

Aleutians East Borough
May 29, 2012
4:00 p.m.

CALL TO ORDER

Mayor Mack called the May 29, 2012 Assembly meeting to order at 4:00 p.m. by teleconference in each community.

ROLL CALL

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

Advisory Members:

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

A quorum was present.

Staff Present:

Tina Anderson, Clerk
Ernie Weiss, Resource Director
Laura Tanis, Communications Manager
Anne Bailey, Community Development Director
Jacki Brandell, Finance Assistant

Agenda Additions:

Donations Requests: Akutan Tribal Council Donation Request

Adoption of Agenda:

Paul moved to adopt the agenda with the addition of Akutan Culture Camp \$5000 donation request.
Justine seconded.

Community Roll Call and Public comment on Agenda Items:

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

Bob Barnett, from the public, noted the public hearing ordinance for the new budget is before the Hoverlink contract. He said if you approve the budget before you, it approves the Akun/Akutan link contract budget. The hovercraft link might not work and that you have another plan of attack. The hovercraft was a \$1M subsidy before, now it will be a \$2M subsidy.

Minutes, April 23, 2012:

MOTION

Joe moved to adopt the April 23, 2012 Minutes and second by Bill. Hearing no objections the minutes are approved.

Financial Report, April 2012

MOTION

Justine moved to adopt the April financial report and second by Joe.

ROLL CALL

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

Investment Report, April:

The Permanent Fund month-end market value is \$29,484,337, which includes \$69,705 in accrued interest.

Paul said he reviewed the report briefly saying it might be down this month once the report comes out.

Consent Agenda

- Resolution 12-15, Assembly electing to participate in the AML/JIA FY2013 Loss Control Incentive Program.
- Resolution 12-16, Assembly supporting the submittal of harbor facility grant application to State of Alaska, DOT/PF in an amount not to exceed \$3.5M for the project entitled: Akutan Harbor Floats.
- Resolution 12-17, Assembly adopting plans for the \$2M of GO Bond, Other Transportation or Economic Development Projects to be used on the Sand Point Robert E. Galovin Small Boat Harbor renovations project.

MOTION

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

DISCUSSION

Mayor Mack reviewed the resolutions on the Consent Agenda.

ROLL CALL

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

PUBLIC HEARINGS

Public Hearing Ordinance 12-05, Adopting the Operating and Capital Budget for FY2013.

This is a substitute ordinance in which Cost-of-Living Adjustment (COLA) has been added to employees pay.

MOTION

Paul G. moved to adopt Ordinance 12-05 (*ordinance introduced at April 23 Assembly meeting, not substitute ordinance*) and second by Bill.

AMENDMENT

Paul moved to amend Ordinance 12-05 and second by Justine:

- Fund 22, hovercraft expenditures, instead of \$2,180,000 reduce to \$220,000. Remove contract, fuel/gas and fuel/diesel. Leave in budget \$215,000 insurance and \$5,000 utilities.
- Educational support, remove \$700,000, reducing total amount to \$825,000.
- Fund 20, Grants, include the \$400,000 for Sand Point School paving project, which increases total to \$625,000.
- Add COLA of 3.6%.

Mayor Mack opened for Public Hearing. Bob Barnett, from the public, said he is not against the marine link and thinks it is a good thing, however, feels it is not well thought out. There are other things that come into play with safety. If you approve \$2M on the budget, it could be a start of another plan. He noted that he had not talked to Assembly Member Gronholdt before this meeting. It is good to put money in the budget but he feels it is better to do a lot of research and see what path you want to follow. Not against the link and know you have to have something in place before first plane.

Hearing no more Public Hearing closed.

DISCUSSION

Joe appreciates Paul's concern. We are getting close to the wire and the closer we get he does not want to stop moving forward. Feels changes should have been made then. Feels we need to get something started even if it is a hovercraft, understands your concern in wasting money. He is looking at what we have to deal with out here and just need to push forward because there is no choice.

Paul asked who the parties on the co-sponsorship agreement are. Mayor Mack said the State of Alaska DOT/PF, City of Akutan, AEB and Trident Seafoods. Paul said, with all due respect to Joe, he believes Joe has a conflict of interest representing the City of Akutan. He feels it may be a conflict that probably would change any outcome. He believes we are in a bad situation, no situation is really good. So, feels we should do an option that we can afford. It's listed as a \$3M subsidy and we don't have that in our budget right now and might have to raise taxes. If we increase the fare no one will ride. We have a landing craft option and should be going forward with it yesterday. He said he read city of Akutan's letter of objecting to part of the contract. This money isn't coming back into the AEB and no local hire to speak of. The budget is incomplete and out of kilter.

Paul said there has been talk about postponing the hovercraft contract until July so at this time would be premature to adopt that in budget. He said under educational support there is one less teacher in Cold Bay, Nelson Lagoon might not have any teachers, and the State increased funding by \$200,000. So, feels the \$700,000 additional funding request is not needed any longer. Also, the Sand Point School paving project approved last month has to go somewhere and believes the Finance Director intended it to go in Fund 20, Grants. On Fund 22, hovercraft he suggested funding only \$220,000 -- \$215,000 for insurance and \$5,000 utilities. He suggested adding under operating expenditures \$1M for the hovercraft overhauls cost. His understanding is that Kvichak crew in Cold Bay are now working on the

hovercraft and have requested a one month extension on housing. Assembly has to approve expenditures over \$100,000 so suggested including the overhauls costs.

Mayor Mack said the policy of AEB is to increase the sustainability of the communities so they can develop their economic base so they can sustain a good solid population. The only means of transportation into Akutan is a Grumman Goose at this time. The Akutan airport has been on the horizon for many years, the AEB had also re-aligned the Sand Point airport. Granted, we might find out hovercraft is not reliable or affordable but that is still forthcoming. Feels there is a plan B but that will take time. Right now need to get this plan up and running so don't have to reimburse revenues due to changing plans, which might risk losing revenues. Mayor Mack said the money for the hovercraft maintenance is coming out of another budget right now. Paul said his intent is to have a budget number somewhere showing expenditures. Mayor Mack said it doesn't reflect on the new budget being discussed today.

Joe does not support the amendment, the hovercraft is part of his amendment. Feels he should let the new staff member do that and does not support. Marvin agrees with Joe.

ROLL CALL ON AMENDMENT

Paul-yes, Justine-no, Bill-yes, Marvin-no, Joe-no, Ken-no. Advisory: Nikki-no, Harold-no.
AMENDMENT FAILED.

Paul suggested discussing the Hoverlink contract first because once we put it in the budget it is approved to be spent.

Mayor Mack said the approval of the budget is a tool we can work from and at this point in time we should give the incoming administrator opportunity to examine it. Budgets can be amended, but we need something to start the operation July 1 and he supports the budget. Ken recognizes the validity of Bob Barnett's concern of budget but supports it in the budget and can amend later. Paul said in regards to the \$1M in his amendment for hovercraft repairs, he asked what the cost is for fixing the hovercraft. Mayor Mack said we have the best proposal which has been approved by the co-sponsorship agreement.

Anne said contract for Hoverlink phase 1 was for \$75,000, operational planning and budgets. In front of the Assembly now is phase 2 & 3. Mayor Mack said they do have some figures in proposal on contract maintenance and repairs on page 2 of agreement under repairs of operation.

ROLL CALL ON MAIN MOTION

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

Public Hearing, False Pass Harbor Utility Project.

The Community Development Coordinator said one of the requirements by Community Development Block Grant (CDBG) is to have another public hearing. In Oct 2010 AEB held a public hearing to discuss CDBG opportunities and the Assembly suggested the False Pass

harbor utility project which was selected, applied for and awarded in the amount of \$400,000. Puffin Electric was selected as contractor. The crew arrived in False Pass in April 2012 and the excavator arrived May 15th. She said the City of False Pass Mayor, Tom Hoblet, asked about local hires and the contractor was open to it; however locals did not have level of skills needed. The project is currently on schedule for completion. The Contractor is also doing other work in False Pass for other entities.

Mayor Mack opened for public hearing. Hearing none public hearing closed.

OLD BUSINESS

Contract for HoverLink (Akutan–Akun Hovercraft Operations):

MOTION

Joe moved to table the HoverLink contract until next meeting. Akutan has concerns and feels we need to wait until the new Administrator begins position. Second by Marvin.

There were no objections, MOTION PASSED.

NEW BUSINESS

Donation Requests:

- QTT Culture Camp \$7,000 donation request.
- Sand Pt. Silver Salmon Derby fundraiser \$750 donation request.
- Cold Bay EMS Silver Salmon Derby fundraiser (no amount) donation request.
- King Cove Fire & Rescue \$600 donation request-scholarship fundraiser.
- Sand Point Teen Center \$2000 donation request.
- City of False Pass \$5000 donation request for ARCS TV dish and transmittal repair.
- AEBSD Tobacco Prevention \$200 donation request.
- City of Sand Pt. - Annual Clean-Up (no amount) donation request.
- King Cove Community Center -- Annual Clean-up (no amount) donation request.
- Akutan Culture Camp \$5000 donation request.

MOTION

Paul moved to approve the donations below:

- QTT Culture Camp: \$7000 from new fiscal year FY13, donations budget.
- Sand Pt. Silver Salmon Derby fundraiser: \$750
- Cold Bay EMS Silver Salmon Derby fundraiser : \$750
- King Cove Fire & Rescue scholarship fundraiser: \$600
- Sand Point Teen Center: \$2000

- AEBSD Tobacco Prevention: \$200
- City of Sand Pt. - Annual Clean-Up : \$200
- King Cove Community Center – Annual Clean-up: \$200
- Akutan Culture Camp: \$5000

Motion seconded by Joe.

Justine does not support funding for Sand Point and King Cove clean-up, Nelson Lagoon funded their own. Harold would like to request more for Cold Bay EMS, need funding for new ambulance. Mayor Mack encouraged them to put an amount on the donation request in the future.

AMENDMENT

Justine moved to remove Sand Point and King Cove clean up. Second by Joe.

Marvin said money is used for prizes for school kids participating in the cleanup. Mayor Mack is unsure why the state is not repairing ARCS satellite. Regarding the False Pass ARCS request, the False Pass City Clerk will contact AEB with more information. Justine added that Nelson Lagoon Tribe did have to finance the new ARCS in Nelson Lagoon and they did it without asking for money, it is a state project.

ROLL CALL

Justine-yes, Ken-yes, Paul-no, Marvin-yes, Joe-yes, Bill-no. Advisory: Nikki-yes, Harold-yes. AMENDMENT PASSED.

ROLL CALL ON MAIN MOTION

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

REPORTS AND UPDATES

Fisheries Update:

Mayor Mack said Consultant, Sam Cotton, and Resource Director, Ernie Weiss, will be heading to Sand Point soon. Sam said ADF&G will be there for the usual pre-season opportunity to interact with the staff. In addition, information will be presented on the Western Alaska Salmon Stock Identification Project (WASSIP) with question/answer on that project. He and Ernie will make themselves available to discuss any fisheries issues people want to talk about. Ernie added that it will be a video/audio conference to other AEB communities so all sites are able to interact.

New Administrator: Mayor Mack said the new administrator will be starting work on June 25.

ASSEMBLY COMMENTS

Paul thanked Ernie for the bar graphs.

PUBLIC COMMENTS None

NEXT MEETING DATE AND TIME
Mid-July, date to be determined later.

ADJOURNMENT

Justine moved to adjourn and second by Bill. Hearing no objections meeting adjourned at 5:16 p.m.

Stanley Black 8/28/12
Mayor Date

Jan Oudis 8/28/12
Clerk Date