budget in for them regardless. In some cases these are skill sets that the crew will not have, and are best performed by outside repair technicians.

Undoubtedly the need for other vendors or specialized services may arise. Based on details that emerge in Phase 2 regarding facilities and ongoing efforts to prepare SUNA X for training and service, this budget category may be revised via addendum.

#### F. Fuel

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Fuel for the vessel will be provided by Trident and shall be paid for directly by AEB. Information received from Hermann Scanlan has indicated that Trident Seafood is the best source for providing fuel to the operation as the City of Akutan does not have the requisite capacity. We anticipate that the vessel will consume approximately 77 gallons per hour of operation. Given two airline flights per day and the training requirements of the Plan, that works out to approximately 1,200 vessel operating hours total for Phase 2 (training) and Phase 3 (first year of operation). Therefore AEB should plan on purchasing 92,000 gallons of diesel fuel to cover hovercraft operations for the period June 1, 2012 through August 31, 2013. This calculation is shown on Sheet 4 of Appendix B. HoverLink will fully document all fuel deliveries from Trident and provide the requisite reports.

## G. Insurance

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As mentioned in Section III.E, there may be a cost to AEB for any premium associated with gap coverage needed by HoverLink to provide the service. In the event that gap insurance is required, that will be billed directly by the insurance carrier to AEB.

## H. Fixed Fees & Taxes

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KMI has proposed a fixed monthly fee for General & Administrative support of HoverLink at \$12,000 per month for the first year. KMI feels that this value covers the actual efforts for human resources, accounting, accounts payable, logistics, planning, payroll, record keeping, and other administrative costs. AEB should not be exposed to escalating G&A costs that would be calculated on a percentage basis, as the aforementioned efforts should be fixed and independent of the other operational direct costs.

HoverLink will incur business and occupation taxes (B&O) taxes on gross receipts, payable to the State of Washington and the City of Seattle at the rates indicated on the budget summary sheet. These percentages are calculated against the subtotal of direct costs and G&A; but not against profit even though it is taxed as part of the gross receivable.

The budget proposal does not include any other business related taxes; as none are known at this time. However, employer paid taxes, sales tax, and other taxes on airfare, hotels, consumables, et cetera are included in the budget as presented.

## I. Legal

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HoverLink has proposed a placeholder amount of \$10,000 for legal expenses incurred as part of Phase 2 startup. We are retaining legal assistance to create marine employment contracts for the crew, review insurance coverages to ensure no gaps, to prepare a form of contract between AEB and HoverLink, and to ensure any visa requirements are verified regarding use of Canadian consultant services in the United States.

## J. Profit

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HoverLink has established a profit margin of ten percent (10%) taken on all direct costs and fixed fees. *[[ALTERNATE DRAFT LANGUAGE follows: AEB and HoverLink agree that the profit margin will be fixed at ten percent (10%) taken on all direct costs and fixed fees for the Phase 2 planning and training efforts, and for the first six months of Phase 3 ferry service. Both parties further agree that after the first six months of Phase 3, revenue levels and prospects for the marine link we be assessed. At that time, and contingent on mutual agreement, the base profit margin of ten percent (10%) may be reduced concurrent with establishment of a percentage based revenue sharing agreement for new or increased revenues above an agreed upon base revenue number. During Phase 2 and all of Phase 3 ferry service, HoverLink will take the lead on identifying and securing new and/or increased revenue sources to the mutual benefit of all parties.*

## VI. Implementation Schedule

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Separate from this Plan, efforts to make the vessel ready for service are already underway by KMI. AEB has contracted KMI to accomplish the refit effort on SUNA X that is required to put the craft back in to passenger service. The scope of this effort consists of normal maintenance and repair, capital improvements, top-end engine overhaul of all four engines, and provisioning of critical spare parts. Specific work items include complete major overhaul items such as repair of the engines and replacement of the propeller hubs, installation of anti-icing systems, preparation



for USCG inspection, and other needed repairs. KMI will have a crew on station in Cold Bay starting on or about April 30, 2012, and the repair effort is expected to take four to six weeks. The craft will be operational and available for training no later than June 1, 2012 pending any unforeseen circumstances. Any repair efforts that need to carry on past that date will be coordinated between KMI and HoverLink so as not to affect the training schedule.

If HoverLink personnel are available in advance of June 1, 2012, the operating crew could be sent to Cold Bay to assist KMI's mechanical crew, and potentially offset some of the labor required. Participating in the refit would allow the operating crew additional time on the craft and greatly accelerate their familiarization with the operation and repair of the craft systems.

The milestone schedules for Phase 2 and 3 are presented as follows:

#### A. Phase 2

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- HoverLink and KMI begin all processes for Phase 2 – April 2
- HoverLink travel to ANC to meet with AEB, PenAir, USF&G – April 5-6
- This Plan approved by AEB, notice to proceed – April 10
- Finalize position descriptions – April 12
- HoverLink completes form of contract, sends to AEB for review – April 13
- Release advertisements for crew hiring – April 13
- Insurance issues resolved – April 15
- Site visit by GM to Akutan – April 18-20
- Marine employment contracts ready, visa issues for consultants resolved – April 27
- Amend budget and Plan as necessary – April 27
- AEB/HoverLink LLC contract finalized and executed – April 30
- Hiring interviews – May 7-9
- Negotiations with top 12 candidates – May 14-16

- Final crew selections, employment contracts signed – May 18
- Revise budget and Plan as necessary – May 22
- Pre-employment physicals and screening – May 21-25

Crew employment to be effective – on June 1

- SUNA X ready for training – June 1, see Appendix J for more schedule information
- Craft training for Crews of King Cove and Cold Bay – June 6 to July 30 (nominal)
- Update Route Manual and SMS as necessary – July 15
- Reposition SUNA X to Akutan – July 31
- Fish & Game demos and USCG COI efforts finalized – August 3
- Route specific training for Crews out of Akutan – August 1-28
- Finalize Route Manual, Service Matrix, and SMS as required – August 15
- Vessel and crew ready for service – August 29

## B. Phase 3

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HoverLink will have the vessel and the crews ready to begin ferry service on August 29, 2012 and will operate the service in accordance with the contract, this Plan, and its appendices.

END OF THE PLAN

# Akutan - Akun Hovercraft Ferry Service

## Proposed Budget

Appendix B

Item		Phase 2	Phase 3	Total	Comment
Labor		514,055	1,143,862	1,657,917	see Labor tab
Travel & Per Diem		161,374	432,100	593,474	see Travel & Per Diem tab
Maintenance & Repair	15%	17,519	212,838	230,357	estimated at 15% of the other direct costs
Consumables		7,848	39,241	47,090	see Consumables tab
Vendors		17,500	87,500	105,000	see Vendors tab
Legal		10,000	-	10,000	
<b>Subtotal Direct Costs</b>		<b>728,296</b>	<b>1,915,542</b>	<b>2,643,838</b>	
General & Administrative		60,000	144,000	204,000	fixed @ \$12,000 per month
B&O Tax	2.215%	17,461	45,619	63,080	WA State (1.8%) + City of Seattle (0.415%)
<b>Subtotal with Fixed Fees &amp; Taxes</b>		<b>805,757</b>	<b>2,105,161</b>	<b>2,910,918</b>	
Profit @	10%	89,529	233,907	323,435	see Section V.J of the Ferry Service Plan
<b>Grand Total</b>		<b>\$ 895,286</b>	<b>\$ 2,339,067</b>	<b>\$ 3,234,353</b>	

Proposed Billing Model:

\$ 179,000	\$ 195,000
Phase 2 Pro-Forma	Phase 3 Pro-Forma
5 months: Apr-Aug'12	1 year: Sep'12 - Aug'13

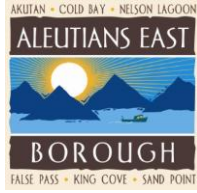
Phase 2 - April 2012 thru August 2012					Phase 3 - September 2012 thru August 2013			
Item	Quantity	%	Unit Cost	Total	Item	Quantity	Unit Cost	Total
Direct Labor					Direct Labor			
Master	2	25%	108,000	54,000	Master	2	108,000	216,000
1st Mate	2	25%	96,000	48,000	1st Mate	2	96,000	192,000
Engineer	2	25%	84,000	42,000	Engineer	2	84,000	168,000
Deckhand	2	25%	60,000	30,000	Deckhand	2	60,000	120,000
General Manager	1	42%	132,000	55,000	General Manager	1	132,000	132,000
<b>Total Direct Labor</b>				<b>229,000</b>	<b>Total Direct Labor</b>			<b>828,000</b>
					<b>Labor Contingency</b>		<b>5%</b>	<b>41,400</b>
Indirect Labor					Indirect Labor			
Employee Benefits - Crew	8	25%	8,000	16,000	Employee Benefits	9	8,000	72,000
Employee Benefits - GM	1	42%	8,000	3,333	Employer Paid Taxes		12.28%	106,762
Employer Paid Taxes			12.28%	28,121				
<b>Total Indirect Labor</b>				<b>47,455</b>	<b>Total Indirect Labor</b>			<b>178,762</b>
Consultant Labor (estimated)	<u>Days</u>		<u>Day Rate</u>		Consultant Labor (estimated)	<u>Days</u>	<u>Day Rate</u>	
Seamasters	24		1,650	39,600	Seamasters	6	1,650	9,900
Hovertek	60		1,650	99,000	Hovertek	40	1,650	66,000
FORUS Consulting	60		1,650	99,000	FORUS Consulting	12	1,650	19,800
<b>Total Consultant Labor</b>	<b>144</b>			<b>237,600</b>	<b>Total Consultant Labor</b>	<b>58</b>		<b>95,700</b>
<b>Total Labor - Phase 2</b>				<b>514,055</b>	<b>Total Labor - Phase 3</b>			<b>1,143,862</b>

Item	Persons	Quantity	Unit Cost	Phase 2	Phase 3	Total	Comment
Airfares - Sea/Van to AEB							
Crew A - Training	4	3	1,800.00	21,600	-	21,600	three two week training sessions
Crew A - Operations	4	9	1,800.00	-	64,800	64,800	nine shifts for operating year
Crew B - Training	4	3	1,800.00	21,600	-	21,600	three two week training sessions
Crew B - Operations	4	9	1,800.00	-	64,800	64,800	nine shifts for operating year
General Manager - Phase 2	1	10	1,800.00	18,000	-	18,000	one trip per month
General Manager - Phase 3	1	18	1,800.00	-	32,400	32,400	one trip per month
Consultant Team - Phase 2	3	4	1,800.00	21,600	-	21,600	
Consultant Team - Phase 3	1	18	1,800.00	-	32,400	32,400	
<b>Total Airfares</b>				<b>82,800</b>	<b>194,400</b>	<b>277,200</b>	
Lodging/Accommodation							
Lodging in Cold Bay - Crew Training		2	2,750.00	5,500	-	5,500	June/July in Cold Bay, splitting \$4500 rent with Kvichak crew
General Manager - Phase 2	1	30	121.00	3,630	-	3,630	5 three day trips
Consultants - Phase 2	1	144	121.00	17,424	-	17,424	
Lodging in Akutan - Operations		13	4,500.00	-	58,500	58,500	estimate based on Cold Bay
General Manager - Phase 3	1	54	121.00	-	6,534	6,534	12 three day trips
Consultants - Phase 3	1	58	121.00	-	7,018	7,018	
<b>Total Lodging</b>				<b>26,554</b>	<b>72,052</b>	<b>98,606</b>	
Per Diem							
Crew A Per Diem - Training	4	42	102.00	17,136	-	17,136	six weeks training, four in Cold Bay, two in Akutan
Crew A Per Diem - Operations	4	189	102.00	-	77,112	77,112	9 three week shifts
Crew B Per Diem - Training	4	42	102.00	17,136	-	17,136	six weeks training, four in Cold Bay, two in Akutan
Crew B Per Diem - Operations	4	189	102.00	-	77,112	77,112	9 three week shifts
General Manager - Phase 2	1	30	102.00	3,060	-	3,060	
General Manager - Phase 3	1	54	102.00	-	5,508	5,508	
Consultants - Phase 2	1	144	102.00	14,688	-	14,688	
Consultants - Phase 3	1	58	102.00	-	5,916	5,916	
<b>Total Per Diem</b>				<b>52,020</b>	<b>165,648</b>	<b>217,668</b>	per diem rate of \$102 per GSA for Dutch Harbor
<b>Total Travel &amp; Per Diem</b>				<b>161,374</b>	<b>432,100</b>	<b>593,474</b>	

Item	Quantity	Unit Cost	Phase 2	Phase 3	Total	Comment
Estimated Running Hours			200	1,000	1,200	
Fluids						
Engine Oil	12	850.00	1,700	8,500	10,200	
Engine Coolant	325	18.54	1,004	5,021	6,026	
Hydraulic Oil	5	67.35	56	281	337	
Other Lubricants	1	1,200.00	200	1,000	1,200	
<b>Total Fluids</b>			<b>2,960</b>	<b>14,802</b>	<b>17,762</b>	
Filters						
Engine Oil	48	25.00	200	1,000	1,200	
Engine Fuel	16	65.12	174	868	1,042	
Engine Induction	16	110.00	293	1,467	1,760	
Crankcase Breathers	32	172.05	918	4,588	5,506	
<b>Total Filters</b>			<b>1,585</b>	<b>7,923</b>	<b>9,508</b>	
Miscellaneous						
Gaskets	112	10.00	187	933	1,120	
Absorbents Pads & Shop Towels	20	130.00	433	2,167	2,600	
Drive Belts	8	262.50	350	1,750	2,100	
Hardware	32	125.00	667	3,333	4,000	
Shop Items	1	10,000.00	1,667	8,333	10,000	
<b>Total Miscellaneous</b>			<b>3,303</b>	<b>16,517</b>	<b>19,820</b>	
<b>Total Consumables</b>			<b>7,848</b>	<b>39,241</b>	<b>47,090</b>	
	<b>Fuel</b>	<b>Hours</b>	<b>Rate</b>	<b>Gallons</b>		
	CB/KC	120	77	9,240		
	Akutan - Phase 2	80	77	6,160		
	Akutan - Phase 3	1,000	77	77,000		
	<b>Total Estimated Fuel Demand</b>			<b>92,000</b>		Trident supplied, billed direct to AEB

Item	Quantity	Unit Cost	Phase 2	Phase 3	Total	Comment
Estimated Running Hours			200	1,000	1,200	
Pacific Power Products	80	200.00	2,667	13,333	16,000	placeholder for MTU engine support, 80 hours + travel
Spill Response Vendor	1	3,000.00	500	2,500	3,000	
Telecommunications	1	3,000.00	500	2,500	3,000	estimate @ \$250 per month, unless AEB can provide
Navigation & Electronics	1	10,000.00	1,667	8,333	10,000	emergent repair estimate
Hazardous & Oily Waste Disposal	1	12,000.00	2,000	10,000	12,000	
Shipping Costs	1	36,000.00	6,000	30,000	36,000	estimate
Tools	1	10,000.00	1,667	8,333	10,000	
Alaska Ship Supply	1	5,000.00	833	4,167	5,000	estimate of marine hardware & lifesaving equipment
Griffon Hoverworks	1	10,000.00	1,667	8,333	10,000	emergent repair estimate
	-	-	-	-	-	
<b>Total Vendors</b>			<b>17,500</b>	<b>87,500</b>	<b>105,000</b>	





## Agenda Statement

Date: April 16, 2012

To: Mayor Mack and Assembly

From: Anne Bailey, Community Development Coordinator

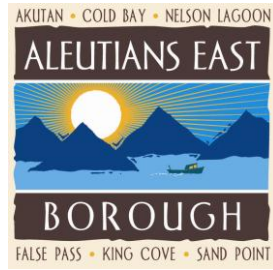
Through: Sharon Boyette, Borough Administrator

### **Re: Assembly Approval for Two Akutan Harbor Drilling Contracts**

On September 19, 2011, the Aleutians East Borough and URS, Alaska signed a contract for float engineering services for the Akutan Small Boat Harbor. Throughout the design process, it was decided that drilling was needed to determine the soil conditions at the depths needed to build the floats. Five boreholes will be drilled up to 100 feet to determine if there is bedrock or any other material located where the floats will be placed.

In order to do this, the Borough will need to enter into two contracts. One contract will be with URS/ Shannon & Wilson in the amount of \$105,000 to provide input and oversight throughout the drilling process, as well as, write the geotechnical report. The second contract will be with Denali Drilling in the amount of \$125,000, which includes the barge rental and the geotechnical drilling.

Since both of these contracts are more than \$100,000, I request Assembly approval to proceed. The money is available in the Akutan Harbor Bond account and will provide necessary information to the bidders for the design/construction portion of the floats, which will ultimately result in an overall savings for the Borough.



To: Assembly and Mayor  
From: Tina Anderson, Clerk  
Date: April 23, 2012  
Re: Appointment of New Administrator

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The Mayor and the committee of two Assembly members reviewed the applicants for Administrator. After reviewing and interviewing a short list of applicants, Mayor Mack appointed Rick Gifford as the new Administrator to begin June 25.

Section 2.20.080 of the code requires confirmation by the Assembly.

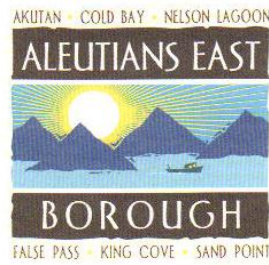
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# REPORTS AND UPDATES



TO: Mayor Mack and Assembly Members

DATE: April 16, 2012

FROM: Sharon Boyette

RE: Administrator's Report

I'm working to get things organized so that Rick Gifford will be able to find information. This has been difficult time-wise but I'm getting there. Also, trying to pass along information to staff that I have accumulated over the years. There are a lot of balls in the air right now and I hope to have things organized so that they don't fall out of the sky before Rick starts. Rick will be here to spend some time with us the afternoon of April 19<sup>th</sup> and all day April 20<sup>th</sup>.

I have been deposed twice this month – on two different subjects. The first one was on our law suit for the Cold Bay Terminal Design and Construction Project. The second one was about the construction of the False Pass Harbor wherein Kelly-Ryan, the contractor, is suing the Corps of Engineers. I understand Bob Juettner may have to give his deposition too and so will be traveling to Anchorage sometime this spring. It will be great to see him again – and ask for his sage counsel on successful retirement!

Stanley, Joe Levesque, Brandon Allen (**Marsh & McLennan Agency LLC**) and I are working with AML-JIA on our insurance claim for the hovercraft shelter at Lenard Harbor. We continue to provide more information to JIA mostly on weather. Stay tuned.

The Akutan Marine Link has consumed a huge portion of my time this past month. I am anxious to talk with you about what Kvichak is doing on the Suna-X and what HoverLink is doing to prepare for operations scheduled to begin September 1.

I attended the Cold Bay Airport Master Plan public hearing; it was well attended. We made our case for DOT not to shorten the crosswinds runway. I hope when all the dust settles we are able to keep the runway length we have now.

The King Cove – Cold Bay Road and Land Exchange Draft Environmental Impact Statement has been on the street and many of you have read the Executive Summary. Fewer of you (anybody???) have read the whole document. There is much work ahead. Gary and Della are working double time to ensure the public meetings the week of May 7<sup>th</sup> are successful. I hope you will be able to participate in the public meeting in your community.

At this writing we have \$2M in the State budget for the Cold Bay apron, \$4M for the Road to the NE Corner in King Cove, \$66,625 reimbursement for the Akutan School siding project and \$72,774 reimbursement for major Sand Point pool maintenance. The City of King Cove has some funding for its incinerator and Waterfall Creek Hydroelectric project in the budget now. We understand one time increases are still in the budget for education and municipal revenue sharing, too. Keep your fingers crossed that all is still there after the Governor's review.

As always, I'm happy to provide more details or hear your concerns. Please call or email me anytime.

Akutan Harbor on April 1. Work was being done to break-up and remove the ice in the harbor.



My personal email address is [Sboyette@gci.net](mailto:Sboyette@gci.net). I hope to stay in touch. Thanks for, well, everything!

# AEB FISH TAXES

Compare this & last years    FY 2012 Total

	3/31/2012	3/31/2011	3/31/2010		
total	\$558,573.38	\$493,845.05	\$289,385.18	\$64,728.33	\$558,573.38

	2/29/2012	2/28/2011	2/28/2010		
Total	\$591,278.02	\$634,843.88	\$303,317.47	(\$43,565.86)	\$3,112,186.48

	1/31/2012	1/31/2011	1/31/2010		
total	526,595.25	432,256.44	244,952.01	\$94,339	\$2,520,908.46

**To:** Honorable Mayor Mack and AEB Assembly

**From:** Anne Bailey, Community Development Coordinator

**Subject:** Assembly Report

**Date:** April 16, 2012

### **Cold Bay Clinic**

On March 26, 2012, I submitted a TIER 2 Proposal to the Rasmuson Foundation requesting \$375,000 for the construction of a new health clinic in Cold Bay. Rasmuson will review this application at their June 2012 meeting.

We received a letter from the Denali Commission on March 29, 2012 conditionally approving the Cold Bay Clinic Business Plan. In order to achieve full approval a few items needed to be clarified and a site plan checklist had to be submitted. These items have been addressed and the final Cold Bay Clinic Business Plan was submitted to the Denali Commission for final review on April 9, 2012. We hope to achieve final approval and begin the design process soon.

On April 6, 2012, I submitted a Lease Application to DOT on the City of Cold Bay's behalf for Lot 2, Block 35. This is an ideal location for the new health clinic since it will be on the new apron (still not designed) and adjacent to the terminal building. There are a few issues that need to be discussed, such as, possibly sub-dividing the lot, the lease payment and the site layout.

### **Akutan Beach Clean-Up**

I submitted a Marine Conservation Alliance Foundation Grant on March 19, 2012 to clean approximately 5.5 miles of beach from the Old Whaling Station to the City of Akutan that is littered with marine debris. A portion of this clean-up is part of the Akutan Harbor Mitigation Measures.

### **Akutan and False Pass Harbor Mitigation Measures**

Meeting spill response requirements set out by the Fish & Wildlife Service is an Akutan and False Pass Harbor Mitigation Measure. In order to do this, we are entering into a contract with the Alaska Chadux Corporation who will assist the Borough in meeting these goals. Alaska Chadux will complete a site assessment and Geographic Response Strategy; help the Borough with equipment acquisition, preparation and staging and train the initial responders.

### **Comprehensive Plans**

I have started working on updating the City of Cold Bay Comprehensive Plan. The last comp plan was completed in 1999 and a lot of things have changed since then. I am currently in the process of reviewing the existing plan and will hold several public workshops for the public review. This is going to be an on-going project. After completion, I will begin the updates for the City of False Pass and Village of Nelson Lagoon's plans.



## **Other Projects**

I am continuing to work on the False Pass Harbor Utility Project and Breakwater Extension, the Akutan Harbor Floats, as well as, preparing for a necessary beach clean-up in False Pass.

Please contact me at (907) 274-7580 or [abailey@aeboro.org](mailto:abailey@aeboro.org) if you have any questions, concerns, or comments.

To: Honorable Mayor Mack and Aleutians East Borough Assembly  
From: Laura Tanis, AEB Communications Manager  
Through: Sharon Boyette  
Subject: Communications Manager's Report to the Assembly  
Date: April 17, 2012

It's wonderful to see that spring is upon us. Although spring breakup isn't the most beautiful time of year, it's definitely a sign that summer is around the corner.

Since the last regular Assembly meeting, I've drafted and sent out three *Fish News* and two *In the Loop* newsletters. I've also completed a number of other projects, including the launch of AEB's own Facebook page.

Headlines from recent *Fish News* & *In the Loop* newsletters and the *AEB Fish Blog* include:

- Cold Bay Airport Succeeds in Keeping Lighting System on Runway 32
- Fish-Related News from the Alaska Legislature
- AEB Launches Facebook Page
- Public Meetings Scheduled in May 2012 for Izembek/King Cove Land Exchange/Road Corridor DEIS
- Cold Bay Students Learn from Visiting Children's Book Artist
- Dory Project at False Pass School Nears Completion
- Closure Announced for the South Alaska Peninsula Area State-Waters Pacific Cod Pot Season
- Reminder: BOF April 10<sup>th</sup> Proposal Deadline is Just Around the Corner
- U.S. and Russia Team Up to Begin Largest Survey Ever on Abundance of Ice Seals
- News from NPFMC
- Halibut Bycatch Workshop Scheduled for April 24<sup>th</sup> – 25<sup>th</sup> in Seattle
- WASSIP Information Meeting Scheduled for June 1<sup>st</sup> in Sand Point

Miscellaneous projects include:

- Launched AEB's Facebook page.
- Updates to the Borough website, including adding a tab with the DEIS public meeting schedule for the Izembek/King Cove land exchange/road corridor.
- Updates to the AEB Fish Blog.

- Provided Mary Tesche with RMA/City of Akutan with links to media placements about the Akutan Airport project so she can add the positive stories to a newly created website.
- Updated my media contact list.
- Provided Alaska Business Monthly reporter with information, contacts and photos about the Akutan Harbor project, the geothermal project and the King Cove road access project.
- Attended the NPFMC meeting.
- Attended a Redistricting Board meeting.

#### AEB in the news:

- “Do you know the way to Cold Bay?” (about DEIS and proposed road from King Cove to Cold Bay) - Dutch Harbor Fisherman - March 23, 2012
- “King Cove Residents Congratulate USFWS for Moving Forward with Land Exchange” - Alaska Business Monthly - March 16, 2012
- “Fish and Wildlife Issues Draft Environmental Impact Statement for Proposed King Cove Road” - KUCB - March 28, 2012
- “Progress Made for King Cove Road” - Cordova Times - March 29, 2012.
- “Draft EIS out for comment on King Cove access road” – Alaska Journal of Commerce - April 5, 2012.

#### Upcoming projects include working on:

- Update AEB’s Facebook.
- Travel to AEB communities for Izembek/King Cove DEIS meetings (take notes from testimony give, take photos for newsletters and AEB Facebook page.)
- Attend the Wassip meeting in Sand Point.
- Fish News
- In the Loop

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](mailto:ltanis@aeboro.org).

To: The Honorable Mayor Mack, Aleutians East Borough Assembly  
From: Ernie Weiss, Natural Resources Director  
Subj: Report to the Assembly  
Date: April 17, 2012

### **Board of Fisheries**

Board of Fisheries proposals were due April 10<sup>th</sup> for the upcoming meeting cycle, including state groundfish and salmon meetings for the South Alaska Peninsula, and this office has been working with Advisory Committees and individuals to facilitate proposal submissions before the deadline. Proposal books should be out by August 1<sup>st</sup>, in plenty of time for the next Board of Fish meeting at the Dena'ina Center in Anchorage, and should make for an interesting read. The 2012/2013 cycle meeting schedule for the Board is attached to this report, for your information.

### **Southeastern District Mainland Genetic Stock Identification**

Last month the AEB signed an update to the Cooperative Agreement with ADF&G, to complete the sample collection and the genetic analysis for the SEDM section of the Alaska Peninsula salmon management area. This fishery is regulated based on the Chignik Sockeye salmon run, and the estimated proportion of fish in the SEDM fishery bound for Chignik is based on an extremely small stock identification tagging project from 1961. The updated agreement commits the Borough to payments to ADF&G totaling \$292,000. Conversely, ADF&G has agreed to complete the new genetic analysis and prepare a report on SEDM stock composition estimates to the Board of Fisheries by December 2012.

### **North Pacific Fishery Management Council**

The March-April NPFMC meeting was lively and featured several agenda items of interest to the Aleutians East, including Pacific cod A-season opening dates, Crab community's Right of First Refusal and halibut Area 4B Fish-up. For info on these and other items, please see the April 9, 2012 edition of the AEB newsletter *Fish News*. For a full recap of the meeting, see the April NPFMC newsletter, *News & Notes*. Both newsletters can be found at [www.aebfish.org](http://www.aebfish.org). Also, please find Sam Cotten's report, attached to this packet. The next meeting of the Council begins June 4 in Kodiak.

### **WASSIP information meeting & other events**

I will be traveling to Sand Point along with ADF&G staff and others for a WASSIP info/pre-season meeting June 1<sup>st</sup>. The meeting will be linked via technology to other AEB harbors. Flier is attached.

The Cold Bay Boat Ramp Rehabilitation project is up & running. Engineering firm URS Alaska will make a site visit this week, and a request for proposals is out for the construction contractor, due April 27.

I am preparing a presentation for the ASMI Board of Directors meeting at the Captain Cook Hotel in Anchorage, May 14-15, on our initiative to facilitate shipments of live Crab to China via Cold Bay.

The Superior Court is set to issue a scheduling order in the Redistricting Cases this week. If the Assembly wishes, I will continue to email you redistricting news as events happen. You can find other upcoming fishery and resource related meetings I am tracking at [www.aebfish.org](http://www.aebfish.org).

### **Transition**

It has been my great pleasure and honor to work with Administrator Sharon Boyette these past 17 months. Sharon is a real leader and a great teacher. We are really going to miss her insight, expertise and passion for the Aleutians East Borough. Thanks Sharon, for all you have accomplished for the AEB.

I look forward to working with the new administrator Rick Gifford as he takes the reins, and I am confident that all of us working together will ensure a smooth transition.

Please email or call if I can be of service. Ernie Weiss

[eweiss@aeboro.org](mailto:eweiss@aeboro.org)

907-274-7557

**ALASKA BOARD OF FISHERIES**  
**2012/2013 Cycle**  
**Tentative Meeting Dates and Locations**

**Pacific cod, Bristol Bay, Arctic-Yukon-Kuskokwim, and  
Alaska Peninsula/Aleutian Islands Finfish;  
Statewide General Finfish Provisions;  
and Supplemental Issues**

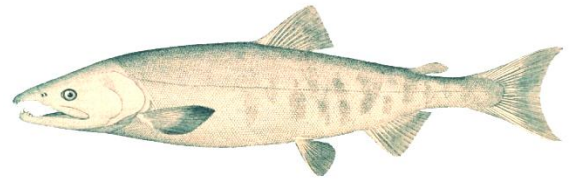
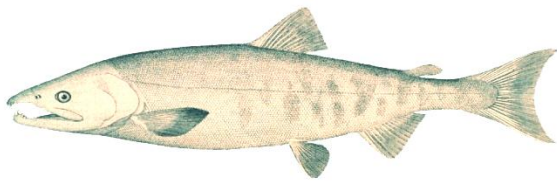
PROPOSAL DEADLINE: 5:00 p.m. Tuesday, April 10, 2012

<b>Meeting Dates</b>	<b>Topics</b>	<b>Location</b>	<b>Comment Deadline</b>
<b>October 9-10, 2012</b> [2 days]	<b>Work Session</b> ACRs, cycle organization, Stocks of Concern	<b>Anchorage</b> Dena'ina Civic & Convention Center	<b>Sept. 25, 2012</b>
<b>October 11-14, 2012</b> [4 days]	<b>Pacific Cod for PWS, Cook Inlet, Kodiak, Chignik, and South Alaska Peninsula</b>	<b>Anchorage</b> Dena'ina Civic & Convention Center	<b>Sept. 25, 2012</b>
<b>December 4-12, 2012</b> [9 days]	<b>Bristol Bay Finfish</b>	<b>Naknek</b> Bristol Bay Borough School	<b>Nov. 19, 2012</b>
<b>January 15-20, 2013</b> [6 days]	<b>Arctic-Yukon-Kuskokwim Finfish</b>	<b>Anchorage</b> Sheraton Hotel	<b>Jan. 2, 2013</b>
<b>Feb. 26-Mar. 3, 2013</b> [6 days]	<b>Alaska Peninsula/ Aleutian Islands Finfish</b>	<b>Anchorage</b> Sheraton Hotel	<b>Feb. 12, 2013</b>
<b>March 19-24, 2013</b> [6 days]	<b>Statewide Finfish and Supplemental Issues</b>	<b>Anchorage</b> Hilton Hotel	<b>Mar. 5, 2013</b>

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Total Meeting Days: 33

Agenda Change Request Deadline: **August 27, 2012** [45 days prior to fall Work Session]



# Western Alaska Salmon Stock Identification Project (WASSIP) Informational meeting

10AM Friday June 1, 2012, in Sand Point, Alaska

Video-conference to King Cove, audio link to other participating  
Aleutians East Borough (AEB) Communities  
Akutan, Cold Bay, False Pass, Nelson Lagoon

*A Young Fishers Program* presentation by the AEB Natural Resources Department  
In cooperation with the Aleutians East Borough School District (AEBSD)  
And the Alaska Department of Fish and Game (ADF&G)

ADF&G is coordinating with WASSIP signatory groups to organize informational meetings in the various fishing regions to re-introduce the WASSIP program in anticipation of reports that will be released in September 2012. WASSIP signatories include Alaska Department of Fish and Game, Aleut Corporation, Aleutians East Borough, Association of Village Council Presidents, Bering Sea Fishermen's Association, Bristol Bay Native Association, Concerned Area M Fishermen, Kawerak, Lake and Peninsula Borough, Tanana Chiefs Conference, and Yukon River Drainage Fisheries Association.

WASSIP is a comprehensive program to sample commercial and subsistence chum and sockeye salmon fisheries in coastal marine areas of western Alaska, from 2006 through 2009. This unprecedented genetic sampling study includes salmon fisheries from Chignik Bay to Kotzebue Sound, stretching over 3,000 km of shoreline. During the four years of fishery sampling, approximately 320,000 samples were collected and some 156,000 samples will have been analyzed by the ADF&G Gene Conservation Laboratory to detail stock composition of fishery harvests.

The Young Fishers Program is a collaborative effort of the AEBSD Career & Technical Education program and the AEB Natural Resources Department. Earlier this year, as part of the AEB Young Fishers program, the AEB sponsored two students and an AEBSD teacher/chaperone to attend the Alaska Sea Grant Young Fishermen's Summit in Juneau. The Summit covered topics of interest to Alaska fishermen, including methods for participating in fisheries regulatory and legislative processes. AEBSD video and audio links to AEB communities for this informational meeting in Sand Point is a continuation of the effort to involve young fishers in the fisheries regulatory process.

Following the WASSIP informational meeting, Alaska Peninsula Salmon Fishery Manager Aaron Poetter will hold the 2012 AEB June Salmon Pre-season informational meeting, and will also be available to answer questions about the AEB/ADF&G Southeast District Mainland (SEDM) genetic salmon sampling study. Other area fisheries consultants and processing representatives have been invited and may attend the meeting. The meeting will be held in Sand Point at the AEB offices, video linked to the school in King Cove. Other site locations will be announced when determined.

For more information [www.aebfish.org](http://www.aebfish.org) or contact Ernie Weiss at [eweiss@aeboro.org](mailto:eweiss@aeboro.org), 907-274-7557.

Report to AEB assembly  
Sam Cotten AEB fisheries consultant

#### 4B Halibut (Adak/Atka)

The Council approved the so called "fish up" proposal for area 4B. D share quota will be allowed to be fished on C class boats. 35 feet is the limit for D share and 58 feet is the vessel size limit for C share. This is similar to the regs now in existence in 3B.

The Council took no action, essentially tabling, on the proposal to consider changing the P cod A season opening dates. I argued the sector split had immediate negative effects on some of the fishermen and combined with the timing of the tanner crab fishery demonstrated the need for changes. In addition, the trawl gear fishermen felt the sector split allowed an opportunity to be more efficient with a later start date. The council felt the sector split needed more time before any changes should be considered.

The council continued to make progress on the chum salmon Bycatch in the Bering sea trawl fisheries. Comments about the Area M salmon fishery were brought up but somewhat deflected by the fact that chums in Area M are not Bycatch and the Wassip study will be the best science available for the board of fish to consider. The council has no jurisdiction over state salmon fisheries.

Bycatch: Salmon and Halibut.

Salmon and Halibut are classified as prohibited species in all ground fish fisheries and must be released ... "and returned to the sea with a minimum of injury regardless of its condition". An exception was made for Chinook salmon taken as Bycatch in the Pollock fishery. Chinook salmon must be retained.

In the Gulf of Alaska the Bycatch limits on halibut are Gulf wide and set annually as part of the specs process. The specs process is the annual specification of allowable catch for the several ground fish species. In the future there will be a regulation specifying the halibut psc limits.



The current limit for halibut Bycatch is set at 2000 metric tons for the Gulf of Alaska trawl fisheries and 300 tons for the hook and line fisheries. These limits are apportioned by seasons as follows:

Jan 20-April 1	27.5%	550(metric tons)
April 1-July 1	20%	400
July 1-Sept. 1	30%	600
Sept 1-Oct. 1	7.5%	150
Oct 1-Dec. 31	15%	300

The limits are further apportioned by species classification in the deep water and shallow water complexes. Deep water species include sablefish, rock fish, deep water flats, rex sole and arrowtooth flounder. Shallow water species include pacific cod, Pollock, flathead sole, and shallow water flats.

	Shallow water	deep water	total
Jan 20-April 1	450 (metric tons)	100	550
April 1-July 1	100	300	400
July 1-Sept 1	200	400	600
Sept 1-Oct. 1	150	any remainder	150
Oct. 1-Dec. 31	(not allocated)		300

The North Pacific Council is scheduled to take action on a proposal to reduce the limits on Halibut Bycatch at the June meeting in Kodiak. The options include a range of 5-15% overall reduction. The seasonal and shallow water/deep water percentages are not expected to change.

The hook and line fisheries by catch limits (290 metric tons) are apportioned as follows:

Catcher vessels 59.7 %  
Catcher processors 40.3 %

And are seasonally apportioned equally as follows:

Jan. 1-June 10 86%  
June 10-Sept. 1 2%  
Sept. 1- Dec. 31 12%

In addition the Demersal shelf rockfish fisheries are allocated 10 metric tons.

Sablefish fisheries and the pot and jig sectors are exempt from PSC limits.

Halibut Bycatch limits are NOT divided between the central and western gulf. The new observer program will begin in 2013 and may produce new data that would better allow consideration of a split between the central and western gulf.

Another agenda item likely to be on the June agenda is the discussion paper on "comprehensive halibut Bycatch amendments". This item may be the first look at rationalization the council has taken in a few years.

Some rationalization advocates claim the only way to effectively reduce Bycatch is with the issuance of quota on the target species. The federal law (Magnuson-Stevens fisheries conservation and management act) allows the council to..."incorporate Bycatch into quotas, including the establishment of collective or individual Bycatch quotas;"

Rationalization programs generally have the effect of fleet consolidation , new barriers to entry into a fishery and windfall benefits to the initial quota recipients.

A prime example of this is the crab rationalization program, which now allows the quota holders to take up to 70% of the harvest revenue without any involvement in the fishery other than owning the fishing rights. An alternative to giving exclusive rights to target species may be simply the assignment of Bycatch quota on an individual or co-op basis.

This and many other options will be explored in the upcoming discussion paper.

The council will also discuss, perhaps at the June meeting, reductions to the PSC limits in the Bering Sea. The current limits are 900 metric tons for the non trawl and 3675 metric tons for the trawl fisheries.

The Council has addressed Chinook Bycatch in the Pollock fishery and will,

at a future meeting, address the Bycatch in the non Pollock fisheries in the Gulf of Alaska.

Halibut Bycatch reductions will undoubtedly restrain some hook and line and trawl fisheries. The overall reduction in Halibut quotas in recent years and the constraints on the charter sector have highlighted the need for a sharing of the conservation burden.

3B halibut quota for 2008: 10,950,000 ; for 2011: 7,510,000; for 2012: 5,070,000.

3A quota 2008: 24,220,000 2011: 14,360,000 2012: 11,918,000.

2C 2008: 6,210,000; 2011: 2,330,000 ;2012 2,624,000

4A 2008: 3,100,000; 2011: 2,410,000 2012: 1,567,000

To: The Honorable Stanley Mack  
The Aleutians East Borough Assembly  
Sharon Boyette, Borough Administrator

From: Brad Gilman & Sebastian O'Kelly

Re: Washington Update

Date: March 29, 2012

- 1. FY 2013 Community Priorities And Projects:** While the Congress has extended the earmark moratorium for another year, the Alaska Delegation has asked communities to submit their highest priorities for both projects and programs. After consultation with the Borough Administrator, we have made electronic submissions to the offices for the following projects – the King Cove/Izembek Refuge road, Cold Bay airport apron construction, and Nelson Lagoon erosion control.
- 2. King Cove Road/Izembek Refuge:** The Department of Interior has issued a draft EIS that includes a number of alternatives, but no preferred option. Public comments are being taken until May 18. Public hearings are being planned for the 1<sup>st</sup> or 2<sup>nd</sup> week in May in Sand Point, King Cove, False Pass, Nelson Lagoon, and Cold Bay. The target date for issuing the final EIS is mid-October.
- 3. Cold Bay Health Clinic:** We have informed the Delegation of the plans in Cold Bay to construct a new health clinic. Rep. Young has written a letter to the Dept. of Health & Human Services in support of the Eastern Aleutian Tribes' grant application for construction funding. A decision on funding is expected in April.
- 4. Cold Bay Runway Lighting:** The FAA has proposed decommissioning the medium intensity lighting approach system on runway 32. We have informed the Delegation of the negative impact this would have on air travel in the Aleutians and they have written a letter to the FAA objecting to the proposal.
- 5. Cold Bay Helicopter Hangar Construction:** The FY 2013 budget request for the Department of Homeland Security includes funding to recapitalize and expand the Coast Guard helicopter hangar at the airport.
- 6. Federal Highway Bill Reauthorization:** The Senate has passed a 2 year extension of Federal highway programs. Both Alaska Senators supported the bill upon final passage after several concerns were addressed during floor debate, most notably restoration of cuts to the Indian Reservation Roads Program. While the Delegation did not succeed in reauthorizing the Denali Commission's transportation programs, it was able to include provisions to permit the Commission to receive funding directly from Federal agencies for its programs instead of just Congress. The House has reported out of Committee a comprehensive, multi-year reauthorization bill but that bill has run into

opposition due to its use of revenue offsets derived from greater energy development in Federal waters/lands and adjustment to mass transit funding formulas that is opposed by lawmakers representing urban districts. The North Aleutian Basin oil and gas lease area was included by the House as a revenue offset. In the interim, the House is likely to pass a 3 month extension of existing funding, the 9<sup>th</sup> such extension since the last multi-year reauthorization expired. The current extension expires March 31.

**7. Cook Inlet/North Aleutian Basin Oil & Gas Development:** The Department of Interior has included the Cook Inlet Planning Area for possible oil and gas development as part of its proposed OCS Leasing Program for 2012-2017. The Department is seeking to determine the level of industry interest in any of the blocks in the Area. Public comments are being accepted until May 11. The plan did not include the North Aleutian Basin among the Alaska areas to be considered for lease sales. The House has passed legislation that increases oil and gas development beyond the Administration's plans and includes a lease sale for the NAB in 2015.

**8. Secure Rural Schools (SRS) & Payment-In-Lieu-Of-Taxes (PILT)**

**Reauthorizations:** For purposes of reauthorizing both of these programs, Congress has now linked them together as opposed to considering them as separate measures. In early March, the Senate passed an amendment to extend both the SRS and PILT programs for 1 year as part of the Senate's version of reauthorizing Federal highway programs. The amendment included an offset to pay for the extensions and passed by a strong bipartisan vote of 82-16 (both Senators Begich and Murkowski voted in favor). Action will now shift back to the House. The House Natural Resources Committee has reported out a multi-year reauthorization bill for both programs, but the offset is controversial and opposed by the Democrats and the Administration. The Administration is on-record in favor of a multi-year reauthorization of SRS but only a 1 year extension of PILT.

**9. Bypass Mail:** The full Senate may soon be taking up Postal Reform legislation that was reported out of Committee last year. The Delegation is very concerned and engaged on the issue of possible reductions or termination of the Bypass Mail program. While such amendments ended up not being offered in Committee, they remain a possibility on the Senate floor.

**10. FAA Reauthorization:** Congress has finally enacted a multi-year reauthorization of the FAA. Included is an extension of the Essential Air Service Program which will maintain EAS funding and required service for the 44 Alaska communities that currently participate in the program. Also included is an authorization of \$13 billion over 4 years for FAA's Airport Improvement Program to fund airport and runway construction across the country. Lastly, the legislation contains a provision advocated for by the Delegation that provides an exemption from Federal hazardous materials safety rules to permit the transport of medical oxygen on certain aircraft to rural health clinics and hospitals.

**11. FY 2013 NOAA Fisheries Budget Request – North Pacific Impact:** The President's budget request contains both good and bad news for North Pacific fisheries management. The request recommends a significant cut nationally in funding for the

Regional Fishery Management Councils, which would have a negative impact on the activities of the North Pacific Fishery Management Council. It seeks to restore a 10% cut from the FY 2012 appropriated level for fisheries surveys/monitoring which includes Bering Sea pollock; Halibut/Sablefish; Alaska Groundfish research; State of Alaska extended jurisdiction; and State of Alaska Bering Sea crab research. The request proposes about a 7% increase in stock assessment funding, while seeking level funding for the National Catch Shares Program. Lastly, it recommends nearly a 25% cut to the Pacific Coastal Salmon Recovery Program, a portion of which goes to the State of Alaska for salmon recovery work.

## **12. Miscellaneous.**

- **Indian Empowerment Act (HR 3532):** The House Subcommittee on Indian and Alaska Native Affairs held a hearing on legislation introduced by Rep. Young. The bill would increase tribal authority over its lands by granting tribes the authority to have title upon request removed from trust status and conveyed directly to them.
- **Tsunami Warning Proposed Funding Cuts:** The Administration is proposing a \$4.5 million cut in the National Weather Service's tsunami warning program for FY 2013, which would be about a 20% reduction from current spending and would affect work being done to improve tsunami detection in the North Pacific.
- **J-1 Work Visas:** The State Department has proposed a rule that would tighten restrictions on J-1 cultural/work exchange visas that would prohibit foreign workers from employment in the U.S. seafood industry that come to the U.S. under this status. The rule would go into effect immediately and is currently under review by the Office of Management and Budget (OMB). The Delegation has expressed its concerns about the impact on fishing communities, especially given the immediate date of the rule, as well as with the lack of public notice and comment.

# Aleutians East Borough April Legislative Report

By Mark Hickey, Borough Lobbyist

A Monthly Report

April 18, 2012

Significant Issues	Passed Legislation	Failed Bills	Capital Projects	FY 2013 Education Plan	Redistricting Plan
Page 1	Page 2	Page 4	Page 13	Page 14	Page 16

## Significant Issues

**Session Ends With A Bang:** The operating and capital budgets, the transportation bond bill, and an education funding package passed on the last day of the regular session. **A total of 47 legislative measures passed on the last day, versus 37 bills or resolutions that passed during the rest of the second session.**

**Special Session:** Governor Parnell has called a special session starting this week to address oil and gas production taxes, an Alaska gasline, and tougher penalties for human trafficking. Attempts to pass a more limited production tax reduction failed on the last weekend of regular session, although some exploration tax credits passed as part of SB 23.

**Municipal Revenue Sharing Program:** The approved operating budget includes an appropriation of \$60 million to replenish the revenue sharing fund. Another \$25 million in one-time revenue sharing money was added to the capital budget. It is estimated that the Aleutians East Borough (AEB) will receive a total of \$547,087 in total revenue sharing for FY 2013.

**Education Funding:** An education funding package passed at the end of regular session. A summary of the plan can be found on page 14. It includes one-time funding of an additional \$25 million, an increase in FY 2013 state aid for AEB of \$41,705 as a result of reducing the required local contribution rate, and an additional \$29,619 under the vocational education funding factor. It does not include an increase in the BSA.

**Municipal PERS/TRS Funding:** The passed FY 2013 operating budget includes \$302.7 million for the teachers' retirement system and \$307.3 million to the public employees' retirement system. **The Senate tried to add another \$1 billion to the PERS/TRS programs, but this funding did not survive.**

**CZM Bill:** HB 325, a bill to reinstate the Coastal Zone Management Program by Rep. Alan Austerman (R-Kodiak), failed to move out its first committee.

**Renewable Energy Fund:** The passed FY 2013 capital budget contains an appropriation \$25.8 million to the Renewable Energy Fund to fund the Round V projects. The approved list includes \$200,000 for design of the Waterfall Creek Hydroelectric Project.

## FY 2013 Capital Budget/GO Transportation

**Bond Bill:** The FY 2013 capital budget (*SB 160*) passed on the last day of the regular session. It includes \$2 million for the Cold Bay Terminal Apron & Taxiway Project. *HB 286*, the transportation bond bill, includes funding for the Sand Point Road Project. A complete list of projects of interest can be found on page 13.

**Power Cost Equalization (PCE):** The approved FY 2013 operating budget includes an appropriation of nearly \$23 million to fund the PCE program from the PCE endowment fund, and another \$15.3 million in general funds if needed to avoid proration of payments.

**Alaska Redistricting Plan:** The Alaska Redistricting Board recently approved its new plan in response to the decision by the Alaska Supreme Court directing them to give more deference to the Alaska Constitution. Under the modified plan, the AEB becomes part of the new House District 37, which includes the Aleutian Chain, the most western communities in Bristol Bay, several communities on the south side of the Kuskokwim River and Bethel. A copy of the map can be found on page 16. The Senate paring remains with the area currently represented by Senator Hoffman.

**Constitutional Amendment: Dedicated Transportation Infrastructure Fund - *HJR 4*** by Rep. Peggy Wilson (*R-Wrangell*): Re-establishes a dedicated transportation fund using all transportation fees and funds as revenue sources. The exact sources of revenue to be included will be determined by the legislature in subsequent legislation. *HJR 4* passed the House, but failed to make it out of Senate Finance.

# Passed Legislation

The following bills of interest passed the legislature this session.

## General Municipal Issues

**Commercial Fishing Loans - *HB 59*** by Rep. Paul Seaton (*R-Homer*): Allows a interest rate reduction of not more than 2% for loans under the Commercial Fishing Loan Act if more than 50% of the loan proceeds are used for product quality improvements or energy efficiency upgrades. *HB 59* was rolled into *HB 121*. *HB 121* passed the legislature.

**Senior Citizens Housing Fund - *HB 65*** by Rep. Bryce Edgmon (*D-Dillingham*): Expands access to these grants for regional housing authorities. Overall spending will not increase, but may widen the selection of projects competing for these funds. *HB 65* passed the legislature.

**Community and Public Transportation Advisory Board - *HB 131*** by Rep. Kathy Munoz (*R-Juneau*): Establishes a new advisory board to address a wide range of issues for transit and paratransit services. *HB 131* passed the legislature.

**Municipal Property Tax Exemptions: Subdivisions - *HB 264*** by Rep. Munoz: Allows a municipality to defer payment of property taxes on the increase in assessed value attributable to the subdivision of a parcel into three or more parcels. *HB 264* passed as part of *SB 104*.



**GO Bonds for Ports - HB 286/SB 162 by the governor:** The legislature broadened the scope of the package to include transportation projects. **HB 286 passed the legislature with about \$450 million in projects.**

**New Market Tax Credit Program - HB 120/SB 66 by request of the governor:** Enables AIDEA to foster economic development through a federal new markets tax credit assistance guarantee and loan program. **SB 66 passed the legislature.**

**Alaska Native Languages Council - SB 130 by Sen. Donny Olson (D-Nome):** Establishes an advisory council for the preservation, restoration and revitalization of Alaska Native languages. **SB 130 passed the legislature.**

## Education

**Alaska Performance Scholarships - HB 104/SB 43 by request of the governor:** Renames the program and creates an Alaska Performance Scholarship Investment Fund to fund the merit scholarships for post-secondary education established last session. **Changes include adding a needs based component, placing program administration with the Alaska Advantage Program, and changing the program's fund sources. HB 104 passed the legislature.**

**Suicide Awareness/Prevention Training - SB 137 by Senator Bettye Davis (D-Anchorage):** Requires school districts, REAA's and the department to provide annual youth suicide awareness and prevention training. **SB 137 passed the legislature.**

**Pupil Transportation Funding - SB 182 by the Senate Education Committee:** SB 182 creates a cost based reimbursement method and allows use of the CPI to adjust annual funding of pupil transportation. **SB 182, which was used as the vehicle for the omnibus education funding package, passed the legislature.**

**Vocational Education Funding Factor - SB 199 by Senator Kevin Meyer (R-Anchorage):** Expands use of the new funding provided last year under SB 84 for 7th and 8th grades. **SB 199 passed as part of SB 182. The funding factor was increased by 50%.**

## Fisheries/Resources

**Commercial Fisheries Programs - HCR 18 by the House Fisheries Committee:** Expresses a resolve by the legislature to "turn the tide" on the graying of the fleet and to increase participation by young Alaskans. **HCR 18 passed the legislature.**

**Big Game Commercial Services Board - HB 229 by Rep. Eric Feige (R-Chickaloon):** Proposes a number of changes to rules for the administration and licensing of guides. **HB 229 passed the legislature.**

**Commercial Fishing Entry Permit Loans - HB 261 by Rep. Edgmon:** Amends current law to allow loans for the purchase of a commercial fishing entry permit, and increases the maximum loan amount from \$100,000 to \$200,000. **HB 261 passed the legislature.**

**Exemptions From Mining Tax - HB 298 by Rep. Seaton:** Repeals the requirement that operators who produce sand, gravel and quarry rock products pay the state mining license tax. This bill should reduce the cost on projects done by the state and local governments. **HB 298 passed the legislature.**

## Energy

**Bulk Fuel Loans/Power Project Fund - HB 196 by Rep. Edgmon:** Moves the bulk fuel revolving loan fund from AEA to the Division of Community & Regional Affairs, placing it in the same location as the bulk fuel bridge loan program. **HB 196 passed the legislature.**

**Extend Renewable Energy Grant Fund - HB 250 by Rep. Bill Thomas (R-Haines):** The passed version extends the Renewable Energy Grant Fund from June 30, 2013 until June 30, 2023. Includes intent language calling for an annual appropriation of \$50 million to the fund. **HB 250 passed the legislature.**

**AIDEA Participation in Energy Projects - SB 25 by Sen. Lesil McGuire (R-Anchorage):** Establishes the sustainable energy transmission and supply development program in AIDEA. **SB 25 passed the legislature.**

## Failed Bills

This section provides updated information regarding bills of interest that failed to pass. **News on bills receiving attention this session is presented in bold.**

### General Municipal Issues

**Constitutional Amendment: Biennial Budget; Session Length - HJR 2 by Rep. Carl Gatto (R-Palmer):** Establishes the 1st regular session shall last no longer than 120 days and the 2nd session last no longer than 90 days. Calls for a biennial budget.

**Constitutional Amendment: Gas Revenue Endowment Fund - HJR 3 by Rep. Mike Hawker (R-Anchorage):** Establishes an endowment fund for revenues from natural gas. **SJR 8 by Senator McGuire is a companion measure.**

**Constitutional Amendment: Term Limits - HJR 6 by Rep. Charisse Millett (R-Anchorage):** House member may serve for no more than 4 successive full or partial terms. No Senate member may serve for more than 2 successive full or partial terms.

**Fiscal Future Task Force - HCR 12 by Rep. Austerman:** Creates a legislative task force to work on long-term fiscal policy over the next three years. **HCR 12 died in Senate Finance.**

**Establish a Dedicated Transportation Infrastructure Fund - HB 30 by Rep. Peggy Wilson:** Appropriations to the fund would occur from various sources, including fuel taxes, registration fees, studded tire tax, leases and fees on airport facilities. The fund would be managed as an endowment. **HB 30 died in House Finance.**

**Infrastructure Fund Appropriation - HB 31 by Rep. Peggy Wilson:** Appropriates \$1 billion to capitalize the fund if voters approve a constitutional amendment to establish a dedicated Transportation Infrastructure Fund. **HB 31 died in House Finance.**

**Optional Municipal Property Tax Exemptions: HB 40 by Rep. Scott Kawasaki (D-Fairbanks)** raises the optional exclusion or exemption authorized by existing statute from \$20,000 to \$100,000 of assessed value. **HB 41 by Rep. Pete Peterson (D-Anchorage)** clarifies that a municipality may classify residential property regarding taxation and increases the optional exclusion or exemption allowed to \$50,000.

**Notice Municipal Selection of State Land - HB 52 by Rep. Millett:** Current law requires the state to mail a notice to all individuals and entities holding land leases within the borders of any land to be conveyed or otherwise disposed. This bill requires the municipality to also provide written notice to all leaseholders.

**Bicycle Program - HB 57 by Rep. Seaton:** Establishes a new grant program for the safe use and distribution of bicycles and related items. **HB 57 died in House Finance.**

**Permanent Motor Vehicle Registration - HB 64** by Rep. Bill Stoltze (R-Chugiak): Proposes a cheaper, one-time registration option for older vehicles. The current version effectively forces municipalities to do the same if they have a local registration fee, and now limits a local permanent fee to \$100. **HB 64 died in Senate State Affairs.**

**Legislative Session Limit Repeal - HB 71** by Rep. Paul Seaton: Repeals the 90-day session limit established by initiative starting with the 2008 session. **The bill died in House Finance.**

**Senior Citizens Municipal Property Tax Exemptions/Limitation - HB 90** by Rep. Mark Neuman (R-Wasilla): Increases the senior citizens municipal property tax exemption to the first \$200,000 of assessed value for seniors and other qualified individuals with a gross household income that does not exceed 200% of the federal poverty guidelines.

**Peace Officer & Firefighter Death Benefit - HB 151** by Rep. Alan Dick (R-Stony River): Allows a person who was married less than one year to a peace officer or firefighter who died between Jan. 1, 1961 and before Jan. 1, 1976 to be deemed eligible to receive an occupational death benefit.

**State Agency Performance Audits - HB 166** by Rep. Mike Chenault (R-Nikiski): Establishes an audit and performance review procedure for all departments of state government. The bill spells out specific dates that each department will undergo a legislative review. **HB 166 died in Senate Finance.**

**Volunteers Muni Tax Exemption - HB 170** by Rep. Feige: Allows a municipality to provide a property tax exemption on the first \$150,000 of property value for active fire department or emergency medical or rescue services agency volunteers, or for a surviving spouse. **HB 170 died in House Rules.**

**Fisheries Taxes Revenue Sharing - HB 184** by Rep. Peggy Wilson: The bill alters the sharing formula for receipts from the fisheries business and resource landing taxes based on where unprocessed product is landed. To offset the impact of this change, the bill increases the sharing rate from 50/50 to 75/25 in favor of local communities. **HB 184 died in House Finance.**

**Alaska Broadband Task Force - HB 201** by Rep. David Guttenberg (D-Fairbanks): Establishes a legislative task force to improve provision of broadband services across the state. **HB 201 died in House L&C.**

**Fire & Emergency Medical Services - HB 219** by Rep. Feige: Exempts funding of local fire and emergency medical and fire services from regulation as insurance. **The bill died in Senate Rules.**

**Establish Endow Alaska Grant Program - HB 290** by Rep. Austerman: **HB 290** creates a new grant program to provide dollar for dollar challenge funds to support growth of community foundations around Alaska. **HB 290 passed the House, but died in Senate Finance.**

**PERS/TRS Modified Defined Contribution Plan - HB 236** by Rep. Bob Lynn (R-Anchorage): **HB 236** offers existing and new employees in PERS or TRS a choice to stay in the current defined benefit plan or move to a modified defined contribution plan. **SB 121** by Sen. Dennis Egan (D-Juneau) is a companion bill. **SB 121 passed the Senate, but died in the House.**

**Muni Property Tax Exemption: Religious Orgs. - HB 305** by Rep. Berta Gardner (D-Anchorage): Removes the religious teacher exemption in current law and re-establishes the religious tax exemption for homes of religious officials. **HB 305 was withdrawn by the sponsor. An attempt to add it to another exemption bill failed on the House floor.**

## Oil & Gas Corporate Taxes - HB 328 by Rep.

**Seaton:** Reinstates separate accounting to force companies to pay corporate income tax on profits made in Alaska. *SB 201* by Sen. Bill Wielechowski (*D-Anchorage*) is a companion bill. **HB 328 died in House Resources.**

## Use of Municipal Funds for Initiatives - HB

**347 by Rep. Kurt Olson (R-Soldotna):** Prohibits municipalities from using public funds on an initiative unless approved by a vote of the people. **HB 347 passed the House and died in Senate Judiciary.**

## Legislative Sessions Duration - SB 18 by Sen.

**Gary Stevens (R-Kodiak):** Amends the existing limit to require that the first regular session shall be for no more than 90 days and the second session shall adjourn within 120 days counting the first day the Legislature convenes. **SB 18 died in House Finance.**

## Senior Citizens Municipal Property Tax

**Exemptions - SB 57 by Sen. Linda Menard (R-Wasilla):** Exempts the first \$200,000 of assessed property value for seniors and other qualified individuals if the state appropriates an amount sufficient to fully funded reimbursements at the increased exemption amount. Another provision expands a municipality's ability to authorize exemptions.

## Appropriation: Public Transit Projects - SB

**77 by the Senate Transportation Committee:** Provides an appropriation of \$3 million to provide matching grant funds for locally and federally funded public transit projects. **SB 77 died in Senate Finance.**

## Revenue Sharing & Education Funding -

**SB 97 by the Senate Finance Committee:** This bill proposes additional appropriations for public education and community revenue sharing if the price of North Slope crude oil exceeds a specified trigger price. The version passed by the Senate would provide approximately \$20 million for each component. **SB 97 died in House Finance.**

## PERS Termination Costs - SB 100 by Senator

**Joe Paskvan (D-Fairbanks):** This bill limits the requirement on political subdivisions to pay termination costs when the employer in question elects to leave either PERS or TRS, but not when they terminate a class, group or department. **SB 100 passed the Senate, but died in the House. The version that passed the Senate would trigger termination costs if more than 20% of the paid work force is terminated in a single year.**

## Water & Sewer Task Force - SB 147 by Senator

**Albert Kookesh (D-Angoon):** Creates a one-year task force to assess how to provide safe and sustainable water and sewer systems to all rural areas. *HB 362* is a companion bill. **SB 147 died in Senate Finance.**

## Alaska Pension Trust Reserve Fund - SB 141

**by Senator Johnny Ellis (D-Anchorage):** Establishes a new fund to help address the PERS/TRS unfunded liability problem. **SB 141 died in Senate State Affairs.**

## Pension Trust Reserve Fund Appropriation -

**SB 142 by Senator Ellis:** Appropriates \$2 billion to the new Pension Trust Reserve Fund. **SB 142 died in Senate Finance.**

## Legislative Approval of Bristol Bay Sul-

**fide Mine - SB 152 by Senator Hollis French (D-Anchorage):** Requires prior legislative approval of any state permits needed to authorize the Pebble Mine. **SB 152 died in Senate C&RA.**

## Separate Oil & Gas Production Tax/

**Deductions - SB 167 by the Senate Finance Committee:** Introduced by the Senate Working Group as its starting point for further discussions of changes to the state's oil & gas taxes. The bill is essentially old *SB 305* to de-couple oil and gas taxes, which was vetoed in 2010. **SB 167 died in Senate Finance.**



**Alaska Operating Endowment Fund - SB 178 by the Senate Finance Committee:** Creates a new fund as a depository for the state's savings for the purpose of generating future earnings for general purposes. The fund would be capitalized with \$15 billion. **SB 178 died in Senate Finance.**

**Property Tax Exemption/Military Widow - SB 183 by Senator Davis:** Allows a property tax exemption for a resident who is at least 60 years of age and a widow or widower of a person killed in military service. **SB 183 died in Senate C&RA.**

**Pension Reserve Fund - SB 187 by the Senate Finance Committee:** Creates a separate reserve account to supplement the PERS Trust Fund. The bill includes a number of other related provisions. **SB 187 died in Senate Finance.**

**Alaska Fire Standards Council - SB 189 by Senator Ellis:** Amends the number, makeup and appointment criteria of the council membership. **SB 189 died in Senate State Affairs.**

**Oil & Gas Production Tax - SB 192 by the Senate Resources Committee:** Lowers the progressive tax rate portion of the oil production tax when oil exceeds \$92.50 per barrel. **SB 192 died in Senate Rules.**

**Disaster Planning & Services - SB 208 by Senator Paskvan:** Establishes an Alaskan intrastate mutual aid system for participating political subdivisions. **SB 208 died in Senate Finance.**

**PERS Credit for Military Service - SB 211 by Senator McGuire:** Allows PERS credit for up to five years of past military service. **HB 350 by Rep. Hawker is a companion bill. SB 211 died in Senate Finance. The House version failed to move.**

**Use American Products in Construction - SB 213 by Senator Ellis:** Requires use of certain products used in public agency construction contracts to be made in the United States. "Public agency" includes school districts and municipalities. **SB 213 died in Senate Labor & Commerce.**

## Education

### Constitutional Amendment: Education

**Funding - HJR 16 by Rep. Wes Keller (R-Wasilla):** Proposes an amendment to the state constitution to allow use of state funds to aid other than public schools. **HJR 16 died in House Rules.**

**Opt Out of NCLB - HJR 39 by Rep. Miller:** Urges the state to opt out of the No Child Left Behind program. **HJR 39 died in House Education.**

**Constitutional History Curriculum - HB 5 by Rep. Keller:** Requires addition of the history of American constitutionalism to the required secondary school curriculum. **HB 5 died in House Finance.**

**Early Education Program - HB 49 by Rep. Chris Tuck (D-Anchorage):** Establishes a "parents as teachers" early childhood education program. **Although HB 49 failed to pass, a three-year, \$3.9 million pilot project was added into HB 182.**

**School Gardens - HB 93 by Rep. Guttenberg:** Allows districts to hire entities to operate a school garden and requires DEED to establish a school garden grant program. **HB 93 died in House Finance.**

**School Meals Funding - HB 132 by Rep. Munoz:** Establishes a state-funded school breakfast and lunch program. **SB 3 by 10 Senate members is a companion bill. The program's cost is about \$2 million. Both versions failed to pass.**

**BSA Increase/Inflation Adjustment - HB 143**

**by Rep. Petersen:** Increases the BSA by \$158 for FY 2012, and provides for an automatic inflation adjustment for FY 2013 and FY 2014. A sponsor substitute was recently introduced adding a BSA study.

**K-12 Scholarship Program - HB 145 by Rep.**

**Keller:** Allows use of public funds to attend a public or private school of the parent's or legal guardian's choosing. It specifies the scholarship amounts, eligibility, accountability, and enrollment standards. *SB 106* by Senator Dyson is a companion bill. **HB 145 died in House Finance.**

**Pre-Elementary School Plans - HB 154 by Rep.**

**Kawasaki:** Adds a requirement for DEED to devise an early childhood education plan for students that are three and four years of age. Also requires the Board of Education to adopt early learning guidelines. **HB 154 died in House Finance.**

**Special Education Service Agency Funding - HB 198 by the House Education Committee:**

Removes a sunset requirement and increases state funding to the Special Education Service Agency. The increase equates roughly to the impact of inflation over the last 13 years. **HB 198 died in House Finance.**

**Teacher Retention Grants - HB 207 by the**

**House Education Committee:** Establishes a new state grant program to encourage teacher retention. Districts would have to demonstrate high turnover rates to participate. This bill proposes a different program than the one in *SB 83*. **HB 207 died in House Education.**

**Low Performing Schools - HB 208 by the**

**House Education Committee:** Establishes a new program to provide additional funds to low performing school districts. **HB 208 died in House Education.**

**School Debt Reimbursement - HB 217 by Rep.**

**Austerman:** Authorizes school districts to blend project elements eligible for either 70% or 60% reimbursement into a single project. **HB 217 died in House Education.**

**Digital Learning Funding - HB 242 by Rep.**

**Peggy Wilson:** Creates a new funding factor in the foundation formula to provide funds to districts for digital technology. Provides about \$6 million across the state. **HB 242 died in House Finance.**

**Repeal State Intervention in Schools - HB**

**256 by Rep. Dick:** Repeals AS 14.07.020(a)(16), which authorizes the state to intervene in a school district to improve instructional practices. **HB 256 died in House Finance.**

**Student Loan Interest Reductions - HB 272**

**by Rep. Les Gara (D-Anchorage):** Reduces the established interest rates on student loans by 3% for borrowers who maintain residency in Alaska. **HB 272 died in House Education.**

**Student Count Estimates - HB 313 by Rep.**

**Feige:** Changes existing law to use the student count from the preceding fiscal year versus using current school year. **HB 313 died in House Finance.**

**Leave for Parent-Teacher Conferences - HB**

**315 by Rep. Bob Miller (D-Fairbanks):** Allows certain teachers, public employees, and private sector employees to take leave without pay for parent-teacher conferences. **HB 315 died in House State Affairs.**

**School District Principal Bonus - HB 322 by**

**Rep. Gara:** Authorizes DEED to pay an incentive bonus to school districts who hire principals that achieve performance results. **HB 322 died in House Education.**

**State Education Standards - HB 330 by Rep.**

**Dick:** Establishes a legislative task force to develop a process for vetting educational performance standards. House Education broadened the focus to review education funding. **HB 330 died in House Finance.**

**Secondary School Benchmark/Exit Exams -**

**HB 346 by Rep. Peggy Wilson:** Establishes a high school entrance benchmark assessment and repeals the secondary school student exit exams. **HB 346 died in House Education.**

**Resource Development Curriculum - HB**

**352 by Rep. Dick:** Requires all school districts to base curriculum on science, resource development and sustained yield principles. **HB 352 died in House Rules.**

**Prekindergarten School Programs - SB 6 by**

**Senators Davis:** Requires school districts to provide an optional prekindergarten program for students four and five years old. **SB 6 died in Senate Finance.**

**Compulsory School Attendance - SB 9 by Sen.**

**Davis:** Increases the compulsory school age from 16 to 18 years of age and lowers the starting age from 7 to 6. **SB 9 passed the Senate, then died in the House.**

**Repeal Secondary School Exit Exams - SB**

**10 by Sen. Davis:** Proposes the repeal of the state's secondary school exit exam requirements.

**P-16 Education Council - SB 54 by Sen. Davis:**

Creates a preschool to postsecondary education council.

**BSA & Special Needs Funding Increases -**

**SB 73 by Sen. Davis:** Provides an increase in the BSA of \$125 for each of the next two years, two years of increases to the special needs funding factor, and a three-year extension for student transportation funding.

**Teacher Board Certification Incentives - SB**

**83 by the Senate Education Committee:** Provides incentive payments to each teacher who holds a current national board certification, and establishes a loan program to assist teachers to pursue national board certification. **SB 83 died in House Finance.**

**Increase BSA - SB 139 by Senator Davis:**

Increases the base student allocation by \$125 per year for FY 2012 and the following two years. **SB 139 died in Senate Education.**

**Funding for Distance Delivery Educa-**

**tion - SB 169 by the Senate Education Committee:**

Amends the foundation formula to provide funds for distance delivery education. **SB 169 died in Senate Education.**

**Vocational Ed. Counseling in Schools - SB**

**170 by Senator Joe Thomas (D-Fairbanks):** Requires school district to provide vocational education and training counseling to all students in grades 7, 9 and 11. DEED is required to provide assistance to districts unable to comply with the requirements. **SB 170 died in House Finance.**

**Procedures for Low-Performing Schools -**

**SB 194 by the Senate Education Committee:** Establishes a collaborative process that occurs before state intervention. **SB 194 died in Senate Finance.**

**Grant Program for Failing Schools - SB 197**

**by Senator Thomas:** Establishes a new grant program in DEED for achieving excellence in public schools. **SB 197 died in Senate Finance.**

## Fisheries/Resources

### **NPMC Membership - HCR 13 by the House**

**Fisheries Committee:** Requests the governor to designate one seat on the North Pacific Fisheries Management Council for a sport fish licensee and one seat for a rural subsistence user. *HCR 13 died in Senate Resources.*

### **Personal Use Fishing Priority - HB 20 by Rep.**

**Stoltze:** Establishes a priority for personal use fishing for a fishery that is restricted to achieve a management goal. Subsistence is an explicit exception.

### **Mining Production, License Taxes & Roy-**

**alties - HB 58 by Rep. Seaton:** *HB 58* re-writes the state's existing mining tax structure. The bill increases the state's financial return on its mineral resources through a combination of adjustments.

### **Mixing Zones/Sewage Systems - HB 85 by**

**Rep. Seaton:** Prohibits a mixing zone in any fresh water body where anadromous fish spawn or where resident fish redds are located except in certain cases. Another section imposes additional notice requirements for a commercially operated sewage system or treatment works. *HB 86* by Rep. Gara also bans mixing zones in freshwater spawning waters.

### **Label Farmed or Genetically Modified**

**Fish - HB 99 by Rep. Miller:** Requires labeling for all farmed or genetically modified fish or fish product sold in the state.

### **Ban Cultivation of Genetically Modified**

**Fish - HB 100 by Rep. Kawasaki:** Prohibits growing or cultivating genetically modified fish in the state. *HB 100 died in House Resources.*

### **Community Quota Entity Loan Program**

**Appropriation - HB 140 by Rep. Austerman:** Appropriates \$45 million to capitalize the community quota entity loan program proposed in *HB 141*. *HB 140 died in House Finance.*

### **CQE Loan Program - HB 141 by Rep. Austerman:**

Establishes a revolving loan program to allow community quota entities to purchase fishing quota shares. *SB 204* by the Senate C&RA Committee is a companion bill. **Both bills failed to pass.**

### **Extending Stayed Permits - HB 174 by Rep.**

**Feige:** Extends the period in which a state or municipal permit is effective for activities related to mineral resources, oil and gas, or transportation projects for a period of time equal to the time the project is stayed.

### **Fishing Crewmember Statistics - HB 181 by**

**Rep. Austerman:** Creates a crew data program to assess trends and generate information about commercial fishing crews. *HB 181 died in House Finance.*

### **Wild Salmon Day - HB 237 by Rep. Edgmon:**

Sets June 10 of each year as Alaska Wild Salmon Day. *HB 237 died in House Fisheries.*

### **Chinook Research & Restoration Endow-**

**ment - HB 332 by Rep. Bob Herron (D-Bethel):** Establishes the Alaska Chinook research and restoration endowment fund and board in DCCED. *SB 205* by Senator Donny Olson (*D-Nome*) is a companion bill. **Both bills failed to pass.**

### **Land Management: Hunting/Trapping - HB**

**356 by Rep. Lance Pruitt (R-Anchorage):** Requires DNR to manage land to prevent, to the greatest extent practicable, any net loss of acreage available for trapping and sport and subsistence hunting. *HB 356 died in House Resources.*



## **Personal Use Fishery Permits & Fund - SB**

**SB 20 by Sen. Tom Wagoner (R-Kenai):** Establishes a new personal use fishery permit fee structure and fund that can be used to support personal use fisheries.

## **Sport Fishing Guides: Board; Licenses - SB**

**SB 24 by Sen. McGuire:** Establishes the Sport Fishing Guide Services Board and new licensing requirements for sport fishing guide-outfitters, sport fishing outfitters, and sport fishing transporters.

## **Commercial Fishing & Agricultural Bank -**

**SB 68 by Sen. Coghill:** Proposes a number of changes relating to the examinations, loans, board, records and lobbying contracts of the Alaska Commercial Fishing & Agricultural Bank. **SB 68 died in Senate Rules.**

## **Big Game Commercial Services Board - SB**

**SB 190 by Senator Menard:** Creates a retired status master guide-outfitter license and addresses certain licensing and disciplinary functions. **SB 190 died in Senate Judiciary.**

## **Sport Fishing/Resident Hunting Exemptions for Persons with Disabilities - SB 207**

**by Senator Paskvan:** Creates a new exemption for these licenses for persons with mental or physical disabilities, and a process to allow these individuals an opportunity to enjoy use of the state's resources. **SB 207 died in Senate Resources.**

## **Mining License Tax Credit/Rev Sharing -**

**SB 214 by Senator Olson:** Allows a credit for a tax on mining activity paid to a municipality and creates revenue sharing with local municipalities of not more than 33% of the state mining license tax. **SB 214 died in Senate C&RA.**

# **Energy**

## **Hydroelectric Power; Renewable Energy -**

**HJR 23 by House Energy.** Urges Congress to classify hydroelectric power as a renewable and alternative energy source, thereby allowing more participation in federal programs. **HJR 23 died in Senate Resources.**

## **Waste to Energy Technology - HCR 10 by Rep.**

**Petersen:** Encourages the state, municipalities and private entities to consider the benefits and costs of waste-to-energy technology. **HCR 10 died in House Rules.**

## **Net Energy Metering - HB 37 by Rep. Olson:**

Allows, with exceptions and certain requirements, interconnections with consumers that produce electric energy from various sources including wind, solar, geothermal, biomass, etc. Sanctions the crediting of the consumer's account if they supplied more electric energy to the utility than the utility supplied to them.

## **Regulatory Commission of Alaska (RCA)**

### **Utility Rates; Refund Procedures - HB 39 by**

**Rep. Petersen:** Mandates that a utility must have a refund procedure in place before applying to the RCA for a new or revised rate.

**RCA Chair - HB 156 by Rep. Olson:** The commission will no longer elect its the chair. The bill authorizes the governor to select the chair and further states the chair's term will be for three years. The term of the chair is currently one year. **HB 156 died in Senate L&C.**

## **RCA Timelines - HB 193 by Rep. Steve Thompson**

**(R-Fairbanks):** Amends law to mandate a time specific response by RCA on all tariff filings. Expands the Department of Law's authority to act as a public advocate for regulatory affairs. **HB 193 died in House L&C.**

**Home Energy Rating System - HB 197 by Rep. Pruitt:** Authorizes AHFC to act as the authorizing agent to approve home energy rating systems. **HB 197 died in Senate Finance.**

**Power Cost Equalization Changes - HB 294 by Rep. Edgmon:** Amends existing law to cover from 500 to 600 kilowatt-hours a month for most classes served by an electric utility except local community facilities and state and federal offices or facilities other than public schools. **HB 294 died in House Finance.**

**Nonattain Area Home Heating System Grants - HB 323 by Rep. Tammie Wilson (R-North Pole):** Creates a new grant program for converting homes to efficient home heating systems in regions designated as particulate matter nonattainment areas. **HB 323 died in House Finance.**

**Repay Energy Loans With Utility Bills - HB 334 by Rep. Peterson:** Allows a public utility to bill and collect certain payments for energy efficiency loans. **HB 334 died in House Energy.**

**Alternative Energy Revolving Loan Fund Capitalization - SB 32 by Senator Wielechowski:** The bill appropriates \$10 million from the general fund to the Dept. of Commerce, Community, and Economic Development to capitalize this fund. **HB 228 by Rep. Gara is a companion bill. Both bill failed to pass.**

**Heating Fuel Energy Relief - SB 99 by Senator Paskvan:** Requires the state to offset a portion of home and commercial heating fuel costs when the price of oil generates a budget surplus. **SB 99 died in Senate Finance.**

**Affordable Heating Program Payments - SB 102 by the Senate Finance Committee:** Clarifies the state is allowed to prorate benefits between LIHEAP and the Alaska Heating Assistance Program in the case of a fund shortage. **SB 102 died in House Rules.**

**PFD Energy Rebates - SB 133 by Sen. Thomas:** Adds an energy rebate for PFD recipients in 2012. **SB 133 died in Senate Resources.**

**Natural Gas Conversion Program/Fund - SB 154 by Senator Thomas:** Creates a new low-interest loan program for homeowners who convert their homes to natural gas-fired heaters, and establishes the natural gas home heating loan fund for this purpose. **HB 312 is a companion bill. HB 312 passed the House, but died in Senate Finance.**

**RCA Utility Rates; Cost Recovery - SB 193 by Senator Fred Dyson (R-Eagle River):** Allows a public utility to recover the cost of developing an auxiliary source of energy, natural gas, or petroleum products. **SB 193 died in Senate Labor & Commerce.**

**Energy Assistance Program & Vouchers - SB 203 by Senator Thomas:** Provides energy relief for Alaskans this fall through a voucher program for either 250 gallons of heating oil, an equivalent amount of natural gas, or 1,500 KW of electricity. Another section requires the governor to analyze and recommend an energy assistance program for FY 2014. **SB 203 passed the Senate, but died in House L&C. Another \$5 million was added to LIHEAP to be distributed to existing customers on a pro rata basis.**

# Aleutians East Borough

## Capital Projects of Interest

### Passed Capital Budget (*SB 160*)

#### Alaska Energy Authority - Round V Renewable Energy Project Grants

City of King Cove - Waterfall Creek Hydroelectric Project (Design Money)	\$200,000 (Other Funds)
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#### Department of Commerce, Community & Economic Development

Aleutians East Borough - Cold Bay Airport Apron & Taxiway Construction	\$2,000,000 (General Funds)
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City of King Cove - Landfill Incinerator	\$575,000 (General Funds)
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#### Department of Education & Early Development - Major Maintenance Grant Fund

Akutan K-12 School Siding Replacement	\$66,625 (General Funds)
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Sand Point K-12 School Pool Major Maintenance	\$72,774 (General Funds)
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#### Department of Transportation & Public Facilities

Cold Bay - Airport Rescue & Firefighting Building Expansion	\$600,000 (Federal Funds)
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Cold Bay - Runway 14/32 Rehabilitation & Lighting System Replacement	\$16,000,000 (Federal Funds)
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King Cove to Cold Bay Corridor Road Extension	\$4,000,000 (Federal Funds)
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### Passed GO Transportation Bond Bill (*HB 286*)

City of Sand Point - Sand Point Road Rehabilitation	\$2,500,000 (GO Bond Proceeds)
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# House Majority Caucus

## FY2013 Education Plan

The leaders of the Alaska House Majority Caucus today unveiled the Caucus' Fiscal Year 2013 K-12 education funding plan. The package combines major budget bills and three individual bills into a new omnibus bill (SB182) that highlights the members' commitment to its guiding principles of providing excellent schools and workforce development and fiscal restraint.

Caucus members surrendered part of their capital budget discretionary funds, that could have been spent on projects within their districts, to focus on education and add an additional \$25 million in capital budget funding for local school district projects.

The across-the-board House Majority Education Plan incorporates specific pieces within Senate Bill 182, the capital budget and the operating budget, to include:

### Vocational Education

- An improvement over Senate Bill 199, which extends vocational education funding to seventh and eighth graders. The House plan includes 50-percent more funding, totaling an additional \$5.9 million for vocational education spending for grades 7-12.
- Continues this funding increase, by putting in place a 1.5% increase in per-pupil funding for vocational instruction over the next two years.



### Parents as Teachers

- The House Majority incorporated part of House Bill 49, the Parents as Teachers bill, creating a \$3.9 million, three-year pilot project to enhance early learning for parents and children.

### Pupil Transportation

- The original components of SB 182, which covers pupil transportation funding, remain. The House Majority plan includes a 1.5-percent inflation increase for the next two fiscal years and an \$8 million dollar supplemental appropriation to the same percentage increase in the current fiscal year.
- The Majority collected pupil transportation estimates from School Districts around the state and developed a formula that increased funding for pupil transportation by more than \$11.5 million in FY2013.



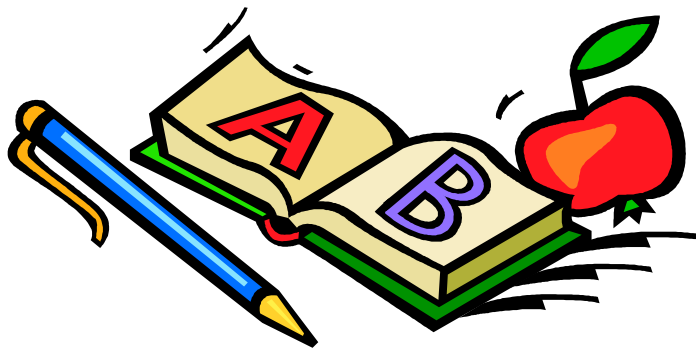
### Savings and Extra Funding to School Districts

- The House Majority legislation reduces the required local contribution from a tax rate of 4 mills to 2.65 mills. This results in a total savings of approximately \$21.3 million at the local level, which municipalities can use to fund additional education programs as they see fit.
- Combining the increased capital funds and the extra funding provided for transportation, parents as teachers and vocational education, an additional \$42.5 million will be going to school districts in FY2013.



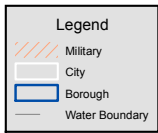
### Commitment to Education

- The package will front-load the legislature's Public Education Fund with \$86.7 million dollars to pay for the pieces of the plan through 2014.
- The Majority's proposed K-12 package would mean that Alaska students are funded at 1.9 times the foundation formula.
- The plan includes a state payment of \$329 million into the Teacher Retirement System (TRS).
- As part of the plan, the House Finance Committee is going to put together an education working group led by the co-chairs to work over the interim.
  - Focused on ways to increase student performance, review statutes concerning teacher retention and tenure, and ensure that our statutory framework provides support for teachers.
  - They will also put our historical budget growth into context, and have conversations with educators and others about how the state is investing in education, and add funding to the operating budget for a two-year study into education delivery and effectiveness.

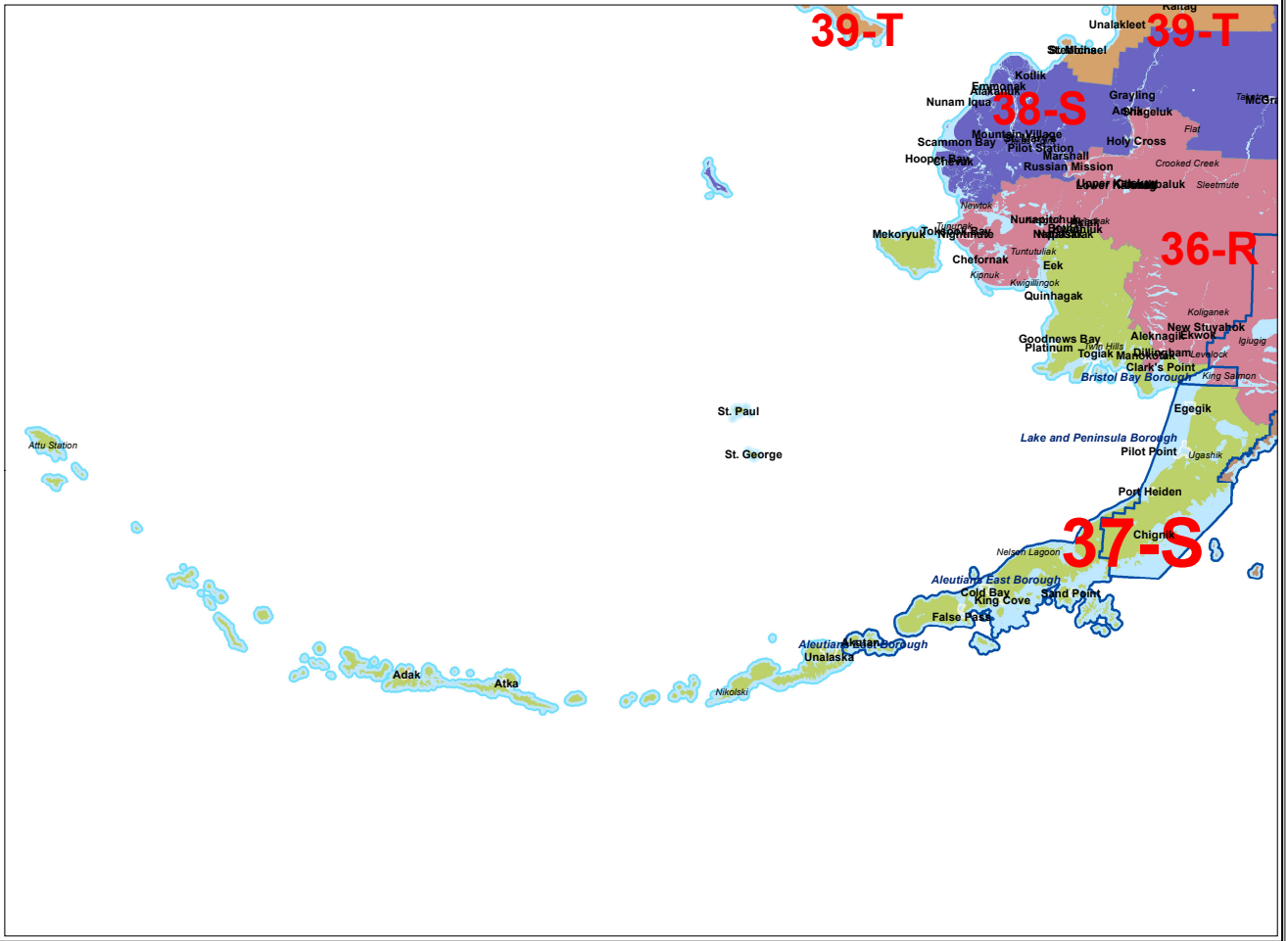


# Amended Proclamation House Districts

House  
District  
37



Prepared by:  
Alaska Redistricting Board



# Date & Location of Next Meeting

# Adjournment