

Aleutians East Borough
February 19, 2013
6:00 P.M.

CALL TO ORDER

Mayor Mack called the February 19, 2013 Assembly meeting to order at 6:00 p.m. at the Anchorage AEB office building and by teleconference in each community.

ROLL CALL

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

Advisory Members:

Nikki Hoblet, False Pass	Present
Harold Kremer III	Present
Justine Gundersen	Absent -Excused

A quorum was present.

Staff Present:

Rick Gifford, Administrator
Roxann Newman, Finance Director
Tina Anderson, Clerk
Ernie Weiss, Resource Director
Laura Tanis, Communications Manager
Anne Bailey, Community Development Coordinator
Linda Mack, Administrative Clerk

Adoption of Agenda:

MOTION

Ken moved to adopt the agenda and second by Bill. Hearing no objections motion approved.

Community Roll Call and Public Comments on Agenda Items:

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

Minutes, January 10, 2013:

MOTION

Brenda moved to adopt the January 10, 2013 Minutes and second by Ken. Hearing no objection the minutes are approved.

Financial Report, January:

MOTION

Brenda moved to adopt the January Financial Report and second by Bill.

DISCUSSION

Paul said the hovercraft tent insurance settlement was placed in Fund 22 Revenues and asked why. The Finance Director said it was revenues coming in for hovercraft tent. The Administrator said typically you might have another line item to show that and up to the Assembly how to use it, however, since it was related to the hovercraft, it was put in Fund 22.

Brenda said the Finance Director does an awesome job explaining why things are there.

There were no objections to the motion. **MOTION PASSED.**

Investment Report, January:

In packet.

Consent Agenda:

- Resolution 13-18, Approving Participation in the FY14 Community Revenue Sharing Program.
- Resolution 13-19, Supporting the Permanent Presence of the United States Coast Guard in Cold Bay.
- Introduction Ordinance 13-05, Amending the FY 13 Budget.

MOTION

Brenda moved to adopt the Consent Agenda and second by Ken.

Paul said the federal sequestration may cause loss of jobs all over the nation with a possibility of some of those jobs being in AEB and suggested we keep an eye on that.

ROLL CALL

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

OLD BUSINESS

Approval of Hoverlink Contract (tabled at the November 13, 2012 Assembly mtg.):

MOTION TO REMOVE FROM THE TABLE

Paul moved to remove the approval of the Hoverlink contract from the table and second by Ken. Hearing no objections **MOTION APPROVED.**

MOTION

Ken moved to approve the Hoverlink contract and second by Bill.

DISCUSSION

Paul said at the workshop there was discussion on the housing for hovercraft crew. He asked the Administrator how much is available for the housing and if any decisions have been made, and what part for approval by Assembly. Administrator said Co-Sponsorship Agreement (CSA) originally has \$3M AEB bond and \$3M state money. AEB has spent just under \$4M. So, will have funds to go towards alternative option. Plus, Trident's contribution of \$1M. \$100,000 of Trident money was used on the helicopter plan. Paul asked if the CSA does not approve the housing, where will the money come from. The Administrator said he would then have to come back to the Assembly. Mayor Mack said if CSA does not approve, then they won't have housing. Believes we can justify spending the money because it is part of the support for that marine link. The unit being considered is around \$500,000.

Paul felt any long term fix is eight years away. Long term range cost would be \$24M, if alternative option is that many years away. People had a difficult time spending \$1M in King Cove for hovercraft and now cost is at \$3M.

The Administrator said unfortunately it is the hovercraft and it is costing us a lot of money. He said they will come up with an interim plan that will cost less money. Everyone is going to work as hard as they can to make this work. Mayor Mack said, down the line, we won't be putting \$3M in for the link. We have discussed this thoroughly in Juneau and DOT/PF understands what is happening now. We are now at the other options that are available. Everyone understands that we cannot sustain \$3M a year for marine link. The contract with Hoverlink has a 90 days clause for termination and our contract comes up in August. If we do nothing, the cost will be what Paul said, but we are doing something.

Joe said city of Akutan understands the hovercraft is an expensive proposition for anyone and wouldn't want to be there either, but that is what we are faced with. People are very active on trying to find an alternative to the hovercraft, but right now we're trying to buy time to find a different solution. If we stop service, there are other consequences to that.

Ken asked about Paul's landing craft design option. Mayor Mack said we have come up with a conceptual idea on the landing craft. Ken said we would have to authorize to get a design and then build it. Mayor Mack said if we signed a contract with a shipyard it would take around 18 months to build. He said, for the record, he is considering the helicopter option as the interim option. Looking at a program for short-term but the ultimate goal is to find a long term option.

Paul asked the Finance Director how comfortable she is with the numbers on the amended budget, which might increase to \$2.5M under contract. The Finance Director said now, as

you can see, budget is \$2.4M. Mayor Mack asked where the revenues coming in would go. The Finance Director answered under Fund 22.

Carol asked when the reimbursements from the state will be received. The Administrator said the repairs and maintenance have been reconciled. Lobbyist Mark Hickey has a draft letter to outline where we're at, so in another couple weeks, we can bill them for their half. Carol asked if AEB can legally end the contract with Hoverlink. The Administrator said yes, a 90 day termination is in the contract because that is how long it will take Hoverlink to wind down operation. Hoverlink does understand that the hovercraft costs are too much and can't be the long term solution.

ROLL CALL

Bill-yes, Marvin-yes, Ken-yes, Paul-no, Joe-yes, Carol-yes, Brenda-yes. Advisory: Harold-yes, Nikki-yes. MOTION PASSED.

NEW BUSINESS

Advisory Member Appointments-False Pass, Cold Bay:

Ken moved to accept the Advisory recommendations and second by Brenda.

False Pass Advisory: Nikki Hoblet

Cold Bay Advisory: Harold Kremer, III

Hearing no objections MOTION PASSED.

REPORTS AND UPDATES

Reports in packet.

Paul noted that the Assembly had good input from Consultant Sam Cotton at the workshop.

Board of Fisheries: The Resource Director said the Board of Fish meeting is coming soon beginning February 26, he has been having fishery meetings by teleconference and a strategy meeting is scheduled in Anchorage before Board of Fish, also a fish meeting at APICDA.

Managing our Nation's Fisheries-May 7-9: The Resource Director felt this might be a beneficial meeting to attend. The meeting will address management and the Magnuson-Stevens Act reauthorization issues. Weiss felt there might be an opportunity to protect the communities in the new regulations.

Mayor Mack, for the record, noted his appreciation for Paul attending the NPFMC. Weiss, for the record, noted his appreciation for Mayor Mack also attending.

Washington D.C. trip: Heading back to Washington D.C. to meet with Secretary of the Interior, Ken Salazar and will report back afterwards.

ASSEMBLY COMMENTS *None*

PUBLIC COMMENTS *None*

NEXT MEETING DATE AND TIME

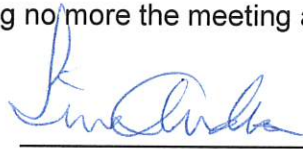
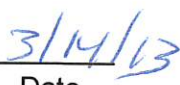
Thursday, March 14, time to be determined later.

ADJOURNMENT

Paul moved to adjourn and second by Bill. Hearing no more the meeting adjourned at 7:00 p.m.



Mayor Date

Clerk Date