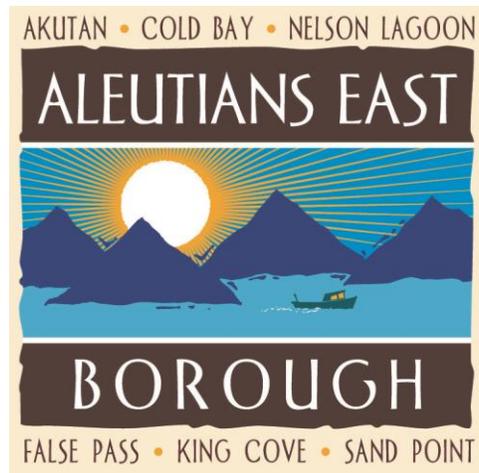


Aleutians East Borough Assembly Meeting

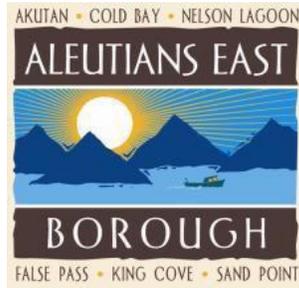


Workshop: Thursday, May 18, 2023– 1:00 p.m.

Meeting: Thursday, May 18, 2023– 3:00 p.m.

ROLL CALL & ESTABLISHMENT OF QUORUM

ADOPTION OF AGENDA



Agenda

Assembly Meeting

(packet available on website www.aleutianseast.org)

Date: Wednesday, May 3, 2023
Time: Workshop: 1:00 Meeting: 3:00 p.m.

Location: By teleconference in each designated community location below:
King Cove AEB Office Sand Point AEB Office
Cold Bay City Office Akutan City Office
Nelson Lagoon Corp. Anchorage AEB Office, 3380 C
Street False Pass City 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 after the adoption of the agenda. The meeting will also be broadcast on KSDP Public Radio.

ASSEMBLY MEETING AGENDA

1. Roll Call & Establishment of Quorum
2. Adoption of the Agenda
3. Public Comments on Agenda Items
4. Conflict of Interest
5. Presentation
 - Open Meetings Act and Agenda Discussion – Joe Levesque – WORKSHOP ONLY
 - FY22 Audit Presentation – Bikky Shrestha and George Barker
6. Minutes
 - April 13, 2023 Meeting Minutes
 - May 3, 2023 Meeting Minutes
7. Financials
 - None
8. Investment Report
 - None

9. Consent Agenda
 - None
10. Public Hearings
 - Public Hearing Ordinance 23-04, Authorizing the Mayor to negotiate and execute a Lease of Lot 2, Port Moller Cannery Subdivision
 - Public Hearing Ordinance 23-05 Amending Title 1, Chapter 1.20, Section 1.20.030(B)(3) and 1.20.100; Title 2, Sections 2.08.010(B), 2.12.030(A) and (B), 2.20.040, and 2.20.050 of the Aleutians East Borough Code of Ordinances
 - Public Hearing Ordinance 23-06, Adopting the operating and capital budget for the Aleutians East Borough Fiscal Year 2024
11. Ordinances
 - None
12. Resolutions
 - Resolution 23-55, Authorizing the Mayor to appropriate the FY24 Permanent Fund Earnings to Designated Projects
 - Resolution 23-56, Supporting Southeast Alaska Salmon Troll Fishermen
 - Resolution 23-57, Relating to the disposal of surplus, obsolete or unneeded supplies
 - Resolution 23-58, Authorizing the Mayor to engage Espelin & Associates, llc for Accounting Assistance Support in an amount not to exceed \$75,000
 - Resolution 23-59, Accepting the financial statements, required supplementary information, supplementary information, and single audit reports for year ending June 30, 2022
 - Resolution 23-60, Accepting the Assignment and Assumption of the Borough's Tidelands Lease with Silver Bay Seafoods and Authorizing the Mayor to Negotiate and Executed the Agreement
 - Resolution 23-61, Authorizing the Mayor to begin negotiations with Term Contractors for future Borough construction projects
 - Resolution 22-62, Authorizing the Mayor to negotiate and execute a contract with DOWL to conduct a site visit and complete a condition assessment of the Sand Point School in an amount not to exceed \$53,150
13. Old Business
 - Cold Bay Water Discussion
14. New Business
 - Donation Requests
 - FY24 Health Care Insurance
15. Reports and Updates
16. Assembly Comments
17. Public Comments
18. Next Meeting Date
 - July 13, 2023

19. Adjournment

***All materials pertaining to this meeting are available on the Aleutians East Borough website.**

**COMMUNITY ROLL CALL &
PUBLIC COMMENT ON AGENDA
ITEMS**

CONFLICT OF INTEREST

PRESENTATIONS

MINUTES

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Assembly meeting to order by teleconference in each community on April 13, 2023 at 3:00 p.m.

ROLL CALL

Mayor Alvin D. Osterback	Present
Brenda Wilson	Present
Jim Smith	Present
Chris Babcock	Present
Dailey Schaack	Present
Josephine Shangin	Present
Paul Gronholdt	Present
Warren Wilson	Present

Advisory Members:

Samantha McNeley, Nelson Lagoon	Present
Tom Hoblet, False Pass	Present

Quorum was present.

Staff Present:

Anne Bailey, Administrator
Talia Jean-Louis, Assistant Administrator
Laura Tanis, Communications Director
Ernie Weiss, Natural Resources Director
Charlotte Levy, Natural Resources Assist. Director
Glennora Dushkin, Administrative Clerk
Beverly Ann Rosete, Borough Clerk
Seward Brandell, Accounting Clerk

ADOPTION OF THE AGENDA

CHRIS move to Adopt the Agenda, seconded by BRENDA

Hearing no objections, the Agenda will stand as Written

COMMUNITY ROLL CALL AND PUBLIC COMMENTS ON AGENDA ITEMS

The communities of King Cove, Sand Point, Akutan, Cold Bay, False Pass, Nelson Lagoon and the Anchorage office were participating by teleconference. Also broadcast on KSDP radio.

CONFLICT OF INTEREST

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. There were no conflicts on agenda items.

PRESENTATION:

- Akutan Harbor Navigational Improvements Study by Cindy Upah, U. S. Army Corps of Engineers. Laure, Andrea, David and John

Project Manager Dave Williams said they will be presenting 3 alternatives and what each alternative looks like but will be looking for one. They are looking for input because they will be presenting a little bit more detail on the process to their vertical team at the end of this month. At that point, they hope to be able to come back and say they accepted this and then continue the process to the report.

Chief of Planning Cindy Upah thanked AEB and Native Village on Akutan for being here today. The project has reached a very exciting juncture with the help of the community. We were able to consider solutions for Akun. What we call the tentatively select plan is what will be published in the draft report that is due to be released June 21. From there we will get input from the community agencies, stakeholders and headquarters to make any adjustments to the final recommendation. This is a big milestone for the community. Slide 2 of the presentation shows the authorities section. Section 203 of the Water Resources Development Act (WRDA) of 2000, as amended. 33 U.S.C. 2269. Tribal partnership program (TPP). That is the authorities that given us the study. Section 2006 of the WRDA 2007, as amended. 33 U.S.C. 2201 is the Remote and subsistence harbors authority. Section 1156 of WRDA 1986, as amended. 33 USC 2310 provides Cost sharing for Territories and Indian tribes. Remotes Assistance authority allows us to look at other than just the economic benefits. We worked with the community a lot to get cultural and social benefits. Presentation also shows the Vicinity map, Problem and Objectives of the project. The current transportation method (helicopter) between the Akutan Airport on Akun Island and the community of Akutan is expensive, inefficient, and has reliability concerns for airline passengers, medical supplies, and airline freight. We want to provide reliable access to transportation for the community. There was study in 2012 and continuing authorities program study in 2019. That study was stopped because it will cost more than it allows in that program. Opportunities and constraints were also identified during the charette listed on page 6 of the presentation. Some of the potential Harbor Locations are identified in page 7. Ultimately, 2 sites were carried forward, Site D and Site E. The existing conditions are looked for all the resources environmental, cultural, economic. We look at what those might be in the future without the project in place and that becomes more based on to compare all our alternatives. We'll need to complete our agency coordination for the Endangered Species Act and the Marine Mammal Protection Act. Those will happen while we are in design because we need some special paperwork from headquarters to do that a little bit later. But we are gone away with the site visits better environmental team has already performed in the area working on coordination. Slide 10 shows a map of cultural resources, there are two known cultural districts. A Programmatic Agreement will be developed in this study. We will have an agreed upon process to follow anything before constructions. Slide 11 shows the Subsistence around the area, Akutan has been identified as both subsistence and cash economy which is both important. Slide 12 provides a visual of the aircraft and aviation condition and slide 13 shows the marine infrastructure. We must ensure in this project that whatever we do in Akun, if a ferry comes in Akutan, there is a place for it. Slide 14, shows an example of the Design Vessel. The U.S. Army Corps of Engineers (USACE) Marine Design Center (MDC) has contracted Bristol Harbor Group, Inc. (BHGI) to prepare a feasibility and cost evaluation for the operation of a conventional monohull passenger vessel to replace the current mode of transporting passengers to and from the city of Akutan to the Akun Airport, which has been by helicopter since 2014. The transit is about seven nautical miles across the Akun Strait, separating the islands of Akutan and Akun in the Aleutian Island Chain of Alaska. It shows here that the cost of operating the ferry will be way less than the cost of operating the helicopter. Slide 15, shows the proposed road to Akutan that will be built. The proposed road would be approximately 1.25-miles long with a 12-foot-wide drivable surface. The road could accommodate two-way traffic for ATV's but would be limited to one way traffic for larger vehicles. \$2.75m funded by Denali Commission and City of Akutan. There are 3 alternatives. Alternative 1: HARBOR SW OF UNNAMED POINT, this is the largest among the 3, has 715 foot

breakwater, 120' X 120', -13' turning basin, and an entrance channel of minimum of 60' to 120', -13' no blasting is required. Alternative 2: HARBOR SOUTH OF UNNAMED POINT, the breakwater is a little smaller 450' feet, turning basin is same size 120' x 120', -13', the dock is a little shorter, Entrance channel: 60' minimum to 120', -13', and requires blasting. Alternative 3: HARBOR NORTH OF UNNAMED POINT, Breakwaters: 400', Turning basin: 120'x120', -13', Entrance channel: 60' minimum to 120', -13'. After a series of various analysis, Alternative 2 came out to have highest net benefits, therefore, Alternative 2 is the proposed tentatively selected plan. The preliminary cost will be \$52M, that includes labor cost. \$11.7M will be non-Federal cost and \$46.2M will be Federal and that includes entire project and design. We are looking at completing the study in July of 2024. About \$1.2M of non-federal funds will be required shortly after that time. Slide 26 shows economics, environmental, cultural and engineering required that includes ROM costs and the design, cultural programmatic agreement, coordination with environmental agencies among other things. Slide 27 breaks down the site works at the end of the study in addition to some technical work we have some deadlines to meet. Slide 28 shows the milestones and the funding stream. Our tentatively selected plan will be presented in communication headquarters on April 28 and we will be releasing the draft report on June 21st of this year. This will give opportunity for the community to submit comments and final report will be given to headquarters on March 2024.

CHRIS asked if after a plan has been picked and approved, an environmental impact statement will be included. Cindy Upah responded on the release of Draft report on June, it will include environmental assessment.

PAUL commented that he thinks the better boat for that route would be the one similar to the one used in False pass which is a crew boat. It has a shallower draft and if there is a mechanical, you can have it trailer at the old ramp rather than having a 58' boat to King Cove, Dutch Harbor or Sand Point to have it repaired if necessary. I would like to see how option 2 and 3 compare during stormy days. Cindy Upah replied that this is the design vessel but the community has the option to purchase out the vehicle that will work. David added they used as far as what the CORPS has as far as expertise with the marine design. They relatively picked a heavy boat because of marine climate. The best way to utilize the harbor is up to the community. Or job is to give the community a best harbor.

WARREN asked how much the cost of study to the Borough is? Davis responded The cost of the study right now to the Borough is about \$1M. What we are putting into it on the CORP side is \$1.5M.

JOSY commented that we are not setting up for failure, in response to PAUL's comment about the boat size. We are looking having to get through the pass otherwise we will be in the same situation with the Hover Craft where it is nice weather, but the pass was rough, and the boat cannot go through. I think it was a nice presentation and am looking forward to the presentation to be put out. CRIS asked JOSY what is the real problem in getting to Akun Island. JOSY responded it would be the pass, it could be nasty at times.

JOE BERESKIN asked if there is a cultural site on the Unnamed Point on page 10 of the presentation? Cindy Upah said that if during construction there is anything that was discovered through that were not impacted by the dock, if it was for some reason, we will have an agreement in place so people would understand what to do moving forward. BRENNNA said those will come up together as a group and things will be negotiated and agreed upon using your ideas on how you want us to handle. JOE BERESKIN asked why Alternatives 1 & 2 came out of that Unnamed Point but the other one requires blasting and the other one does not? Cindy replied, we have geotechnical investigations and they determined where the bed rocks are. Alternative 1 is pushed out so that it falls out the area of where the bedrock is, so we do not anticipate blasting there where as alternative 2 & 3 are definitely on the bedrock so they require blasting.

PAUL asked joe id the road going on the airport will be going this year or next year. JOE responded next year.

Mayor Osterback commented that so far there are quite a bit of things done by the CORPS and the Borough has done meetings with them. David commented he appreciates all the comments they have received. We appreciate all your input.

Mayor Osterback asked if there is anything they wanted answer that the Borough might have missed? David said the idea of a crew boat which is a clearly different design than fishing boat usually has higher prow and can take larger waves. If we are going to look for a crew boat, what do you think is the size needed? PAUL responded 65 feet would be the common size. Cindy said part of their process is after they take the draft report out to the public and community, we take all the feedbacks and incorporate that to the final report.

CHRIS asked TOM his opinion on the boat side as he rode boat from COLD BAY to False Pass. TOM responded they carry up to 40 passengers on that boat but not sure exact the size of the boat, he thinks it is around 60-70 feet.

WARREN commented, looking at the map, you have a dredge down up to 13 feet. Average boat dredge upto 10-13feet. JOE explained the waves swells action in the past. The waves eventually hit that beach, there is an undertow that's going to be in that harbor either end. They well max it out in a 58foot vessel. In the North sea for the wind turbines, crew boats and service vessels, they are 60feet long, they carry up to 12-16 people and they are probably a decent sized vessel that could handle the weather here and the pass. Thinks that catamaran type of crew boat is better than fredwall. I think we need to look more at what kind of vessel you want there but I know those boats are proven in the North sea.

Mayor Osterback asked when they were looking at the depth of water is that based on mean low or mean mean low? Cindy Upah answered at this time we are designing for mean lower low but we investigate on going deeper for those extreme low tides,

PAUL asked if it's the CORPS responsibility right now to identify rock source or will that come later. David said their crew knows where there are existing quarries that can provide the size of rock required on the break water. They look into those quarries and find out if they are still producing rock and the estimated prices would be. We do not find the rock source, we identify the quality that is required, the size and estimated quantity. Quarries will provide an estimated price and based on that we award a contract.

JIM asked how much of the waves that actually goes over to that breakwater when there is a 30-40 foot swells. Cindy Upah said, they did a preliminary wave modeling, the design wave is coming through the straight at 30 feet, that is about 50 foot wave when it reaches the breakwater and it bounce around 12-16 feet depending on the alternative. So, it loses about half or a 3rd of it's height.

JOSY asked if the CORPS will be heading back to Akutan to present the presentation. David said he don't think they can do that between now and 2 weeks from now, but wanted to make they'll send out all the information to tribes and community. So if there is any questions from the community or tribes, they want to hear it.

ANNE commented that if there are any questions from the Assembly that need to be routed to the CORPS, they can send it individually to the Borough Clerk then it can be disseminate to the Administrator and Mayor the routed to the CORPS. One thing CORPS is asking is that the Assembly confirm the support for Alternative 2.

MOTION

CHRIS made a motion to accept Alternative 2, second by DAILEY

PAUL asked if we have to nail it down to just one option. Mayor Osterback thinks the CORPS need one option so they can move forward. Cindy Upah added, we would like to have the Alternative tentatively identified for the release of the document, and as we get comments back we will be able to optimize that. PAUL Asked if the City of AKUTAN picked an option? ANNE said that the draft will go before the Village Council on the 28th.

JOSY asked if the City of Akutan and Akutan Judicial leader has seen this yet. Mayor Osterback responded it will not really affect the motion. If the Assembly turns it down, it will not move forward. Thinks that we need to move forward with ours and if there is a problem we can come back and visit it.

JOSY wanted to make sure that any comments that come after today will be considered.

ROLL CALL:

Yeas: Dailey, Brenda, Paul, Josy, Warren, Jim, Chris Advisory: Tom, Samantha

Nays: None

MOTION CARRIED

RECESS

ROLL CALL:

Present: Jim, Chris, Warren, Paul, Dailey, Brenda, Josy Advisory: Samantha, Tom

MINUTES

March 09, 2023 Regular Assembly Meeting Minutes

MOTION

BRENDA moved to accept the March 09, 2023 Assembly Meeting Minutes, seconded by WARREN

Minutes will stand as corrected.

FINANCIAL REPORT

February 2023 Financial Report

MOTION

CHRIS made a motion to approve the Financials Report and second by JOSY

Administrator Bailey said we are in 8th month into the Fiscal year, Raw Fish Tax is at \$3.69M. In February alone, we've gotten \$545K. We are still above 115% 5-yr average. There are few items that are a little higher like Utilities and Travel and per diem.

ROLL CALL

Yeas: Paul, Brenda, Chris, Josy, Warren, Jim, Dailey Advisory: Samantha, Tom

Nay: None

MOTION CARRIED

INVESTMENT REPORT

APCM February 2023 Investment Report

CONSENT AGENDA

None

PUBLIC HEARINGS

None

ORDINANCES

None

RESOLUTIONS

Resolution 23-45, Authorizing the Mayor to negotiate and execute an Agreement with Silver Legal Services to provide legal representation for the King Cove Road in an amount not to exceed \$72,250

MOTION

JOSY made a motion to approve Resolution 23-45 and second by CHRIS

Administrator Bailey said Silver Legal Services is requesting authority and funding to provide legal representation for the King Cove Road. The current request is for \$62,250. The contractual compliance and funding relationship for this work will be between the Borough and Silver Legal Services and the legal and technical tasks conducted will represent the King Cove– Cold Bay Group, which consists of the Aleutians East Borough, the King Cove Corporation, Agdaagux Tribe, Native Village of Belkofski, City of King Cove and City of Cold Bay. Legal Services would include Research and prepare an Opposition Brief to the March 17, 2023 Department of Interior Motion to Dismiss the current case in front of the 9th Circuit and Additional future legal tasks that may include but not be limited to responding to any new legal/procedure legislative/legal concerns and with the pending ANILCA 1110(B). There's also \$10K contingency. Funds will be paid for out of Borough's King Cove Access Project Designated Legislative Grant (account number E 20-867-168-850 Capital Construction) to pay for the litigation services.

PAUL commented perhaps after the 9th Circuit court Ruling to view our strategy and some discussion on this matter. Everybody is anxious with this ruling and to see where we are and talk about it and talk about and see what options we have.

ROLL CALL

Yeas: Brenda, Jim, Warren, Chris, Dailey, Josy, Paul Advisory: Tom, Samantha

Nay: None

MOTION CARRIED

Resolution 23-48, Establishing the Minimum Bond Coverage for the Aleutians East Borough Finance Director to be in the Amount of \$250,000 with a \$25,000 Deductible

MOTION

CHRIS motion to approve Resolution 23-48 and second by DAILEY

Administrator Bailey said Section 2.29.020 of the Aleutians East Borough Code outlines the roles and responsibilities of the Borough Finance Director. One requirement states that the Finance Director shall give bond to the municipality in a sum which the Assembly directs. The Finance Director should be bonded via a Public Officials Bond, which is a type of surety bond that guarantees that certain governmental positions will comply with the governmental rules and regulations. The purpose behind a Public Officials Bond is to ensure the public will be reimbursed if the governmental official does not faithfully perform the duties and regulations. It is common to require bonding for those that handle public fund The Borough Code does not have a sum established. We never bonded our Finance Director in the past so Administration need direction from the Assembly. Administration recommends establishing the minimum bond coverage for the Finance Director to be in the amount of \$250,000 with a deductible of \$25,000. This is the minimum, but I will be requesting to have the coverage underwritten at \$500,000 with a \$25,000 deductible.

ROLL CALL

Yeas: Dailey, Chris, Jim, Brenda, Paul, Warren, Josy Advisory: Samantha, Tom
Nay: None

MOTION CARRIED

Resolution 23-49, Supporting the State of Alaska Department of Transportation’s Port Infrastructure Development Program Grant Application for the Cold Bay Dock Project

PAUL motion to approve Resolution 23-49 and second by BRENDA

Administrator Bailey said the State of Alaska and the Alaska Municipal League (AML) have taken interest in this project and in the process of drafting a Port Infrastructure Development Program (PIDP) grant in be half of the Borough and the City and they would like to do this for design, permitting, Geotech work all the way to construction. The State also agreed to pay a large portion of the matching fund for this project. We are looking for support for the application. The project will cost about \$43-56M.

CHRIS asked if there will be a plan of what the dock will look like. Administrator Bailey said the Borough hired Moffat and Nichols to conduct feasibility study which is almost done with the draft being finalized. But there is a rough idea of what will work and the State a very preliminary design. CHRIS asked if the design will be similar to what Cold Bay currently has? Administrator Bailey said it will be similar but will be a little wider to allow pedestrian access.

ROLL CALL

Yeas: Chris, Warren, Paul, Josy, Brenda, Jim, Dailey Advisory: Tom, Samantha
Nay: None

MOTION CARRIED

Resolution 23-50, Authorizing the Mayor to execute Amendment No. 2 with DOWL to provide professional engineering, project management and construction management services for the Aleutians East Borough

MOTION

BRENDA motion to approve Resolution 23-50 and second by JOSY

Administrator Bailey said In August 2020, the Aleutians East Borough (Borough) entered into a contract with DOWL for professional engineering, project management and construction management services. The Period of Performance for the contract was from September 1, 2020 through June 30, 2022, with the option to renew for an additional three (3) one-year periods, by mutual consent of both parties. In May 2022, Amendment No. 1 was executed exercising the first one-year renewal option, effective July 1, 2022 ending June 30, 2023. Everything else in the contract remained the same. Borough Administration would like to exercise the second one-year renewal option, which would go into effect July 1, 2023 ending June 30, 2024. Everything else in the contract would remain.

PAUL commented that we should go to bid more often.

ROLL CALL

Yeas: Paul, Josy, Dailey, Brenda, Chris, Jim, Warren Advisory: Samantha, Tom
Nay: None

MOTION CARRIED

OLD BUSINESS

None

NEW BUSINESS

- 2023 Advisory Appointments

MOTION

BRENDA made a motion to approve the Advisory appointment, seconded by CHRIS

ROLL CALL

Yeas: Brenda, Chris, Dailey, Jim, Josy, Paul, Warren, Advisory: Tom, Samantha
Nay: None

REPORTS AND UPDATES

Administrator's Report in packet. Highlights below:

- **King Cove Road Update:** During the virtual call on March 17, 2023 with the Borough, City of King Cove and Corporation, Secretary Haaland stated that she was withdrawing support and participation in the 2019 Land Exchange Agreement that was signed by Secretary of Interior David Bernhardt. She was sending Deputy Secretary Beaudreau and her Senior Advisor to King Cove to meet with leadership. She also verbally supported the road in our call but in other hearings and meetings, she has stated that she was committed to finding a "viable" solution to King Cove's access needs, which she considers to be an issue of "environmental justice" for King Cove. The Interior Solicitor added that the Department of Justice would file a Motion to Dismiss the pending en banc case as moot. The motion was filed along with a memorandum from Secretary Haaland within thirty minutes of our discussion. On March 27, 2023, the Deputy Secretary of Interior Beaudreau, the Secretary's Senior Advisor, the Secretary's Policy Advisor, and the Alaska Regional USFWS Director travelled to King Cove. They met with leadership, had a briefing at the clinic, drove to the Northeast Corner to view the existing road and had a community meeting. The following day they flew to Cold Bay to refuel and were able to view the Refuge area on which the proposed road would be located. On March 29, 2023, Senator Murkowski questioned Secretary Haaland about her position on the road and mad the

point that to accomplish this decision in the next few months would require Congressional approval. The Secretary responded that she is “committed” to a viable solution for King Cove.

- **School Updates:**

- Boiler Inspections: LONG has completed the boiler inspections in Akutan, False Pass, King Cove and Sand Point. The boilers in False Pass are scheduled for replacement in the spring/early summer. Over the weekend the Borough was informed that the boiler in Sand Point has a strong fuel smell and black smoke. LONG was contacted and troubleshot it. LONG made a trip to Sand point and arrived Monday afternoon, worked late in the evening and was successful in getting 1 boiler back on. The 2nd boiler is up and running as of now, however, there have been identified problem that we continue to fix.
- False Pass School: The Mayor, Administration, DOWL, ECI, the School District have met with Wired AK to discuss electrical needs for the False Pass School. On March 30, 2023, the Borough entered into contract to conduct the electrical needs at the False Pass School in an amount not to exceed \$33,490.00. This will be paid for out of E 20-220-603-678 Deferred Maintenance. Wired AK traveled on April 10. All the items on the checklist has been completed. Few other items has been identified and needed fixing and we will work on that.
- Sand Point HVAC: LONG has been contracted to provide and install a new HVAC controller in the Sand Point School. LONG arrived in Sand Point on April 6th and began the installation process.
- Sand Point DEED Grant: Administration signed the DEED Grant application for the Sand Point School and has been working with the State for the next step. A proposal from DOWL was requested for design and project services management.
- Sand Point Pool: Evolution Pools & Living Waters completed the ff: repaired the pool liners, replaced circulation pump & filter, installed the saltwater system, replaced flow meter, replaced piping, installed new heat exchanger and completed electrical work. After the pool was filled with water and the liner settled, they found out more leaking problems. We are searching for new ways to fix this problem. Good news is the water is circulating and the temperature is increasing. Throughout the life of this project, additional maintenance and repair has been identified including leaking water heater, a crack in the boiler section and malfunctioning mixing valves. A quote from Living Waters was requested for this work. Kuchar Construction will be addressing the door replacement, peeling of some pool floors as well as the mold issue on the ceiling. A lot of the problems that we are having will be addressed in the DEED project. Talia and DOWL are working on drafting an RFQ (Request for Qualification) for Pool Maintenance. We are going to start on having to check the pool on an annual or more frequent basis to prevent major issues.

PAUL asked how many acres of land is supposed to be traded for the Land Exchange. Administrator responded, she doesn't have the information in front of her and will be providing that in a later date.

Mayor Osterback thanked Dave Walls, Jackson Rosete, Charly Gundersen, Jim Smith, Ken Spjut, Dennis McGlashan Sr, and Alvin Osterback Jr. who all helped on trying to fix the Sand Point School boilers.

Essential Air Service and Helicopter Services Agreement: USDOT has issued the Essential Air Service for Akutan. the U.S. Department of Transportation (the Department) selects Grant Aviation, Inc. (Grant) and Maritime Helicopters, Inc. (Maritime) to provide Essential Air Service (EAS) at Akutan, Alaska, for the three-year term from April 1, 2023, through March 31, 2026. The USDOT only covers half of the helicopter expenses and the Borough for the other half. A resolution of agreement with

Maritime was approved last March 9, 2023. The Borough Agreed to pay the ff: 1st year, \$1.04M, 2nd year, \$1.098M and 3rd year, \$1.152M. In turn the Borough will bill Maritime for fuel, transportation and hangar usage.

Cold Bay Clinic: We received \$2M HRSA fund and Administration is still waiting for HRSA's approval for the updated schematic design, which was submitted in November 2022 and the revised budget, which was submitted in January 2023. Administration anticipates a response in the next couple of weeks. In the meantime, HRSA has confirmed that the Borough can begin expending monies for this project. Therefore, on March 29, 2023, Administration authorized DOWL to move forward with the Phase 2 of the project (65% design). Administration is working with HRSA and the Payment Management System to begin requesting reimbursement for Clinic expenses.

Other Items: 2 Special Meetings are scheduled, May 3 in King Cove and May 18 in designation locations, FY2024 budget will be introduced and then will be in a public hearing.

Assistant Administrator's Report in packet. Highlights below:

Sand Point School DEED Capital Improvement Project: On April 4th 2023, Administration submitted the receipt of Amendment No. 1 to the State of Alaska for the Borough's term contract with DOWL to determine if we can contract DOWL for Professional Services (Architectural/Engineering and Project Management Services) for the Alaska Department of Education & Early Development (DEED) Grant. April 5th 2023, the State of Alaska did approve the Borough's term contact where AEB is permitted to request a proposal from DOWL for the DEED project which includes a site visit. The State must review and approve all stages of the project including; design, construction document services, bid services, permitting, and construction services to fulfill the terms of the grant. All phases will also be presented to the Assembly for approval.

Sand Point School Pool Update: The Aleutians East Borough is looking for a qualified pool inspector to inspect and maintain the pool operation. DOWL is currently consulting with Councilman- Hunsaker-an integrated team of design professionals and operational specialist in the aquatic industry to assist with drafting a solid scope of work for the Request of Qualifications for the pool maintenance. Administration will continue to keep the Assembly updated on these processes as things unfold.

Maintenance Connection: Administration continues to utilize Maintenance Connection created by SERCC where the Borough can perform tasks such as processing maintenance request, creating work orders, setting up preventive schedules, creating purchase orders, and reordering inventory. DOWL now has access to Maintenance Connection to view and track projects from beginning to end.

False Pass School Electrical Issue: April 4th, 2022 the Borough entered into contract with Wired AK to conduct the electrical work at the False Pass School. Dependent on parts, the Borough anticipates they will arrive to False Pass April 10th. This contract came as a result of the principle notifying the Borough of a myriad of electrical issues identified by the School District.

False Pass School Leak Issue: March 20th 2023, the Borough was notified by the principal with the False Pass School of leaking issues. These issues include the ff; Faucet leak in the custodial room wherein the room is humid with condensation. Leak in the urinal in the boy's restroom where plumping needs to be replaced. Leak in the spare classroom from rain. Administration has engaged with Gould Construction for a quote for the repair of the leaks upon their return to False Pass.

List of meetings attended was in the packet,

Communications Director Report in packet. Highlights below:

King Cove Land Exchange: On March 14th, Interior Secretary Deb Haaland withdrew the federal government's defense of a 2019 land exchange agreement with the King Cove Corporation. The Biden Administration's Department of Justice had defended this land exchange for a couple of years in the Ninth Circuit Court of Appeals case. While that was very disappointing news on the local front, Sec. Haaland has pledged to Corporation, tribal, city and Borough leaders that she will launch a new process for a land swap

and road. We sent out a written response regarding this development. All of this required quite a bit of media relations efforts behind the scenes. On March 28th, members of DOI senior staff flew out to King Cove to begin discussions. Those talks are ongoing. With everything that occurred since mid-March, there was a flurry of media activity. I'm including links below to various media stories. In addition, former Alaska Governor and U.S. Senator Frank Murkowski, wrote an opinion piece on the latest events regarding this issue. It appeared in multiple publications at the end March – early April, including the Anchorage Daily News and the Fairbanks Daily News-Miner.

Social Media - Photography: I've been spending quite a bit of time on includes resizing photos taken of our communities over the summer by photographer Kerry Tasker. I'm reducing them in size, since they're very large in resolution, and saving them to the shared drive for Administration and staff. Then I'm posting them to Facebook. So far, I've shared photos of False Pass, Cold Bay, Nelson Lagoon, Akutan and King Cove to Facebook as well as some to Instagram. As of the writing of this report, I'm working on photos of Sand Point, so I can share those.

Natural Resources Director Report in packet. Highlights below:

Alaska Board of Fisheries (BoF or Board): Following the February meeting, ADFG has confirmed that the agreement reached in RC104 from the March 2022 Board Meeting would be applied in addition to conditions in RC 190, passed as substitute language for Proposal 136 at the February 2023 meeting. That means fishing time for seine gear in the Shumagin Islands Section may be reduced an additional 50% during the second June South Peninsula fishing period, if the lower bound of the Chignik River early run sockeye salmon escapement goal is projected to not be met. However, it should be noted that the Chignik sockeye early run escapement goal lower bound was reduced from 350,000 to 300,000 in RC 216, sub. lang. for Proposal 105. At the March Statewide meeting the Board took no action on Proposal 154 to allow purse seine drums due to lack of legal authority by the Board. There will be a special web-conference Board meeting April 19th to consider a misplaced proposal from the Native Village of Kwinhagak, now Proposal 173 which would close the Kuskokwim Area District 4 on Sundays and allow only one gillnet per vessel used in subsistence and commercial fisheries June 1 to July 15. No oral testimony will be taken at the April 19 meeting. Governor Dunleavy made 3 appointments to the Board of Fisheries on April 1: Gerad Godfrey of Eagle River, Greg Svendsen of Anchorage and Mike Wood of Talkeetna.

North Pacific Fishery Management Council: April Agenda item C1 is final action on the Cook Inlet Salmon FMP Amendment. We continue to pay close attention to this action. There are new advances for BS chum salmon genetics. The Governor nominated Rudy Tsukada for Simon Kineen's seat on the Council.

Board of Game: A Unimak Island hunting guide submitted an emergency petition at the March Board of Game Southcentral meeting re: Unimak Island non-resident limited draw permits. The Board failed to find that an emergency exists and the petition was not taken up.

Assistant Natural Resources Director Report in packet. Highlights below:

Electronic Monitoring - WGOA3/EFP: Our current funding for this project runs out this year 2023, we are expecting headquarters to allocate fund for the gap year in 2024, however, we found out they were only partially fund the gap year.

Fixed-Gear EM Project: We have 3 vessels officially participating in the pilot program. The vessels will fish black cod from now through May, we anticipate roughly 15-20 trips total. I have worked with NMFS FMA to allow for special non-selected observer coverage in ODDS that will be used for side-by-side comparison of observer vs. EM data for catch accounting purposes.

Mariculture: I have received notice from Alaska Sea Grant (ASG) that due to oversights within the UAF Office of Grants and Contracts (OGCA), we have lost federal funding for this project. Our co-PI at ASG has cited the cause as a discrepancy in the required documents for the no-cost extension that was requested in June 2022, and OGCA did not respond in time due to high turnover. I believe we have enough funding in the AEB

Mariculture account to continue this project, however if AEB now finances this project there are new considerations for contracting, insurance, etc. that will need to be resolved first. I am investigating the potential for better utilization of the existing state-water only scallop GHL.

Board of Fisheries/Salmon: I have worked with the fleet to update the draft self-management agreement and include a suite of possible performance standards. I will be meeting with processors and Chordata to develop portal-based summary report forms. I have been invited by Tom Manos to join him for the June opener on their new tender vessel out of King Cove, that will test new sample sorting methods.

Board of Fisheries/Salmon: I have worked with the fleet to update the draft self-management agreement and include a suite of possible performance standards. I will be meeting with processors and Chordata to develop portal-based summary report forms. I have been invited by Tom Manos to join him for the June opener on their new tender vessel out of King Cove, that will test new sample sorting methods.

AFSC Cod Tagging Project: On March 14th, the project team visited the Sand Point school to do hands-on student outreach. We gave a presentation to two high school classes on our research and fisheries management and conducted cod dissections and biological sampling techniques. We completed our 3rd tagging charter starting in Sand Point March 16 and finished in Seward the 30th. We will release 54 satellite tags across 10 sites from Sanak to Prince William Sound, including 292 biological samples (genetics, otoliths, sex, maturity), 620 conventional tags, 4 stationary tags, and video camera drops to qualitatively assess behavior and presence. We are working on the final cruise report which will be published as a NOAA process report. We are also developing an outreach website available to the public for updates.

Other activities: I will be attending the Western Groundfish Conference in Juneau, April 24-27. Dr. Nielsen will be presenting on our cod tagging project, and Josh Keaton (NMFS) will be presenting on our Trawl EM project. While in Juneau, I plan to meet with Marine Exchange to discuss options for VMS geofencing for fish tax purposes.

PAUL asked if Charlotte has been promoting scallop fishing in the area. Natural Resources Assistant Director Levy said she wasn't doing anything quite yet just looking at the state of the water and possibly using lid pot instead of dredging.

Finance Director Report in packet. Highlights below:

Budget: I spent the majority of my time working on budget needs. I have created several excel spreadsheets that have been helpful in analyzing current expenditures as well as ones that allow for quick data input when new figures become available.

Banking: Meet the personnel at KeyBank who work with the borough accounts. It was good to meet them in person and discuss the banking services for the accounts. Some services they offer are good for internal controls and best practices for governmental accounting.

Financial Policies and Procedures: Prior to returning to King Cove, I was able to meet with Alaska Permanent Capital Management and the personnel in charge of the borough accounts. It's nice to meet face to face with people you work with primarily through email. The meeting was useful and provided valuable information in starting the work on the policies for cash management.

Routine tasks: There is a good timeline in place now to get the routine tasks completed timely with the proper separation of duties. All of the routine daily tasks have been caught up, and the monthly financials are nearing completion. The quarter ended on March 31st, so closing the month takes a few more steps to ensure accuracy for quarter reporting needs.

Mayor Osterback thank everyone for all their reports and appreciates all the work.

ASSEMBLY COMMENTS

PAUL presented a brochure from Unalaska that Trident's plant in Dutch Harbor will be operating in 1 year and 8 months. Thinks that it will be quicker than he has seen anything before. If they decide not to process crab in Akutan, something that we need to keep tract.

Mayor Osterback told him and Anne met with Joe Bundrant and his staff in SWAMC. The best answer they gave was that they were answering to their board. The prices of materials are high, and they didn't have a date when and if the building of the new plant will take place and they can give a more realistic update on November 2023.

DAILEY asked where PAUL got the brochure. PAUL responded; it is from Unalaska about their water sewer project. We have 5 or 6 ferries coming. It would be nice to have a water drilling coordinate with the City of Cold Bay to do a quick drill. It will be quick and less expensive, something to think about. Mayor Osterback responded that the people expert in PFAS in water said it was not a good idea to be drilling new wells.

CHRIS commented that there are few concerns about communities in the Borough regarding morgues and Administrator Bailey said there are monies out there available, and I would like to see if we can help the community of Nelson Lagoon and False Pass. They are important to have in the community. Also, the improvement of the communication line in Nelson Lagoon, something that the Barough can look into.

SAMANTHA agreed that land lines has been in and out as well as the cell service.

PUBLIC COMMENTS

NEXT MEETING DATE

Special Assembly Meeting May 3, 2023 in KING COVE

ADJOURNMENT

JOSY moved to adjourn second by Diley. Hearing no more, the meeting adjourned at 5:25 p.m.

Mayor Alvin D. Osterback

Beverly Ann Rosete, Borough Clerk

Date: _____

CALL TO ORDER

Mayor Alvin D. Osterback called the Aleutians East Borough Special Assembly Meeting to order by teleconference in each community on May 3, 2023 at 1:00 PM

ROLL CALL

Mayor Alvin D. Osterback	Present
Chris Babcock	Present
Dailey Schaack	Present
Warren Wilson	Present
Josephine Shangin	Present
Paul Gronholdt	Present
Brenda Wilson	Present
Jim Smith	Present

Advisory Members:

Samantha McNeley, Nelson Lagoon	Absent
Tom Hoblet, False Pass	Absent

A quorum was present.

Staff Present:

Jacki Brandell, Finance Director
Anne Bailey, Administrator
Talia Jean-Louis, Assistant Administrator
Ernie Weiss, Natural Resources Director
Glennora Dushkin, Administrative Clerk
Laura Tanis, Communications Director
Seward Brandell, Finance Clerk
Charlotte Levy, Assistant Resources Director
Beverly Ann Rosete, Clerk

ADOPTION OF THE AGENDA

WARREN made a motion to amend the agenda by moving resolutions after Public Hearings.

Hearing no objection, amended Agenda will stand.

COMMUNITY ROLL CALL AND PUBLIC COMMENTS ON AGENDA ITEMS

The communities of King Cove, Sand Point, Akutan, Cold Bay, False Pass, Nelson Lagoon and the Anchorage office were participating by teleconference. Also broadcast on KSDP radio. There were no public comments.

CONFLICT OF INTEREST

Mayor Osterback asked for any potential **Conflict of Interests** to discuss. There were no conflicts on agenda items.

FINANCIAL REPORT

March 2023 Financial Report

MOTION

JOSY moved to approve the Financial Report second by DAILEY

Administrator Bailey said Raw fish Tax is at \$4.2M 112% over the 5-year average. We received \$506K in March, which is about 97% of what we're at over the past 5 years. Other items are tracking along fine. Travel and Per Diem are a little higher since travel is happening more.

PAUL asked Administrator Bailey a summary of where we are at in regard to revenues. Administrator Bailey responded she cannot get that information at the top of her head using the financials in front of her. A comparison will have to be made in order to get that information. Finance Director Brandell said based of the known revenues recorded in April we are looking at -\$57K deficit. But once we have received all the expected revenues, we are looking at around \$700K surplus. PAUL asked when does processors usually send their tax payment. Administrator Bailey said the 3 big processors pay up on the 15th of the prior month. Sometimes smaller processors trickle in later.

CHRIS asked about the Electronic Monitoring Supplies that is 220% overbudget. Finance Director Brandell said if you look at the revenue page for that grant (page 5). It is a reimbursable grant, so anything we spent will be reimbursed.

ROLL CALL

Yeas: Warren, Jim, Dailey, Chris, Brenda, Josy, Paul

Nay: None

MOTION CARRIED

INVESTMENT REPORT

APCM March 2023 Investment Report

CONSENT AGENDA

None

PUBLIC HEARING

None

RESOLUTIONS

Resolution 23-51, Opposing Senate Bill 128 & House Bill 180

MOTION

WARREN moved to approve Resolution 23-51, second by BRENDA

Natural Resources Director Weiss said The Board of Fisheries has addressed Area M salmon fisheries twice in the past year. At the Statewide Shellfish meeting in March 2022 and at the regular Alaska Peninsula/Aleutian Island/Chignik meeting in February 2023 the Board took actions to restrict South Alaska Peninsula salmon fisheries. At the February 2023 meeting, the Board reduced the first June opening for seiners by 22% and the second opening reduced by 25%, with a 76-hour window in between closed to seining. The third and fourth fishing opening could also be reduced by half or closed completely if certain chum harvest thresholds are exceeded. In addition, the Sanak Island section will be completely closed to

salmon fishing in June. Area M seiners have committed to reducing chum harvest implementing a plan of cooperation, communication, and full seine fleet participation. In June of 2022 the fleet achieved the lowest ratio of chum to sockeye in 50 years, with plans to continue and improve this program in 2023. On April 12th Senator Donald Olson of Golovin introduced Senate Bill 128 and referred to Senate Judiciary and resources committees. Senator Kawasaki added on as a co-sponsor April 14th. Senate Judiciary Committee held a hearing on SB 128 April 21st. On April 26th Representatives Cronk, McCormick, Stapp, Foster, and Tomaszewski sponsored the introduction of House Bill 180, referred to House Fisheries and Resources committees.

Mayor Osterback asked when everybody signed up for the first judiciary meeting and the cut if off after 9 or 9 people, were they talking about coming back for more public testimony? Weiss said, from his understanding, the public hearing portion of that bill is open but will not have another listening session.

PAUL asked if the resolution was adopted it will service part of our written comments to the committee. Weiss said yes, if this was adopted, he's d expect it would be accompanied by a letter from the Mayor and will be sent to the governor, both houses of the legislators. Yes, it will serve as our comment. PAUL asked if the House bill and the Senate Bill are exactly the same. Weiss said correct it will close June Fishery from June 10-30th, 2023 that will leave 1 setnet opening from the 6th to the 7th.

Jordan Keeler said they have a very similar piece on their agenda for their meeting on Tuesday and they highly support the boroughs resolution and will submit their resolution as well.

WARREN asked how did the Commissioner take it when he heard about it, did he testify at the hearing. Weiss said he was invited testimony and repeated his presentation at the Senate Resources. Commissioner understand our situation and does not oppose to our fishery at all.

PAUL said our next meeting will be in 2 weeks, there is some fresh action on trawling, we may or may not have another resolution depending on perhaps what the commissioner have to say on that trawling action by the court.

Weiss said he listened to the Fairbanks AC fish sub-committee, and think they want to go with the Endangered Species Act that is why they want to shut down the Trawl fisheries.

ROLL CALL

Yeas: Jim, Chris, Dailey, Josy, Brenda, Warren, Paul Advisory:

Nay: None

MOTION CARRIED

Resolution 23-52, Relating to the disposal of real property – authorizes a lease of Lot 2 of Port Moller Cannery Subdivision

MOTION

CHRIS moved to approve Resolution 23-52, second by JOSY

Natural Resources Director Weiss said this is part of our Municipal Entitlement Selections and we went through and decided to survey some of the selections. In 2016, the Assembly dedicated some of our budget to these surveys. 2017, Port Moller land about 1200 acres were surveyed as part of Alaska State

land Survey 2016-49. At the same time this plat which is attached after the Ordinance, a cannery subdivision creating lot 1,2,3 &4 that was surveyed 2018. They finished the State Land Survey and we proceeded to sell lots 1&4 to Peter Pan Seafoods. In 2018, we did the Sandy River and 2019 Bear Lake.

The Aleutians East Borough has and may exercise all rights and powers to acquire, hold, dispose of or manage real property, both inside and outside the borough. The Borough holds all real property in trust for the benefit of the public and shall hold, manage and dispose of such property in a manner consistent with that trust and it must ensure that the public receives fair and reasonable compensation or benefit from the Borough actions in the disposal of real property. Real property includes interests in real property as well as rights to real property, and includes, but is not limited to, leases, easements, security interests, licenses, permits and options. Connor Murphy, J.W. Smith and Robert Murphy, partners, have maintained a building/structure on Lot 2 of the Plat of the Port Moller Cannery Subdivision, since before the Borough took title to the land. These owners of the building on Lot 2 have expressed an interest in continuing to use the property while holding to Borough principles and regulations. Leasing Lot 2 will allow the fishermen to continue use of the property according to the lease. A lease will help remove Borough liability from ongoing use or activity on Lot 2. Receipts from a lease will generate revenue to the Borough.

PAUL asked Weiss to explain why there is 2 different chunks on the map. Weiss said we have that plat, lots 1,2,3 &4. Lot 1 is right next to Peter Pan plant and lot 4 is where the land fill is. Lot 2, is the one we are talking about and lot 4, is Chris Hennginson. And because there were buildings on it, we decided to survey that out as separate lot. So this is just one block, it is between Peter Pan and land fill. PAUL said just to clarify, 1 lot to the North of the cannery are you referring to. Weiss said yes correct, lot 2. PAUL said so if this resolution passes the Ordinance still has to pass and this is just the 1st reading and there could be a comment on the public hearing the proceeded to ask when the next meeting is. Mayor Osterback said it will be on May 18, 2023 Agenda. JOSY asked if that's where the Fish and Game building. WARREN said no, it is between the lagoon and the dump.

ROLL CALL

Yeas: Chris, Dailey, Paul, Josy, Brenda, Warren, Jim Advisory:

Nays: None

Resolution 23-53, relating to disposal of surplus, obsolete or unneeded supplies

MOTION

DAILEY moved to approve Resolution 23-53 second by BRENDA

Administrative Clerk Dushkin said the Borough has 2 Yamaha outboard that we no longer need I the Borough code reads, "Supplies which are deemed by the Purchasing Officer to be sold as surplus, obsolete, or unneeded, may be sold or otherwise disposed of by the Purchasing Officer upon approval by the Assembly by resolution." The Borough purchased 2 new outboards for the skip we own in Akutan, the old ones are no longer needed.

DAILEY asked what is the size of the motor? Mayor Osterback responded 115hp a piece.

JOSY added Trident was dumping them. Mayor Osterback said he asked them to dump it but someone expressed a desire to bid for parts.

ROLL CALL

Yeas: Josy, Dailey, Brenda, Chris, Warren, Jim, Paul
Advisory:
Nays: None

Resolution 23-54, authorizing the Mayor to negotiate and execute an agreement with MCCi in an amount not to exceed \$25,000

MOTION

CHRIS moved to approve Resolution 23-54 second by JOSY

Borough Clerk Rosete said The Retention Schedule is an item on the Strategic Plan. Recently, it has been identified that our current Laserfiche software is outdated and needs to be upgraded. This will allow the Borough to be more efficient regarding retention. The Borough's current Laserfiche provider is MCCi. On March 1, 2023, the Borough Clerk and Deputy Clerk met with MCCi for a demonstration. During the meeting, MCCi explained how the upgraded Laserfiche software can make internal policies and procedures more efficient along with records retention. MCCi submitted a quote for upgrading our software totaling \$23,185. This includes the following

- One-time cost of \$15,200 which consists of:
 - o licensing platform and version upgrade
 - o installation and configuration
 - o web products installation and configuration
 - o basic remote administrator training
 - o implementation management
- Annual fee of \$7,985 for the subscription and software support

CHRIS asked if we are currently on this software. Clerk replied, yes we have this software and paying an annual amount of about \$1700 but the software is really outdated. The last update was 2014 which is about 9 years now. This will really streamline our main goal of having centralized retention management.

PAUL commented that it will have an annual fee of about \$7,985 a year, what is it now? Clerk answered about \$1,700. But imagine the 9 years of not upgrading it. The new software will allow all the office to have access to one spot where we can file all our documents. This will allow us to access it via web, mobile phone as well as desktop.

CHRIS asked how will this work, are you going to just give them the files? Clerk answered they will work with ICE services to make sure security wise, all the configurations and from there, we will transfer the old files and start scanning the paper one. CHRIS asked what format does this support. Clerk responded, pdf, pictures, and almost anything. CHRIS asked where all the file going to be stored? Clerk said, it will still be in a local server, but we will be able to access it via web client as well.

PAUL asked if we support this, where will it be charged? Administrator Bailey said it will come out of the project contingency line item Fund 20.

CHRIS commented that we need to get this done because it is part of our Strategic Planning. Administrator Bailey added that this will truly make our work easier in trying to find files, because files are all over the place.

PAUL asked about the hardware. The clerk said there will be no actual hardware, they will just install it in our server.

CHRIS asked how long it will take to install? The clerk replied probably 2-4 months, the tedious one will be scanning all the paper documents in each office. CHRIS asked how fast will it be in the system once scanned. The clerk replied, instantly.

ROLL CALL

Yeas: Brenda, Dailey, Josy, Paul, Jim, Warren, Chris

Nays: None

MOTION CARRIED

ORDINANCES

Introduction Ordinance 23-04, Authorizing the Mayor to negotiate and execute a Lease of Lot 2, Port Moller Cannery Subdivision

MOTION

CHRIS moved to approve the Ordinance 23-04 second by BRENDA

Natural Resources Director Weiss said this ordinance pertains to the same property we talked about in Resolution 23-52. This particular ordinance will set up some minimum conditions for lease and will authorize the Mayor to negotiate and execute a lease agreement in refers to this plat, Port Moller subdivision. If approved today, it will go on the public hearing at the May 18, 2023 meeting. If we lease this plat, it will give the gentlemen opportunity to continue their fisheries business and produce a little income to the Borough.

PAUL said through the State, they don't ever lease land, only shoreline. Do they have a valid lease with the state for this site. Weiss said he did not investigate that thoroughly but will find out next meeting. Mayor Osterback said, from their conversation, on the resolution, this is not actually shore site land, it is upland that they are leasing with a cabin that provides them a place to stay while they are operating their setnet site.

WARREN commented the site is by the Port Moller Cannery site, there is a spot there. During Southeast he will get to that site, I know he has a registered site by the cannery.

PAUL commented that it seems like we do not have enough time between the 1st and 2nd reading. If we could move the 2nd reading. Mayor Osterback asked if PAUL knew anyone in opposition to it. Unless the Assembly stops it, it will be scheduled on the May 18th. It just needs to be done.

WARREN commented if there are people in opposition, they'd be here. Because there were a couple of spawning spots there, they'll fight for that. These gentlemen has been holding that cabin for years and years before even the Borough ever subdivided it. They just want to be legal in having their cabin in a land that they ae leasing or able to own.

Mayor Osterback said this has nothing to do with the shoreline. This is upland and it will not affect anything where anyone is fishing.

BRENDA asked if we are going to do the lease annually. Mayor Osterback said it will not make sense to do it in a short-term lease.

PAUL asked how much the Borough would make of this lease. Weiss said it will depend on the Mayor and we will have a comparable leases but we will go with the fair market value.

ROLL CALL

Yeas: Josy, Jim, Dailey, Chris, Warren, Paul, Brenda

Nay: None

MOTION CARRIED

Introduction Ordinance 23-05, Amending Title 1, Chapter 1.20, Sections 1.20.030(B)(3) and 1.20.100; Title 2, Sections 2.08.010 (B), 2.12.030(A) AND (B), 2.20.040 AND 2.20.050 of the Aleutians East Borough Code of Ordinances

MOTION

BRENDA moved to approve the Ordinance 23-05 second by DAILEY

Administrative Clerk Dushkin said the Borough has adopted a Borough Municipal Code of Ordinances in 1987, when the Borough was first formed. The Borough desires to amend the Code to be internally consistent, to correct grammatical and typographical errors, and to comply with the Alaska law and the Borough's procedures. Code Section 1.04 provides that the Code may be amended by the act of the Assembly. The current and the proposed changes are outlined on the attached table in the packet.

PAUL commented he's reading the Joe Levesque memo, I frankly have not enough time to go through it, there are quite a few changes. I don't have a problem with moving it with the 1st reading but will respectfully request maybe in July for the 2nd reading.

Mayor Osterback asked if anybody has a problem scheduling it for May 18th?

CHRIS commented that there is no major changes, it is more like housekeeping.

PAUL said in all the Ordinances we've been adopting changing, original ordinances they all ended up with Administration getting more authority than the Assembly. I thought we should be reversing it.

Administrator Bailey pointed out that there aren't many changes other than what Glennora stated on changing days to hours or hours to days. When we were trying to readd this and figuring it out. It was really confusing. So we asked Levesque office to go through to make it more streamlined and easy to understand just by reading. Few of the things in here, we haven't even practiced. For instance, in one of the section, it says we would have 5 public hearings on an ordinance, we do not do that and it is not feasible to do that so that got changed to what we practice for years and years. So that stuff got cleaned up because that is not what we practiced. A lot of this is clerical and s few items that will bring us in line with State Statute.

BRENDA commented after reading through it, it doesn't give the administrator additional authority. Just changing up the name from Assemblymen to Assembly, correct spelling and some capitalization. It doesn't give authority to anybody.

Mayor Alvin commented if anybody has any questions we can ask, Levesque law to the next meeting and explain the memo. I don't think any of these are designed to take power away from the Assembly. We say this is recommended but the Assembly will vote. WARREN agreed.

ROLL CALL

Yeas: Brenda, Chris, Dailey, Warren, Paul, Josy, Jim
Nay: None

MOTION CARRIED

Introduction Ordinance 23-06, Adopting the Operating and Capital Budget for the Aleutians East Borough Fiscal Year for FY2024

MOTION

CHRIS moved to accept Introduction Ordinance 23-06 and set for Public hearing at May 18, 2023, second by JOSY

Administrator Bailey said before you are all the information for the FY2024 budget. In the packet you should have an agenda statement that explains as much details it can provide, a consumer price index document, permanent fund earnings appropriation document, FY24 community budget request information and the ordinance itself. The next page is the budget in excel sheet, green shows increase, and red shows decrease. We are introducing the budget today May 3, 02023 with second reading on May 18, 2023, for a public hearing.

Administrator Bailey reviewed the Agenda Statement for the Operating and Capital budget for FY23, this includes budget on the State level. On Fisheries Considerations and Natural Resources department have the analysis and recommend a conservative approach to projecting the FY24 Borough raw fish tax revenue. The analysis was based on recent fishery trends. After the analysis, the recommended Fish Tax Revenue is \$4M.

PAUL commented that he heard one of the Fish processors will not be exporting any fish to our region. How much do you think would be the chunk if they did not export some of that Bristol Bay fish in our region? Mayor Osterback asked if you fish in Bristol Bay and offload to a tender and they are inside the Bristol Bay Borough, that fish tax goes to Bristol Bay.

Levy commented they have not heard that, could possibly do an analysis to think about those numbers. And to answer all these questions, we are looking into it right now. We will have an answer for you quickly but will have to talk to legal counsel to verify.

Every single department has looked into their budget and made adjustments to meet anticipated needs for FY2024. Proposed salaries include 5% COLA. the Consumer Price Index (CPI) for Urban Alaska for the preceding fiscal year is 8.1%.

Fringe Benefits anticipates 12% increase which includes Medicare, ESC, PERS and insurance costs.

The School District is requesting \$800,000, and if the BSA won't increase they may come back for more. The proposed FY24 budget reflects \$800,000 in local school contributions; \$35,000 in school scholarships and \$20,000 in student travel totaling \$855,000.

Fund 20 outlines grants from outside entities (i.e. State of Alaska, NOAA, etc...), capital projects funded from non-grant and Borough sources (i.e. Trident Contribution to the Akutan Airport, hovercraft sales proceeds designations, etc...) and the Borough Permanent Fund Earning appropriated projects. The Ordinance appropriates \$1,788,334.18 for FY24 designated projects.

PAUL asked how much of the proposed budget is permanent Fund? Administrator Bailey responded that the excel spreadsheet doesn't show Fund 20. Finance Director Brandell added Fund 20 is not an operational budget. They are for special projects and things that are not a day-to-day operation. PAUL followed up by asking so this budget that we are adopting has no reference to the Permanent Fund. Administrator Bailey said it does not show in the excel spreadsheet, but it is in the Ordinance.

Administrator Bailey said we expect for FY2024, revenue of \$7.525M, expenditure \$4.441M, Net Revenue of \$3.084M. Terminal Operation of \$42K, Helicopter operations -\$863K. Expected Surplus is \$72K.

This assumes 50% in School Bond Debt Reimbursement, 0% Harbor Bond Debt Reimbursement, a 5% Cost of Living increase for employees and funding education at \$855,000.

Detailed proposed increases and decreases with comments are shown on the table on the packet. One big change to note is Utilities. Utilities are spread throughout different departments, we consolidated those and moved everything to Other.

CHRIS asked if Sand Point Bus Barn does not fall under school district budget. The administrator said no. PAUL asked the status of the maintenance department. Administrator Bailey said we are still looking for someone. CHRIS asked if we are paying for the bus barn? Mayor Osterback said when they built it, it was supposed to be used to store the school bus but never been used as that. We have all our maintenance tools stored there.

PAUL asked about School Pool budget on page 16 being zeroed out. The administrator said we have other funding to pay for the pool. PAUL asked when is the pool going to open, Administrator said we are working on the doors right now. There is a contractor coming out to Sand Point, we finally pin point when the leak is and they will try to fix that and fix the gutter crack.

Fund 22 reflects Terminal Operations and Helicopter Operations.

CHRIS asked about the salary in helicopter operations, administrator said we have an employee who drives the skiff.

Another major change to this budget is the Fund 41, the Maintenance Reserve Account, per our code, Section 6.04.042 Each year the mayor shall include in the proposed budget for the coming fiscal year the deposit to the Capital Improvement Maintenance Reserve Account of the greater of \$100,000 or an amount equal to two and one half percent of the total anticipated revenues from the borough sales tax and the state shared fisheries business license tax. The amount shown to be deposited to the account in the annual budget finally approved by the Assembly and all interest earned on the account shall be deposited to the account. In FY24, the Borough anticipates \$4,000,000 in Borough Fish Tax Revenue and \$1,900,000 in the State Shared Fisheries Business Tax totaling \$5,900,000. 2.5% of \$5,900,000 is \$147,500, which is greater than \$100,000. Therefore, \$147,500 is budgeted in the Maintenance Reserve line-item in FY24. Once the FY24, budget is approved these funds will be placed in its own AMLIP portfolio, where it

will accrue its own interest. If the full amount is not expended the remaining funds will remain in the account. Section 6.04.042 Section 2 Appropriations will be followed with the monies in this account.

The FY24 Permanent Fund Earnings Appropriation recommendations are listed in the packet. Total proposed appropriations \$1.788M. Discussions were made.

ROLL CALL

Yeas: Warren, Paul, Brenda, Josy, Jim, Dailey, Chris
Nay: None

MOTION CARRIED

OLD BUSINESS

None.

NEW BUSINESS

None

PAUL asked by ordinance, who does the clerk report to? Mayor Osterback replied, the Assembly. PAUL asked how many applicants? Mayor Osterback said 3 applicants. PAUL commented but you recommended one. Mayor Osterback replied by ordinance, administration selects the candidate and Assembly will approve.

EXECUTIVE SESSION

- Borough Clerk Performance Evaluation

The Assembly may move into Executive Session to discuss and review the performance of the Borough Clerk Rosete – a subject that may prejudice the reputation and character of the Clerk.

Brenda made a motion to move into Executive Session inviting the Clerk, Mayor Osterback and Administrator Bailey, second by Chris

JOSY made a motion to come out of Executive Session second by DAILEY

ASSEMBLY COMMENTS

PAUL commented that on August we should plan on meeting around the ferry and go to False Pass or Akutan.

PUBLIC COMMENTS

NEXT MEETING DATE

Special Assembly Meeting May 18, 2023, at designated locations.

ADJOURNMENT

JOSY moved to adjourn and second by BRENDA. Hearing no more, the meeting adjourned at 3:44pm.

Mayor Alvin D. Osterback

Beverly Ann Rosete, Borough Clerk

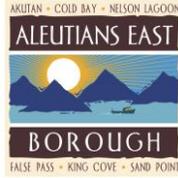
Date: _____

FINANCIAL REPORT

INVESTMENT REPORT

CONSENT AGENDA

PUBLIC HEARING



Date: May 12, 2023
To: Mayor Osterback and Assembly
From: Ernie Weiss, Natural Resources Department Director
Re: Public Hearing: Ordinance 23-04 authorizing the Mayor to negotiate and execute a lease of Lot 2, Port Moller Cannery Subdivision

Aleutians East Borough Code Section 50.10.060 provides that “[d]isposal of real property may be by sealed bids, outcry auction, lottery, first-come, first-served, negotiation, or such other method as the assembly may provide in the resolution authorizing the disposal.” Resolution 23-52 Authorizing a Lease of Lot 2 of the Port Moller Cannery Subdivision, was adopted by the Assembly May 3, 2023.

Ordinance 23-04 Authorizing the Mayor to Negotiate and Execute a Lease of Lot 2, Port Moller Cannery Subdivision, was introduced at the May 3rd Assembly meeting and set for public hearing at the May 18 Assembly meeting per Borough Code Section 1.20.030. A copy of the Ordinance is included following this agenda statement and should be available to all persons present at meeting sites, or the ordinance shall be read aloud in full at the public hearing.

Connor Murphy, J.W. Smith and Robert Murphy, partners, have maintained a building/structure on Lot 2 of the Plat of the Port Moller Cannery Subdivision, since before the Borough took title to the land. These owners of the building on Lot 2 have expressed an interest in continuing to use the property while holding to Borough principles and regulations. The Port Moller Cannery Subdivision is a subdivision within Alaska State Land Survey 2016-49, in Township 48 South, Range 72 West, Seward Meridian, within the Aleutian Island Recording District, Third Judicial District. ASLS 2016-49 is the survey of Aleutians East Borough Municipal Entitlement lands in Port Moller, approximately 1260 acres. **Lot 2 is 1 acre.** The Port Moller Cannery Subdivision plat is attached as Exhibit A.

The lease is subject to the following minimum essential terms and conditions:

1. The leased property shall be used by the partners for fisheries business activities and storage.
2. The lease term will be determined during the negotiations.
3. The lease rents, fees, and charges will be finalized during negotiations. The lease rents, fees and charges will not be less than market value.
4. The partners shall be responsible for obtaining all necessary permits and approvals for its operations on the leased property;
5. The partners shall, to the fullest extent of the law, indemnify, defend, and hold harmless the Borough, their agents, elected officials, volunteers, and employees from and against any and all claims related to or arising out of their use of the leased property.
6. The lease shall include all provisions of Borough Code of Ordinances not in conflict with this ordinance; and any other provisions that the Borough Mayor determines to be in the public interest.

As outlined above, the term and rental rate will be finalized during negotiations. The lease rents, fees and charges will not be less than market value.

The Natural Resources Department envisions a possible term of lease from 3 to 5 years. Research into fair market values reveal 2 recent airport leases in Cold Bay: \$625 annually for 0.18 acre, and \$768 annually for 0.29 acre. The AEB sold Port Moller Cannery Subdivision Lots 1 & 4 to PPSF for \$5000 per acre.

RECOMMENDATION

Natural Resources Department recommends approval of Ordinance 23-04 authorizing the Mayor to negotiate and execute a lease of Lot 2, Port Moller Cannery Subdivision.

ALEUTIANS EAST BOROUGH
ORDINANCE SERIAL NO. 23-04

AN ORDINANCE AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A
LEASE OF LOT 2, PORT MOLLER CANNERY SUBDIVISION

WHEREAS, Connor Murphy of Cannery Cove Fisheries, along with J.W. Smith and Robert Murphy (“Partners”) have expressed their desire to enter into a lease with the Aleutians East Borough (“Borough”) for Lot 2 of the Port Moller Cannery Subdivision, approximately one (1) acre, a part of Alaska State Land Survey 2016-49, in Township 48 South, Range 72 West, Seward Meridian, within the Aleutian Island Recording District, Third Judicial District, Alaska; and

WHEREAS, the Borough holds patent to Lot 2 and other land holdings in the Port Moller area by conveyance of Municipal Entitlement selections under ASLS 2016-49; and

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

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

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

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

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

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

WHEREAS, the Assembly approved Resolution 23-52 authorizing the disposal of the real property via lease; and

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

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

NOW THEREFORE, BE IT ENACTED:

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

Section 2. Authorization to Lease. Based upon the above findings, the Mayor is authorized to negotiate and execute a lease with the Partners for Lot 2 on a Plat of Port Moller Cannery Subdivision, approximately one acre of land as generally depicted on Exhibits “A”, within Alaska State Land Survey 2016-49, in Township 48 South, Range 72 West, Seward Meridian, within the Aleutian Island Recording District, Third Judicial District, Alaska.

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

- (a) The leased property shall be used by Partners for fisheries business activities and storage;
- (b) The lease term will be determined during the negotiations with the Partners.
- (c) The lease rents, fees, and charges will be finalized after negotiations with the Partners. The lease rents, fees and charges will not be less than market value.
- (d) Partners shall be responsible for obtaining all necessary permits and approvals for its operations on the leased property;

- (e) Partners shall, to the fullest extent of the law, indemnify, defend, and hold harmless the Borough, their agents, elected officials, volunteers, and employees from and against any and all claims related to or arising out of Partners' use of the leased property; and
- (f) The lease shall include all provisions of Borough Code of Ordinances not in conflict with this ordinance; and any other provisions that the Borough Mayor determines to be in the public interest.

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

INTRODUCED: _____

ADOPTED: _____

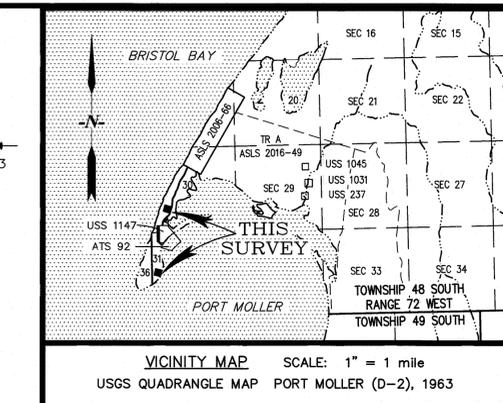
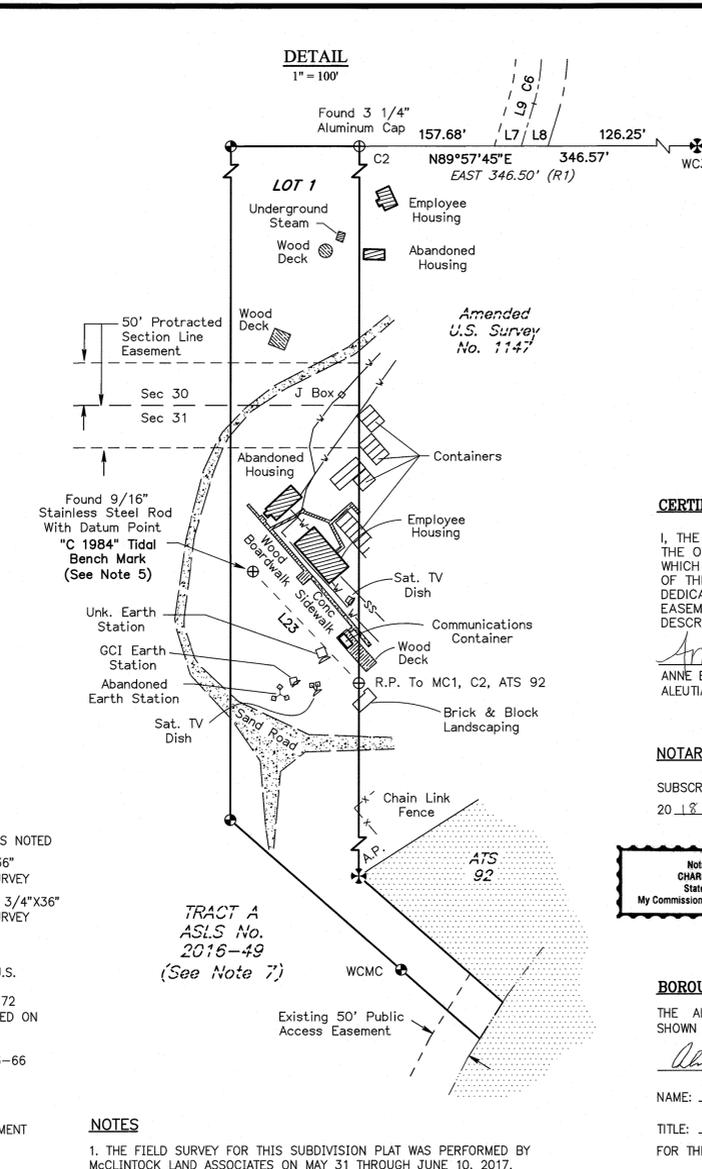
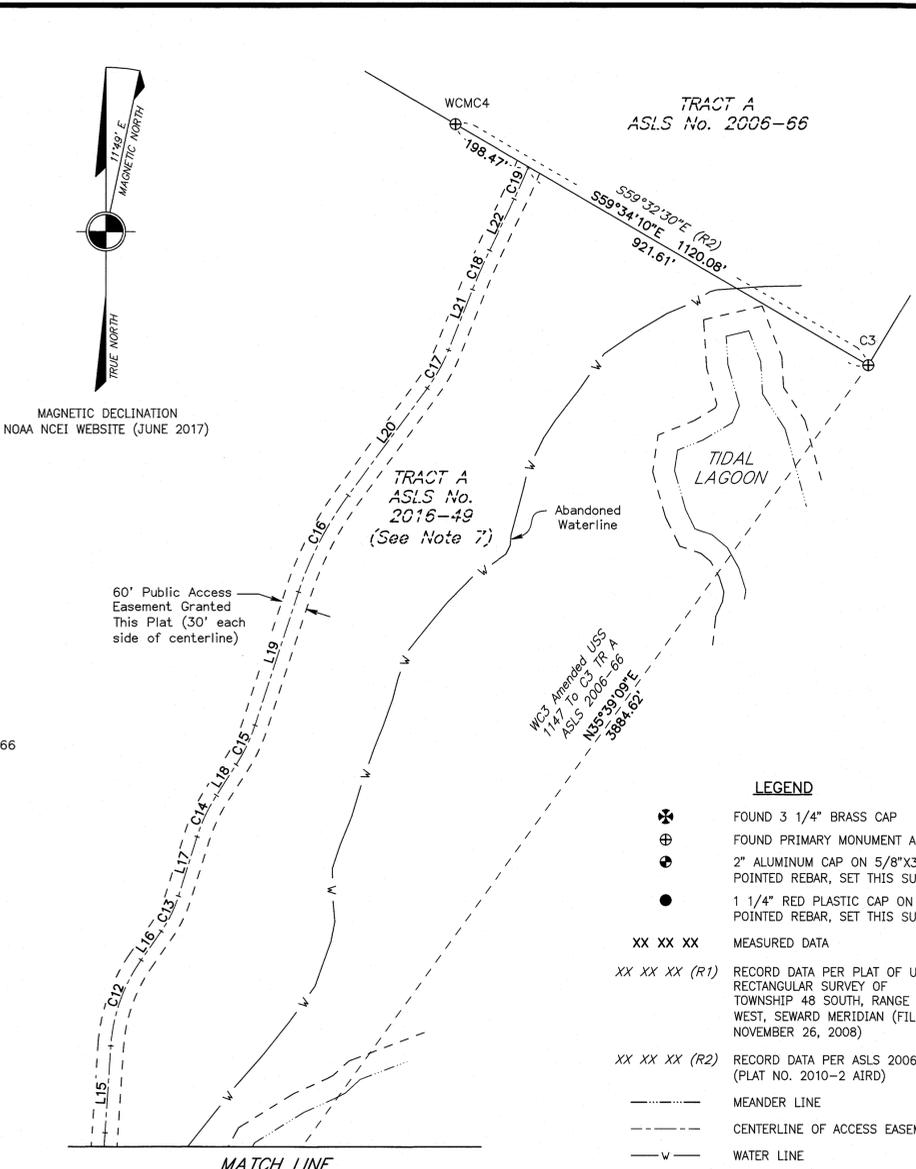
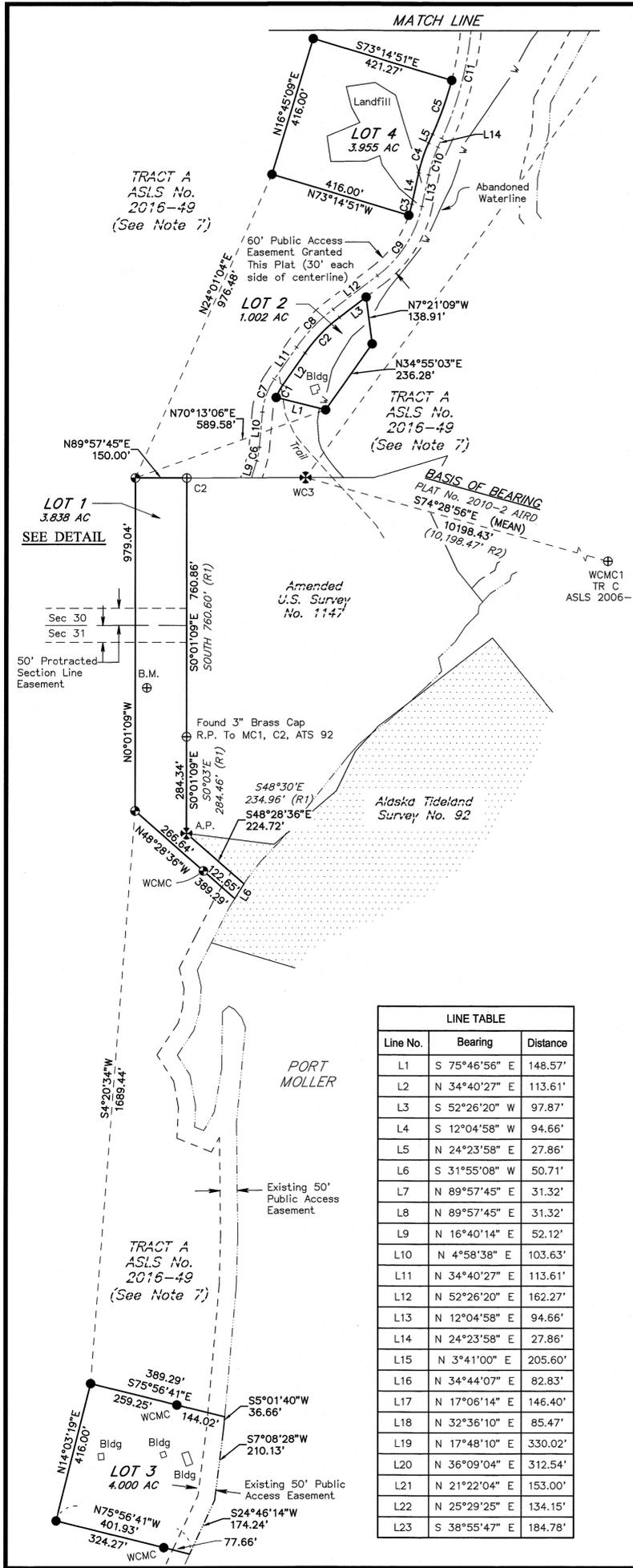
Alvin D. Osterback, Mayor

Date: _____

ATTEST:

Beverly Rosete, Borough Clerk

Date: _____



CERTIFICATE OF OWNERSHIP AND DEDICATION

I, THE UNDERSIGNED, HEREBY CERTIFY THAT ALEUTIANS EAST BOROUGH IS THE OWNER OF THAT PORTION OF TRACT A, T. 48 S., R. 72 W., S.M., AK., WHICH IS NOW SHOWN ON THIS PLAT AS LOTS 1, 2, 3, AND 4, ON BEHALF OF THE ALEUTIANS EAST BOROUGH, I APPROVE THIS SURVEY AND PLAT AND DEDICATE OR RESERVE FOR PUBLIC OR PRIVATE USE, AS NOTED, ALL EASEMENTS, PUBLIC UTILITY AREAS AND RIGHTS-OF-WAY AS SHOWN AND DESCRIBED ON THIS PLAT.

Anne Bailey 5/22/2018
 ANNE BAILEY, ADMINISTRATOR DATE
 ALEUTIANS EAST BOROUGH

NOTARY'S ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN BEFORE ME THIS 22nd DAY OF May 2018, BY *Anne Bailey*

Notary Public
 CHARLOTTE LEVY
 State of Alaska
 My Commission Expires Feb 19, 2019

NOTARY FOR THE STATE OF ALASKA
 MY COMMISSION EXPIRES: 2/19/2019

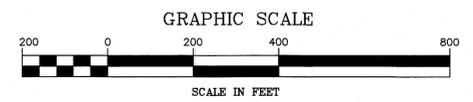
BOROUGH APPROVAL CERTIFICATE

THE ALEUTIANS EAST BOROUGH HEREBY APPROVES THE SURVEY AND PLAT SHOWN HEREON.

Alvin D. Osterback MAY 30, 2018
 NAME: Alvin D. Osterback DATE
 TITLE: Mayor
 FOR THE ALEUTIANS EAST BOROUGH PLATTING AUTHORITY

TAX CERTIFICATE

THIS SUBDIVISION LIES OUTSIDE OF ANY TAXING AUTHORITY, AT THE TIME OF FILING.



LINE TABLE

Line No.	Bearing	Distance
L1	S 75°46'56" E	148.57'
L2	N 34°40'27" E	113.61'
L3	S 52°26'20" W	97.87'
L4	S 12°04'58" W	94.66'
L5	N 24°23'58" E	27.86'
L6	S 31°55'08" W	50.71'
L7	N 89°57'45" E	31.32'
L8	N 89°57'45" E	31.32'
L9	N 16°40'14" E	52.12'
L10	N 4°58'38" E	103.63'
L11	N 34°40'27" E	113.61'
L12	N 52°26'20" E	162.27'
L13	N 12°04'58" E	94.66'
L14	N 24°23'58" E	27.86'
L15	N 3°41'00" E	205.60'
L16	N 34°44'07" E	82.83'
L17	N 17°06'14" E	146.40'
L18	N 32°36'10" E	85.47'
L19	N 17°48'10" E	330.02'
L20	N 36°09'04" E	312.54'
L21	N 21°22'04" E	153.00'
L22	N 25°29'25" E	134.15'
L23	S 38°55'47" E	184.78'

CURVE TABLE

Curve No.	Delta	Radius	Tangent	Arc Length	Chord Length	Chord Bearing
C1	14°01'07"	170.00'	20.90'	41.59'	41.49'	S27°39'54"W
C2	17°45'53"	470.00'	73.45'	145.73'	145.14'	S43°33'24"W
C3	6°02'10"	320.00'	16.87'	33.71'	33.70'	N15°06'03"E
C4	12°18'59"	430.00'	46.40'	92.43'	92.26'	S18°14'28"W
C5	9°57'17"	970.00'	84.48'	168.53'	168.32'	N19°25'19"E
C6	11°41'36"	200.00'	20.48'	40.82'	40.75'	N10°49'26"E
C7	29°41'49"	200.00'	53.02'	103.66'	102.51'	N19°49'33"E
C8	17°45'53"	500.00'	78.14'	155.03'	154.41'	N43°33'24"E
C9	40°21'22"	350.00'	128.62'	246.52'	241.46'	N32°15'39"E
C10	12°18'59"	400.00'	43.16'	85.99'	85.82'	N18°14'28"E
C11	20°42'58"	1000.00'	182.78'	361.57'	359.60'	N14°02'29"E
C12	31°03'08"	400.00'	111.13'	216.79'	214.14'	N19°12'33"E
C13	17°37'53"	300.00'	46.53'	92.32'	91.95'	N25°55'11"E
C14	15°29'56"	400.00'	54.43'	108.20'	107.87'	N24°51'12"E
C15	14°48'00"	400.00'	51.95'	103.32'	103.04'	N25°12'10"E
C16	18°20'54"	800.00'	129.20'	256.19'	255.10'	N26°58'37"E
C17	14°47'00"	400.00'	51.89'	103.21'	102.92'	N28°45'34"E
C18	4°07'21"	1400.00'	50.39'	100.73'	100.71'	N23°25'44"E
C19	3°23'14"	1400.00'	41.40'	82.77'	82.75'	N23°47'47"E

- LEGEND**
- FOUND 3 1/4" BRASS CAP
 - FOUND PRIMARY MONUMENT AS NOTED
 - 2" ALUMINUM CAP ON 5/8"x36" POINTED REBAR, SET THIS SURVEY
 - 1 1/4" RED PLASTIC CAP ON 3/4"x36" POINTED REBAR, SET THIS SURVEY
 - MEASURED DATA
 - RECORD DATA PER PLAT OF U.S. RECTANGULAR SURVEY OF TOWNSHIP 48 SOUTH, RANGE 72 WEST, SEWARD MERIDIAN (FILED ON NOVEMBER 26, 2008)
 - RECORD DATA PER ASLS 2006-66 (PLAT NO. 2010-2 AIRD)
 - MEANDER LINE
 - CENTERLINE OF ACCESS EASEMENT
 - WATER LINE

- NOTES**
- THE FIELD SURVEY FOR THIS SUBDIVISION PLAT WAS PERFORMED BY McCLINTOCK LAND ASSOCIATES ON MAY 31 THROUGH JUNE 10, 2017.
 - ALL BEARINGS SHOWN ARE TRUE BEARINGS AS ORIENTED TO THE BASIS OF BEARINGS AND DISTANCES SHOWN ARE REDUCED TO HORIZONTAL FIELD DISTANCES.
 - THE ERROR OF CLOSURE FOR THIS SURVEY IS NOT GREATER THAN 1:5000.
 - THE NATURAL MEANDERS OF THE LINE OF MEAN HIGH WATER FORM THE TRUE BOUNDS OF LOTS 1 AND 2. THE APPROXIMATE LINE OF MHW AS SHOWN, IS FOR AREA COMPUTATIONS ONLY, WITH THE TRUE CORNERS BEING ON THE EXTENSION OF THE SIDE LINES AND THEIR INTERSECTION WITH THE NATURAL MEANDERS.
 - THE MEAN HIGH TIDE WAS DETERMINED FROM THE TIDAL BENCH MARK, MARKED AS "C 1984", ON MAY 31, 2017, FROM DATA SUPPLIED BY THE STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, DIVISION OF MINING, LAND AND WATER.
 - MONUMENTS WERE SET WITH HIGH PRECISION DIFFERENTIALLY CORRECTED REAL TIME KINEMATIC GPS METHODS USING TOPCON MAGNET FIELD VERSION 4.2 AND CONFIRMED WITH HIGH PRECISION DIFFERENTIALLY CORRECTED STATIC OBSERVATIONS USING TOPCON DUAL FREQUENCY RECEIVERS, WITH DATA PROCESSED WITH TOPCON MAGNET TOOLS VERSION 4.3.0 SOFTWARE.
 - THE PORTION OF TRACT A, T. 48 S., R. 72 W., SM WHICH INCLUDES LOTS 1-4 OF THIS SUBDIVISION WAS SURVEYED CONCURRENTLY AS TRACT A, ASLS 2016-49. THE PLAT OF ASLS 2016-49 HAS BEEN SUBMITTED TO THE ALASKA DEPARTMENT OF NATURAL RESOURCES FOR REVIEW AND IS PENDING APPROVAL. THIS LAND HAS BEEN APPROVED FOR CONVEYANCE TO THE ALEUTIANS EAST BOROUGH BY THE FINAL FINDING AND DECISION AS38.05.810(O) UNDER ADL 224714. LOTS 1-4 OF PORT MOLLER CANNERY SUBDIVISION ARE SUBJECT TO ALL CONDITIONS OF THIS DECISION AND THE RESULTING PATENT/DEED FROM THE STATE OF ALASKA TO THE ALEUTIANS EAST BOROUGH.



SURVEYOR'S CERTIFICATE

I CERTIFY THAT I AM PROPERLY REGISTERED AND LICENSED TO PRACTICE LAND SURVEYING IN THE STATE OF ALASKA, THAT THIS PLAT REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECT SUPERVISION, THAT THE MONUMENTS SHOWN HEREON ACTUALLY EXIST AS DESCRIBED, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT.

William McClintock 5-16-18
 WILLIAM McCLINTOCK DATE
 REGISTERED LAND SURVEYOR (LS 5480)
 McCLINTOCK LAND ASSOCIATES, INC. (AEC596)

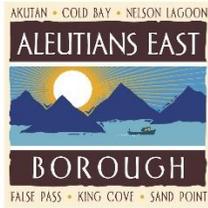
A Plat of Port Moller Cannery Subdivision Creating Lots 1, 2, 3 and 4

A SUBDIVISION OF TRACT A, T. 48 S., R. 72 W., S.M., AK., SITUATED WITHIN SECTIONS 30 AND 31 TOWNSHIP 48 SOUTH, RANGE 72 WEST SEWARD MERIDIAN, ALASKA

CONTAINING 12.795 ACRES, MORE OR LESS ALEUTIAN ISLANDS RECORDING DISTRICT

PREPARED BY
McCLINTOCK LAND ASSOCIATES, INC.
 16942 NORTH EAGLE RIVER LOOP ROAD
 EAGLE RIVER, ALASKA 99577
 (907) 694-4499

SCALE: 1"=200' CHK: MPF JOB: 17-131
 DATE: 8-07-17 DWN: SKS SHEET: 1 OF 1



Agenda Statement

Date: May 12, 2023
To: Mayor Osterback and Assembly
From: Beverly Rosete, Borough Clerk
Glennora Dushkin, Administrative Clerk/Deputy Clerk

Re: Ordinance 23-05, amending Title 1, Chapter 1.20, Sections 1.20.030(B)(3) and 1.20.100: Title 2, Sections 2.08.010(B), 2.12.030(A) and (B), 2.20.040 and 2.20.050 of the Aleutians East Borough Code of Ordinances

The legislative power of the Aleutians East Borough is vested in the Borough Assembly under Alaska State Statute 29.20.050. The Borough has adopted a Borough Municipal Code of Ordinances which includes procedures for the distribution of written materials to the Borough Clerk, Assembly members, the Mayor and publication of notice of meetings.

The Borough desires to amend the Code to be internally consistent, to correct grammatical and typographical errors, and to comply with both the Alaska law and the Borough's procedures. Code Section 1.04 provides that the Code may be amended by the act of the Assembly.

These sections in the Borough's Code were adopted in 1987 when the Borough was first formed. Administration and the Clerk's Department worked with Levesque Law Group to update the sections and suggests the revision on the attached table and the additions listed below to make the Code more consistent.

The suggested additions consist of:

- Adding the Borough Administrator to the packet distribution list
- Reserving the right to charge a fee for copies of the Code
- Special Meetings may be called in a shorter timeframe
- Giving notice for all meetings, including work sessions and Special Meetings
- Materials for an emergency meeting to be delivered to the Borough Clerk as soon as possible

The suggested changes are clerical and clean up inconsistencies throughout the sections.

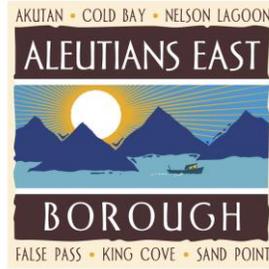
RECOMMENDATION

Administration recommends approval of Ordinance 23-05, amending Title 1, Chapter 1.20, Sections 1.20.030(B)(3) and 1.20.100: Title 2, Sections 2.08.010(B), 2.12.030(A) and (B), 2.20.040 and 2.20.050 of the Aleutians East Borough Code of Ordinances.

PROPOSED in green and **CURRENT** in red

MEETING TYPE	MATERIALS DUE TO CLERK	AGENDA AND MATERIALS DISTRIBUTED	PUBLIC NOTICE REQUIREMENT	RELEVANT AEBC/ALASKA STATUTE
<p>Codes of Ordinances Codes of Regulations</p>	<p>No change required Addressed by regular ordinance procedure</p>	<p>Addressed by regular ordinance procedures. Fees for paper copies may be charged in accordance with A.S. 40.25.110 Addressed by regular ordinance procedure</p>	<p>Change heading to Codes of Ordinances. Delete all but final sentence in Code. Add reference to posting on website and allowing for charging for copies Neither the ordinance nor its amendments need to be distributed to the public or read in full all the hearings</p>	<p>AEBC 1.20.100</p>
<p>Regular Assembly Meeting</p>	<p>No change required At least 72 hours prior to meeting</p>	<p>No change required At least 48 hours in advance of meeting</p>	<p>No change required Reasonable publication notice at least 24 hours in advance of meeting</p>	<p>AEBC 2.12.030(A); 2.20.030 and 2.20.040; A.S. 44.62.310 (A) and (E)</p>
<p>Work Session</p>	<p>Amend to at least 72 hours prior to meeting Not addressed</p>	<p>Amend to match distribution requirements of regular and special meetings Clerk to give written materials to Assembly, Mayor and AEB Administrator at least 3 days prior to work session</p>	<p>No change required Reasonable public notice to be given prior to work sessions</p>	<p>AEBC 2.12.030(B), 2.20.030; 2.20.040; A.S. 44.62.310(E)</p>
<p>Special Meetings Special Meetings</p>	<p>No change required At least 72 hours prior to meeting</p>	<p>No change required At least 48 hours in advance of meeting</p>	<p>Reasonable public notice required. Amend to state that special meetings may be called on shorter notice and treated as emergency meetings</p>	<p>AEBC 2.08.020(A); 2.12.030(A); 2.20.030 and 2.20.040; A.S. 44.62.310(A) and (E)</p>

			Reasonable public notice at least 24 hours in advance of meeting	
Emergency Meeting	Amend to require submission of written materials as soon as reasonably practicable Materials not addressed; emergency meetings may be held after public notice affirmative vote of at least 3/4 of Assembly	Amend to address distribution of materials to Assembly, Mayor and Borough Administrator as soon as reasonably practicable Publication requirements of AEB 2.20.040 are not required	No change required Reasonable public notice of an emergency meeting as in reasonable under the emergency circumstances	AEBC 2.20.050
Public Hearing for Ordinance	Not addressed	Not addressed	No change required Publication of proposed ordinance at least 5 days in advance of public hearing	AEBC 1.20.030(B)(3) A.S. 29.25.020



**ALEUTIANS EAST BOROUGH
ORDINANCE SERIAL NO. 23-05**

AN ORDINANCE AMENDING TITLE 1, CHAPTER 1.20, SECTIONS 1.20.030(B)(3) and 1.20.100; TITLE 2, SECTIONS 2.08.010(B), 2.12.030(A) AND (B), 2.20.040 AND 2.20.050 OF THE ALEUTIANS EAST BOROUGH CODE OF ORDINANCES

WHEREAS, the legislative power of the Aleutians East Borough (the “Borough” or “AEB”) is vested in the Borough Assembly under Alaska State Statute Section 29.20.050; and

WHEREAS, the Borough has adopted a Borough Municipal Code of Ordinances (sometimes referred to herein as the “Code” or the “Borough Code”) which includes procedures for the distribution of written materials to the Borough Clerk, Assembly members, the Mayor and publication of notice of meetings; and

WHEREAS, the Borough desires to amend the Code to be internally consistent, to correct grammatical and typographical errors, and to comply with Alaska law and the Borough’s procedures; and

WHEREAS, Code Section 1.04 provides that the Code may be amended by act of the Assembly; and

WHEREAS, deletions from the current Code are ~~struck-out~~ and additions are indicated in **bold red type**.

NOW THEREFORE, BE IT ENACTED:

Section 1. Notice and Distribution of Materials for Proposed Ordinances. Section 1.20.030(B)(3) of the Borough Municipal Code is hereby amended to read as follows: “At least five **(5)** days before the public hearing **the Borough Clerk shall publish** ~~be published~~ a summary of the ordinance ~~shall be published~~ together with a notice of the time and place for the **public hearing, an agenda and any other written materials.**”

Section 2. Codes of Regulations. Section 1.20.100 of the Borough Municipal Code is amended to read as follows: “1.20.100 ~~Codes~~ **Code of Regulations-Ordinances.** ~~The assembly may in a single ordinance adopt or amend by reference provisions of a standard published code of regulations. The regular ordinance procedure applies except that neither the ordinance nor its amendments need to be distributed to the public or read in full at the hearings. For a period of fifteen days before adoption at least five hearings. For a period of fifteen days before adoption at least five copies of the code must be made available for public inspection at a time and place set out in the hearing notice. Only the adopting ordinance need be printed after adoption. The assembly shall provide for the adopted code to be sold to the public.~~ **Adopted ordinances shall be published on the Borough’s website. Paper copies are available upon request and the Borough reserves the right to charge a reasonable copying charge in accordance with A.S. 40.25.110.”**

Section 3. Regular Assembly Meetings. The fourth sentence of Section 2.08.010(B) of the Borough Municipal Code is hereby amended to read as follows: “The notice shall be in accordance with the publication requirements of ~~Sec. 1.12.010~~ **Section 2.20.040** at least twenty-four **(24)** hours prior to the scheduled meeting.”

Section 4. Agenda for Regular and Special Meetings. The first two sentences of Section 2.12.030(A) of the Borough Municipal Code are hereby amended to read as follows: “Regular and Special Meetings. All reports, communications, ordinances, resolutions, contract documents, or other matters to be submitted to the Assembly shall, at least seventy-two **(72)** hours prior to each Assembly meeting, be delivered to the Borough ~~clerk~~ **Clerk** whereupon the Mayor shall arrange a list of such matters according to the order of business. At least forty-eight **(48)** hours in advance of the Assembly meeting, the Borough ~~Clerk~~ **Clerk** shall furnish each member of the Assembly, the Mayor, **and the Borough Administrator** a copy of the same in packet form.

A Special Meeting may be called on a shorter time frame in accordance with the provisions of AEB Code 2.08.020(A). In that instance, materials for the Special Meeting must be delivered to the Borough Clerk as soon as reasonably practicable, with distribution by the Clerk to the Assembly, the Mayor and the Borough Administrator. Public notice of the meeting will be provided at the same time. Distribution shall be by electronic mail to each Assembly member’s email address of record as well as by posting on the Borough’s website. If distribution by electronic means is not available, distribution shall be by delivery in person or mail to the Assembly member.”

Section 5. Agenda for Work Sessions. Section 2.12.030(B) of the Borough Municipal Code is hereby amended to read as follows: “Any matter to be considered by the Assembly in work sessions shall be listed in agenda form ~~by the clerk and be given to the Assembly at least three days prior to said work session.~~ **and delivered to the Borough Clerk, along with any written materials to be**

considered in the work session at least seventy-two (72) hours prior to such work session. Any written material for said work session shall be furnished by the Borough Clerk to the Mayor, Assemblymen and Borough administrator three days in advance of the scheduled day for such work session. **The Borough Clerk shall distribute such agenda and any written materials to the Assembly, Mayor and the Borough Administrator at least forty-eight (48) hours prior to such work session.** Reasonable public notice for work sessions of the Assembly shall be required.”

Section 6. Publication. Section 2.20.040 of the Borough Municipal Code is hereby amended to read as follows: “For the purpose of giving notice of **all** meetings, **including work sessions, and except as provided in Section 1.20.030 (Ordinances) and Section 2.12.030(A) (Special Meetings),** reasonable public notice is given if a statement containing the date, time and place of the meeting is published ~~in~~ accordance with the publication requirements of Sec. 1.123.010 not less than twenty-four **(24)** hours before the time of the meeting.”

Section 7. Emergency Meetings. Section 2.20.050 of the Borough Municipal Code is hereby amended by adding a second sentence to read as follows: “**Any written material to be considered in an emergency meeting shall be delivered to the Borough Clerk as soon as reasonably practicable, with distribution by the Borough Clerk to Assembly members, the Mayor, and the Borough Administrator.**”

Section 8. Classification. This ordinance is of a general and permanent nature and shall become part of the Borough Code.

Section 9. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 10: Effectiveness. This ordinance shall become effective upon adoption.

Section 11: Adoption of Sections. The Code Sections referenced in this Ordinance 23-____ are hereby amended as set forth herein in this Ordinance and are hereby adopted as part of the Code of Ordinances of the Aleutians East Borough.

BE IT ENACTED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH on this ____ day of _____, 2023.

Date Introduced and Approved: _____

INTRODUCED: _____

ADOPTED: _____

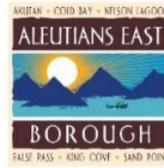
Alvin D. Osterback, Mayor

Date: _____

ATTEST:

Beverly Rosete, Borough Clerk

Date: _____



AGENDA STATEMENT

To: Alvin D. Osterback, Mayor and Assembly

From: Anne Bailey, Borough Administrator
Jacki Brandell, Finance Director

Date: May 12, 2023

Re: Ordinance 23-06, Adopting the Operating and Capital Budget for FY24

Ordinance 23-06 outlines the Aleutians East Borough's Operating and Capital Budget for Fiscal Year (FY) 2024. The FY24 draft budget was introduced at the May 3, 2023 Assembly Meeting and the second reading and public hearing is scheduled for May 18, 2023. Administration conducted an in-depth review of the Borough's anticipated revenues and expenditures and is recommending a conservative budget for FY24.

An overview of items that went into the FY24 budget process include but are not limited to the following:

State of Alaska Budget

In mid-December, Governor Dunleavy proposed his FY2024 budget. A summary of key highlights include:

- Full funding of school bond debt reimbursement for FY2024.
 - The Aleutians East Borough's FY 2024 school bond debt reimbursement amount is \$678,080.
- Full funding of harbor bond debt reimbursement for FY2024.

- The FY2024 amount for the Borough is: False Pass Harbor Bond Debt - \$194,180 and the Akutan Harbor Bond Debt - \$226,662. Totaling \$420,842.
- Full funding of K-12 funding but no additional money.
- Community Assistance for FY2024 should continue at current level.
 - The Aleutians East Borough's FY 2024 community assistance amount is \$316,184.
- Full funding of state raw fish taxes sharing with municipalities.

On April 17, 2023, the House approved its version of the FY 2023 operating budget. The budget calls for a \$2,700 permanent fund and an increase of \$175 million of one-time money for K-12 public schools. It also included the following:

- Full funding of school debt and harbor debt reimbursement for FY 2024.
- Full funding of K-12 funding but no additional money. Governor proposed (*HB 106/SB 97*) to pay teachers three years of lump sum payments as recruitment and retention incentives as an alternative to a BSA increase.
- Full funding of PCE payments.
- Community Assistance for FY 2024 should continue at current level. An FY 2024 appropriation of \$30 million is included in latest House version to capitalize the fund for next year.
- Full funding of state raw fish taxes sharing with municipalities.
- Proposes a 50/50 split between government services and the Permanent Fund dividend using the earnings reserve distribution for FY 2024, resulting in a dividend of about \$2,500 per person.
- Increase of over \$10 million for Alaska Marine Highway System operations in calendar year 2024.
- Full funding of the additional state contribution to the Public Employees' and Teachers' Retirement Systems.
- A Base Student Allocation is also being considered but a final amount has not been determined.

Senate Finance has completed its drafts of the FY24 operating and capital budgets. The operating budget totals \$6.2 billion and pays for state services for the twelve months that begin July 1. The Senate's version of the budget includes a \$1,300 Permanent Fund dividend, a \$90 million surplus, and a \$175 million or \$680-per-student increase for public schools outside the Base Student Allocation Formula. To pay for its changes without spending from savings, the Senate reduced the Permanent Fund dividend proposed by the House, halving it from the proposed \$2,700. The operating budget will have to be reconciled with the House's budget proposal, passed earlier this month, through the conference committee process. As of May 7, 2023, there are no indications of meaningful progress on the budget between the House and Senate leaders. With the deadline of May 17 as the 121st day of regular session, the possibility of a 10-day extension is increasing.

Senate Finance also introduced a new committee substitute for the FY24 Capital budget. It is one of the lowest capital budgets in years and mostly matches federal dollars. The bill now has \$344 million in state Undesignated General Funds; \$68,300 in Designated General Funds; \$158,400 in other state funds and \$2.132 billion in federal fund. This bill may be sent to the House this coming week.

There is plenty that can change between now and when the final budget is signed into law and it is very hard to predict what will occur. Based off the information outlined above, Administration suggests including 50% of the school bond debt reimbursement (now reflected in Fund 30); 0% of the harbor bond debt reimbursement (now reflected in Fund 30) and \$316,184 for community assistance. If any of these items change after the approval of the budget Administration will present a budget amendment to the Assembly for consideration at that time.

Fishery Considerations

In FY23, Administration and the Natural Resources (NR) Department estimated a total fish tax revenue of \$3,500,000. This was based on fishery trends, environmental uncertainty and potential fishery management actions. In January 2023, the Assembly approved Ordinance 23-01, which revised the budget and the Assembly increased the fish tax revenue to \$4,000,000. As of March 2023, our fish tax revenue is ~\$4.2 million, which exceeds what was anticipated in the FY23 budget.

After the May 3, 2023 Assembly Meeting, Mayor Osterback, Administration and the NR Department reviewed the analyzed the recent fishery trends; available fishery forecasts; recent prices, quotas and harvest numbers; environmental uncertainties and potential fishery management actions. A conservative approach to projecting the FY24 Borough raw fish tax revenue is still being proposed. Therefore, we anticipate \$4,000,000 in fish tax revenue in FY24.

At the May 3, 2023 Assembly Meeting, a conversation about the Borough fish tax occurred. The following question was asked “What happens when fish are harvested and delivered to a tender outside of AEB boundaries, but then delivered to a shoreside plant within AEB boundaries.” The Natural Resources Department and the Borough Attorney are researching this and a response will be presented at the May 18, 2023 meeting.

Please note the Borough’s fish tax is calculated as 2% of the amount of raw seafood delivered to processors in Borough ports, multiplied by the ex-vessel price per pound for each species.

Department Budgets

All of the Departments have reviewed their budgets and made adjustments to meet the anticipated needs for FY24.

Salaries: The FY24 proposed budget reflects a 5% Cost of Living Adjustment.

Please note, the Consumer Price Index (CPI) for Urban Alaska for the preceding fiscal year is **8.1%** as shown on the attached document. According to Section 4.3.1 of the Employee Handbook, “the Borough Assembly may at its discretion authorize annual cost of living adjustments for regular employees in an amount not to exceed the Consumer Price Index for Urban Alaska as computed for the preceding fiscal year.”

Administration is recommending a 5% increase, which would increase the employee salaries by ~\$43,900. Administration has provided a summary of additional COLA options and the impact they will have on the budget:

4%	5%	5.5%	6%	6.5%	7%	7.5%	8.1%
~\$35,100	~\$43,900	~\$48,295	\$52,600	\$57,000	~\$61,400	~\$65,800	~\$71,125

If the Assembly would like to change the COLA rate an amendment would need to be made.

Fringe: On May 10, 2023, Administration received Premera’s FY24 Renewal information. The medical insurance had a 3% increase and the dental insurance rates remained the same. This was significantly less than the 11-12% we were originally anticipating. Administration has left the 12% increase in health care benefits in the FY24 proposed budget. Therefore, there is a flat 12% increase for all the fringe benefit line items. If the Assembly wants to reduce the fringe an amendment would need to occur. Fringe benefits include Medicare, ESC, PERS and medical insurance costs.

Education Support

In March 2023, the Borough corresponded with the School District regarding the FY24 school district budget. David Nielsen, the School District Business Manager stated, “...Because the state legislature, for the first time since about 2016, is actually having a serious conversation about increasing the BSA for next year, an optimistic increase to the BSA has been utilized in the budget proposal. Therefore, the borough’s historical contribution amount of \$800,000 has been incorporated into the FY24 AEBSD budget proposal at this time.” He continues that “Granted, assumptions have been based on what is known at this time of budget development, so who really knows, if the state legislature and governor will actually increase the BSA and if they do, two what extent... Notwithstanding, decisions have to be made on what is known, what is assumed, and perhaps what is hoped for. That being said, should the legislature fail to improve the BSA amount in a very significant and long overdue fashion, it may become necessary for AEBSD to request an additional amount over and above the anticipated amount of \$800,000.” Jack Walsh, the Interim Superintendent,

believes Dave’s assessment that the \$800,000 contribution would work. He did add that there may be additional costs due added requirements on the district to possibly add certified preschool teachers; the district planning on having face-to-face Inservice in the fall bringing the teachers together; increases in staffing, insurance and operational costs and challenges/costs that may be incurred due to school size.

In FY23, the Aleutians East Borough could contribute a minimum of \$497,536 and a maximum of \$1,708,241 to the school district. After discussions with Mark Hickey, the minimum contribution amount should remain the same but if a BSA increase occurs it would raise the “cap” or what’s called the maximum local contribution. Trying to assess the size of the impact is speculative right now.

The School District did pass their FY2024 School Operating Fund Budget, and it reflects a direct appropriation from the Borough in the amount of \$800,000.

Based off this information, the proposed FY24 budget reflects \$800,000 in local school contributions; \$35,000 in school scholarships and \$20,000 in student travel totaling \$855,000. If the Assembly, would like to change the School District Contribution, a motion will need to be made to do so.

Fund 20

In the Borough financials, Fund 20 outlines grants from outside entities (i.e. State of Alaska, NOAA, etc...), capital projects funded from non-grant and Borough sources (i.e. Trident Contribution to the Akutan Airport, hovercraft sales proceeds designations, etc...), and the Borough Permanent Fund Earning appropriated projects.

In FY24, the Ordinance includes the Designation of the Permanent Fund Balance and shows the unspent appropriated funds for FY17 to FY23 approved expenditures through April 30, 2023 (this value will change between April 30 and June 30, 2023); the appropriated permanent fund earnings for FY24 and the appropriated transfer (if any) to the general fund to cover the FY24 budget deficit. An outline of why this occurs and what it entails can be found below:

When the Assembly votes to utilize Permanent Fund monies for specific projects that is a designation of part of the permanent fund. Sometimes the Borough doesn’t spend all the monies that were designated in one fiscal year—in fact, sometimes that is the intent, to designate part of the permanent fund monies for long term or future projects.

Therefore, when the Borough doesn’t spend all the designated amounts in one year, the Borough still has to show the intent of the Assembly to spend those permanent fund monies on those specified projects.

The correct way to do that is through a Designation of Permanent Fund Fund Balance, as shown in the budget ordinance. By designating the funds in the fund balance they are now “spoken for” and cannot be spent on something else or utilized any differently unless by action of the Assembly.

The Ordinance appropriates \$1,788,334.18 for FY24 designated projects.

A resolution will be presented at the May 18, 2022 Assembly meeting, approving the FY24 permanent fund earnings to designated projects.

The Permanent Fund Earnings Policy, leaves the actual permanent fund earning cash in the Permanent Fund investments in order to keep earning a good return for the Borough, but has the money clearly shown as Designated funds in the Ordinance and in the Financial Statement on the balance sheet.

The proposed FY24 Budget Summary is as follows:

Expected FY24 Revenue:	\$7,525,500.00
Expected FY24 Expenditures: (Funds 01, 24, 40 and 41)	\$4,441,395.00
Net Revenue over Expenditures	\$3,084,105.00
Transfer In from Terminal Operation:	\$42,850.00
Transfer Out to Helicopter Operation:	(\$863,800)
Transfer Out to the Bond Fund:	(\$2,190,485.00)
Transfer In from Permanent Fund:	\$0.00
Expected FY24 Surplus:	\$72,670.00

This assumes 50% in School Bond Debt Reimbursement, 0% Harbor Bond Debt Reimbursement, a 5% Cost of Living increase for employees and funding education at \$855,000.

This memo includes an overview of the:

- FY24 Fund 01 General Fund Anticipated Revenues
- FY24 Fund 01 General Fund Expenditure Adjustment Recommendations
- FY24 Fund 22 Cold Bay Terminal Anticipated Revenues
- FY24 Fund 22 Cold Bay Terminal Expenditure Adjustment Recommendations
- FY24 Fund 22 Helicopter Operations Anticipated Revenues
- FY24 Fund 22 Helicopter Operation Expenditure Adjustment Recommendations
- FY24 Fund 24 Bond Construction Anticipated Revenues
- FY24 Fund 24 Bond Construction Expenditure Adjustment Recommendations
- FY24 Fund 30 Bond Fund Anticipated Revenues
- FY24 Fund 30 Bond Fund Expenditure Adjustment Recommendations
- FY24 Fund 40 Permanent Fund Anticipated Revenues
- FY24 Fund 40 Permanent Fund Expenditure Adjustment Recommendations
- FY24 Fund 41 Maintenance Reserve Fund Expenditure Adjustment Recommendations
- FY24 Fund 20 Grant Program Overview

FY24 Fund 01 General Fund Anticipated Revenues

Fund 1 General Fund Revenues

The projected revenues for FY24 are outlined below:

	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Interest Income	\$15,000.00	\$485,000.00	\$500,000.00	This includes interest earned from the operating trust fund and a portion of the interested earned from the Alaska Municipal League Investment Pool.
Raw Fish Tax	\$4,000,000.00	-	\$4,000,00.00	This is based off the Borough’s projections for the FY24 fishing year.
Other Revenue	\$75,000.00	\$4,000.00	\$79,000.00	This includes: revenues for the 4-plex; permitting fees; tideland and other leases.
Shared Fishery Tax	\$2,244,356.84	(\$344,356.84)	\$1,900,000.00	DCCED is not informed of the fish tax distributions until November. In FY23, the Borough received \$2,244,356.84. It is unclear what the State will fund in FY24; therefore, it is recommended to decrease the amount.
Shared Fishery Tax FMA2	\$100,000.00	-	\$100,000.00	This is the shared fishery tax for the Aleutians Islands Area for the Aleutians East Borough. Administration recommends increasing the FMA2 amount to \$100,000 based off the 5-year average for funds received.
Shared Fishery Tax FMA3	\$1,500.00	-	\$1,500.00	This is the shared fishery tax for the Alaska Peninsula Area. The amount received in FY22 was higher than anticipated. Administration does not foresee this occurring in FY24 and suggests leaving the amount the same.
Harbor Bond Debt	-	-	-	In FY24, the Harbor Bond Debt Reimbursement Budget Item will be moved to Fund 30, which is the bond fund. This is not revenue but is a reimbursement for expenses made out of Fund 30 line -items E 30-900-000-725 and E 30-900-000-726.

School Bond Debt	\$628,587.00	(\$628,587.00)	-	In FY24, the School Bond Debt Budget Item will be moved to Fund 30, which is the bond fund. This is not revenue but is a reimbursement for expenses made out of Fund 30 line - items E 30-900-000-725 and E 30-900-000-726.
Community Assistance	\$315,000.00	-	\$315,000.00	Administration recommends keeping this at \$315,000, which is close to the 5-year average of Community Assistance payments.
Payment In Lieu of Taxes	\$615,000.00	-	\$615,000.00	The 5-year average receive in PILT has been ~\$627,000. Since it is difficult to predict what will occur at the Federal level, Administration suggests projecting a little lower than the 5-year average. The Borough will not receive the FY23 amount until June 2023.
USFWS	\$15,000.00	-	\$15,000.00	These funds are from the Refuge Revenue Sharing Act (RRSA), which provide for annual payments to local governments for lands under the administration of the US Fish & Wildlife Service. These payments are funded from revenues generated from these lands and a congressional appropriation. Amounts are typically announced in March/April for the preceding fiscal year.
Total	\$8,009,443.84	(\$483,943.84)	\$7,525,500.00	

FY24 Fund 01 General Fund Expenditure Adjustment Recommendations

Fund 01 General Fund Budget Adjustment Recommendations

Assumptions:

Salaries: 5% COLA Adjustment

The Consumer Price Index (CPI) for Urban Alaska (formerly Municipality of Anchorage), which now consists of Anchorage and the Matanuska-Susitna Borough for the preceding fiscal year is **8.1%**.

According to Section 4.3.1 of the Employee Handbook, “The Borough Assembly may at its discretion authorize annual cost of living adjustments for regular employees in an amount not to exceed the Consumer Price Index for Urban Alaska as computed for the preceding fiscal year.” If the Assembly would like to change the COLA rate an amendment would need to be made.

Administration is recommending a 5% COLA increase in FY24.

Fringe: 12% Increase

On May 10, 2023, Administration received Premera’s Renewal information. The medical insurance had a 3% increase and the dental insurance rates remained the same. This was significantly less than the 11-12% we were anticipating. Administration has left the 12% increase in health care benefits in the FY24 proposed budget. Therefore, there is a flat 12% increase for all the fringe benefit lines. If the Assembly ways to reduce the fringe an amendment would need to occur.

Mayor’s Office:

Mayor’s Office				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	\$87,729.00	\$4,387.00	\$92,116.00	Includes the 5% COLA increase.
Fringe	\$44,652.00	-	\$44,652.00	Includes a 12% increase for healthcare costs and the anticipated slight increase for the other fringe items.
Travel & Per Diem	\$33,000.00	-	\$33,000.00	
Phone	\$1,000.00	-	\$1,000.00	
Supplies	\$1,000.00	(\$250.00)	\$750.00	
Dues & Fees	\$2,000.00	-	\$2,000.00	These funds include registration fees for AML, SWAMC and the Harbormasters Conference.
Lobbying, Federal	\$75,600.00	-	\$75,600.00	
Lobbying State	\$45,000.00	-	\$45,000.00	
Total Mayor’s Office	\$289,981.00	\$4,137.00	\$294,118.00	

Assembly:

Assembly				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	\$43,000.00	(\$2,500.00)	\$40,500.00	
Fringe	\$149,000.00	\$18,000.00	\$167,000.00	This value better reflects the anticipated fringe benefits for FY24.
Travel & Per Diem	\$60,000.00	\$21,000.00	\$81,000.00	This reflects the cost for all the Assembly members to travel to Anchorage for AML, SWAMC and the Borough's Strategic Planning Session.
Dues & Fees	\$5,000.00	\$1,000.00	\$6,000.00	These funds include registration fees for AML and SWAMC.
Supplies	\$1,000.00	-	\$1,000.00	
Total Assembly	\$258,000.00	\$37,500.00	\$295,500.00	

Administration:

Administration				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	\$205,000.00	\$8,200.00	\$213,200.00	Includes the 5% COLA increase.
Fringe	\$84,919.00	\$4,581.00	\$89,500.00	Includes a 12% increase for healthcare costs and the anticipated slight increase for the other fringe items.
Engineering	\$25,000.00	-	\$25,000.00	This is for the Borough's agreement with DOWL for project management services.
Contract	\$90,000.00	(\$15,000.00)	\$75,000.00	This includes contract services with various contractors to assist in Borough projects.
Travel & Per Diem	\$10,000.00	\$5,000.00	\$15,000.00	
Phone	\$5,350.00	(\$350.00)	\$5,000.00	
Postage	\$750.00	(\$250.00)	\$500.00	
Supplies	\$4,000.00	(\$500.00)	\$3,500.00	
Rent	\$10,867.00	-	\$10,867.00	This is the rent for the Anchorage office. This rate will stay the same as FY24.

Dues & Fees	\$8,000.00	\$3,000.00	\$11,000.00	These funds include registration fees for AML, AMMA, National Association of Counties, and SWAMC. Costs have significantly increased during FY23.
Total Administration	\$443,886.00	\$4,681.00	\$448,567.00	

Assistant Administrator:

Assistant Administrator				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	\$93,600.00	\$4,680.00	\$98,280.00	Includes a 5% COLA increase.
Fringe	\$37,485.00	(\$1,985.00)	\$35,500.00	Includes a 12% increase for healthcare costs and the anticipated slight increase for the other fringe items.
Travel & Per Diem	\$8,000.000	-	\$8,000.00	
Phone	\$1,250.00	\$100.00	\$1,350.00	
Supplies	\$800.00	(\$600.00)	\$200.00	
Rent	\$10,723.00	-	\$10,723.00	This is the rent for the Anchorage office. This rate will stay the same as FY24.
Dues & Fees	\$1,500.00	(\$250.00)	\$1,250.00	These funds include registration fees for AML, SWAMC and AMMA.
Total Asst. Administrator	\$153,358.00	\$1,945.00	\$155,303.00	

Clerk/Planning:

Clerk				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	\$71,995.00	\$3,600.00	\$75,595.00	Includes a 5% COLA increase.
Fringe	\$30,000.00	\$1,500.00	\$31,500.00	Includes a 12% increase for healthcare costs and the anticipated slight increase for the other fringe items.
Travel & Per Diem	\$10,000.00	\$2,500.00	\$12,500.00	
Phone	\$10,000.00	\$2,000.00	\$12,000.00	

Postage	\$1,000.00	-	\$1,000.00	
Supplies	\$3,000.00	(\$1,000.00)	\$2,000.00	
Utilities	\$17,000.00	(\$17,000.00)	-	The utility costs for the Sand Point Office are being moved from the Clerks Department to Dept 900 Other. The utility costs will be broken down into two separate line-items: fuel and utilities, which includes water, sewer and electricity.
Dues & Fees	\$3,500.00	-	\$3,500.00	These funds include registration fees for AML, SWAMC, Alaska Association of Municipal Clerks.
Elections	\$10,000.00	(\$1,500.00)	\$8,500.00	
Total Clerk	\$156,495.00	(\$9,900.00)	\$146,595.00	

Finance:

Finance				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	\$145,000.00	(\$12,000.00)	\$133,000.00	Adjusted to reflect salaries and includes a 5% COLA increase.
Fringe	\$70,000.00	(\$7,000.00)	\$63,000.00	Includes a 12% increase for healthcare costs and the anticipated slight increase for the other fringe items.
Travel & Per Diem	\$8,500.00	\$4,000.00	\$12,500.00	
Phone	\$10,500.00	-	\$10,500.00	
Postage	\$1,050.00	(\$50.00)	\$1,000.00	
Supplies	\$7,000.00	-	\$7,000.00	
Utilities	\$4,500.00	(\$4,500.00)	-	The utility costs for the King Cove Office are being moved from the Finance Department to Dept 900 Other. The utility costs will be broken down into two separate line-items: fuel and utilities, which includes water, sewer and electricity.
Rental/Lease	\$6,000.00	-	\$6,000.00	
Dues & Fees	\$2,000.00	(\$500.00)	\$1,500.00	These funds include registration fees for AML, SWAMC, Alaska Government Finance Officers Association.
Audit	\$82,500.00	\$12,500.00	\$95,000.00	

Contract	\$100,000.00	(\$10,000.00)	\$90,000.00	Contract services for the contract accountant who will assist in the audit prep, the financial software changeover and complying with necessary and required internal controls.
Software	-	\$15,000.00	\$15,000.00	This is the annual cost for the new financial software.
Total Finance	\$437,050.00	(\$2,550.00)	\$434,500.00	

Natural Resources:

Natural Resources				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	\$190,014.00	\$9,501.00	\$199,515.00	Includes a 5% COLA increase.
Fringe	\$77,175.00	\$4,340.00	\$81,515.00	Includes a 12% increase for healthcare costs and the anticipated slight increase for the other fringe items.
Contract	\$40,000.00	(\$20,000.00)	\$20,000.00	
Travel & Per Diem	\$20,000.00	-	\$20,000.00	
Phone	\$3,000.00	-	\$3,000.00	
Supplies	\$2,500.00	(\$500.00)	\$2,000.00	
Dues & Fees	\$2,000.00	-	\$2,000.00	This includes registration fees for AML and SWAMC and fees for fish related subscriptions.
NPFMC	\$10,000.00	-	\$10,000.00	
BOF Meeting	\$50,000.00	(\$25,000.00)	\$25,000.00	
Rent	\$27,632.00	-	\$27,632.00	This is the rent for the Anchorage office. This rate will stay the same as FY22.
Total NR	\$422,321.00	(\$31,659.00)	\$390,662.00	

Communications:

Communications				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	\$113,515.00	\$5,676.00	\$119,191.00	Includes a 5% COLA increase.
Fringe	\$37,660.00	(\$2,885.00)	\$34,775.00	Includes a 12% increase for healthcare costs and the anticipated slight increase for the other fringe items.
Travel & Per Diem	\$10,000.00	(\$1,000.00)	\$9,000.00	
Phone	\$2,000.00	-	\$2,000.00	
Supplies	\$1,000.00	(\$250.00)	\$750.00	
Rent	\$11,142.00	-	\$11,142.00	This is the rent for the Anchorage office. This rate will stay the same as FY24.
Dues & Fees	\$1,100.00	(\$300.00)	\$800.00	This includes registration fees for AML and SWAMC and communication related items.
Advertising/Promotions	\$9,250.00	-	\$9,250.00	
Website	\$3,000.00	-	\$3,000.00	Annual cost to host the new Borough website.
Total Communications	\$188,667.00	\$1,241.00	\$189,908.00	

Maintenance:

Maintenance				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	\$76,388.00	(\$6,388.00)	\$70,000.00	
Fringe	\$35,280.00	(\$2,827.00)	\$32,453.00	
Travel & Per Diem	\$18,000.00	(\$10,000.00)	\$8,000.00	
Phone	-	-	-	
Supplies	\$4,000.00	(\$2,000.00)	\$2,000.00	
Dues & Fees	\$1,000.00	-	\$1,000.00	This includes registration fees for AML and SWAMC and fees for communication related items.
Utilities	\$2,000.00	(\$2,000.00)	-	The utility costs for the Sand Point Bus Barn are being moved from the Maintenance Department to Dept 900 Other. The utility costs will be broken down into two

				separate line-items: fuel and utilities, which includes water, sewer and electricity.
Total Maintenance	\$136,668.00	(\$23,215.00)	\$113,453.00	

KCAP:

KCAP				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	-	-	-	
Fringe	-	-	-	
Travel & Per Diem	-	-	-	
Supplies	\$2,500.00	(\$1,500.00)	\$1,000.00	
Maintenance	\$115,000.00	(\$5,000.00)	\$110,000.00	This includes the \$99,000 for road maintenance and additional maintenance needs.
Contract	\$5,000.00	(\$5,000.00)	-	
Total KCAP	\$122,500.00	(\$11,500.00)	\$111,000.00	

Education:

Education				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Local Contribution	\$1,100,000.00	(\$300,000.00)	\$800,000.00	
Scholarships	\$35,000.00	-	\$35,000.00	
Student Travel	\$20,000.00	-	\$20,000.00	
Total Education	\$1,155,000.00	(\$300,000.00)	\$855,000.00	

Other:

	Other			
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Sand Point Pool	\$500,000.00	(\$500,000.00)	-	
Equipment	\$22,500.00	-	\$22,500.00	This includes computers and other equipment needed throughout the Borough.
AEB Vehicles	\$3,000.00	-	\$3,000.00	Maintenance for the Borough cars is on-going.
Utilities	\$20,000.00	7,000.00	\$27,000.00	This includes water, sewer and electricity rates for the Sand Point Office, the Sand Point Bus Barn, the Sand Point 4-plex and the King Cove office. In FY23, the rates increased drastically, and Administration has adjusted the FY24 proposed budget accordingly.
Fuel	-	\$44,000.00	\$44,000.00	This includes fuel costs for the Sand Point Office, the Sand Point Bus Barn, the Sand Point 4-plex and the King Cove office. In FY23, the rates increased drastically, and Administration has adjusted the FY24 proposed budget accordingly.
Legal	\$85,000.00	-	\$85,000.00	
Insurance	\$250,000.00	\$38,000.00	\$288,000.00	This includes general liability, property, workers comp, non-owned aircraft coverage, Marsh & McLennan fees and other insurance coverages. It is anticipated that insurance rates for AML will increase by at least 10%.
Repairs	\$2,500.00	(\$2,500.00)	-	This is now incorporated in under Maintenance (Fund 41) and Deferred Maintenance (Fund 20).
Bank Fees	\$12,000.00	(\$6,000.00)	\$6,000.00	Finance has been able to continuously reduce the bank fees. Suggest reducing this to \$6,000.00.
EATS	\$150,000.00	-	\$150,000.00	The Borough entered into an agreement with EATS to provide \$150,000 to EAT for behavioral health services.
Misc. Expense	\$20,000.00	-	\$20,000.00	
Donations	\$23,500.00	-	\$23,500.00	Donation requests must be completed and submitted by May 1 and November 1 every year.
KSDP	\$10,000.00	-	\$10,000.00	The Borough has been donating \$10,000 to KSDP for their operations on an annual basis.

NL Revenue Sharing	\$16,000.00	(\$211.00)	\$15,789.00	The Borough receives Nelson Lagoon's Community Assistance from the State, which is then transferred to the community.
PERS	\$35,000.00	-	\$35,000.00	This reflects the anticipated additional PERS contribution.
IT Services	\$39,500.00	-	\$39,500.00	Pays for our IT services with ICE Services. This includes help desk fees, estimated travel to the region during the contract term and other annual and monthly licensing fees.
Total Other	\$1,189,00.00	(\$419,711.00)	\$769,289.00	

FY24 Fund 22 Cold Bay Terminal Anticipated Revenues

Fund 22 Terminal Operations Revenue

Cold Bay Terminal Revenues				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Local Contribution	\$278,000.00	-	\$278,000.00	This includes rent payments from FAA and the airline tenants.
Other Income	-	\$25,000.00	\$25,000.00	The Borough pays for electricity and then charges FAA for their usage, which is reflected in Other Income.
Total Revenues	\$278,000.00	\$25,000.00	\$303,000.00	

**FY24 Fund 22 Cold Bay Terminal Expenditure
Adjustment Recommendations**

Cold Bay Terminal Expenditures				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	\$55,000.00	-	\$55,000.00	This includes salaries for the contract terminal manager and custodian.
Fringe	\$5,000.00	-	\$5,000.00	
Contract Labor	\$8,000.00	(\$2,000.00)	\$6,000.00	

Maintenance	\$50,000.00	-	\$50,000.00	
Travel & Per Diem	-	-	-	
Phone/Internet	\$2,400.00	\$100.00	\$2,500.00	
Supplies	\$15,000.00	(\$3,000.00)	\$12,000.00	
Utilities	\$79,500.00	\$10,000.00	\$89,500.00	
Gas	\$600.00	(\$200.00)	\$400.00	Gas for the Borough-owned truck.
Fuel	\$27,500.00	\$5,750.00	\$33,250.00	
State Land Lease	\$6,500.00	-	\$6,500.00	
Total Expenditures	\$249,500.00	\$10,650.00	\$260,150.00	

FY24 Fund 22 Helicopter Operations Anticipated Revenues

Helicopter Revenues				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Hangar	\$49,200.00	\$1,230.00	\$50,430.00	Costs increased for the hangar, transportation and fuel to match the amounts reflected in the new Helicopter Services Agreement.
Transportation	\$135,000.00	\$3,375.00	\$138,375.00	
Fuel	\$189,924.00	\$10,076.00	\$200,000.00	
Total Revenues	\$374,124.00	\$14,681.00	\$388,805.00	

FY24 Fund 22 Helicopter Operations Expenditure Adjustment Recommendations

Fund 22 Helicopter Operations Budget Adjustment Recommendations

Helicopter Expenditures				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Salary	\$50,000.00	-	\$50,000.00	
Fringe	\$10,000.00	(\$3,000.00)	\$7,000.00	

Contract Labor	\$914,230.00	140,375.00	\$1,054,605.00	This is the FY24 contract amount for the Maritime Helicopters.
Travel & Per Diem	-	-	-	
Phone	-	-	-	
Supplies	\$35,000.00	-	\$35,000.00	
Rental Lease	-	-	-	
Utilities	\$10,000.00	(\$1,000.00)	\$9,000.00	
Insurance	-	-	-	
Gas	\$14,000.00	(\$2,000.00)	\$12,000.00	
Fuel	\$90,000.00	(\$5,000.00)	\$85,000.00	
Total Expenditures	\$1,123,230.00	\$129,375.00	\$1,252,605.00	

FY24 Fund 24 Bond Construction Fund Anticipated Revenues

Bond Construction Revenues				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Interest Income	-	-	-	
Other Revenue	-	-	-	
State Revenue	-	-	-	
Total Revenues	-	-	-	

FY24 Fund 24 Bond Construction Fund Anticipated Expenditures

Bond Construction Expenditures				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Interest Income	\$42,000.00	\$3,000.00	\$45,000.00	
Total Revenues	\$42,000.00	\$3,000.00	\$45,000.00	

FY24 Fund 30 Bond Fund Anticipated Revenues

Bond Fund Revenues				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Harbor Bond Debt	-	-	-	<p>In FY24, the Harbor Bond Debt Reimbursement Budget Item was reflected in Fund 01. This will be moved to Fund 30, which is the bond fund. This is not revenue but is a reimbursement for expenses made out of Fund 30 line - items E 30-900-000-725 and E 30-900-000-726.</p> <p>This is currently in the Governor’s FY24 Budget and the House Budget at 100% funding (\$194,180 for False Pass and \$226,662 for Akutan) but Mark Hickey does not recommend accounting for this in FY24. The Governor has a history of vetoing this item. If it is included, we can include the in a budget amendment.</p>
School Bond Debt	-	\$339,040.00	\$339,040.00	<p>In FY24, the School Bond Debt Reimbursement Budget Item was reflected in Fund 01. This will be moved to Fund 30, which is the bond fund. This is not revenue but is a reimbursement for expenses made out of Fund 30 line - items E 30-900-000-725 and E 30-900-000-726.</p> <p>This is currently in the Governor’s FY24 Budget and the House Budget at 100% funding (\$678,080) but it is recommended to include 50% (\$339,040) of the funds in the Borough’s FY24. The decision regarding BSA and School Funding may impact this budget item. If the State passes the budget with this included at 100%, a budget amendment will occur.</p>
Total Revenues	-	\$339,040.00	\$339,040.00	

FY24 Fund 30 Bond Fund Expenditure - Adjustment Recommendations

Fund 30 Bond Fund Budget Adjustment Recommendations

Bond Fund Expenditures				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Bond Interest	\$646,386.00	(\$81,861.00)	\$564,525.00	FY24 bond interest payment as reflected in the FY21 Audit.
Bond Principal	\$1,830,000.00	\$135,000.00	\$1,965,000.00	FY24 bond principal payment as reflected in the FY21 Audit.
Total Expenditures	\$2,476,386.00	\$53,159.00	\$2,529,525.00	

FY24 Fund 40 Permanent Fund Anticipated Revenues

Permanent Fund Revenues				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Interest Income	-	-	-	
Other Revenue	-	-	-	
State Revenue Other	-	-	-	
Total Revenues	-	-	-	

FY24 Fund 40 Permanent Fund Expenditure - Adjustment Recommendations

Fund 40 Bond Fund Budget Adjustment Recommendations

Permanent Fund Expenditures				
	FY23 Budget	Proposed Changes	FY24 Proposed Budget	Comments
Contract Labor	\$42,000.00	\$3,000.00	\$45,000.00	

Total Expenditures	\$42,000.00	\$3,000.00	\$45,000.00	

**FY24 Fund 41 Maintenance Reserve Fund Expenditure
Adjustment Recommendations**

Other Maintenance Reserve: \$147,500

Section 6.04.042 of the Borough code states:

1. Annual Deposit. Each year the mayor shall include in the proposed budget for the coming fiscal year the deposit to the Capital Improvement Maintenance Reserve Account of the greater of \$100,000 or an amount equal to two and one half percent of the total anticipated revenues from the borough sales tax and the state shared fisheries business license tax. The amount shown to be deposited to the account in the annual budget finally approved by the Assembly and all interest earned on the account shall be deposited to the account.
2. Appropriation. The Assembly may appropriate from the account all or any part of the balance for the purpose of maintenance and minor repair of borough capital improvements. The Assembly may appropriate from the account all or any part of the account that exceeds \$500,000 for capital projects, including expenses for advance project studies or definition work, capital matching grants, planning, design, acquisition, construction and other capital project expenses.
3. Not a Limit. There shall be no maximum or minimum balance for the account. The Assembly may appropriate monies for maintenance and minor repair of borough capital improvements and for capital projects from other sources. The Assembly may provide for deposits to the account in any amount and from any sources it determines appropriate.

In FY24, the Borough anticipates \$4,000,000 in Borough Fish Tax Revenue and \$1,900,000 in the State Shared Fisheries Business Tax totaling \$5,900,000. 2.5% of \$5,900,000 is \$147,500, which is greater than \$100,000. Therefore, \$147,500 is budgeted in the Maintenance Reserve line-item in FY24.

Once the FY24, budget is approved these funds will be placed in its own AMLIP portfolio, where it will accrue its own interest. If the full amount is not expended the remaining funds will remain in the account. Section 6.04.042 Section 2 Appropriations will be followed with the monies in this account.

FY24 Permanent Fund Earning Appropriations Overview

Fund 20

Permanent Fund Earnings: \$1,788,334.18 in Permanent Fund Earnings reflected in the budgets Revenues and Expenditure Line Item

The \$1,788,334.18 is 4% of the permanent fund distribution amount and is based off APCM’s reading of the Borough ordinance (5-year average market value assuming fiscal year end 6/30).

The Permanent Fund Earning funds will be presented to the Assembly via resolution at the May 18, 2023 Assembly Meeting to determine the designated project appropriations. This will allow the Borough to keep documentation, approved by the Assembly, on where the funds are appropriated.

The FY24 Permanent Fund Appropriation Recommendations are as follows:

Fisheries Research \$200,000 Addition to Fund 20 for Fisheries Research

Propose adding \$200,000 to line-item E 20-220-604-679 FISHERIES RESEARCH. Fisheries research is on the Borough’s strategic plan. The Borough would use these for research projects. The funds would be appropriated from the FY24 Permanent Fund Earnings.

Cold Bay Dock: \$600,000 Addition to Fund 20 for the Cold Bay Dock

Propose adding \$600,000 to Line-Item E 20-220-621-850 for the Cold Bay Dock. The Cold Bay Dock is on the Borough’s strategic plan. The Borough has completed the Cold Bay Dock Feasibility Study and will require funds for design, permitting, environmental work, Geotech and construction. These funds can be used for direct payments for portions of the work or to match grants. The funds would be appropriated from the FY24 Permanent Fund Earnings.

Deferred Maintenance: \$350,000 Addition to Fund 20 for Deferred Maintenance

Propose adding \$350,000 to line-item E 20-220-603-400 DEFERRED MAINTENANCE. This project is on the Borough’s strategic plan. The Borough continues to address maintenance issues on Borough owned properties, which includes but is not limited to the schools and Borough offices. The funds would be appropriated from the FY24 Permanent Fund Earnings.

Project Contingency: \$103,334.18 Addition to Fund 20 for Project Contingency

Propose adding \$103,334.18 to line-item E 20-220-601-888 PROJECT CONTINGENCY. Having funds in this line item for unanticipated projects and needs has been extremely valuable. The funds would be appropriated from the FY 24 Permanent Fund Earnings.

Akutan Bulk Fuel Storage Facility Project: \$100,000.00 to Fund 20 for an Akutan Bulk Fuel Storage Facility Project

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for an Akutan Bulk Fuel Storage Facility Repair/Repaint Project. This was requested by the City of Akutan through the budget request process. Administration is recommending funding a portion of the request. The funds would be appropriated from the FY24 Permanent Fund Earnings.

Cold Bay Water Plant Back-Up Generator: \$100,000 to Fund 20 for a Cold Bay Water Plant Back-Up Generator

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for an Cold Bay Water Plant Back-Up Generator. This was requested by the City of Cold Bay through the budget request process. Administration is recommending funding a portion of the request. The funds would be appropriated from the FY24 Permanent Fund Earnings.

False Pass Community Fuel: \$100,000 to Fund 20 for False Pass Community Fuel

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for False Pass Community Fuel. This was requested by the City of False Pass through the budget request process. At the May 3, 2023 Assembly Meeting, there were questions regarding this request. The City of False Pass stated that “this fuel is for the electric utility. It would not be for resale, just to offset the cost – so we

would not have to pass the entire amount on to the consumer making for some outrageous KWh charges...We are grateful for the opportunity to apply for these funds and appreciate the ability to request funds where the City sees fit. With that said, there are not any clear guidelines as to how and what these funds should or could be requested for. I heard concerns that this shouldn't be funded because it is for a utility that should be making its own monies to sustain operations. The same could be said for other projects that were on that list, that are being recommended to be funded such as a landfill utility or water utility. While others voiced concerns that this might set a precedent for other communities to make the same kind of requests, I don't completely agree. We prioritize our requests (if we have more than 1), and all of these requests are vetted through the Mayor, Admin, Finance and ultimately the Assembly, but if that is the community's #1 priority and they feel that is where they need help, it shouldn't be questioned." Administration agrees that guidelines were not set and should fund this request in the amount of \$100,000. The funds would be appropriated from the FY24 Permanent Fund Earnings. Administration can update the Community Budget Request and provide guidelines if that is recommended by the Assembly.

King Cove Rolling Compactor:

\$100,000 to Fund 20 for King Cove Rolling Compactor

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for a King Cove Rolling Compactor. This was requested by the City of King Cove through the budget request process. The funds would be appropriated from the FY24 Permanent Fund Earnings.

Nelson Lagoon Municipal Building Repairs:

\$35,000 to Fund 20 for Nelson Lagoon Municipal Building Repairs

Propose adding a Department Line Item to Fund 20 in the amount of \$35,000 for Nelson Lagoon Municipal Building Repairs. This was requested by the Village of Nelson Lagoon through the budget request process. The funds would be appropriated from the FY24 Permanent Fund Earnings.

Sand Point Solid Waste Vehicle:

\$100,000 to Fund 20 for Sand Point Solid Waste Vehicle

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for Sand Point Solid Waste Vehicle. This was requested by the City of Sand Point through the budget request process. The funds would be appropriated from the FY24 Permanent Fund Earnings.

12-Month Percent Change**Series Id:** CUURS49GSA0

Not Seasonally Adjusted

Series Title: All items in Urban Alaska, all urban consumers, not seasonally adjusted**Area:** Urban Alaska**Item:** All items**Base Period:** 1982-84=100**Download:**  [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2012													2.2	2.5	2.0
2013													3.1	2.7	3.5
2014													1.6	1.9	1.4
2015													0.5	1.1	-0.1
2016													0.4	-0.1	0.9
2017													0.5	0.7	0.2
2018												2.8	3.0	2.1	4.0
2019		2.5		2.7		2.5		0.7		-0.3		0.0	1.4	2.6	0.2
2020		-0.3		-2.5		-3.8		-1.5		0.3		0.3	-1.1	-1.7	-0.5
2021		1.3		4.8		6.2		5.7		6.3		7.2	4.9	3.4	6.4
2022		7.4		7.5		12.4		7.6		7.6		5.4	8.1	8.4	7.8

Subject: RE: 2022 CPI for Urban Alaska

Thanks, Dan. So, when someone says, "Anchorage's CPI for last year was 8.1" – that's the number they'd use?

Nils Andreassen
Alaska Municipal League

From: Robinson, Dan C (DOL) <dan.robinson@alaska.gov>
Sent: Monday, February 27, 2023 6:28 AM
To: Nils Andreassen <nils@akml.org>
Cc: 'Anne Bailey' <abailey@aeboro.org>; Mark S. Hickey <mshickey@gci.net>
Subject: Re: 2022 CPI for Urban Alaska

Nils/Anne/Mark,

Here's the most up to date CPI data from the Bureau of Labor Statistics. I'll keep an eye on email this morning in case you have any questions.

Dan

Exhibit A

FY 24 Permanent Fund Earning Appropriations

Project	Amount
Fisheries Research	\$200,000.00
Cold Bay Dock	\$600,000.00
Deferred Maintenance	\$350,000.00
Project Contingency	\$103,334.18
Akutan Bulk Fuel Storage Facility Repair/Repaint	\$100,000.00
Cold Bay Water Plant Back-Up Generator	\$100,000.00
False Pass Community Fuel	\$100,000.00
King Cove Rolling Compactor	\$100,000.00
Nelson Lagoon Municipal Building Repairs	\$ 35,000.00
Sand Point Solid Waste Vehicle	\$100,000.00
TOTAL	\$1,788,334.18

*This value is 4% of the permanent fund distribution amount and is based off APCM's reading of the Borough ordinance.



MEMORANDUM

DATE: May 12, 2023
TO: Mayor Osterback and Assembly
FROM: Anne Bailey, Administrator
RE: Aleutians East Borough FY24 Community Budget Requests

In January 2023, Borough Administration sent the FY24 budget request process information to the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point. The budget request process allows governing bodies in the Borough communities to request financial assistance from the Borough for community projects. The Borough's interested in selecting projects that will result in fully funded projects; therefore, requesting the Borough to fund the project in its entirety or to have funds already secured so the Borough contribution fills the deficit gap is ideal; however, in some instances we will fund a portion of the project with the funds that are available.

The Borough received \$758,964.82 worth of requests from the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point. The Community Budget Requests Overview is attached.

Through the Borough budget preparation process, the Borough Mayor and Administration considered these requests and recommend funding \$535,000 in requests as follows:

- | | | |
|----------------------|---|--------------|
| • City of Akutan | Bulk Fuel Storage Facility Repair/Repaint Project | \$100,000.00 |
| • City of Cold Bay | Water Plant Back-Up Generator | \$100,000.00 |
| • City of False Pass | Community Fuel | \$100,000.00 |
| • City of King Cove | Rolling Compactor | \$100,000.00 |
| • Nelson Lagoon | Municipal Building Repairs | \$35,000.00 |
| • City of Sand Point | Solid Waste Vehicle | \$100,000.00 |

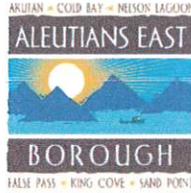
The provided Borough funds will help the communities of Akutan, Cold Bay, False Pass, King Cove, Nelson Lagoon and Sand Point fully fund their projects.

Subject to Assembly approval during the FY2024 budget cycle, funds to pay for the appropriations will be available from the Borough's FY2024 Permanent Fund Earnings after July 1, 2023.

The requests for these projects are attached for your reference.

**Fiscal Year 2024
Community Budget Requests Overview**

Community	Request	Amount Requested
City of Akutan	Akutan Bulk Fuel Storage Facility Repair/Repaint Project	\$194,195.60
	TOTAL FUNDING REQUEST	\$194,195.60
City of Cold Bay	Water Plant Back-Up Generator	\$166,000.00
	TOTAL FUNDING REQUEST	\$166,000.00
City of False Pass	Community Fuel	\$113,769.22
	Community Dock Repairs and Maintenance	\$50,000.00
	TOTAL FUNDING REQUEST	\$163,769.22
City of King Cove	Rolling Compactor	\$100,000.00
	TOTAL FUNDING REQUEST	\$100,000.00
Village of Nelson Lagoon	Municipal Building Repairs	\$35,000.00
	TOTAL FUNDING REQUEST	\$35,000.00
City of Sand Point	Sand Point Solid Waste Vehicle	\$100,000.00
	TOTAL FUNDING REQUEST	\$100,000.00
	TOTAL AMOUNT OF COMMUNITY REQUESTS	\$758,964.82



Aleutians East Borough Community Budget Request Form

Project Title: Akutan Bulk Fuel Storage Facility repair/paint project

Community Priority: Yes

Recipient: City of Akutan

FY 2024 Borough Funding Request: \$194,195.60

Brief Project Description:

First, a visible examination of the tanks, piping for leaks, discoloration, corrosion, and cracks. Secondly, address all the issues identified with appropriate personnel if present. Third, replace and apply lubrication and special paint coatings on the fuel tanks and all other related parts of the system where paint is needed.

Funding Plan:

Total Project Cost:	\$194,195.60
Funding Already Secured:	\$94,195.60
FY2024 Borough Funding Request:	\$100,000
Project Deficit:	\$-0-

Explanation of Other Funds: APICDA community assistance funds.

Detailed Project Description and Justification:

The Akutan Bulk Fuel Storage Facility is approximately 20 years old constructed in 2004 through a cooperative effort between the city of Akutan, Alaska Industrial Development Export Authority and Alaska Energy Authority. The facility consists of 4 doubled wall storage tanks with gross storage capacity of 80,000 gallons of diesel fuel, associated piping and pumps, marine receiving pipelines, bulk transfer area, and piping to intermediate tank at the power plant. The last repair work of scraping rust and corrosiveness from the tanks and piping structures as well as applying paint coating sealant was performed over 10 years ago. Inspection of the system by engineer for the renewal of Facility Response Plan, Operational Manual and Spill Prevention Control and Counter Measure Plan noted the need for repair and paint work to the system. The facility constructed on elevated ground in close proximity to the bay is exposed to ocean breeze continuously causing damage and negatively impacting the efficient operation of the facility due to rust and corrosive settling on metal. In addition, this could become a huge liability to the city and important safety issue for the community residents if fuel leaks causing a tragic incident.

Project Timeline:

April 28, 2023 - Quotes and scope of work should be finalized and decision for assignment of work will be made.
June 07, 2023 - Mobilization
August 18, 2023 - Project and demobilization completed.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City of Akutan

Supporting Documentation: Please attached any supporting documentation to this form (i.e., engineering cost estimates, resolutions of support, etc....).

Grant Recipient Contact Information:

Name: Hermann J. Tuna Scanlan
Address: 3380 C Street Suite 205
Phone Number: 907-274-7565
Email: tuna.scanlan@akutanak.us

This project has been through a public review process at the local level, and it is a community priority.

Alaska Industrial Paint
 1301 N POST RD, BLDG. C
 Anchorage, Alaska 99501
 907.646.2000
office@alaskaindustrialpaint.com

PRELIMINARY ESTIMATE
 Written by: Albert Sakata

Customer: City of Akutan
Address: Akutan, Alaska

Project: Dustless media blasting tops entire to a near white and apply hold tight on vertical surfaces do same to rusted areas. Hot pressure wash again and immediately apply Amerlock Sealer as soon as substrate is dry. PSX polysiloxane to be applied as topcoat white with 3-4.5 mils DFT. Total cure time to dry at 40 F = 4 hours, total cure time = 5 days.

AKUTAN HARBOR

Tank # 1 15,500 Gallons 142"D x 244"D Cylinder
Tank # 2 15,500 Gallons 142"D x 244"D Cylinder
Tank # 3 15,500 Gallons 142"D x 244"D Cylinder

Total sq. footage = 3,233

CITY of AKUTAN

Tank #1 20,000 Gallons 372"L x 264"W x 48"H Cylinder
Tank #2 20,000 Gallons 372"L x 264"W x 48"H Cylinder
Tank #3 20,000 Gallons 372"L x 264"W x 48"H Cylinder
Tank #4 12,000 Gallons 141" Diameter x 193" Height

Total sq. footage = 5,619

AKUTAN AIRPORT

Tank #1 10,000 Gallons 141" dia. x 160"H Cylinder
Tank #2 10,000 Gallons 141" dia. x 160"H Cylinder
Tank #3 10,000 Gallons 141" dia. x 160"H Cylinder

Total sq. footage = 2,891

Total sq ft WASH/SANDBLAST 11,743
TOTAL APPROX SQ FT TANK AND PIPES 15,265

May1st-Sept 16th

Calculate a total of approximately a week day average labor per area. 21 days total for completion. Due to our proximity to port, if there are sustained winds or rain, we will work around events. Plan is 10 hrs/per day 6 days per week. We may work longer than 10 hour days if weather is nice, so OT may be different than quoted but won't change bid. If through no fault of AIP we cannot work due to an act of god, our day rate is \$4,500.00. We will work as many tanks as time allows.

Totals	
Material: \$	39,954.67
Labor: \$	71,100.00
Equipment: \$	20,400.00
Miscellaneous: \$	30,375.00
Estimate Total: \$	161,829.67
Overhead @ 20%: \$	32,365.93
ESTIMATED TOTAL COST:	194,195.60

MATERIALS					
Materials Description	Quantity	Cost per Item	Total		Notes
Duraprep 88 cleaner	15	\$ 55.00	\$ 825.00		1000 sq foot/gallon
Hold Tight	15	\$ 55.00	\$ 825.00		1000 sq foot/gallon
Amerlock Sealer	25	\$ 191.50	\$ 4,787.50		1.0-2 dft
PSX Polysiloxane	75	\$ 259.99	\$ 19,499.25		6-10 mils DFT total
misc materials					
30/60 blast media	6	\$1,200.00	\$ 7,200.00		20 4000 pound super sacks for blasting
6 mil string reinforced poly	6	\$ 420.00	\$ 2,520.00		contain/mask around tops of tanks and pipes as needed
Tape, 2"/duct, etc.	8	\$ 102.24	\$ 817.92		case to adhere poly to steel as needed
9" roller covers	60	\$ 6.00	\$ 360.00		
18" roller covers	60	\$ 12.00	\$ 720.00		
consumables and all other tools	3	\$ 800.00	\$ 2,400.00		Grinders etc used to sand and smooth and paint/adhere areas as needed, brooms shovels, paint trays and misc
Materials Total:					\$39,954.67

LABOR 3 total billable employees 21 days M-S 10 hour days and Sunday off

Labor	Hours	Cost per hour	Total	Notes
clean wash, blast, seal, paint	360	\$ 85.00	\$ 30,600.00	3 Employees
clean, blast, attach/seal OT	180	\$ 112.50	\$ 20,250.00	3 Employees
Foreman	120	\$ 105.00	\$ 12,600.00	1 Employee
Foreman OT	60	\$ 127.50	\$ 7,650.00	1 Employee

Foreman to be onsite from start to completion.

Labor Total: \$ 71,100.00

21 days needed on average per tank

Ford 4500 Crew cab	3	\$ 200.00	\$ 600.00	Weekly rental
dustless blast+ 6 bag pot	3	\$ 900.00	\$ 2,700.00	Weekly rental
375 Air Compressor	3	\$ 700.00	\$ 2,100.00	Weekly rental
diesel/unleaded gallons	9840	\$ 9.00	\$ 10,800.00	diesel burn rate 4 gals/per hour= 4 x 10
Hotsy Pressure washers	3	\$ 300.00	\$ 900.00	rental
graco 1595 pumps	3	\$ 250.00	\$ 750.00	rental
8 x 20 enclosed trailer	3	\$ 250.00	\$ 750.00	rental
roof and rolling scaffolding	3	\$ 600.00	\$ 1,800.00	rental
Trash fees	3	TBD	TBD	dump fees
Safety Equipment		N/A - supplied		
Disposables		N/A - supplied		

Equipment Total: \$ 20,400.00

Mob and Demob 1 RT

Item	Cost	Total	Notes
Airfare to AKTUAK	6 \$ 1,500.00	\$ 9,000.00	
lodging	21 \$ 600.00	\$ 12,600.00	
Per diem	105 \$ 55.00	\$ 5,775.00	Per diem = \$55.00 pre employee per day
Mob and Demob 2 trailers trucks	2 \$ 1,500.00	\$ 3,000.00	2 AIP Employees load and unload drive all infrastructure, into shipping connexes and to Mattson x 6
Miscellaneous Total:			\$ 30,375.00

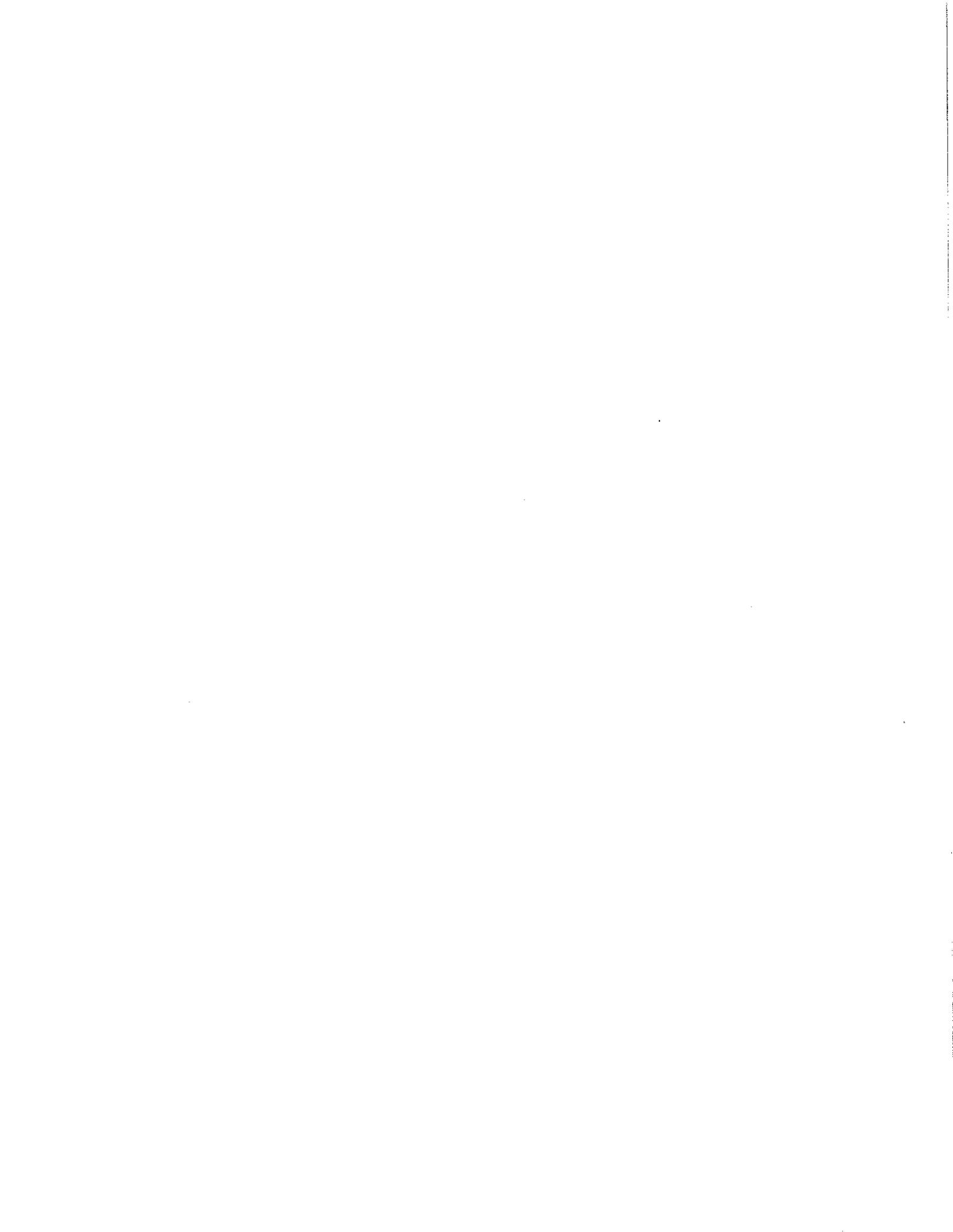
Section 3: This resolution shall become effective immediately upon adoption.

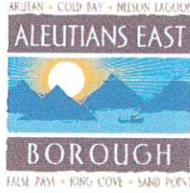
PASSED AND APPROVED by the City of Akutan City Council on this day ____ of March 2023, by a vote of __ in favor and __ opposed.

Joe Bereskin, Mayor

ATTEST:

Amanda Tcheripanoff, City Clerk





Aleutians East Borough Community Budget Request Form

Project Title: Water Plant Back-Up Generator

Community Priority: High

Recipient: City of Cold Bay

FY 2024 Borough Funding Request: _____

Brief Project Description:

Purchase of a back-up generator for the water plant.

Funding Plan:

Total Project Cost:	\$192,021
Funding Already Secured:	\$26,000 ARPA Grant
FY2024 Borough Funding Request:	\$166,000
Project Deficit:	

Explanation of Other Funds:

Detailed Project Description and Justification:

We are proposing to purchase a back-up generator, installation, and an automatic transfer switch to keep the water plant running in the event of a power outage or power plant fire. Being without water is unsanitary and poses health and safety risks to our community members and visitors. The generator would not only keep the water working but would also keep the heat working in the water plant in the event of freezing temperatures. At this time none of our City facilities have back-up power.

Project Timeline:

We would like to complete this project as quickly as possible this year.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City of Cold Bay

Supporting Documentation: Please attached any supporting documentation to this form (i.e., engineering cost estimates, resolutions of support, etc....).

Grant Recipient Contact Information:

Name: City of Cold Bay - Mayor Candace Nielsen
Address: PO Box 10 Cold Bay, AK 99571
Phone Number: (907) 532-2401
Email: lorie@akcoldbay.org

This project has been through a public review process at the local level, and it is a community priority.

03/16/2023

BUDGETARY QUOTATION: 31181315-5

COLD BAY WTP GENERATOR UPGRADE

Lorie Pierce
City of Cold Bay
PO Box 10
Cold Bay, AK 99571
(907) 532-2401 Office
(907) 203-1189 Cell

Caterpillar C4.4 PGABR Packaged Generator Set, Standby Rated @ 110Ekw,
277/480 Single Phase, 60HZ, 1800 RPM

ENGINE PACKAGE DESCRIPTION</>

ENGINE

Electrical system,12 VDC

Coolant and lube drains piped to the edge of base

D80-8 to D100-8,D80-4S to D100-8S product includes ADEM-A4
electronic engine control w/Speed Adjust thru EMCP

Tier 3 EPA Approved Emissions Certified

INTEGRATED VOLTAGE REGULATOR (Digital):

EM10A Excitation Module

Voltage within +/- 0.25% at steady state from no load to full load

Provides fast recovery from transient load changes

CHARGING SYSTEM</>

CAT Premium High Output Battery(s) with rack & cables
Installed (wet);1000CCA;90amp hr;12V

CONTROL SYSTEM</>

CONTROL PANEL

NEMA 1 enclosure with hinged door

Wiring loom

DC and AC wiring harness

EMCP 4.2B controls including:

std -Run / Auto / Stop Control

std -Speed Adjust

optional -Voltage Adjust

std -Engine Cycle Crank

std -Emergency Stop pushbutton



optional -Audible Alarm

EMCP 4.2B controller features:

- std -12-volt DC operation
- std -Environmental sealed front face
- std -Text alarm/event descriptions

Digital indication for:

- std -RPM
- std -DC Volts
- std -Operating Hours
- std -Oil Pressure (psi)
- std -Coolant Pressure
- std -Volts (L-L & L-N), frequency (Hz)
- std -Amps (per phase & average)
- std -Power Factor (per phase & average)
- std -kW (per phase, average & percent)
- std -kVA (per phase, average & percent)
- std -kVA_r (per phase, average & percent)
- std -kW-hr (total)
- std -kVA_r-hr (total)

Warning/shutdown with common LED indication of shutdowns for:

- std -Low Oil pressure
- optional -Low Coolant level
 - std -Low Coolant temp alarm (detects jkt water heater failure)
 - std -High Coolant temperature shutdown

Programmable protective relaying functions:

- std -Generator phase sequence
- std -Over/Under voltage (27/59)
- std -Over/Under Frequency (81 o/u)
- std -Reverse Power (KW) (32)
- std -Reverse Reactive Power (kVA_r) (32RV)
- std -Overcurrent (50/51)

Communications

- std -Customer DATA link (Modbus RTU)
- optional -Accessory module DATA link
 - std -RS485 Serial DATA link (terminals only)
 - std -8 programmable digital outputs available
 - std -2 relays pre-programmed
- optional -4 programmable relay outputs (Form A)
 - std -8 programmable digital inputs available
 - std -2 pre-programmed
- optional -6 programmable digital inputs
- optional -1 analog inputs

Compatible with the following optional modules:

- optional -Remote CAN annunciator

CIRCUIT BREAKERS</>

- Optional UL/CSA listed mainline breakers
- Optional Multiple Breakers 100% Rated 3-pole with solid neutral
- NEMA 1 steel enclosure
- Electrical stub-up area directly below circuit breaker

COOLING SYSTEM</>

- Radiator and cooling fan complete with protective guards





Standard ambient temperatures up to 50degC (122degF)
 50% coolant antifreeze/corrosion inhibitor
COOLANT RESERVOIR

GENERATORS</>

GENERATOR SET

Complete system designed and built at ISO 9001:2000 certified facilities
 Factory tested to design specifications at full load conditions and all protective devices and control functions simulated and checked

GENERATOR

Insulation system, class H
 Drip proof generator air intake (NEMA 2, IP23)
 Electrical design in accordance with BS5000 Part 99, EN61000-6, IEC60034-1, NEMA MG-1.33

EQUIPMENT FINISH

All electroplated hardware or stainless steel
 Anticorrosive paint protection
 High gloss polyurethane paint for durability and scuff resistance

QUALITY STANDARDS

BS4999, BS5000, BS5514, EN61000-6, IEC60034, NEMA MG-1.33, NFPA 110 (with optional equipment)

LITERATURE</>

DOCUMENTATION

Operation and maintenance manual pack and OMM Storage Compartment
 Wiring diagrams included

MOUNTING SYSTEM</>

Heavy-duty fabricated steel base with lifting points
 Anti-vibration pads to ensure vibration isolation
 Complete OSHA guarding
 Stub-up pipe ready for connection to silencer pipework
 Flexible fuel lines to base with NPT connections

GENERAL</>

WARRANTY

Warranty per SELF5611

WITH THE FOLLOWING SPECIFIC OPTIONS:

EPA STATIONARY EMERGENCY

Meets USA Environmental Protection Agency (EPA).
 Stationary Emergency Certifications for Stationary Use only during defined emergency conditions.

Standby ratings - Stationary Emergency emissions levels Tier 3

60HZ 3PH 120/208V

STANDBY POWER APPLICATION



Output available with varying load for duration of the interruption of the normal source power.
60 Hz,100 kW
D100 60HZ 480V
ENGLISH PANEL LANGUAGE
English Panel Language
UL 2200 LISTED PACKAGE GEN SET
IBC_SEISMIC CERT OF COMPLIANCE
Certificate of compliance by International Building Code (IBC) for meeting Seismic design standards
ALT SPACE HEATER
Anti-condensation heater. Installed in generator, shuts down on genset start
LC3114F 60Hz SE ALT Z6
SE LC Generator frame:
These compact & rigid alternators provide superior thermal life with H class insulation, high efficiency and improved motor starting capacity. Temp rise of 105 Deg C (221 DegF)
PERMANENT MAGNET EXCITATION
Permanent magnet generator provides improved source of excitation to alternators.
SKID WITH FUEL TANK
Fuel Sub base tank
FUEL SUB-BASE TANK 209 GALLON
Estimated run time 30 Hrs
FUEL TANK FILL PIPE & LOCK CAP
Locking fuel fill
NO TANKS RISER
Fuel Level Alarms / SD
Fuel Level Reading (Alarms Low/High & Shutdown)
EMERGENCY FUEL VENT PIPE UL-3"
EMERGENCY VENT UL-3
NO ENCLOSURE REQUIRED
No Enclosure Required
NO ENCLOSURE REQUIRED
No Enclosure Required
EMCP4.2B CONTROL PANEL
The Cat® EMCP 4.2B offers fully featured power metering, protective relaying and engine and generator control and monitoring.
Engine and generator controls, diagnostics, and operating information are accessible via the control panel keypads; diagnostics from the EMCP 4 optional modules
can be viewed and reset through the EMCP 4.2B
NFPA BUNDLE
The NFPA Bundle provides parts and/or functionality to assist the dealer in obtaining NFPA compliancy.
NFPA compliancy is an end application requirement and meeting this application requirement is the
responsibility of the dealer and / or installer.
NFPA 110 application bundle selection will auto-select the following
priced items:
Local Alarm Horn (PAA1).
Low Coolant Shutdown Circuit (WSS1).
Low Coolant Temperature Alarm (WCA1).
Low Fuel Level Alarm (FSS) with Engine Options Harness (ENGOPT).
Battery Charger (PBC10NU).
Depending on the local authority having jurisdiction (AHJ), the

following options may be required in addition to the automatic selections:

Jacket Water Heater (WHH)

Remote Annunciator (ANNR010 or ANNR001)

0.8 Power Factor Test (TRSGEN7)

STANDARD BATTERY

Standard CAT Battery

NFPA BATT CHARGER UL10A 120VAC

NFPA,UL & CSA Compliant Battery charger, 120VAC

JACKET WATER HEATER

Coolant Heater

NO EXTERNAL EMERGENCY STOP

No External emergency stop

VOLT FREE CONTACTS GENSET RUN

VOLT FREE CONTACTS GENSET RUN & COMMON ALARM.

1. Main breaker voltage

2. ATS position (Contact from ATS)

3. Battery charger failure (From Battery Charger)

4. Low coolant level

5. Oil pressure

6. Main breaker amperage

7. Fuel tank level (actual level of fuel)

Note: Requires FFS Input

8. Low oil pressure (Alarm)

9. Fuel pressure

10. Normal voltage

11. Radiator coolant temperature

12. System leak detection (Lube Oil and Coolant)

LOW COOLANT LEVEL SHUTDOWN

Part of the NFPA110 Bundle. Low coolant level shutdown

SEISMIC VIBRATION ISOLATOR (C)

Seismic Vibration Isolator

LOW COOLANT TEMP ALARM

Set at 69 degree F and off at 80 degree F

CONTROL PANEL OPTIONS BOX

Control panel options box

PANEL MOUNTED AUDIBLE ALARM

Panel mounted audible alarm

ENGINE OPTION HARNESS

NO POWER TERMINAL STRIP

150A LSI 100% CIRCT BRK

NO SUSE DECALS & FILMS

No Suitable for Use as Service Equipment (Suitable for Use as Service Equipment (SUSE).). Decals & Films

AUXILIARY CONTACTS

Shunt Trip & Auxiliary Contact

NO SUSE 1ST CB 125A TO 400A

CARTRIDGE TYPE AIR FILTER

Medium duty cartridge type air filter

STANDARD RADIATOR

Standard Radiator

STD TEST - PKG GEN SET 0.8 PF

Std Test - Pkg Gen Set 0.8 Pf

CAT ATS:	SHIPPED LOOSE
<p>(1) 400A, 3P, Open Trans, NEMA 3R, ATS-Product Family: Wall Mount Switch Type: Automatic Contactor 277/480, 60hz, 1 Phase, 4 Wire, 3 poles Transition Mode: Open TRU ONE HEATER 2 NO/NC CONTACTS</p>	

ARCTIC ENCLOSURE:

Genset Model: Enclosure is designed for client supplied 100 KW genset 208volt, two unit mounted circuit breakers, battery charger.

Type of Enclosure: Insulated, sound attenuated, Nema 3R weather protective walk-in enclosure with an integral fuel tank on a base frame. Discharge plenum and end wall are removable for equipment access.

Attenuation: The sound pressure level to meet 95 dBA at 23' in a free field condition.

Size: Approximately 25' – 0" long x 9' – 0" wide x 8' – 6" high. Length at the base is 21". Base frame adds 6" to the overall height. Final dimensions to be confirmed with approved drawings.

Weight: Approximately 17,500lbs (enclosure, dry tank and genset only).

Construction: 14 gauge galvanized steel to ASTM A-653, all welded construction.

Walls: 5" thick with wall studs approximately every 16". End wall is removable.

Roof: Designed to withstand wind load as per IBC code. 5" deep with cross members with thermal breaks. Designed to withstand snow loads as per IBC code. Roof has a 1" peak to minimize ponding of water.

Insulation: 5" thick rigid mineral wool. R=20.

Interior Liner: 22 gauge perforated galvanized steel.

Base: 6" channel base frame with 3/16" checker plate floor with lift lugs, two of stainless steel ground pads and 5" channel cross members and with holes for seismic hold down. All mounting is designed for seismic restraints. Foundation design is by others.

Sub base Tank:	209 US usable gallon UL 142 double wall tank, high tank under the genset complete with the following options: <ul style="list-style-type: none"> - 2" vent (piped to exterior) - 2" level gauge - 2" low, and high, fuel contact - Emergency vents are in the interior.
Doors:	1 of 14 gauge galvanized insulated steel doors (3'-0" x 6'-8") c/w freezer style panic hardware, weather stripping and drip edges.
Penetrations:	Exhaust opening in the roof complete with rain shield. Muffler mounting support channels on the ceiling of the enclosure are included.
Ventilation:	Intake – 24 volt DC motorized insulated intake damper with arctic seals (spring to open power to close) with intake hood, silencer and galvanized bird screen. Discharge – Supply and install motorized insulated discharge and recirculation dampers with discharge duct, silencer, hood and galvanized bird screen. Flex connection to wall by Module vendor .
Electrical:	An exterior mounted 100 amp fused disconnect is wired to a 100 amp 120/208 single phase combination panel with main circuit breaker, wired to the following. <ul style="list-style-type: none"> - Five LED fixtures. - Three duplex receptacles. - Block heater wiring. - Control panel strip heater. - Battery charger wiring. - Two 4.5KW fan forced heaters with thermostats. - Two emergency lights. - One exit sign - One exterior LED light with HOA and photocell. <p>All wiring is in surface-mount EMT conduit with compression fittings.</p> <p>One low temperature rated exterior E-stop is mounted on the exterior.</p>
Fire Detection:	One pull station and horn/strobe are wired to the genset control panel.
Paint:	All surfaces cleaned to SSPC-SP1, all seams sealed, primed with two coats of epoxy primer. The exterior is top coated with two coats of semi gloss polysiloxane paint.
Exhaust System:	Module vendor to supply and install a critical muffler inside the enclosure c/w mounting bands, discharge elbow, and raincap.

Flex and muffler are insulated with high temperature removable blankets. Exhaust flex by Vendor.

DEALER SITE SERVICES:
START UP AND TRAINING- (HELD CONCURRENTLY ON THE SAME TRIP)

FOB On The Barge Cold Bay, AK

\$192,021.00

Thank you,

Rob Collins
 Engine Sales Representative
 907 786 7591 Office
 907 229 6831 Cell
 907 786 7567 Fax
rcollins@ncpowersystems.com




TERMS AND CONDITIONS:

1. The above quoted prices are subject to change without notice; price quoted is valid for 30 days.
2. The above quoted prices do not include state and local taxes, if applicable.
3. All orders to purchase or lease based on this quotation shall be subject to acceptance by N C Power Systems Co. All transactions shall be made on, and subject to N C Power Systems Co.'s standard terms, conditions and warranties, or modified documents reflecting mutually-agreeable terms.
4. Provides Caterpillar Warranty for parts and labor on Caterpillar products. All other manufacturer's warranties apply per their respective warranty statements.
5. N C Power Systems Co. will not be responsible for, or subject to, penalties attributed to force majeure.
6. This proposal represents N C Power Systems Co.'s best interpretation of the project requirements, which may vary from other's interpretation. If equipment or services are not described, they cannot be construed to be included in this scope of supply.

Standby & Prime: 60Hz



Image shown in a different configuration

Engine Model	Cat [®] C4.4 In-line 4, 4-cycle diesel
Bore x Stroke	105mm x 127mm (4.1in x 5.0 in)
Displacement	4.4 L (269 in ³)
Compression Ratio	16.7:1
Aspiration	Turbocharged
Fuel Injection System	Common Rail

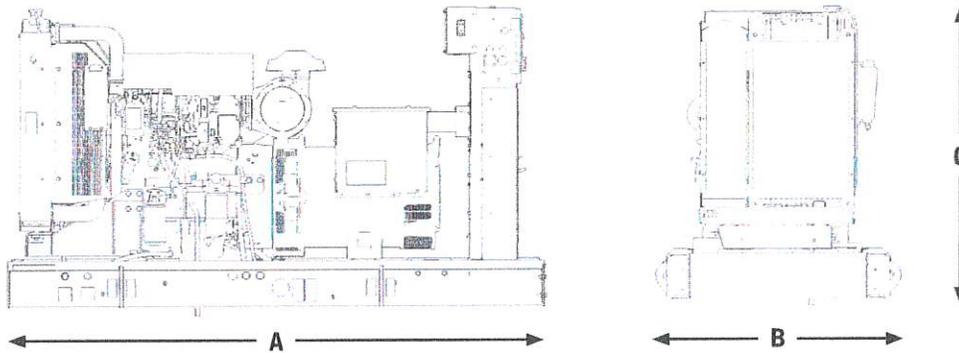
Model	Standby	Prime	Emission Strategy
C4.4	100 ekW	90 ekW	EPA TIER III

PACKAGE PERFORMANCE

Performance	Standby		Prime	
	3-Phase	1-Phase	3-Phase	1-Phase
Genset Power Rating	125 kVA	100 kVA	113 kVA	90 kVA
Genset power rating with fan @ 0.8 power factor	100 ekW	100 ekW	90 ekW	90 ekW
Performance Number	P4514A	P4514A	P4514C	P4514C
Fuel Consumption				
100% load with fan, L/hr (gal/hr)	27.9 (7.4)	28.2 (7.4)	25.8 (6.8)	26.0 (6.9)
75% load with fan, L/hr (gal/hr)	22.5 (5.9)	22.8 (6.0)	20.7 (5.5)	21.0 (5.5)
50% load with fan, L/hr (gal/hr)	16.7 (4.4)	16.9 (4.5)	15.4 (4.1)	15.7 (4.1)
Cooling System¹				
Radiator air flow restriction (system), kPa (in. Water)	0.12 (0.48)		0.12 (0.48)	
Engine coolant capacity, L (gal)	7.0 (1.8)		7.0 (1.8)	
Radiator coolant capacity, L (gal)	10.0 (2.6)		10.0 (2.6)	
Total coolant capacity, L (gal)	17.0 (4.4)		17.0 (4.4)	
Inlet Air				
Combustion air inlet flow rate, m ³ /min (cfm)	8.82 (311)	8.82 (311)	8.64 (305)	8.64 (305)
Max. Allowable Combustion Air Inlet Temp, °C (°F)	45 (113)			
Exhaust System				
Exhaust stack gas temperature, °C (°F)	659 (1218)	659 (1218)	634 (1173)	634 (1173)
Exhaust gas flow rate, m ³ /min (cfm)	20.2 (712)	20.2 (712)	19.5 (688)	19.5 (688)
Exhaust system backpressure (maximum allowable) kPa (in. water)	15.0 (60.2)	15.0 (60.2)	15.0 (60.2)	15.0 (60.2)
Heat Rejection				
Heat rejection to exhaust (total) kW (Btu/min)	91.3 (5192)	91.3 (5192)	86.3 (4908)	86.3 (4908)
Heat rejection to atmosphere from engine, kW (Btu/min)	15.6 (887)	15.6 (887)	14.4 (819)	14.4 (819)

Emissions (Nominal) ²	Standby			Prime		
	3-Phase	1-Phase	3-Phase	3-Phase	1-Phase	
NOx + HC, g/kW-hr	3.6	3.6	3.6	3.6	3.6	
CO, g/kW-hr	0.9	0.9	0.9	0.9	0.9	
PM, g/kW-hr	0.12	0.12	0.12	0.12	0.12	
Alternator ³						
Voltages	208V	480V	240V	208V	480V	240V
Motor starting capability @ 30% Voltage Dip	219 skVA	215 skVA	229 skVA	219 skVA	215 skVA	229 skVA
Frame Size	LC3114F	LC3114D	LCB3114F	LC3114F	LC3114D	LCB3114F
Excitation	Self Excited					
Temperature Rise	130°C	150°C	130°C	130°C	125°C	105°C

WEIGHTS & DIMENSIONS



Note: General configuration not to be used for installation. See general dimension drawings for detail.

Dim "A" mm (in)	Dim "B" mm (in)	Dim "C" mm (in)	Dry Weight kg (lb)
2362 (93)	1110 (44)	1304 (51)	1166 (2570)

APPLICABLE CODES AND STANDARDS:

AS1359, CSA C22.2 No100-04, UL142, UL489, UL869, UL2200, NFPA37, NFPA70, NFPA99, NFPA110, IBC, IEC60034-1, ISO3046, ISO8528, NEMA MG1-22, NEMA MG1-33, 2006/95/EC, 2006/42/EC, 2004/108/EC.

Note: Codes may not be available in all model configurations. Please consult your local Cat Dealer representative for availability.

STANDBY: Output available with varying load for the duration of the interruption of the normal source power. Average power output is 70% of the standby power rating. Typical operation is 200 hours per year, with maximum expected usage of 500 hours per year.

PRIME: Output available with varying load for an unlimited time. Average power output is 70% of the prime power rating. Typical peak demand is 100% of prime rated kW with 10% overload capability for emergency use for a maximum of 1 hour in 12. Overload operation cannot exceed 25 hours per year

RATINGS: Ratings are based on SAE J1349 standard conditions. These ratings also apply at ISO3046 standard conditions.

DEFINITIONS AND CONDITIONS

¹ For ambient and altitude capabilities consult your Cat dealer. Air flow restriction (system) is added to existing restriction from factory.

² Emissions data measurement procedures are consistent with those described in EPA CFR 40 Part 89, Subpart D & E and ISO8178-1 for measuring HC, CO, PM, NOx. Data shown is based on steady state operating conditions of 77° F, 28.42 in HG and number 2 diesel fuel with 35° API and LHV of 18,390 BTU/lb. The nominal emissions data shown is subject to instrumentation, measurement, facility and engine to engine variations. Emissions data is based on 100% load and thus cannot be used to compare to EPA regulations which use values based on a weighted cycle.

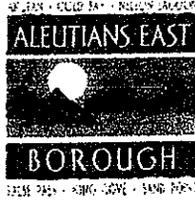
³ UL 2200 Listed packages may have oversized generators with a different temperature rise and motor starting characteristics. Generator temperature rise is based on a 40° C ambient per NEMA MG1-32.

LET'S DO THE WORK.™

www.Cat.com/electricpower
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Materials and specifications are subject to change without notice. The International System of Units (SI) is used in this publication.
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LEHE1566-02 (05/20)



Aleutians East Borough Community Budget Request Form

Project Title: Community Fuel

Community Priority: 1

Recipient: City of False Pass

FY 2024 Borough Funding Request: \$113,769.22

Brief Project Description:

With the high prices of fuel, this will help alleviate the City's budgeted shortfall

Funding Plan:

Total Project Cost: 333,381.20
Funding Already Secured: 219,611.98
FY2024 Borough Funding Request: 113,769.22
Project Deficit: 113,769.22

Explanation of Other Funds:

City's budgeted line item

Detailed Project Description and Justification:

With severely inflated fuel costs, the City has only purchased about half of the amount of fuel in FY23 than the average previous years. The City purchased approximately 28,000 gallons of fuel in July 2022. They need to purchase more very soon. These funds would allow for the City to "top off" it's tanks, purchasing approximately 43,000 gallons.

Project Timeline:

Purchase fuel Spring 2023

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

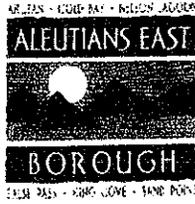
City of False Pass

Supporting Documentation: Please attached any supporting documentation to this form (i.e., engineering cost estimates, resolutions of support, etc....).

Grant Recipient Contact Information:

Name: Nicole Hoblet
Address: PO Box 50, False Pass AK 99583
Phone Number: 9075482319
Email: cityoffalsepass@ak.net

This project has been through a public review process at the local level, and it is a community priority.



Aleutians East Borough Community Budget Request Form

Project Title: Community Docks Repairs & Maintenance

Community Priority: 2

Recipient: City of False Pass

FY 2024 Borough Funding Request: _____

Brief Project Description:

Repairs, maintenance, improvements to Community docks

Funding Plan:

Total Project Cost: 187,398.64
Funding Already Secured: 137,398.64
FY2024 Borough Funding Request: 50,000
Project Deficit: 50,000

Explanation of Other Funds: City's budgeted line item

Detailed Project Description and Justification:

The City recently funded inspection and minimal repairs to docks. Those inspections found many needed repairs and improvements, including fixing/replacing ladders, purchasing more inflatable bumpers, purchasing + installing zincs and repairing dull rails.

Project Timeline:

Spring 2023

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

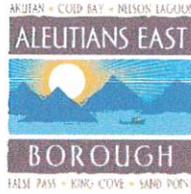
City of False Pass

Supporting Documentation: Please attached any supporting documentation to this form (i.e., engineering cost estimates, resolutions of support, etc....).

Grant Recipient Contact Information:

Name: Nicole Hoblet
Address: P.O. Box 50, False Pass, AK 99583
Phone Number: 9075482319
Email: cityoffalsepass@ak.net

This project has been through a public review process at the local level, and it is a community priority.



Aleutians East Borough Community Budget Request Form

Project Title: King Cove Rolling Compactor

Community Priority: 1

Recipient: City of King Cove

FY 2024 Borough Funding Request: \$100,000

Brief Project Description:

Purchase of a used rolling compactor for maintenance of unpaved City and AEB roads.

Funding Plan:

Total Project Cost:	\$140,000
Funding Already Secured:	\$40,000
FY2024 Borough Funding Request:	\$100,000
Project Deficit:	\$0

Explanation of Other Funds: The City will pay any amount over \$100,000 up to \$140,000 that is required to get a good used rolling compactor of the appropriate weight.

Detailed Project Description and Justification:

The City's public works crew maintains the City's streets and the AEB route #1. A compactor would help tighten the fines in unpaved roads which will help to keep the fines from washing away and lengthen the integrity of the roads' driving surface after grading. This would reduce the amount of material that needs to be placed and graded to keep the roads drivable.

We have reached out to Jake Darling at Darling and sons equipment and he has given us a verbal estimate of 100K for a good used piece of compacting equipment. We have also found a couple of used pieces online and those are attached to this request. The weight and type of this compactor will be approximately the same as what State DOT uses for the airport runway in Cold Bay. In addition to the cost for the compactor we anticipate a 15K to 25K freight charge from Samson to barge the equipment to King Cove.

Project Timeline:

Upon receipt of award we will let our used equipment suppliers know that we are in the market for a rolling compactor. We will buy a "good" (low hours, decent condition) one as soon as one comes available and arrange for it to be shipped to King Cove via Samson.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

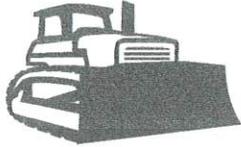
City of King Cove

Supporting Documentation: Please attached any supporting documentation to this form (i.e., engineering cost estimates, resolutions of support, etc....).

Grant Recipient Contact Information:

Name: Amber Jusefowytch
Address: 3380 C St, STE 205, Anchorage, AK 99503
Phone Number: 907 274 7573
Email: amberj@kingcoveak.org

This project has been through a public review process at the local level, and it is a community priority.



« Search Results



Photos (14)



2014 DYNAPAC CA3500D

Smooth Drum Compactors

Save

Compare

USD **\$119,500**

[✉ Email Seller](#)

[CURRENCY Get Financing*](#)

Machine Location: 3349 Kingsgate Way Richland, Washington 99354 [↗](#)

Seller Information

[View Seller Information ↗](#)

Peters & Keatts Equipment Inc.

Contact: Richland Sales

Phone: **(509) 578-5900**

Richland, Washington 99354

[📞 \(509\) 578-5900 ↗](#)

[📺 Video Chat ↗](#)

[✉ Email Seller](#)

[📺 Video Chat](#)

[FREESTAR★ Get Shipping Quotes](#)

[CURRENCY Apply for Financing](#)

General

Year	2014
Manufacturer	DYNAPAC
Model	CA3500D
Hours	2,039
Serial Number	10000146L0A013262
Condition	Used

Stock Number	PK4068
Hours Meter	Accurate / Verified
Description	84" Drum, EROPS, Compaction Control, Padshell Kit Available

Category Specific

Drum Width	84 in
Vibratory Drum	Yes

Exterior

ROPS	Enclosed
------	----------

Interior

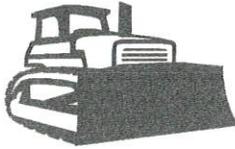
A/C	Yes
A/C Condition	Excellent

[See All Smooth Drum Compactors From Seller](#)

[See All Construction Equipment From Seller](#)

Share Listing:

*Notice: Financing terms available may vary depending on applicant and/or guarantor credit profile(s) and additional approval conditions. Assets aged 10-15 years or more may require increased finance charges. Financing approval may require pledge of collateral as security. Applicant credit profile including FICO is used for credit review. Commercial financing provided or arranged by Express Tech-Financing, LLC pursuant to California Finance Lender License #60DBO54873. Consumer financing arranged by Express Tech-Financing, LLC pursuant to California Finance Lender License #60DBO54873 and state licenses listed at this [link](#). Consumer financing not available for consumers residing in Nevada, Vermont, or Wisconsin. Additional state restrictions may apply. Equal opportunity lender.



« Search Results



Photos (9)



Qualifies for Warranty

2019 BOMAG BW211D-5

Smooth Drum Compactors

Save

Compare

USD **\$107,500**  [View Rental Prices](#) 

[✉ Email Seller](#)

CURRENCY [Get Financing*](#)

Machine Location: 153 Hamilton Road N Chehalis, Washington 98532 

Seller Information

[View Seller Information](#) 

Tyler Rental, Inc.

Contact: Shae Walker

Phone: **(360) 686-6089**

Chehalis, Washington 98532

Visit Our Website 

 **(360) 686-6089** 

 [Video Chat](#) 

[✉ Email Seller](#)

[📺 Video Chat](#)

 [Get Shipping Quotes](#)

CURRENCY [Apply for Financing](#)

General

Year	2019
Manufacturer	BOMAG
Model	BW211D-5
Hours	1,740
Serial Number	101586081783

Condition Used

Stock Number 13-21107

Description 84" SMOOTH DRUM ROLLER BW211D-5, CAB, HEAT, A/C, DEUTZ FT4, PADFOOT SHELL KIT AVAILABLE

FOB:

FLEET MAINTAINED - RECORDS AVAILABLE ON REQUEST
PRICE DOES NOT INCLUDE SALES TAX.
HOUR METER READING MAY VARY DUE TO ACTIVE INVENTORY
SOLD WHERE IS AS IS NO WARRANTY EXPRESSED OR IMPLIED

Category Specific

Drum Diameter 84 in

Exterior

ROPS Enclosed

Interior

A/C Yes

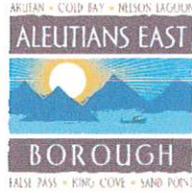
Heater Yes

[See All Smooth Drum Compactors From Seller](#)

[See All Construction Equipment From Seller](#)

Share Listing:

*Notice: Financing terms available may vary depending on applicant and/or guarantor credit profile(s) and additional approval conditions. Assets aged 10-15 years or more may require increased finance charges. Financing approval may require pledge of collateral as security. Applicant credit profile including FICO is used for credit review. Commercial financing provided or arranged by Express Tech-Financing, LLC pursuant to California Finance Lender License



Aleutians East Borough Community Budget Request Form

Project Title: Municipal Building Maintenance

Community Priority: Hazardous building deterioration

Recipient: Native Village of Nelson Lagoon

FY 2024 Borough Funding Request: \$35,000

Brief Project Description:

New roof for municipal building

Funding Plan:

Total Project Cost:	\$35,000
Funding Already Secured:	None.
FY2024 Borough Funding Request:	\$35,000
Project Deficit:	NA

Explanation of Other Funds:

Detailed Project Description and Justification:

The Tribal Council building in Nelson Lagoon needs a new roof. This building houses our VPSO office, Post Office, and Electrical Co-Op office. We are concerned that the next big storm we get could potentially begin ripping the roof off of our municipal building. We know that it needs a new roof. We've taken the measurements and got a quote for the tin and shipping. We held a council meeting to discuss this funding request and all participants agreed that the roof project would be the perfect choice for the borough funding request.

Project Timeline:

Weather permitting, approximately 1 week.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

The Nelson Lagoon Tribal Council

Supporting Documentation: Please attached any supporting documentation to this form (i.e., engineering cost estimates, resolutions of support, etc....).

Grant Recipient Contact Information:

Name: Native Village of Nelson Lagoon
Address: 913 N Main Street Nelson Lagoon, AK 99571
Phone Number: (907) 989-2204
Email: nelsonlagoonentities@gmail.com

This project has been through a public review process at the local level, and it is a community priority.



Aleutians East Borough Community Budget Request Form

Project Title: City of Sand Point Solid Waste Vehicle

Community Priority: #1

Recipient: City of Sand Point

FY 2024 Borough Funding Request: \$100,000

Brief Project Description:

The City of Sand Point seeks to purchase a new solid waste vehicle "trash truck" to replace the end-of-lifespan current model.

Funding Plan:

Total Project Cost: Approx \$250,000
Funding Already Secured: ≈ \$25,000
FY2024 Borough Funding Request: \$100,000
Project Deficit: \$225,000

Explanation of Other Funds: The city has applied for Denali Commission Funding but the notice of Award has not come yet

Detailed Project Description and Justification:

The City's current trash truck is at the end of its useful lifespan and requires constant and expensive maintenance, along with experiencing extended periods of downtime. A new or well-maintained used trash truck will allow the City to provide dependable and economical solid waste removal services to the residents, businesses and commercial fleet in Sand Point.

Project Timeline:

The acquisition of a new or well-maintained trash truck, should take 4-6 months. The project timeline is contingent upon other external funding sources and council approval of spending internal funds to meet the need for a new truck.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City of Sand Point

Supporting Documentation: Please attached any supporting documentation to this form (i.e., engineering cost estimates, resolutions of support, etc....).

Grant Recipient Contact Information:

Name: Jordan Keeler
Address: 249 Main Street Sand Point, AK 99661
Phone Number: 907-27-7561
Email: jkeeler@sandpointak.org

This project has been through a public review process at the local level, and it is a community priority.

City of Sand Point



RESOLUTION 23-05

A RESOLUTION OF THE CITY OF SAND POINT SUPPORTING PARTICIPATION IN THE DENALI COMMISSION GRANT FUNDING OPPORTUNITY

WHEREAS, The City of Sand Point has several desired capital projects in the community as part of its latest Capital Improvement Plan; and,

WHEREAS, The City of Sand Point has identified the need for a solid waste vehicle as a community need to maintain solid waste service; and,

WHEREAS, The Denali Commission is offering a competitive grant opportunity for community infrastructure and development projects; and,

WHEREAS, The City of Sand Point is classified as a non-distressed community and will be required to provide a 50% cost share for any project; and,

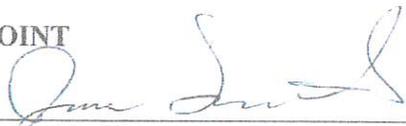
WHEREAS, The Denali Commission is requesting evidence of support from the community for all applications; and,

NOW THEREFORE, BE IT RESOLVED THAT: the City of Sand Point, by this resolution, wishes to have its application for a new solid waste vehicle considered for Denali Commission funding.

NOW THEREFORE, BE IT FURTHER RESOLVED THAT: The City of Sand Point is committed to a 50% local match.

PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL FOR THE CITY OF SAND POINT ON THIS 14th DAY OF MARCH, 2023

CITY OF SAND POINT


James Smith, Mayor

ATTEST:


Jade Gundersen, City Clerk

City of Sand Point



RESOLUTION 23-06

A RESOLUTION OF THE CITY OF SAND POINT ESTABLISHING THE CAPITAL IMPROVEMENT PROJECT LIST

WHEREAS, The City of Sand Point recognizes the value of a Capital Improvement Project List; and,

WHEREAS, The City of Sand Point has several capital projects it wishes to see completed for the betterment of the community; and,

WHEREAS, Funding agencies often require applicants to have CIP and factor that into their scoring matrix; and,

WHEREAS, The City of Sand Point Council has reviewed several projects in public meetings and wishes to pursue funding opportunities;

NOW THEREFORE, BE IT RESOLVED THAT: the City of Sand Point, by this resolution, establishes a Capital Improvement Project (CIP) List comprised of the following projects in order of priority:

1. Sand Point Culvert and Dam Repair
2. Incinerator Replacement
3. Humbolt Slough Bridge Rehabilitation
4. Harbor Footbridge Rehabilitation
5. Public Works Heavy Equipment Replacement

PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL FOR THE CITY OF SAND POINT ON THIS 14th DAY OF MARCH, 2023.

CITY OF SAND POINT

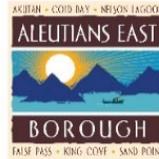


James Smith, Mayor

ATTEST:



Jade Gundersen, City Clerk



ORDINANCE 23-06

AN ORDINANCE ADOPTING THE OPERATING AND CAPITAL BUDGET FOR THE ALEUTIANS EAST BOROUGH FISCAL YEAR 2024.

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 for Fiscal Year 2024 is adopted as follows:

REVENUES			FY 24 Budget
Local	Interest Income	\$	500,000.00
	AEB Raw Fish Tax	\$	4,000,000.00
	AEBSD Refund		
	Other Revenue	\$	79,000.00
State	Shared Fishery Tax	\$	1,900,000.00
	Shared Fishery Tax FMA 2	\$	100,000.00
	Shared Fishery Tax FMA 3	\$	1,500.00
	Community Assistance	\$	315,000.00
Federal	Payment in Lieu of Taxes	\$	615,000.00
	USFWS Lands	\$	15,000.00
TOTAL REVENUES		\$	7,525,500.00

OPERATING FUND EXPENDITURES			FY 24 Budget
Departments	Mayor	\$	294,118.00
	Assembly	\$	295,500.00
	Administration	\$	448,567.00
	Assistant Administrator	\$	155,303.00
	Clerk/Planning	\$	146,595.00
	Planning Commission	\$	-
	Finance	\$	434,500.00
	Natural Resources	\$	390,662.00
	Communications Manager	\$	189,908.00
	Public Works	\$	113,453.00
	KCAP	\$	111,000.00
	Education Support	\$	855,000.00

OTHER GENERAL FUND EXPENDITURES

Equipment	\$	22,500.00
AEB Vehicles	\$	3,000.00
Utilities	\$	27,000.00
Fuel	\$	44,000.00
Legal	\$	85,000.00
Insurance	\$	288,000.00
Repairs	\$	-
Bank Fees	\$	6,000.00
Eastern Aleutians Tribes	\$	150,000.00
Miscellaneous Expenses	\$	20,000.00
Donations	\$	23,500.00
KSDP	\$	10,000.00
Revenue Sharing	\$	15,789.00
PERS	\$	35,000.00
Web Services	\$	39,500.00
TOTAL GENERAL FUND	\$	4,203,895.00
Total Bond Construction Fund 24	\$	45,000.00
Total Permanent Fund 40	\$	45,000.00
Total Maintenance Reserve Fund 41	\$	147,500.00
TOTAL EXPENDITURES	\$	4,441,395.00
Transfer (Out)/In Terminal Operations	\$	42,850.00
Transfer (Out)/In Helicopter Operations	\$	(863,800.00)
Transfer (Out)/In Bond Fund	\$	(2,190,485.00)
AEB Surplus (Deficit)	\$	72,670.00
Enterprise Fund		
Fund 22. Terminal Revenues	\$	303,000.00
Fund 22. Terminal Expenditures	\$	(260,150.00)
Terminal (Out)/In Transfer to General Fund	\$	(42,850.00)
Net Income	\$	0.00
Fund 22. Helicopter Revenues	\$	388,805.00
Fund 22. Helicopter Expenditures	\$	(1,252,605.00)
Helicopter (Out)/In Transfer from General Fund	\$	863,800.00
Net Income	\$	0.00
Bond Fund		
Fund 30. Bond Rebate	\$	339,040.00
Fund 30 Bond Expenditures	\$	(2,529,525.00)
Bond Fund (Out)/In Transfer from General Fund	\$	2,190,485.00
Net Income	\$	0.00

Designation of Permanent Fund Balance

The following is a summary of appropriations of permanent fund balance made to a designated fund balance account as of April 30, 2023:

	Fund Balance
Balance per Audit 06/30/2022	\$48,442,268.00
Unspent appropriated funds for FY 17 to 23 approved expenditures as of April 30, 2023	\$(6,324,561.61)
<i>Appropriated funds for FY24 expenditures</i>	\$(1,788,334.18)
Current Permanent Fund Balance	\$40,329,372.21

Passed and adopted by the Aleutians East Borough Assembly this _____ day of _____, 2023.

Date Introduced: _____

Date Adopted: _____

Mayor

ATTEST:

Clerk

Proposed FY24 Aleutians East Borough Budget

Increases to the budget are shown in green.

Decreases to the budget are shown in red.

REVENUES		FY 23 Budget	Proposed Changes	FY 24 Budget
Local	Interest Income	\$ 15,000.00	\$ 485,000.00	\$ 500,000.00
	AEB Raw Fish Tax	\$ 4,000,000.00	\$ -	\$ 4,000,000.00
	AEBSD Refund	\$ -	\$ -	\$ -
	Other Revenue	\$ 75,000.00	\$ 4,000.00	\$ 79,000.00
State	Shared Fishery Tax	\$ 2,244,356.84	\$ (344,356.84)	\$ 1,900,000.00
	Shared Fishery Tax FMA 2	\$ 100,000.00	\$ -	\$ 100,000.00
	Shared Fishery Tax FMA 3	\$ 1,500.00	\$ -	\$ 1,500.00
	Harbor Bond Debt Reimbursement	\$ -	\$ -	\$ -
	School Bond Debt Reimbursement	\$ 628,587.00	\$ (628,587.00)	\$ -
	Community Assistance	\$ 315,000.00	\$ -	\$ 315,000.00
Federal	Payment in Lieu of Taxes	\$ 615,000.00	\$ -	\$ 615,000.00
	USFWS Lands	\$ 15,000.00	\$ -	\$ 15,000.00
Total FY 24 Revenues		<u>\$ 8,009,443.84</u>	<u>\$ (483,943.84)</u>	<u>\$ 7,525,500.00</u>

OPERATING FUND EXPENDITURES		FY 23 Budget	Proposed Changes	FY 24 Budget
Departments	Mayor	\$ 289,981.00	\$ 4,137.00	\$ 294,118.00
	Assembly	\$ 258,000.00	\$ 37,500.00	\$ 295,500.00
	Administration	\$ 443,886.00	\$ 4,681.00	\$ 448,567.00
	Assistant Administrator	\$ 153,358.00	\$ 1,945.00	\$ 155,303.00
	Clerk/Planning	\$ 156,495.00	\$ (9,900.00)	\$ 146,595.00
	Planning Commission	\$ -	\$ -	\$ -
	Finance	\$ 437,050.00	\$ (2,550.00)	\$ 434,500.00
	Natural Resources	\$ 422,321.00	\$ (31,659.00)	\$ 390,662.00
	Communications Manager	\$ 188,667.00	\$ 1,241.00	\$ 189,908.00
	Public Works	\$ 136,668.00	\$ (23,215.00)	\$ 113,453.00
	KCAP	\$ 122,500.00	\$ (11,500.00)	\$ 111,000.00
	Education Support	\$ 1,155,000.00	\$ (300,000.00)	\$ 855,000.00
Departments Total		<u>\$ 3,763,926.00</u>	<u>\$ (329,320.00)</u>	<u>\$ 3,434,606.00</u>

OTHER GENERAL FUND EXPENDITURES		FY 23 Budget	Proposed Changes	FY 24 Budget
	Sand Point Pool	\$ 500,000.00	\$ (500,000.00)	\$ -
	Equipment	\$ 22,500.00	\$ -	\$ 22,500.00
	AEB Vehicles	\$ 3,000.00	\$ -	\$ 3,000.00
	Utilities	\$ 20,000.00	\$ 7,000.00	\$ 27,000.00
	Fuel	\$ -	\$ 44,000.00	\$ 44,000.00
	Legal	\$ 85,000.00	\$ -	\$ 85,000.00
	Insurance	\$ 250,000.00	\$ 38,000.00	\$ 288,000.00
	Repairs	\$ 2,500.00	\$ (2,500.00)	\$ -
	Bank Fees	\$ 12,000.00	\$ (6,000.00)	\$ 6,000.00

Eastern Aleutians Tribes	\$ 150,000.00	\$ -	\$ 150,000.00
Miscellaneous Expenses	\$ 20,000.00	\$ -	\$ 20,000.00
Donations	\$ 23,500.00	\$ -	\$ 23,500.00
KSDP	\$ 10,000.00	\$ -	\$ 10,000.00
Revenue Sharing	\$ 16,000.00	\$ (211.00)	\$ 15,789.00
PERS	\$ 35,000.00	\$ -	\$ 35,000.00
Web Services	\$ 39,500.00	\$ -	\$ 39,500.00
Total Other General Fund	\$ 1,189,000.00	\$ (419,711.00)	\$ 769,289.00
TOTAL GENERAL FUND	\$ 4,952,926.00	\$ (749,031.00)	\$ 4,203,895.00
Total Bond Construction Fund 24	\$ 42,000.00	\$ 3,000.00	\$ 45,000.00
Total Permanent Fund 40	\$ 42,000.00	\$ 3,000.00	\$ 45,000.00
Total Maintenance Reserve Fund 41	\$ 100,000.00	\$ 47,500.00	\$ 147,500.00
TOTAL EXPENDITURES	\$ 5,136,926.00	\$ (695,531.00)	\$ 4,441,395.00
NET REVENUE OVER EXPENDITURES	\$ 2,872,517.84	\$ 211,587.16	\$ 3,084,105.00
Transfer (Out)/In Terminal Operations	\$ 28,500.00	\$ 14,350.00	\$ 42,850.00
Transfer (Out)/In Helicopter Operations	\$ (749,106.00)	\$ (114,694.00)	\$ (863,800.00)
Transfer (Out)/In Bond Fund	\$ (2,476,386.00)	\$ 285,901.00	\$ (2,190,485.00)
Transfer Perm Fund	\$ 952,831.00	\$ (952,831.00)	\$ -
TOTAL TRANSFERS	\$ (2,244,161.00)	\$ (767,274.00)	\$ (3,011,435.00)
AEB Surplus (Deficit)	\$ 628,356.84	\$ (555,686.84)	\$ 72,670.00

Proposed FY24 General Fund (01) Budget

Increases to the budget are shown in green.

Decreases to the budget are shown in red.

	FY 23 Budget	Proposed Changes	FY 24 Budget
Mayor's Office			
Salary	\$ 87,729.00	\$ 4,387.00	\$ 92,116.00
Fringe	\$ 44,652.00	\$ -	\$ 44,652.00
Travel	\$ 33,000.00	\$ -	\$ 33,000.00
Phone	\$ 1,000.00		\$ 1,000.00
Supplies	\$ 1,000.00	\$ (250.00)	\$ 750.00
Dues & Fees	\$ 2,000.00	\$ -	\$ 2,000.00
Lobbying, Federal	\$ 75,600.00	\$ -	\$ 75,600.00
Lobbying, State	\$ 45,000.00	\$ -	\$ 45,000.00
Total Mayor's Office	\$ 289,981.00	\$ 4,137.00	\$ 294,118.00
Assembly			
Salary	\$ 43,000.00	\$ (2,500.00)	\$ 40,500.00
Fringe	\$ 149,000.00	\$ 18,000.00	\$ 167,000.00
Travel	\$ 60,000.00	\$ 21,000.00	\$ 81,000.00
Dues & Fees	\$ 5,000.00	\$ 1,000.00	\$ 6,000.00
Supplies	\$ 1,000.00	\$ -	\$ 1,000.00
Total Assembly	\$ 258,000.00	\$ 37,500.00	\$ 295,500.00
Administration			
Salary	\$ 205,000.00	\$ 8,200.00	\$ 213,200.00
Fringe	\$ 84,919.00	\$ 4,581.00	\$ 89,500.00
Engineering	\$ 25,000.00	\$ -	\$ 25,000.00
Contract	\$ 90,000.00	\$ (15,000.00)	\$ 75,000.00
Travel & Per Diem	\$ 10,000.00	\$ 5,000.00	\$ 15,000.00
Phone	\$ 5,350.00	\$ (350.00)	\$ 5,000.00
Postage	\$ 750.00	\$ (250.00)	\$ 500.00
Supplies	\$ 4,000.00	\$ (500.00)	\$ 3,500.00
Rent	\$ 10,867.00	\$ -	\$ 10,867.00
Dues & Fees	\$ 8,000.00	\$ 3,000.00	\$ 11,000.00
Total Administration	\$ 443,886.00	\$ 4,681.00	\$ 448,567.00
Assistant Administrator			
Salary	\$ 93,600.00	\$ 4,680.00	\$ 98,280.00
Fringe	\$ 37,485.00	\$ (1,985.00)	\$ 35,500.00
Travel & Per Diem	\$ 8,000.00	\$ -	\$ 8,000.00
Phone	\$ 1,250.00	\$ 100.00	\$ 1,350.00
Supplies	\$ 800.00	\$ (600.00)	\$ 200.00
Rent	\$ 10,723.00	\$ -	\$ 10,723.00

Dues & Fees	\$ 1,500.00	\$ (250.00)	\$ 1,250.00
Total Assistant Administrator	\$ 153,358.00	\$ 1,945.00	\$ 155,303.00

Clerk/Planning

Salary	\$ 71,995.00	\$ 3,600.00	\$ 75,595.00
Fringe	\$ 30,000.00	\$ 1,500.00	\$ 31,500.00
Travel & Per Diem	\$ 10,000.00	\$ 2,500.00	\$ 12,500.00
Phone	\$ 10,000.00	\$ 2,000.00	\$ 12,000.00
Postage	\$ 1,000.00	\$ -	\$ 1,000.00
Supplies	\$ 3,000.00	\$ (1,000.00)	\$ 2,000.00
Utilities	\$ 17,000.00	\$ (17,000.00)	\$ -
Dues & Fees	\$ 3,500.00	\$ -	\$ 3,500.00
Elections	\$ 10,000.00	\$ (1,500.00)	\$ 8,500.00
Total Clerk/Planning	\$ 156,495.00	\$ (9,900.00)	\$ 146,595.00

Planning Commission

Salary	\$ -	\$ -	\$ -
Fringe	\$ -	\$ -	\$ -
Contract	\$ -	\$ -	\$ -
Travel & Per Diem	\$ -	\$ -	\$ -
Permitting	\$ -	\$ -	\$ -
Total Planning Commission	\$ -	\$ -	\$ -

Finance

Salary	\$ 145,000.00	\$ (12,000.00)	\$ 133,000.00
Fringe	\$ 70,000.00	\$ (7,000.00)	\$ 63,000.00
Travel & Per Diem	\$ 8,500.00	\$ 4,000.00	\$ 12,500.00
Phone	\$ 10,500.00	\$ -	\$ 10,500.00
Postage	\$ 1,050.00	\$ (50.00)	\$ 1,000.00
Supplies	\$ 7,000.00	\$ -	\$ 7,000.00
Utilities	\$ 4,500.00	\$ (4,500.00)	\$ -
Rental/Lease	\$ 6,000.00	\$ -	\$ 6,000.00
Dues & Fees	\$ 2,000.00	\$ (500.00)	\$ 1,500.00
Audit	\$ 82,500.00	\$ 12,500.00	\$ 95,000.00
Contract	\$ 100,000.00	\$ (10,000.00)	\$ 90,000.00
Equipment	\$ -	\$ 15,000.00	\$ 15,000.00
Total Finance	\$ 437,050.00	\$ (2,550.00)	\$ 434,500.00

Natural Resources

Salary	\$ 190,014.00	\$ 9,501.00	\$ 199,515.00
Fringe	\$ 77,175.00	\$ 4,340.00	\$ 81,515.00
Contract	\$ 40,000.00	\$ (20,000.00)	\$ 20,000.00
Travel & Per Diem	\$ 20,000.00	\$ -	\$ 20,000.00
Phone	\$ 3,000.00	\$ -	\$ 3,000.00

Supplies	\$ 2,500.00	\$ (500.00)	\$ 2,000.00
Dues & Fees	\$ 2,000.00	\$ -	\$ 2,000.00
NPFMC	\$ 10,000.00	\$ -	\$ 10,000.00
BoF Meeting	\$ 50,000.00	\$ (25,000.00)	\$ 25,000.00
Rent	\$ 27,632.00	\$ -	\$ 27,632.00
Total Natural Resources	\$ 422,321.00	\$ (31,659.00)	\$ 390,662.00

Communications Director

Salary	\$ 113,515.00	\$ 5,676.00	\$ 119,191.00
Fringe	\$ 37,660.00	\$ (2,885.00)	\$ 34,775.00
Travel & Per Diem	\$ 10,000.00	\$ (1,000.00)	\$ 9,000.00
Phone	\$ 2,000.00	\$ -	\$ 2,000.00
Supplies	\$ 1,000.00	\$ (250.00)	\$ 750.00
Rent	\$ 11,142.00	\$ -	\$ 11,142.00
Dues & Fees	\$ 1,100.00	\$ (300.00)	\$ 800.00
Advertising/Promotions	\$ 9,250.00	\$ -	\$ 9,250.00
Website	\$ 3,000.00	\$ -	\$ 3,000.00
Total Communications Director	\$ 188,667.00	\$ 1,241.00	\$ 189,908.00

Maintenance Director

Salary	\$ 76,388.00	\$ (6,388.00)	\$ 70,000.00
Fringe	\$ 35,280.00	\$ (2,827.00)	\$ 32,453.00
Travel & Per Diem	\$ 18,000.00	\$ (10,000.00)	\$ 8,000.00
Phone	\$ -	\$ -	\$ -
Supplies	\$ 4,000.00	\$ (2,000.00)	\$ 2,000.00
Dues & Fees	\$ 1,000.00	\$ -	\$ 1,000.00
Utilities	\$ 2,000.00	\$ (2,000.00)	\$ -
Total Maintenance Director	\$ 136,668.00	\$ (23,215.00)	\$ 113,453.00

KCAP

Salary	\$ -	\$ -	\$ -
Fringe	\$ -	\$ -	\$ -
Travel & Per Diem	\$ -	\$ -	\$ -
Supplies	\$ 2,500.00	\$ (1,500.00)	\$ 1,000.00
Maintenance	\$ 115,000.00	\$ (5,000.00)	\$ 110,000.00
Contract	\$ 5,000.00	\$ (5,000.00)	\$ -
Total KCAP	\$ 122,500.00	\$ (11,500.00)	\$ 111,000.00

Education

Local Contribution	\$ 1,100,000.00	\$ (300,000.00)	\$ 800,000.00
Scholarships	\$ 35,000.00	\$ -	\$ 35,000.00
Student Travel	\$ 20,000.00	\$ -	\$ 20,000.00
Total Education	\$ 1,155,000.00	\$ (300,000.00)	\$ 855,000.00

OTHER GENERAL FUND EXPENDITURES

Sand Point Pool	\$ 500,000.00	\$ (500,000.00)	\$ -
Equipment	\$ 22,500.00	\$ -	\$ 22,500.00
AEB Vehicles	\$ 3,000.00	\$ -	\$ 3,000.00
Utilities	\$ 20,000.00	\$ 7,000.00	\$ 27,000.00
Fuel	\$ -	\$ 44,000.00	\$ 44,000.00
Legal	\$ 85,000.00	\$ -	\$ 85,000.00
Insurance	\$ 250,000.00	\$ 38,000.00	\$ 288,000.00
Repairs	\$ 2,500.00	\$ (2,500.00)	\$ -
Bank Fees	\$ 12,000.00	\$ (6,000.00)	\$ 6,000.00
Eastern Aleutians Tribes	\$ 150,000.00	\$ -	\$ 150,000.00
Miscellaneous Expenses	\$ 20,000.00	\$ -	\$ 20,000.00
Donations	\$ 23,500.00	\$ -	\$ 23,500.00
KSDP	\$ 10,000.00	\$ -	\$ 10,000.00
Revenue Sharing	\$ 16,000.00	\$ (211.00)	\$ 15,789.00
PERS	\$ 35,000.00	\$ -	\$ 35,000.00
Web Services	\$ 39,500.00	\$ -	\$ 39,500.00
Total Other General Fund	\$ 1,189,000.00	\$ (419,711.00)	\$ 769,289.00
TOTAL GENERAL FUND	\$ 4,952,926.00	\$ (749,031.00)	\$ 4,203,895.00

Proposed FY24 Enterprise Fund (22) Budget

Increases to the budget are shown in **green**.

Decreases to the budget are shown in **red**.

TERMINAL OPERATIONS	FY 23 Budget	Proposed Changes	FY 24 Budget
REVENUES			
Leases	\$ 278,000.00	\$ -	\$ 278,000.00
Other Income	\$ -	\$ 25,000.00	\$ 25,000.00
Total Revenues	\$ 278,000.00	\$ 25,000.00	\$ 303,000.00
EXPENSES			
Salary	\$ 55,000.00	\$ -	\$ 55,000.00
Fringe	\$ 5,000.00	\$ -	\$ 5,000.00
Contract Labor	\$ 8,000.00	\$ (2,000.00)	\$ 6,000.00
Maintenance	\$ 50,000.00	\$ -	\$ 50,000.00
Travel & Per Diem	\$ -	\$ -	\$ -
Phone/Internet	\$ 2,400.00	\$ 100.00	\$ 2,500.00
Supplies	\$ 15,000.00	\$ (3,000.00)	\$ 12,000.00
Utilities	\$ 79,500.00	\$ 10,000.00	\$ 89,500.00
Gas	\$ 600.00	\$ (200.00)	\$ 400.00
Fuel	\$ 27,500.00	\$ 5,750.00	\$ 33,250.00
State Land Lease	\$ 6,500.00	\$ -	\$ 6,500.00
Total Expenditures	\$ 249,500.00	\$ 10,650.00	\$ 260,150.00
Helicopter Operations	FY 23 Budget	Proposed Changes	FY 24 Budget
REVENUES			
Hangar	\$ 49,200.00	\$ 1,230.00	\$ 50,430.00
Transportation	\$ 135,000.00	\$ 3,375.00	\$ 138,375.00
Fuel	\$ 189,924.00	\$ 10,076.00	\$ 200,000.00
Total Revenues	\$ 374,124.00	\$ 14,681.00	\$ 388,805.00
EXPENSES			
Salary	\$ 50,000.00	\$ -	\$ 50,000.00
Fringe	\$ 10,000.00	\$ (3,000.00)	\$ 7,000.00
Contract	\$ 914,230.00	\$ 140,375.00	\$ 1,054,605.00
Travel & Per Diem	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Supplies	\$ 35,000.00	\$ -	\$ 35,000.00
Rental Lease	\$ -	\$ -	\$ -
Utilities	\$ 10,000.00	\$ (1,000.00)	\$ 9,000.00
Gas	\$ 14,000.00	\$ (2,000.00)	\$ 12,000.00
Fuel	\$ 90,000.00	\$ (5,000.00)	\$ 85,000.00
Total Expenditures	\$ 1,123,230.00	\$ 129,375.00	\$ 1,252,605.00

Proposed FY24 Bond Construction (24) Budget

Increase to the budget are shown in green.

Decreases to the budget are shown in red.

REVENUES	FY 23 Budget	Proposed Changes	FY 24 Budget
Interest Income	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -
State Revenue Other			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES	FY 23 Budget	Proposed Changes	FY 24 Budget
Contract Labor	\$ 42,000.00	\$ 3,000.00	\$ 45,000.00
Total Expenditures	\$ 42,000.00	\$ 3,000.00	\$ 45,000.00

Proposed FY24 Bond Fund (30) Budget

Increases to the budget are shown in **green**.

Decreases to the budget are shown in **red**.

REVENUES	FY 23 Budget	Proposed Changes	FY 24 Budget
Harbor Bond Debt Reimbursement	\$ -	\$ -	\$ -
School Bond Debt Reimbursement	\$ -	\$ 339,040.00	\$ 339,040.00
Total Revenues	\$ -	\$ 339,040.00	\$ 339,040.00
EXPENDITURES	FY 23 Budget	Proposed Changes	FY 24 Budget
Bond Interest	\$ 646,386.00	\$ (81,861.00)	\$ 564,525.00
Bond Principal	\$ 1,830,000.00	\$ 135,000.00	\$ 1,965,000.00
Total Expenditures	\$ 2,476,386.00	\$ 53,139.00	\$ 2,529,525.00
Bond Fund Profit (loss)			\$ (2,190,485.00)

Proposed FY24 Perm Fund (40) Budget

Increase to the budget are shown in green.

Decreases to the budget are shown in red.

REVENUES	FY 23 Budget	Proposed Changes	FY 24 Budget
Interest Income	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -
State Revenue Other			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES	FY 23 Budget	Proposed Changes	FY 24 Budget
Contract Labor	\$ 42,000.00	\$ 3,000.00	\$ 45,000.00
Total Expenditures	\$ 42,000.00	\$ 3,000.00	\$ 45,000.00

Proposed FY24 Maintenance Reserve Fund (41) Budget

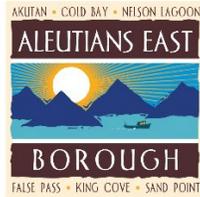
Increases to the budget are shown in green.

Decreases to the budget are shown in red.

REVENUES	FY 23 Budget	Proposed Changes	FY 24 Budget
Interest Income	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES	FY 23 Budget	Proposed Changes	FY 24 Budget
Maintenance	\$ 100,000.00	\$ 47,500.00	\$ 147,500.00
Total Expenditures	\$ 100,000.00	\$ 47,500.00	\$ 147,500.00

ORDINANCES

RESOLUTIONS



AGENDA STATEMENT

To: Mayor Osterback and Assembly

From: Anne Bailey, Borough Administrator

Date: May 8, 2023

Re: **Resolution 23-55, authorizing the Mayor to appropriate the FY24 Permanent Fund Earnings to designated projects**

The Borough is authorized to appropriate funds from the Permanent Fund Account to the General Fund. The Assembly in its discretion and consistent with Chapter 6.04.041, may in any fiscal year, appropriate an amount not to exceed four percent (4%) of the five-year average fund market value, to be computed using the five (5) prior calendar years market value. This was done to attempt to smooth the effects of market volatility and preserve the purchasing power of the fund.

Currently, the Borough has been appropriating the earnings from the Permanent Fund and then appropriating the earnings to projects and community budget requests. These projects and community budget requests and their corresponding appropriations are entered into Fund 20.

Contingent upon the approval of Ordinance 23-03, which adopts the operating and capital budget for the Aleutians East Borough (“Borough”) Fiscal Year 2024, \$1,788,334.18 in Permanent Fund Earnings will be approved for FY24.

Borough Administration recommends the Permanent Fund Earnings appropriations to:

1. Cover projects outlined in the Borough’s Strategic Plan
2. Cover Borough Maintenance Needs
3. Community Budget Request Items (overview of all the Community Budget Requests is attached)

The recommended appropriations of the Permanent Fund Earnings are as shown below:

Fisheries Research \$200,000 Addition to Fund 20 for Fisheries Research

Propose adding \$200,000 to Line-Item E 20-220-604-679 for Fisheries Research. Fisheries research is on the Borough's strategic plan. The funds would be appropriated from the FY24 Permanent Fund Earnings.

Cold Bay Dock: \$600,000 Addition to Fund 20 for the Cold Bay Dock

Propose adding \$600,000 to Line-Item E 20-220-621-850 for the Cold Bay Dock. The Cold Bay Dock is on the Borough's strategic plan. The Borough has completed the Cold Bay Dock Feasibility Study and will require funds for design, permitting, environmental work, Geotech and construction. These funds can be used for direct payment or to match grants. The funds would be appropriated from the FY24 Permanent Fund Earnings.

Deferred Maintenance: \$350,000 Addition to Fund 20 for Deferred Maintenance

Propose adding \$350,000 to line-item E 20-330-603-678 DEFERRED MAINTENANCE. This project is on the Borough's strategic plan. The Borough continues to address maintenance issues on Borough owned properties, which includes but is not limited to the schools and Borough offices. The funds would be appropriated from the FY24 Permanent Fund Earnings.

Project Contingency: \$103,334.18 Addition to Fund 20 for Project Contingency

Propose adding \$103,334.18 to line-item E 20-866-209-888 PROJECT CONTINGENCY. Having funds in this line item for unanticipated projects and needs has been extremely valuable. The funds would be appropriated from the FY 24 Permanent Fund Earnings.

Akutan Bulk Fuel Storage Facility Project: \$100,000.00 to Fund 20 for an Akutan Bulk Fuel Storage Facility Project

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for an Akutan Bulk Fuel Storage Facility Repair/Repaint Project. This was requested by the City of Akutan through the budget request process. Administration is recommending funding a portion of the request. The funds would be appropriated from the FY24 Permanent Fund Earnings.

**Cold Bay Water Plant
Back-Up Generator:**

**\$100,000 to Fund 20 for a Cold Bay Water
Plant Back-Up Generator**

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for an Cold Bay Water Plant Back-Up Generator. This was requested by the City of Cold Bay through the budget request process. Administration is recommending funding a portion of the request. The funds would be appropriated from the FY24 Permanent Fund Earnings.

**False Pass Community
Fuel:**

\$100,000.00 to Fund 20 for False Pass Community Fuel

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for False Pass Community Fuel. This was requested by the City of False Pass through the budget request process. Administration is recommending funding a portion of the request. The funds would be appropriated from the FY24 Permanent Fund Earnings.

**King Cove Rolling
Compactor:**

\$100,000 to Fund 20 for King Cove Rolling Compactor

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for a King Cove Rolling Compactor. This was requested by the City of King Cove through the budget request process. The funds would be appropriated from the FY24 Permanent Fund Earnings.

**Nelson Lagoon Municipal
Building Repairs:**

**\$35,000 to Fund 20 for Nelson Lagoon Municipal Building
Repairs**

Propose adding a Department Line Item to Fund 20 in the amount of \$35,000 for Nelson Lagoon Municipal Building Repairs. This was requested by the Village of Nelson Lagoon through the budget request process. The funds would be appropriated from the FY24 Permanent Fund Earnings.

**Sand Point Landfill
Incinerator:**

\$100,000 to Fund 20 for Sand Point Solid Waste Vehicle

Propose adding a Department Line Item to Fund 20 in the amount of \$100,000 for Sand Point Solid Waste Vehicle. This was requested by the City of Sand Point through the budget request process. The funds would be appropriated from the FY24 Permanent Fund Earnings.



RESOLUTION 23-55

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO APPROPRIATE THE FY 2024 PERMANENT FUND EARNINGS TO DESIGNATED PROJECTS

WHEREAS, the Borough Assembly in its discretion and consistent with Chapter 6.04.041, may in any fiscal year, appropriate an amount not to exceed four percent (4%) of the five-year average fund market value, to be computed using the five (5) prior calendar years market value; and

WHEREAS, the Permanent Fund Earnings can be appropriated to projects within the Borough; and

WHEREAS, Alaska Permanent Capital Management has determined that the Permanent Fund Earnings distribution for FY 2024 is \$1,788,334.18; and

WHEREAS, the Borough approved Ordinance 23-06, which adopts the operating and capital budget for the Aleutians East Borough (“Borough”) Fiscal Year 2024 and approves the FY 2024 Permanent Fund Earnings distribution in the amount of \$1,788,334.18; and

WHEREAS, Borough Administration recommends that the Permanent Fund Earnings be distributed for projects outlined in the Borough Strategic Plan, for Borough maintenance needs and to fund Community Budget Requests.

NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the Mayor to appropriate the FY 2024 Permanent Fund Earnings in the amount of \$1,788,334.18 to the projects outlined in Exhibit A.

PASSED AND ADOPTED by the Aleutians East Borough on this 18th day of May, 2023.

Alvin D. Osterback, Mayor

ATTEST:

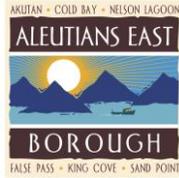
Beverly Rosete, Clerk

Exhibit A

FY 24 Permanent Fund Earning Appropriations

Project	Amount
Fisheries Research	\$200,000.00
Cold Bay Dock	\$600,000.00
Deferred Maintenance	\$350,000.00
Project Contingency	\$103,334.18
Akutan Bulk Fuel Storage Facility Repair/Repaint	\$100,000.00
Cold Bay Water Plant Back-Up Generator	\$100,000.00
False Pass Community Fuel	\$100,000.00
King Cove Rolling Compactor	\$100,000.00
Nelson Lagoon Municipal Building Repairs	\$ 35,000.00
Sand Point Solid Waste Vehicle	\$100,000.00
TOTAL	\$1,788,334.18

*This value is 4% of the permanent fund distribution amount and is based off APCM's reading of the Borough ordinance.



Date: May 12, 2023
To: Mayor Osterback and Assembly
From: Ernie Weiss, Natural Resources Department Director
Re: Resolution 23-56 supporting Southeast Alaska Salmon Troll Fishermen

In 2005, the Southern Resident Killer whales, or Orcas, that live mostly in the Puget Sound area of Washington state were listed as endangered.

In 2019, the National Marine Fisheries Service (NMFS) approved a 10-year plan, including a biological opinion (Bi-Op), to continue the Southeast Alaska commercial Chinook salmon (king salmon) troll fishery, with harvest limits to be negotiated between the U.S. and Canada.

The Wild Fish Conservancy filed suit against NMFS March 18, 2020. The lawsuit alleged the NMFS authorization of the Southeast Alaska Chinook troll fishery contributes to the extinction of the endangered population of killer whales found in Puget Sound.

In 2021, Magistrate Judge Michelle Petersen of the US District Court of Western Washington sided with Wild Fish Conservancy, and made recommendations to close the Southeast Alaska Chinook salmon troll fishery, based on her finding that the mitigation and restoration measures provided by NMFS were hypothetical and uncertain.

On August 8, 2022 US District Judge Richard A. Jones accepted Judge Petersen's recommendation and asked Petersen to provide a report to outline an "appropriate remedy" for the apparent Endangered Species Act (ESA) and National Environmental Policy Act (NEPA) violations.

May 2nd 2023 Judge Jones remanded the 2019 Bi-Op to NMFS to remedy the ESA and NEPA violations. Judge Jones also vacated portions of the Bi-Op that authorize commercial harvest or incidental take of Chinook salmon in the summer and winter troll fishery seasons.

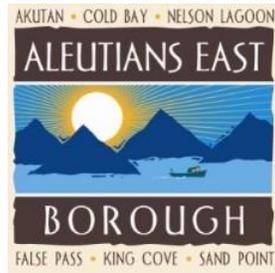
On May 3rd, 2023 the State of Alaska and the Alaska Trollers Association filed a notice of appeal to the Ninth District Court of Appeals.

Resolution 23-53 asserts the Aleutians East Borough Assembly support for the appeal and for Southeast Alaska troll fishermen. The resolution also urges NMFS to expedite issuance of an updated Southeast Alaska Biological Opinion that would include Chinook salmon commercial harvest by the Southeast Alaska troll fleet.

*May 4th Laine Welch article [Strong reactions to Seattle judge shutdown of Southeast AK troll fishery](#) can be found [here](#).

RECOMMENDATION

Natural Resources Department recommends approval of Resolution 23-56 supporting Southeast Alaska Salmon Troll Fishermen.



RESOLUTION 23-56

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY SUPPORTING SOUTHEAST ALASKA SALMON TROLL FISHERMEN

WHEREAS, the Southeast Alaska Chinook salmon troll fishery is a sustainable fishery that has operated for over one hundred years, much like salmon fisheries of the Aleutians East; and

WHEREAS, Southeast Alaska fishermen and communities are dependent on the troll fishery; and

WHEREAS, on May 2nd, U.S. District Judge Richard Jones remanded the 2019 Southeast Alaska Biological Opinion back to NMFS to remedy ESA and NEPA violations, and vacated portions of the Biological Opinion that authorized the Southeast Alaska Chinook salmon troll fishery; and

WHEREAS, U.S. District Judge Jones ruling attempts to reallocate Chinook salmon from Southeast Alaska salmon trollers to the endangered Southern Resident killer whales, by closing the summer and winter Southeast Alaska Chinook salmon troll fishery; and

WHEREAS, the Southern Resident killer whales spend winters along the West Coast of California, Oregon and Washington and summers in their critical habitat of Puget Sound, the Strait of Juan de Fuca and the San Juan Islands, and generally not in waters off Alaska; and

WHEREAS, threats to the endangered Southern Resident killer whales include vessel traffic noise, disturbances and pollution in their habitat as well as reduced prey availability; and

WHEREAS, the State of Alaska, Governor Mike Dunleavy and the Alaska Congressional Delegation of Senators Dan Sullivan, Lisa Murkowski and Representative Mary Peltola have condemned Judge Jones ruling to close the Southeast Alaska Chinook salmon troll fishery; and

WHEREAS, the Southeast Alaska Chinook salmon troll fishery is integral to Southeast Alaska communities' culture and economies; and

WHEREAS, the Southeast Alaska Chinook salmon troll fishery is not an existential threat to Southern Resident killer whales and closing the Southeast Alaska Chinook salmon troll fishery will not significantly improve conditions for Southern Resident killer whale survival.

NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly supports Southeast Alaska troll fishermen efforts to continue the historic sustainable Chinook salmon fishery that supports Southeast communities and provides Alaska Chinook salmon to markets; and

BE IT FURTHER RESOLVED, the Aleutians East Borough Assembly supports an appeal to the Ninth District Court of Appeals that would stay U.S District Judge Jones ruling and would allow Southeast Alaska Chinook salmon troll fisheries to commence July 1, and

BE IT FURTHER RESOLVED, the Aleutians East Borough Assembly urges NMFS to expedite issuance of an updated Southeast Alaska Biological Opinion that would include Chinook salmon commercial harvest by the Southeast Alaska troll fleet.

Approved and Adopted this 18th day of May 2023.

Alvin D. Osterback, Mayor

Beverly Rosete, Clerk



Agenda Statement

Date: May 18th 2023
To: Mayor Osterback and Assembly
From: Talia Jean-Louis, Assistant Administrator

Re: Resolution 23-57 relating to the disposal of surplus, obsolete or unneeded supplies

The Aleutians East Borough has acquired certain personal property for the purpose of carrying out services in the public interest. Some of these items have become worn out, obsolete, or are no longer needed by the Borough. The Borough has deemed it unnecessary to maintain ownership of surplus personal property of the Borough.

Section 3.02.031(b) of the Borough code reads, “Supplies which are deemed by the Purchasing Officer to be sold as surplus, obsolete, or unneeded, may be sold or otherwise disposed of by the Purchasing Officer upon approval by the Assembly by resolution.”

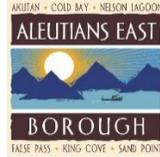
The Borough desires to dispose of the following items:

- a) Five (5) Office Chairs located in Sand Point, AK for \$50
- b) Four (4) Computer Monitors located in Sand Point, AK for \$60
- c) One (1) Refrigerator located in King Cove, AK for \$50

Resolution 23-57 authorizes the Borough to conduct surplus auction by sealed bid for the purpose of selling these items to the highest bidder after public notice.

RECOMMENDATION

Administration recommends approval of Resolutions 23-57 relating to the disposal of surplus, obsolete, or unneeded supplies.



RESOLUTION 23-57

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY RELATING TO DISPOSAL OF SURPLUS, OBSOLETE OR UNNEEDED SUPPLIES

WHEREAS, the Aleutians East Borough (“Borough”) has acquired certain personal property for the purpose of carrying out services in the public interest; and

WHEREAS, certain items of personal property of the Borough have become worn out, obsolete, or are no longer needed by the Borough; and

WHEREAS, the Borough has deemed it unnecessary to maintain ownership of the surplus personal property of the Borough; and

WHEREAS, the Borough desires to dispose of the following surplus property:

- a) Five (5) Office Chairs
Minimum Bid: \$50
- b) Four (4) Computer Monitors
Minimum Bid: \$60
- c) One (1) Refrigerator
Minimum Bid: \$50

NOW THEREFORE, BE IT RESOLVED, by the Aleutians East Borough Assembly as follows:

Section 1. The Borough Assembly Finds and declares that the Borough no longer has use for the surplus property listed above.

Section 2. The Purchasing Officer is authorized and directed to conduct a surplus auction by sealed bid for the purpose of selling the surplus property to the highest bidder after public notice.

Section 3. In case of a tie, the successful bidder shall be determined by publicly drawing lots at a time and place specified by the Purchasing Officer, always selling to the highest responsible bidder or bidders for cash.

Section 4. The Purchasing Officer is authorized to repeatedly reject all bids and advertise and give notice again.

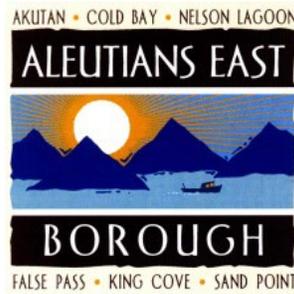
Section 5. If there are no bidders, the Purchasing Officer is authorized to sell such supplies, materials, equipment or other personal property for the minimum value established prior to the sealed bidding.

PASSED AND ADOPTED by the Aleutians East Borough on this ____ day of _____, 2023.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Borough Clerk



Aleutians East Borough Surplus Auction by Sealed Bid

Pursuant to the Aleutians East Borough Code, notice is hereby given that surplus items are offered for sale. The date of the sale will be June 1st, at 3:00 P.M. in the Borough's Anchorage Office located at 3380 C Street, Suite 205, Anchorage, Alaska.

Bidders are encouraged to inspect the items prior to the sale. The item is located in Akutan as indicated on the bid item information sheet that is attached. The item can be viewed by appointment only through the designated contact. The item is offered for sale "as is," where is, and no warranties or guarantees of any kind are made or implied. The successful bidder will be required to remove the item within five (5) business days. The Borough reserves the right to reject any bid. Bid deposits of unsuccessful bidders will be returned within three (3) business days.

Auction Instructions

1. Write the item number and the amount of the bid on a piece of paper.
2. Only personal checks, money orders or certified checks will be accepted. NO CASH BIDS are allowed. Bid MUST include a check. Make checks payable to the Aleutians East Borough.
3. One bid per envelope. Include your name, address and telephone number **inside the envelope**.
4. Submit sealed bids to the Borough's Anchorage office by June 1st, by 3:00 P.M. Mail to:

Attn: Talia Jean-Louis
Aleutians East Borough
3380 C Street, Suite 205
Anchorage, AK 99503

If you have any questions about the bid process, please contact Talia Jean-Louis at 907-274-7559 or tjeanlouis@aeboro.org. Questions about the bid items and/or to view the bid items, please contact the local contact on the attached bid item information sheet.

May 19th 2023

Item #1

Five (5) Office Chairs

Minimum Bid:
\$50

Location:
Sand Point, Alaska

To view this item, please contact Beverly Rosete: 907-383-2699

PHOTOS



May 19th 2023



May 19th 2023



May 19th 2023

Item #2

Foor (4) Computer Monitors

Minimum Bid:
\$60

Location:
Sand Point, Alaska

To view this item, please contact Beverly Rosete: 907-383-2699



May 19th 2023

Item #3

One (1) Refrigerator

Minimum Bid:
\$60

Location:
King Cove, Alaska

To view this item, please contact Seward Brandell: 907-497-2588

PHOTOS



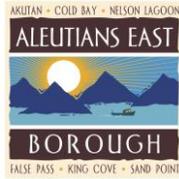
May 19th 2023



May 19th 2023



May 19th 2023



Agenda Statement

Date: May 8, 2023
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Resolution 23-58, Authorizing the Mayor to engage Espelin & Associates, llc for Accounting Assistance Support in an amount not to exceed \$75,000

The Aleutians East Borough (Borough) and Espelin & Associates, llc have been working together on the FY22 Audit prep, the financial software request for proposal, addressing prior audit findings and establishing financial policies and procedures.

Espelin & Associates has provided the attached Engagement Letter, which outlines the engagement objectives and scope of work for FY24 which includes:

- *Espelin & Associates providing accounting assistance and support for FY23 financial statement audit preparation.*
- *Espelin & Associates providing accounting assistance and support for the accounting software transition to Caselle.*
- *Espelin & Associates providing ongoing accounting assistance and support to the Borough as requested/directed by the Borough Administrator and/or the Finance Director.*

The engagement letter also outlines the CPA firm responsibilities, the Borough's responsibilities, and the professional service fees. The Agreement will be in an amount not to exceed \$75,000.

Espelin & Associates is familiar with the Borough's finances and having a CPA firm that can assist in audit prep, addressing audit findings and providing ongoing accounting assistance and support is critical to Borough operations.

Administration recommends signing an engagement letter with Espelin & Associates for July 1, 2023 through June 30, 2024 in an amount not to exceed \$75,000.

Aleutians East Borough Municipal Code (AEBMC) Section 2.20.040 Award of Contracts or Purchases Without Competitive Bids states that the Borough does not have to go through a competitive bidding process for professional or specialized services rendered by accountants (Section 3.02. 240 (a)).

Funds for this will be appropriated annually through the budget cycle under the Finance Department budget.

RECOMMENDATION

Administration recommends approval of Resolution 23-58, Authorizing the Mayor to engage Espelin & Associates, llc for Accounting Assistance Support in an amount not to exceed \$75,000.

Espelin & Associates, llc

P.O. Box 13370

Trapper Creek, AK 99723

Cell: (907) 240-4057 fax: (866) 779-0840 e-mail: cpa@espelinllc.com

May 5, 2023

Anne Bailey, Borough Administrator
Aleutians East Borough
3380 C Street, Suite 205
Anchorage, AK 99503

Dear Anne:

Espelin & Associates, llc (“firm,” we,” “us,” or “our”) is pleased to provide the Aleutians East Borough (“you” or “your”) with the professional services described below. This letter, and any other attachments incorporated herein, (collectively, “Agreement”), confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Engagement Objectives and Scope

- *Espelin & Associates will provide accounting assistance and support for FY23 financial statement audit preparation.*
- *Espelin & Associates will provide accounting assistance and support for the transition to the Caselle accounting software.*
- *Espelin & Associates will provide ongoing accounting assistance and support to the Borough as requested/directed by the Borough Manager and/or the Finance Director.*

Our recommendations regarding procedures to be performed and the results of the procedures performed are dependent upon the accuracy and completeness of the representations and information that we receive from you. Accordingly, inaccurate or incomplete representations could result in inaccurate findings or inappropriate recommendations, and critical recommendations may not be identified.

CPA Firm Responsibilities

We will perform our services in accordance with the *Statement on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (“AICPA”). Such services do not constitute an audit, review, or any other attestation service as those services are defined in AICPA literature applicable to such engagements. Accordingly, these services will not result in the issuance of a written communication to third parties by Espelin & Associates, llc regarding financial data or internal controls, expressing an opinion or conclusion or obtaining or providing any form of assurance.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

Client Responsibilities

Your Support

We will require the support of your personnel to achieve timely completion of the project. Support includes, but is not limited to, the collection of all relevant documents (paper or electronic) and the scheduling of interviews and coordination of meetings. Failure to receive such support in a timely manner may negatively affect our ability to fulfill the scope requirements described above within the agreed-upon timeframe.

Project Management

You will designate a member of your management level, who possesses suitable skill, knowledge, and/or experience, (the “Project Sponsor”) to oversee the services and conduct of this project, including coordination of your resources needed and review of draft deliverables. You authorize us to accept instructions from the Project Sponsor for this engagement. You have designated Anne Bailey, Borough Administrator as Project Sponsor for this engagement.

Management Functions

Your management agrees to:

- make all management decisions and perform all management functions, including determining account codings and approving all proposed journal entries;
- evaluate the adequacy and results of the services performed;
- accept responsibility for the results of the services, including decisions regarding the implementation of any recommendations provided by us; and
- establish and maintain internal controls as well as monitor ongoing activities.

You agree that your management and employees are responsible for the accuracy and reliability of information provided to us, the proper recording of transactions in the records, the safekeeping of assets, and the accuracy of the financial statements.

Timing of the Engagement

We expect to begin our services to begin on July 1, 2023 and will continue, should both parties be willing, through June 30, 2024. The agreement may be terminated by written notification by either party that the engagement is terminated.

Professional Fees

Our fees for the services outlined above will be billed on the 15th and the last day of the month at the following billing rates:

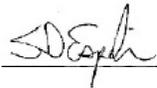
- Senior CPA: \$175/hr for work done out of our office
- Senior CPA: \$190/hour for on-site work in King Cove
- Senior CPA: \$90/hr for travel time, beginning and ending from the Anchorage airport
- CPA: \$150/hr for work done out of our office
- CPA: \$175/hour for on-site work in King Cove
- CPA: \$90/hr for travel time, beginning and ending from the Anchorage airport

plus out-of-pocket expenses such as airline tickets, per diem (at the rate of \$75/day), cab fare, airport parking, etc. Invoices are due upon receipt. Our fees are not contingent on an action or event resulting from the analyses or conclusions in, or the use of, our report or other deliverable.

* * * * *

We appreciate the opportunity to be of service to Aleutians East Borough. Please date and execute the enclosed copy of this Agreement and return it to us to acknowledge your acceptance.

Very truly yours,
Espelin & Associates, LLC

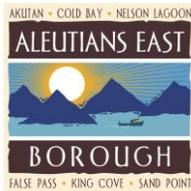


Sarah D. Espelin
Managing Member

ACCEPTED:

Aleutians East Borough
Anne Bailey
Borough Manager

[Date]



RESOLUTION 23-58

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR ENGAGE ESPELIN & ASSOCIATES, LLC FOR ACCOUNTING ASSISTANCE SUPPORT IN AN AMOUNT NOT TO EXCEED \$75,000

WHEREAS, the Aleutians East Borough and Espelin & Associates, llc have been working together on the FY22 Audit Prep, the financial software request for proposal, addressing prior audit findings and establishing financial policies and procedures; and

WHEREAS, Espelin & Associates has provided an Engagement Letter that outlines the engagement objectives and scope of work for FY24; the CPA firm responsibilities; the Borough's responsibilities and the professional service fees; and

WHEREAS, Administration has reviewed and recommends the Borough engage Espelin & Associates from July 1, 2023 through June 30, 2024 in an amount not to exceed \$75,000; and

WHEREAS, funds will be appropriated annually through the budget cycle under the Finance Department budget.

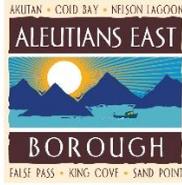
NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the mayor to engage Esplin & Associates, llc for accounting assistance support in an amount not to exceed \$75,000.

PASSED AND ADOPTED by the Aleutians East Borough on this 18th day of May, 2023.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Clerk



MEMORANDUM

To: Alvin D. Osterback, Mayor and Assembly

From: Anne Bailey, Borough Administrator

Date: May 10, 2023

Re: Resolution 23-59, Accepting the Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports for Year Ended June 30, 2022

The Aleutians East Borough hired BDO to audit the financial statements of the government activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Borough as of and for the year ending June 30, 2022.

BDO has completed the audit for FY2022 and, in their opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Aleutians East Borough, Alaska, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The audit required a few journal entry adjustments and no restatements. For the FY 2022 Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards* there was one material weakness and two significant deficiencies. For the FY 2022 Federal Award Findings and Questioned Costs there was two significant deficiency. For the FY 2022 State Single Audit there was one significant deficiency. The findings and corrective action plan are as follows:

<p style="text-align: center;">Financial Statement Findings Required to be Reported in Accordance with <i>Government Auditing Standards</i></p>
--

Finding 2022-001 General Ledger Reconciliation and External Financial Reporting - Material Weakness in Internal Control

Corrective Action Plan The Aleutians East Borough has hired a contract accountant to assist management with monthly and year-end reconciliations, closing entries, and audit preparation. The contract accountant has sufficient skills, knowledge and experience to assist management in ensuring that all accounts are properly reconciled, and all necessary year-end adjusting entries are posted timely prior to commencement of the financial statement audit.

The Borough has also implemented journal entry and bank reconciliation policies and have two employees in the Finance Department that are reviewing cash registers and payroll registers.

Expected Completion Date June 30, 2023

Finding 2022-002 Segregation of Duties - Internal Control over Financial Reporting - Significant Deficiency

Corrective Action Plan Management has established a policy requiring all cash disbursements to be reviewed and approved by a second individual who is knowledgeable of the transaction prior to disbursement. If review is not possible prior to needing to make the disbursement, review is to happen as soon as possible afterwards. For transactions prepared and posted by the finance director, contract accountant will assist with reviewing the transaction. The Borough has established bank reconciliation and journal entry policies and has a second employee reviewing and approving check and payroll registers.

Expected Completion Date June 30, 2022

Finding 2022-003 Journal Entry Review - Internal Control over Financial Reporting - Significant Deficiency

Corrective Action Plan Management has established a policy requiring all cash disbursements to be reviewed and approved by a second individual who is knowledgeable of the transaction prior to disbursement. If review is not possible prior to needing to make the disbursement, review is to happen as soon as possible afterwards. For transactions prepared and posted by the finance director, contract accountant will assist with reviewing the transaction. The Borough has established bank reconciliation and journal entry policies and has a second employee reviewing and approving check and payroll registers.

Expected Completion Date June 30, 2023

Finding 2022-004 Noncompliance and Significant Deficiency in Internal Control - Subrecipient Monitoring

Corrective Action Plan Management will establish policies to ensure that timely monitoring activity takes place and subrecipients are aware that they have to comply with the terms and conditions of 2 CFR Part 200, Subpart F. Management will create a policy to ensure that subawards of Federal funds include language clearly identifying the funds as a subaward and includes the necessary information at the time of subaward.

Expected Completion Date June 30, 2023

Finding 2022-005 Deadline for Federal Single Audit - Internal Control over Compliance - Significant Deficiency

Corrective Action Plan Management will file the Form SF-SAC form soon and will submit the Form SF-SAC on time in the future.

Expected Completion Date June 30, 2023

Finding 2022-006 Deadline for State Single Audit - Internal Control over Compliance - Significant Deficiency

Corrective Action Plan Management will file the State Single Audit soon and will submit the Single Audit on time in the future.

Expected Completion Date June 30, 2023

RECOMMENDATION

Administration recommends approval of Resolution 23-59, Accepting the Financial Statements, Required Supplementary Information, Supplementary Information and Single Audit Reports for Year Ended June 30, 2022.

Aleutians East Borough, Alaska

Basic Financial Statements, Required
Supplementary Information, Supplementary
Information and Single Audit Reports
Year Ended June 30, 2022

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Aleutians East Borough, Alaska

Basic Financial Statements, Required Supplementary Information,
Supplementary Information and Single Audit Reports
Year Ended June 30, 2022

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Aleutians East Borough, Alaska

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Aleutians East Borough, Alaska

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Aleutians East Borough, Alaska

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Tel: 907-278-8878
Fax: 907-278-5779
www.bdo.com

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and Borough Assembly
Aleutians East Borough, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Aleutians East Borough, Alaska (the Borough), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Borough, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedules of the Borough's proportionate share of the net pension and OPEB liability or asset and Borough' contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The accompanying combining and individual fund financial statements and schedules, and the Schedule of Expenditures of Federal awards, *as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Schedule of State Financial Assistance as required by the *State of Alaska Single Audit Guide and Compliance Supplement for State Single Audits* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, the Schedule of Expenditures of Federal awards, and the Schedule of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **[date of report]** on our consideration of the Borough’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough’s internal control over financial reporting and compliance.

Anchorage, Alaska
XXXX, 2023

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Basic Financial Statements

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Aleutians East Borough, Alaska

Statement of Net Position

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	School District
<i>June 30, 2022</i>				
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 73,804,628	\$ 551,039	\$ 74,355,667	\$ 4,093,092
Receivables, net of allowance for uncollectible accounts:				
State of Alaska	1,873,401	-	1,873,401	422,863
Accrued interest	55,124	-	55,124	-
Other	89,490	32,840	122,330	-
Taxes	921,134	-	921,134	-
Prepaid items	2,400	-	2,400	329,218
Inventory	-	-	-	33,652
Restricted cash and investments:				
Unspent bond proceeds	3,664,009	-	3,664,009	-
Accrued interest	3,231	-	3,231	-
Investment in Southwest Governments, LLC	445,686	-	445,686	-
Net other postemployment benefits asset	949,599	44,132	993,731	2,565,688
Lease receivable	561,170	-	561,170	-
Right-to-use asset, net	592,390	105,797	698,187	-
Capital assets not being depreciated	6,139,705	-	6,139,705	-
Other capital assets, net of accumulated depreciation	64,233,100	6,005,610	70,238,710	195,321
Total Assets	153,335,067	6,739,418	160,074,485	7,639,834
Deferred Outflows of Resources				
Related to pensions	208,387	9,685	218,072	316,100
Related to other postemployment benefits	44,804	2,082	46,886	160,334
Deferred charge on refunding	237,464	-	237,464	-
Total Deferred Outflows of Resources	490,655	11,767	502,422	476,434
Total Assets and Deferred Outflows of Resources	\$ 153,825,722	\$ 6,751,185	\$ 160,576,907	\$ 8,116,268
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	\$ 867,734	\$ 96,793	\$ 964,527	\$ 32,885
Payable to US ACOE	3,799,038	-	3,799,038	-
Accrued payroll and taxes	-	-	-	71,925
Accrued interest	61,240	-	61,240	-
Unearned revenue	324,087	-	324,087	12,268
Noncurrent liabilities:				
Due within one year:				
Leases payable	105,812	1,053	106,865	-
Bonds payable	2,115,720	-	2,115,720	-
Accrued leave	113,568	-	113,568	32,786
Due in more than one year:				
Leases payable	501,026	105,934	606,960	-
Bonds payable, noncurrent including premium	14,657,473	-	14,657,473	-
Net pension liability	1,324,059	61,535	1,385,594	2,408,528
Total Liabilities	23,869,757	265,315	24,135,072	2,558,392
Deferred Inflows of Resources				
Related to leases	557,709	-	557,709	-
Related to pensions	528,006	24,539	552,545	1,621,729
Related to other postemployment benefits	498,754	23,179	521,933	1,237,377
Net Position				
Net investment in capital assets	57,501,085	6,005,610	63,506,695	195,321
Restricted:				
Construction	733,074	-	733,074	-
Trust Fund	48,442,268	-	48,442,268	-
Unrestricted	21,695,069	432,542	22,127,611	2,503,449
Total Net Position	128,371,496	6,438,152	134,809,648	2,698,770
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 153,825,722	\$ 6,751,185	\$ 160,576,907	\$ 8,116,268

See accompanying notes to financial statements.

Aleutians East Borough, Alaska

Exhibit A-2

Statement of Activities

Year Ended June 30, 2022	Program Revenues				Net Revenue (Expense) and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants & Contri- butions	Capital Grants & Contri- butions	Primary Government		School District	
					Govern- mental Activities	Busines- type Activities		Total
Primary Government								
Governmental Activities								
General government	\$ 2,849,662	\$ 70,234	\$ 245,874	\$ -	\$ (2,533,554)	\$ -	\$ (2,533,554)	
Public works	320,391	-	-	-	(320,391)	-	(320,391)	
Education	1,415,204	-	1,839,070	-	423,866	-	423,866	
Community services	196,589	-	-	-	(196,589)	-	(196,589)	
Health and welfare	-	-	964,717	-	964,717	-	964,717	
Infrastructure	4,306,392	-	-	420,670	(3,885,722)	-	(3,885,722)	
Interest on long-term debt	459,015	-	-	-	(459,015)	-	(459,015)	
Total Governmental Activities	9,547,253	70,234	3,049,661	420,670	(6,006,688)	-	(6,006,688)	
Business-type Activities								
Terminal	440,201	216,782	-	-	-	(223,419)	(223,419)	
Helicopter	1,094,369	328,574	12	-	-	(765,783)	(765,783)	
Total Business-type Activities	1,534,570	545,356	12	-	-	(989,202)	(989,202)	
Total Primary Government	11,081,823	615,590	3,049,673	420,670	(6,006,688)	(989,202)	(6,995,890)	
Component Unit - School District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,593,333)
General Revenues								
Borough fish tax					6,054,977	-	6,054,977	-
Unrestricted investment earnings					21,935	-	21,935	-
Restricted investment losses					(3,981,256)	-	(3,981,256)	-
Local contributions					-	-	-	1,115,656
State grants and entitlements not restricted to specific program					2,475,077	-	2,475,077	4,401,735
Payment in lieu of taxes					694,295	-	694,295	-
Federal sources					-	-	-	2,171,396
E-rate					-	-	-	916,800
Miscellaneous					2,211,771	-	2,211,771	582,362
Loss of disposal of capital assets					(32,695)	-	(32,695)	-
Capital contributions from governmental activities to business-type activities					(1,689,462)	1,689,462	-	-
Transfers					(765,783)	765,783	-	-
Total General Revenues and Transfers					4,988,859	2,455,245	7,444,104	9,187,949
Change in Net Position					(1,017,829)	1,466,043	448,214	(405,384)
Net Position, beginning					129,389,325	4,972,109	134,361,434	3,104,154
Net Position, ending					\$ 128,371,496	\$ 6,438,152	\$ 134,809,648	\$ 2,698,770

See accompanying notes to financial statements.

Aleutians East Borough, Alaska
Governmental Funds Balance Sheet

Exhibit B-1

June 30, 2022	Major Funds						Total Govern- mental Funds
	General	COVID-19 Special Revenue	Trust Permanent	Capital Improve- ments Capital Project	Bond Construc- tion Capital Project	Nonmajor Funds	
Assets							
Cash and investments	\$29,568,824	\$ 324,087	\$42,575,927	\$ 230,667	\$ 374,449	\$ 730,674	\$73,804,628
Receivables, net:							
State of Alaska	1,595,057	-	-	211,695	66,649	-	1,873,401
Accrued interest	12,063	-	43,061	-	-	-	55,124
Taxes	921,134	-	-	-	-	-	921,134
Other	89,490	-	-	-	-	-	89,490
Lease receivable	561,170	-	-	-	-	-	561,170
Due from other funds	-	-	5,381,070	-	-	-	5,381,070
Restricted cash and investments:							
Unspent bond proceeds	-	-	-	-	3,664,009	-	3,664,009
Accrued interest	-	-	-	-	3,231	-	3,231
Investment in Southwest Governments, LLC	-	-	445,686	-	-	-	445,686
Prepaid assets	-	-	-	-	-	2,400	2,400
Total Assets	\$32,747,738	\$ 324,087	\$48,445,744	\$ 442,362	\$4,108,338	\$ 733,074	\$86,801,343
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	\$ 421,896	\$ -	\$ 3,476	\$ 442,362	\$ -	\$ -	\$ 867,734
Payable to US ACOE	-	-	-	-	3,799,038	-	3,799,038
Unearned revenue	-	324,087	-	-	-	-	324,087
Due to other funds	5,381,070	-	-	-	-	-	5,381,070
Total Liabilities	5,802,966	324,087	3,476	442,362	3,799,038	-	10,371,929
Deferred Inflows of Resources							
Related to leases	557,709	-	-	-	-	-	557,709
Fund Balances							
Nonspendable	-	-	-	-	-	2,400	2,400
Restricted:							
Trust fund	-	-	48,442,268	-	-	-	48,442,268
King Cove access project	-	-	-	-	-	280,770	280,770
Assigned:							
Capital improvements	-	-	-	-	309,300	-	309,300
Maintenance	-	-	-	-	-	449,904	449,904
Unassigned	26,387,063	-	-	-	-	-	26,387,063
Total Fund Balances	26,387,063	-	48,442,268	-	309,300	733,074	75,871,705
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$32,747,738	\$ 324,087	\$48,445,744	\$ 442,362	\$4,108,338	\$ 733,074	\$86,801,343

See accompanying notes to financial statements.

Aleutians East Borough, Alaska
Reconciliation of Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2022

Total fund balances for governmental funds	\$ 75,871,705
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The total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets (shown here, net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds.	70,372,805
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Certain noncancellable leases of land and buildings are not considered financial resources and, therefore, are not reported in the funds. Right-to-use asset	592,390
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Certain other postemployment benefits (OPEB) plans have been funded in excess of the required contributions. These assets are not financial resources and therefore are not reported in the funds Net other postemployment asset	949,599
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Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds:	
Lease liabilities	(606,838)
Accrued leave	(113,568)
Accrued interest on bonds	(61,240)
Bonds payable, including unamortized premium	(16,773,193)
Deferred charge on refunding	237,464
Net pension liability	(1,324,059)
Total long-term liabilities	(18,641,434)

Certain changes in net pension, lease, and net other postemployment benefits liabilities and assets are deferred rather than recognized immediately. These items are amortized over time:	
Related to pensions	208,387
Related to pensions	(528,006)
Related to other postemployment benefits	44,804
Related to other postemployment benefits	(498,754)
Total deferred pension and other postemployment benefits items	(773,569)

Total Net Position of Governmental Activities	\$ 128,371,496
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See accompanying notes to financial statements.

Aleutians East Borough, Alaska
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2022	Major Funds							Total Govern- mental Funds
	General	COVID-19 Special Revenue	Trust Permanent	Debt Service	Capital Improve- ments Capital Project	Bond Construc- tion Capital Project	Nonmajor Funds	
Revenues								
Federal government	\$ 694,295	\$ 964,717	\$ -	\$ -	\$ 245,615	\$ -	\$ -	\$ 1,904,627
State of Alaska	4,390,336	-	-	-	354,021	66,649	-	4,811,006
Borough raw fish tax	6,054,977	-	-	-	-	-	-	6,054,977
Investment income (loss)	39,575	-	(3,981,256)	-	-	(17,640)	-	(3,959,321)
Other	1,572,867	-	47,660	-	15,000	62,437	513,807	2,211,771
Total Revenues	12,752,050	964,717	(3,933,596)	-	614,636	111,446	513,807	11,023,060
Expenditures								
Current:								
General government	2,989,882	-	44,648	-	-	-	-	3,034,530
Public works	225,867	-	-	-	-	-	61,503	287,370
Education	871,856	-	-	-	-	-	-	871,856
Community services	196,589	-	-	-	-	-	-	196,589
Infrastructure	-	-	-	-	197,146	111,350	-	308,496
Debt service	-	-	-	2,435,521	-	-	-	2,435,521
Capital outlay	-	964,717	-	-	2,494,828	-	-	3,459,545
Total Expenditures	4,284,194	964,717	44,648	2,435,521	2,691,974	111,350	61,503	10,593,907
Excess of Revenues Over (Under) Expenditures	8,467,856	-	(3,978,244)	(2,435,521)	(2,077,338)	96	452,304	429,153
Other Financing Sources (Uses)								
Transfers in	-	-	-	2,435,521	2,077,338	-	-	4,512,859
Transfers out	(4,078,321)	-	(1,200,321)	-	-	-	-	(5,278,642)
Net Other Financing Sources (Uses)	(4,078,321)	-	(1,200,321)	2,435,521	2,077,338	-	-	(765,783)
Net Change in Fund Balances	4,389,535	-	(5,178,565)	-	-	96	452,304	(336,630)
Fund Balances, beginning	21,997,528	-	53,620,833	-	-	309,204	280,770	76,208,335
Fund Balances, ending	\$ 26,387,063	\$ -	\$ 48,442,268	\$ -	\$ -	\$ 309,300	\$ 733,074	\$ 75,871,705

See accompanying notes to financial statements.

Aleutians East Borough, Alaska
Reconciliation of Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

Net change in fund balances - All governmental funds \$ (336,630)

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation, and amortization expense. Additionally, transfers of capital assets to proprietary funds is not a current use of resources and is not reported on the fund financial statements.

Amount by which depreciation, and amortization expense of \$3,727,357 exceeded capital outlays of \$909,191 in the current period	\$ (2,818,166)	
Loss on disposal of asset	(32,695)	
		(2,850,861)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Repayment of principal on bonds	1,720,000	
Decrease in unamortized bond premium	312,614	
Decrease in lease liabilities	(14,448)	
Decrease in deferred charge on refunding	(36,533)	
		1,981,633

Certain revenue and expenses reported in the Statement of Activities do not represent the receipt or use of current financial resources and therefore, are not reported as revenues or expenditures in the governmental funds:

Decrease in accrued leave	12,821	
Decrease in accrued interest	10,566	
Increase in net pension liability and related deferred outflows and inflows of resources	(185,969)	
Decrease in net other postemployment benefits liability, asset and related deferred outflows and inflows of resources	350,611	
		188,029

Total Change in Net Position of Governmental Activities \$ (1,017,829)

See accompanying notes to financial statements.

Aleutians East Borough, Alaska
Enterprise Funds
Statement of Net Position

<i>June 30, 2022</i>	Major Funds		Total
	Terminal	Helicopter	
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and investments	\$ 452,611	\$ 98,428	\$ 551,039
Receivables, net	-	32,840	32,840
Total Current Assets	452,611	131,268	583,879
Noncurrent Assets			
Right-to-use asset, net of accumulated amortization	105,797	-	105,797
Net other postemployment benefits asset	-	44,132	44,132
Equipment, net of accumulated depreciation	5,986,731	18,879	6,005,610
Total Noncurrent Assets	6,092,528	63,011	6,155,539
Total Assets	6,545,139	194,279	6,739,418
Deferred Outflows of Resources			
Related to pensions	-	9,685	9,685
Related to other postemployment benefits	-	2,082	2,082
Total Deferred Outflows of Resources	-	11,767	11,767
Total Assets and Deferred Outflows of Resources	\$ 6,545,139	\$ 206,046	\$ 6,751,185
Liabilities, Deferred Inflows of Resources and Net Position			
Current Liabilities			
Accounts payable	\$ -	\$ 96,793	\$ 96,793
Leases payable	1,053	-	1,053
Total Current Liabilities	1,053	96,793	97,846
Noncurrent Liabilities			
Lease liability	105,934	-	105,934
Net pension liability	-	61,535	61,535
Total Noncurrent Liabilities	105,934	61,535	167,469
Total Liabilities	106,987	158,328	265,315
Deferred Inflows of Resources			
Related to pensions	-	24,539	24,539
Related to other postemployment benefits	-	23,179	23,179
Total Deferred Inflows of Resources	-	47,718	47,718
Net Position			
Investment in capital assets	5,986,731	18,879	6,005,610
Unrestricted (deficit)	451,421	(18,879)	432,542
Total Net Position	6,438,152	-	6,438,152
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 6,545,139	\$ 206,046	\$ 6,751,185

See accompanying notes to financial statements.

Aleutians East Borough, Alaska

Enterprise Funds

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2022	Major Funds		Total
	Terminal	Helicopter	
Operating Revenues	\$ 216,782	\$ 328,574	\$ 545,356
Operating Expenses			
Salaries and benefits	55,086	55,955	111,041
Professional services	650	905,308	905,958
Telephone	2,348	437	2,785
Supplies	2,921	29,490	32,411
Utilities	54,374	5,160	59,534
Fuel	27,876	95,659	123,535
Maintenance	16,322	-	16,322
Depreciation and amortization	275,891	2,360	278,251
Total Operating Expenses	435,468	1,094,369	1,529,837
Operating Loss	(218,686)	(765,795)	(984,481)
Nonoperating Revenues and (Expenses)			
Interest expense	(4,733)	-	(4,733)
State PERS relief	-	12	12
Total Nonoperating Revenues	(4,733)	12	(4,721)
Loss before Transfers	(223,419)	(765,783)	(989,202)
Other Financing Sources			
Capital contributions from governmental activities	1,689,462	-	1,689,462
Transfers in	-	765,783	765,783
Total Other Financing Sources	1,689,462	765,783	2,455,245
Change in Net Position	1,466,043	-	1,466,043
Net Position, beginning	4,972,109	-	4,972,109
Net Position, ending	\$ 6,438,152	\$ -	\$ 6,438,152

See accompanying notes to financial statements.

Aleutians East Borough, Alaska

Enterprise Funds
Statement of Cash Flows

Year Ended June 30, 2022	Major Funds		Total
	Terminal	Helicopter	
Cash Flows from (for) Operating Activities			
Receipts from customers	\$ 216,782	\$ 322,611	\$ 539,393
Payments for goods and services	(106,160)	(1,026,287)	(1,132,447)
Payments for salaries and benefits	(55,086)	(51,871)	(106,957)
Net cash flows from (for) operating activities	55,536	(755,547)	(700,011)
Cash Flows for Capital and Related Financing Activities			
Interest paid	(4,733)	-	(4,733)
Cash Flows from Noncapital Financing Activities			
Transfers in	-	765,783	765,783
Net Increase in Cash	50,803	10,236	65,772
Cash and Cash Equivalents, beginning	401,808	88,192	490,000
Cash and Cash Equivalents, ending	\$ 452,611	\$ 98,428	\$ 551,039
Reconciliation of Operating Loss to Net Cash Flows from (for) Operating Activities			
Operating loss	\$ (218,686)	\$ (765,795)	\$ (984,481)
Adjustments to reconcile operating loss to net cash flows from (for) operating activities:			
Depreciation and amortization	275,891	2,360	278,251
Noncash expense - PERS relief	-	12	12
(Increase) decrease in assets and deferred outflows of resources:			
Receivables, net	-	(5,963)	(5,963)
Net other postemployment benefits asset	-	(39,007)	(39,007)
Deferred outflows of resources related to pensions	-	(1,044)	(1,044)
Deferred outflows of resources related to other postemployment benefits	-	2,448	2,448
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	-	9,767	9,767
Net pension liability	-	(1,834)	(1,834)
Net other postemployment benefits liability	-	(82)	(82)
Leases payable	(1,669)	-	(1,669)
Deferred inflows of resources related to pensions	-	24,539	24,539
Deferred inflows of resources related to other postemployment benefits	-	19,052	19,052
Net Cash Flows from (for) Operating Activities	\$ 55,536	\$ (755,547)	\$ (700,011)
Noncash Capital and Related Financing Activities			
Capital assets transferred from governmental activities	\$ 1,689,462	\$ -	\$ 1,689,462

See accompanying notes to financial statements.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements Year Ended June 30, 2022

1. Summary of Significant Accounting Policies

The financial statements of the Aleutians East Borough (the Borough) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

(a) Reporting Entity

The Aleutians East Borough (Borough) was incorporated October 23, 1987, under the laws of the State of Alaska as a second-class Borough. All significant activities with which the Borough exercises oversight responsibilities have been included in the Borough's government-wide financial statements.

The accompanying financial statements include all activities of the Borough (the primary government) and the Aleutians East Borough School District (School District). The Borough Assembly, as the oversight authority, approves the total annual budget of the School District and also makes annual contributions to it. Based on financial interdependence, budget approval, responsibility for debt, and accountability and control of fiscal matters, the School District is a component unit of the Borough. The School District's audited financial statements may be obtained from their office at the address below:

Aleutians East Borough School District
PO Box 429
Sand Point, Alaska 99661-0429

No other entities exist over which the Borough has oversight responsibility.

(b) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all nonfiduciary activities of the Borough. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and proprietary funds are reported in separate columns in the fund financial statements.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements report used the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Borough considers revenues to be available if they are collected within 180 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to accrued leave, pension and other postemployment benefits are recorded only to the extent they have matured.

Major revenue sources susceptible to accrual include intergovernmental revenues and investment income. In general, other revenues are recognized when cash is received.

When both restricted and unrestricted resources are available for use, it is the Borough's policy to use restricted resources first, then unrestricted resources as needed.

(d) Major Funds

The Borough reports the following major governmental funds:

- General Fund - Reports as the primary operating fund of the Borough. This fund is used to account for all financial resources not reported in other funds.
- COVID-19 Special Revenue Fund - Accounts for all revenue received and expenditures made for the ARPA and CARES Act funding.
- Trust Permanent Fund - Accounts for all investment activity, deposits and disbursements related to the Permanent Fund established by the Assembly. The Borough Assembly may, in any fiscal year, appropriate an amount not to exceed four percent (4%) of the five-year average fund market value, to be computed using the prior five calendar years market value, additional income is added to the fund. The fund corpus is to be held in perpetuity except in circumstances of natural disaster or financial emergency.
- Debt Service Fund - Accounts for all expenditures made for the retirement of and interest on general obligation bonds.
- Capital Improvements Capital Project Fund - Accounts for all revenue received and expenditures made for the development and administration of capital projects.
- Bond Construction Capital Project Fund - Accounts for all expenditures made on projects funded by bond proceeds.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

The Borough reports the following major proprietary funds:

- Terminal Enterprise Fund - Accounts for all activity associated with construction, operation, and maintenance of the airport terminal located in Cold Bay.
- Helicopter Enterprise Fund - Accounts for all activity associated with helicopter operations in Akutan.

(e) Budgetary Information

The Borough Assembly is required to approve an annual budget before the start of the new fiscal year. Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through passage of an ordinance. Budgets are prepared and presented on the modified accrual basis of accounting. Any revisions to the budget must be approved by passage of an ordinance by the Assembly. The Borough Assembly authorizes formal budget revisions several times each year to adjust revenues and expenditures to available resources and program needs. The final revised and approved budget is presented in these financial statements. The General Fund has a legally adopted annual budget. The other governmental funds, including special revenue funds, do not have legally adopted annual budgets.

(f) Assets and Liabilities

Cash and Investments

For purposes of the statements of cash flows, the Borough considers all cash and investments to be cash equivalents. The central treasury, which holds cash and investments, is used essentially as a cash management pool by each fund.

Investments are stated at fair value. Investments of all funds outside of the Permanent Fund are managed within the Borough's central treasury.

Investments in Southwest Governments, LLC

The Borough's investment in Southwest Governments, LLC is accounted for under the equity method. Under the equity method, original investments are recorded at cost and adjusted by the Borough's share of undistributed earnings or losses. The Borough would recognize an impairment loss when there is a loss in value in the equity method investment which is other than a temporary decline.

Receivables

All receivables are shown net of an allowance for uncollectible accounts.

Interfund Receivables and Payables

All outstanding balances between funds are reported as "due to/from other funds." These balances represent the numerous transactions that occur during the course of operations between individual funds for goods provided or services rendered. All amounts due to/from other funds are short-term in nature. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

The Borough's property, plant, equipment, and infrastructure with useful lives of more than 1 year are stated at historical cost and comprehensively reported in the government-wide financial statements. The Borough maintains infrastructure asset records consistent with all other capital assets. Donated assets are recorded at the acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The Borough generally capitalizes assets with a cost of \$5,000 or more as purchase and construction outlays occur.

Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives in years for depreciable assets are as follows:

Buildings and improvements	25 years
Infrastructure	30 years
Furniture, vehicles and equipment	3-7 years

Accrued Leave

It is the Borough's policy to permit employees to accumulate earned but unused annual leave. Compensated absences are reported as accrued in government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

Unearned Revenue

Amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not been met are recorded as unearned revenue.

Long-term Debt

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Governmental fund financial statements recognize proceeds of debt and premiums as other financing sources of the current period.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

(g) Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liabilities, assets, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(h) Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Generally, the Borough reports deferred charges on bond refunding and pension and OPEB related items as deferred outflows of resources. These items are amortized to expense over time.

In addition to the liabilities, the financial statements may also present deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until later. The Borough reports certain pension and OPEB related items as deferred inflows of resources. These items are amortized as a reduction of expense over varying periods of time based on their nature.

Leases

Lessor - The Borough is a lessor for ten noncancellable leases of land and buildings. Remaining lease terms range from 3 to 32 years with fixed payments due monthly or annually. The Borough recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements. The Borough does not consider its leasing activities to be a significant component of their principal ongoing operations.

At the commencement of a lease, the Borough initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Borough determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Borough uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Borough monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Lessee - The Borough is a lessee under three noncancellable leases of land, buildings, and equipment. The Borough recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. The Borough recognizes lease liabilities with an initial term of greater than twelve months and an individual value of \$5,000 or more. Remaining lease terms range from 3 to 38 years with fixed payments due monthly or annually.

At the commencement of a lease, the Borough initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Borough determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Borough uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Borough generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Borough is reasonably certain to exercise.

The Borough monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

(j) Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balances comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted

Reflects funds with externally imposed constraints placed on them by either creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Committed

These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Assembly. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those requirements. Committed amounts cannot be used for any other purpose unless the Borough Assembly removes the constraint through a subsequent formal modification or rescinding action.

Assigned

This classification reflects the amounts constrained by the Borough's assembly members' "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned

This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Borough's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

(k) Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net Investment in Capital Assets

This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted

This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted

This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the Borough's policy to use restricted resources first, then unrestricted resources as needed.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

(l) Use of Estimates

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(m) Grants and Other Intergovernmental Revenues

In applying the measurable and available concept to grants and intergovernmental revenues, legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts are considered "earned"; therefore, revenues are recognized based on expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the measurable and available criteria are met.

2. Cash and Investments

The Borough utilizes a central treasury that is available for use by all funds. Each fund's portion of the central treasury is displayed on the balance sheet or statement of net position as "Cash and investments", or in the case of "negative cash", is included in "Due to other funds".

Reconciliation of Deposit and Investment Balances

The following is a reconciliation of the Borough's deposit and investment balances to the financial statements as of June 30, 2022.

	Book Balance	Bank Balance
Bank deposits and petty cash	\$ 5,750,025	\$ 5,835,600
Investments	72,269,651	72,269,651
Total Cash and Investments	\$ 78,019,676	\$ 78,105,251
Cash and investments	\$ 74,355,667	
Restricted cash and investments - unspent bond proceeds	3,664,009	
Total Cash and Investments	\$ 78,019,676	

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Cash and investments are further categorized as follows:

	Bank Deposits and Petty Cash	Investments	Total
Unrestricted cash and investments	\$ 5,735,032	\$ 26,044,708	\$ 31,779,740
Restricted cash and investments	-	3,664,009	3,664,009
General cash and investments	5,735,032	29,708,717	35,443,749
Permanent Fund	14,993	42,560,934	42,575,927
Total Cash and Investments	\$ 5,750,025	\$ 72,269,651	\$ 78,019,676

General Investments

Investment Policy

The investment policy for funds other than the Permanent Fund authorizes the Borough to invest only in the following instruments: U.S. Treasury securities; other obligations guaranteed by the U.S. government or its agencies or instrumentalities; repurchase agreements with financial institutions; certificates of deposits and other deposits at banks and savings and loan associations (collateralized); uncollateralized deposits at banks and savings and loan associations to the extent that the deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation; bonds and notes issued by any state or political subdivision thereof graded A or higher by Moody's Investor's Service, Inc. or Standard and Poor's Corporation; prime commercial paper graded A1 or higher by Moody's Investor's Service, Inc. or P1 or higher by Standard and Poor's Corporation; obligations of corporations graded "Baa" or higher by Moody's Investor's Service, Inc. or Standard and Poor's Corporation and issued in the United States and denominated in US dollars; the Alaska Municipal League Investment Pool (AMLIP); income producing real estate investments.

General investment balances and maturities at June 30, 2022 are as follows:

Investment Type	Fair Value	Investment Maturities (in years)	
		Less than 1	1-5
Money market funds	\$ 47,411	\$ 47,411	\$ -
U.S. treasuries	6,288,774	5,661,121	627,653
Local government investment pool (AMLIP)	23,372,532	23,372,532	-
Total General Investments	\$ 29,708,717	\$ 29,081,066	\$ 627,653

Fair Value Measurement

The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

The Borough has the following recurring fair value measurements as of June 30, 2022:

U.S. treasury securities of \$6,288,774 are valued using models with various inputs such as but not limited to daily cash flow, snapshots of market indices and spread scales (Level 2 inputs).

The Borough has investments in money market funds totaling \$47,411 that are not held at fair value, but instead recorded at amortized cost, as of June 30, 2022. The Borough's investment in AMLIP of \$23,372,532 is measured at net asset value, as of June 30, 2022. Management believes these values approximate fair value.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the duration of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Borough has no formal policy relating to interest rate risk.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill the obligation to the holder of the investments. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The Borough's investments in U.S. treasury bonds are rated AA+ by Standard and Poor's. The AMLIP is an external investment pool and is rated AAAM for credit risk purposes. Alaska Statute 37.23 establishes regulatory oversight of the Pool. The law sets forth numerous requirements regarding authorized investments and reporting. The Pool is incorporated in the State of Alaska as a nonprofit corporation and reports to a board of directors. Alaska Statute 37.23.050 requires the retention of an investment manager. The manager is required to produce monthly disclosure statements on the Pool. The Pool also has retained an investment adviser who monitors the performance of the investment manager to ensure compliance with investment policies. All participation in the Pool is voluntary. The Pool must maintain a dollar-weighted average maturity of 90 days or less, and only purchase instruments having remaining maturities of 397 days or less. On a monthly basis, the investments in the Pool are reviewed for fair value by an independent pricing service. As of June 30, 2022, the fair value of the investments in the Pool approximates amortized cost and is equal to the value of Pool shares.

Separately issued financial statements for AMLIP may be obtained by contacting the sponsor at 212 Second Street, Suite 200, Juneau, AK 99801. A portion of the general cash pool represents bond proceeds and is subject to arbitrage yield restrictions.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough's deposit policy for custodial credit risk is to collateralize its primary demand deposit account. As of June 30, 2022, the Borough had no bank deposits that were not insured or collateralized.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Borough has no debt securities exposed to custodial credit risk at June 30, 2022 because the investments were held by a custodian in the name of the Borough.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Concentration of Credit Risk

The Borough aims to diversify and limit concentration investment risk by investing in a variety of issuers and fixed income securities; however, the Borough has no formal policy addressing concentration of credit risk. The Borough has no investments from any one issuer that represents 5% or more of total investments.

Permanent Fund Investments

The Permanent Fund is reporting \$42,560,934 in cash and investments at June 30, 2022.

Investment Policy

The investment policy for the Permanent Fund authorizes the Borough to invest in domestic (U.S.) equities (both large cap and mid cap), international equities, emerging market equities, real estate investment trusts, and fixed income investments. For 2022, the target allocation was 22% U.S. equities (large cap), 10% U.S. equities (mid-cap), 5% U.S. equities (small-cap), 6% international equities, 4% emerging market equities, 3% real estate investment trusts, 5% infrastructure, 3% commodities, 10% alternative beta, 18% U.S. fixed income, 5% U.S. high yield credit, 2% U.S. TIPS, 5% international fixed income, and 2% cash. A range of 12-32% for U.S. equities (large cap), 5-15% for U.S. equities (mid-cap), 0-10% for U.S. equities (small-cap), 0-12% international equities, 0-8% emerging market equities, 0-6% real estate investment trusts, 0-10% infrastructure, 0-6% commodities, 0-15% alternative beta, 8-28% U.S. fixed income, 0-10% U.S. high yield credit, 0-10% U.S. TIPS, 0-10% international fixed income, and 0-10% cash are allowed to accommodate normal market fluctuations and prevent frequent rebalancing.

Interest Rate Risk

Because the Permanent Fund is designed to hold principal investments perpetually in trust for the future earnings to benefit the present and future generations of Borough residents, there are no maturity limitations in the policy. The policy focuses more on limiting interest rate risk by diversification in many investment types. A segmented time distribution of all investment types is presented below in an effort to disclose those investment types and amounts that are subject to interest rate risk.

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Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Permanent Fund investment balances and maturities at June 30, 2022 are as follows:

<i>Investment type</i>	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. treasuries	\$ 4,274,586	\$ 219,465	\$ 2,649,351	\$ 1,405,770	\$ -
U.S. TIPS	936,342	936,342	-	-	-
U.S. Agencies	139,252	-	139,252	-	-
Mortgage backed securities	307,412	-	98,315	188,606	20,491
Corporate bonds	2,376,489	149,052	1,251,409	976,028	-
Total subject to interest rate risk	8,034,081	\$1,304,859	\$ 4,138,327	\$ 2,570,404	\$ 20,491
U.S. equities (large cap)	9,120,795				
U.S. equities (mid cap)	3,954,274				
U.S. equities (small cap)	2,000,954				
International equities	2,376,129				
Emerging market equities	1,640,272				
Real estate investment trusts	1,147,850				
Infrastructure	2,684,232				
Commodities	695,765				
Alternative mutual funds	4,974,804				
U.S. high yield credit	2,133,329				
International fixed income	1,899,710				
Money market funds	1,898,739				
Total Permanent Fund	\$ 42,560,934				

As of June 30, 2022, an actual asset allocation to target allocation is presented below. All categories fell within the allowable range at June 30, 2022.

<i>Investment Class</i>	Actual \$	Actual vs. Target Allocation			% out of Policy Range
		% Actual	% Target	% Difference	
U.S. equities (large cap)	\$ 9,120,795	21.43%	22%	(0.57)%	n/a
U.S. equities (mid cap)	3,954,274	9.30%	10%	(0.70)%	n/a
U.S. equities (small cap)	2,000,954	4.70%	5%	(0.30)%	n/a
International equities	2,376,129	5.58%	6%	(0.42)%	n/a
Emerging market equities	1,640,272	3.85%	4%	(0.15)%	n/a
Real estate investment trusts	1,147,850	2.70%	3%	(0.30)%	n/a
Infrastructure	2,684,232	6.31%	5%	1.31 %	n/a
Commodities	695,765	1.63%	3%	(1.37)%	n/a
Alternative beta	4,974,804	11.69%	10%	1.69 %	n/a
U.S. high yield credit	2,133,329	5.01%	5%	0.01 %	n/a
International fixed income	1,899,710	4.46%	5%	(0.54)%	n/a
U.S. fixed income	7,097,739	16.68%	18%	(1.32)%	n/a
U.S. TIPS	936,342	2.20%	2%	0.20 %	n/a
Money market funds	1,898,739	4.46%	2%	2.46 %	n/a
Total	\$ 42,560,934	100.00%	100.00%	0.00 %	n/a

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Fair Value Measurement

The Borough categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Borough has the following recurring fair value measurements as of June 30, 2022:

Investments are classified in the fair value hierarchy as follows:

<i>Investments by Fair Value Level</i>	Fair Value	Level 1	Level 2
U.S. treasuries	\$ 4,274,586	\$ -	\$ 4,274,586
U.S. TIPS	936,342	-	936,342
U.S. agencies	139,252	-	139,252
Mortgage backed securities	307,412	-	307,412
Corporate bonds	2,376,489	-	2,376,489
U.S. equities (large cap)	9,120,795	9,120,795	-
U.S. equities (mid cap)	3,954,274	3,954,274	-
U.S. equities (small cap)	2,000,954	2,000,954	-
International equities	2,376,129	2,376,129	-
Emerging market equities	1,640,272	1,640,272	-
Real estate investment trusts	1,147,850	1,147,850	-
Infrastructure	2,684,232	2,684,232	-
Commodities	695,765	695,765	-
Alternative beta	4,974,804	4,974,804	-
U.S. high yield credit	2,133,329	2,133,329	-
International fixed income	1,899,710	1,899,710	-
Total Investments by Fair Value Level	40,662,195	\$ 32,628,114	\$ 8,034,081
<i>Investments Measured at Amortized Cost -</i>			
<u>Money market funds</u>	<u>1,898,739</u>		
Total Investments	\$ 42,560,934		

The Permanent Fund's investments classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified as Level 2 of the fair value hierarchy are valued using models with various inputs such as but not limited to daily cash flow, snapshots of market indices and spread scales.

The Borough's investments in infrastructure and commodities asset classes are held in exchange-traded funds.

The Borough has investments in money market funds totaling \$1,898,739 that are not held at fair value but are instead recorded at amortized cost as of June 30, 2022.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Credit Risk

Investment Type	Fair Value	Credit Quality Ratings		
		Standard & Poor's		Not Rated
		AAA to A-	BBB+ to B-	
U.S. fixed income	\$ 7,097,739	\$ 1,359,981	\$ 1,155,760	\$ 4,581,998
U.S. TIPS	936,342	-	-	936,342
Total subject to interest rate risk	8,034,081	\$ 1,359,981	\$ 1,155,760	\$ 5,518,340
Investments not subject to credit risk	34,526,853			
Total Investments	\$ 42,560,934			

The Permanent Fund policies specifically limit the types of investments that can be purchased in an effort to limit credit risk. The policies allow for the investment in U.S. treasuries and U.S. agencies and obligations guaranteed by the U.S. government or its agencies and instrumentalities. The policies limit corporate bonds to those investments graded "B-" or higher by Moody's Investor's Service, Inc. or Standard and Poor's Corporation and issued in the United States and denominated in U.S. dollars. Not more than 15% of the fixed income portfolio may be held in B- rated securities.

Concentration of Credit Risk

The Permanent Fund aims to diversify and limit concentration investment risk by investing in a variety of issuers and fixed income securities; however, the Permanent Fund has no formal policy addressing concentration of credit risk. The Borough had the following investments that were greater than 5% of total investments, including iShares Core S&P 500 ETF with 18.49%, iShares Core S&P Mid-Cap ETF with 9.29%, U.S. Treasury Department, including United States Treasury NTS with 10.04%, and Blackrock Systemic Multi-Strategy, with 9.67%.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Permanent Fund has no formal policy addressing foreign currency risk. As of June 30, 2022, a total of \$4,016,401 (9.44%) of the total fund value is invested in international and emerging market equities that are considered subject to foreign currency risk. Such investments are held in dollar-denominated exchange-traded funds or index mutual funds, which are broadly diversified across currencies, which effectively limits the foreign currency risk.

Custodial Credit Risk

This is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments that are in the possession of an outside party. The Borough has no investments exposed to custodial credit risk at June 30, 2022 because the investments were held by a custodian in the name of the Borough.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

3. Investments in Southwest Governments, LLC

The Borough has an interest in Southwest Governments, LLC. The partnership was formed by the City of Akutan (40%), the City of Sand Point (20%), the City of King Cove (10%), and the Borough (30%). The Borough leases office space from the partnership. There was one withdrawal payment from the partnership in 2022 in the amount of \$60,000. The Borough's share of the partnership's net income in 2022 was \$47,660. This amount was recorded as investment income in the Trust Permanent Fund. The balance of the Borough's investment at June 30, 2022 was \$445,686.

4. Capital Assets

Capital asset activity for the year ended June 30, 2022 is as follows:

Governmental Activities	Balance July 1, 2021	Additions	Deletions and Transfers	Balance June 30, 2022
Capital assets not being depreciated:				
Land	\$ 5,443,288	\$ -	\$ -	\$ 5,443,288
Construction in progress	1,088,002	802,184	(1,193,769)	696,417
Total capital assets not being depreciated	6,531,290	802,184	(1,193,769)	6,139,705
Capital assets being depreciated:				
Buildings and improvements	46,356,899	-	(2,991,647)	43,365,252
Infrastructure	100,480,606	1,167,539	-	101,648,145
Furniture and equipment	238,750	-	-	238,750
Vehicles	489,161	107,008	(98,745)	497,424
Total capital assets being depreciated	147,565,416	1,274,547	(3,090,392)	145,749,571
Less accumulated depreciation	80,873,040	3,727,357	(3,083,926)	81,516,471
Total capital assets being depreciated, net	66,692,376	(2,452,810)	(6,466)	64,233,100
Governmental Activities Capital Assets, net	\$ 73,223,666	\$ (1,650,626)	\$ (1,200,235)	\$ 70,372,805

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Business-type Activities	Balance July 1, 2021	Additions and Transfers	Deletions	Balance June 30, 2022
Capital assets not being depreciated - construction in progress	\$ 193,728	\$ 1,689,462	\$ (1,883,190)	\$ -
Capital assets being depreciated:				
Terminal Helicopter	7,536,816	1,883,190	-	9,420,006
Helicopter	121,153	-	(97,556)	23,597
Total capital assets being depreciated	7,657,969	1,883,190	(97,556)	9,443,603
Less accumulated depreciation	3,260,157	275,392	(97,556)	3,437,993
Total capital assets being depreciated, net	4,397,812	1,607,798	-	6,005,610
Business-type Activities Capital Assets, net	\$ 4,591,540	\$ 3,297,260	\$ (1,883,190)	\$ 6,005,610

Depreciation expense was charged to the functions as follows for the year ended June 30, 2022:

Governmental Activities

General government	\$ 13,984
Public works	33,021
Education	543,347
Infrastructure	3,137,005
Total Depreciation Expense - Governmental Activities	\$ 3,727,357

Business-type Activities

Terminal Helicopter	\$ 273,032
Helicopter	2,360
Total Depreciation Expense - Business-type Activities	\$ 275,392

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

5. Interfund Receivables, Payables and Transfers

Interfund receivables and payables are shown as “due from other funds” and “due to other funds” in each individual fund. These balances at June 30, 2022, were as follows:

	Due from Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	\$ -	\$ 5,381,070
Trust Permanent Fund	5,381,070	-
Total Interfund Balances	\$ 5,381,070	\$ 5,381,070

A schedule of interfund transfers for the year ended June 30, 2022, follows:

From the General Fund to:

Capital Improvements Capital Project Fund for capital projects and acquisitions	\$ 877,017
Debt Service Fund for debt service	2,435,521
Helicopter Enterprise Fund for operating subsidy	765,783
Total Transfers from the General Fund	4,078,321

From the Permanent Fund to:

Capital Improvements Capital Project Fund for capital projects and acquisitions	1,200,321
Total Transfers to Other Funds	\$ 5,278,642

In addition to the transfers noted above, the Borough transferred capital assets with a book value of \$1,689,462 from governmental activities into the Terminal Enterprise Fund.

6. Long-term Debt

Following is a summary of the changes in long-term debt of the Borough for the year ended June 30, 2022:

Business-type Activities	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Leases Payable:	\$ 108,656	-	1,669	106,987	

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Governmental Activities	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Bonds Payable:					
General Obligation bonds	\$ 17,400,000	\$ -	\$ (1,720,000)	\$ 15,680,000	\$ 1,830,000
Issuance premiums	1,405,807	-	(312,614)	1,093,193	285,720
Total bonds payable	18,805,807	-	(2,032,614)	16,773,193	2,115,720
Leases payable	710,130	-	(103,292)	606,838	105,812
Accrued leave	126,389	113,568	(126,389)	113,568	113,568
Total Governmental Activities	\$ 19,642,326	\$ 113,568	\$ (2,262,295)	\$ 17,493,599	\$ 2,335,100

For governmental activities, accrued leave is generally liquidated by the General Fund.

General obligation bonds payable at June 30, 2022, are comprised of the following:

\$2,205,000 - 2015 Refunding series one bonds, due in annual installments ranging from \$95,000 to \$245,000 through October 1, 2025; interest rate is 5.0 percent	\$ 605,000
\$17,155,000 - 2016 Refunding series three bonds, due in annual installments ranging from \$990,000 to \$2,155,000 through December 1, 2028; interest rate is variable from 4.0 to 5.0 percent	12,465,000
\$2,895,000 - 2021 Refunding series for refinancing of 2010 series three general obligation bonds, due in annual installments ranging from \$285,000 to \$305,000 through December 1, 2030; interest rate is variable from 0.2 to 2.0 percent	2,610,000
Total bonds payable	\$ 15,680,000

Annual required installments on all Borough general obligation bonds as of June 30 are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,830,000	\$ 646,386	\$ 2,476,386
2024	1,965,000	564,525	2,529,525
2025	2,075,000	476,149	2,551,149
2026	2,200,000	381,158	2,581,158
2027	2,220,000	281,852	2,501,852
2028-2032	5,390,000	259,000	5,649,000
	\$ 15,680,000	\$ 2,609,070	\$ 18,289,070

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

7. Leases

Lease Receivable

During the current fiscal year, the Borough leased General fund office space, land, and tidelands. The leases range for two to thirty-two years and the Borough will receive annual payments listed in the table below. There are no agreements as a lessee or lessor that include sale-leaseback or lease-leaseback provision or contain subleases. The Borough recognized lease revenue and interest revenue during the current fiscal year related to all leases as stated in the table below. As of June 30, 2022, the Borough receivable for lease payments is stated below. Also, the Borough has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources is listed below.

	Payment Amount	Lease Revenue	Lease Interest	Lease Receivable	Deferred Inflow
General Fund	\$ 111,095	\$ 91,016	\$ 23,539	\$ 561,170	\$ 557,709

Included in the balances above are subleases of office space between the Borough and related parties the City of Akutan, City of King Cove, and City of Sand Point. As of June 30, 2022 the outstanding receivables for the City of Akutan, City of King Cove, and City of Sand Point were \$171,803, \$91,643, and \$43,423 respectively.

The Borough has entered into leases with the Federal Aviation Administration (FAA), and various airlines leasing space in Cold Bay airport terminal which are classified as regulated leases and are therefore not within the scope of *GASB Statement No. 87 - Leases*. Total inflows of resources from regulated leases was \$203,954 for fiscal year 2022. Future minimum payments from regulated leases are listed below.

Year Ending June 30,	Total
2023	\$ 214,777
2024	214,822
2025	214,869
2026	61,425
2027	61,475
2028-2032	68,187
2033-2037	24,724
2038-2042	11,549
2043-2047	13,716
2048-2052	16,291
2053-2057	19,348
2058-2062	9,275
	\$ 930,458

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Lease Payable

The Borough has multiple lease agreements ranging from three to thirty-seven years as lessee for the use of copiers, an airport terminal, and office building space. An initial lease liability was recorded in the amount of \$818,785 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$713,825. During the year the Borough made interest and principal payments of \$139,836. The leases have an incremental borrowing rate of 5%. The value of the right-to-use asset as of the end of the current fiscal year was \$698,187 and had accumulated amortization of \$120,599. For the year ended June 30, 2022 the borough had amortization expense of \$117,740 and \$2,859 in the General fund and Terminal fund respectively.

	Initial Lease Liability	Value Lease Liability	Principal & Interest Payment	Value of Right-to-use Asset	Accumulated Amortization
Governmental Activities	\$ 710,130	\$ 606,838	\$ 133,434	\$ 592,390	\$ 117,740
Business-type Activities	\$ 108,656	\$ 106,987	\$ 6,402	\$ 105,797	\$ 2,859

The future principal and interest lease payments for the General Fund as of June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 105,812	\$ 27,939	\$ 133,751
2024	111,226	22,525	133,751
2025	118,866	16,785	135,651
2026	125,118	2,216	127,334
2027	134,299	4,246	138,545
Thereafter	11,517	48	11,565
Totals	\$ 606,838	\$ 73,759	\$ 680,597

The future principal and interest lease payments for the Terminal Fund as of June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,053	\$ 5,349	\$ 6,402
2024	1,105	5,297	6,402
2025	1,161	5,241	6,402
2026	1,219	5,183	6,402
2027	1,280	5,122	6,402
2028-2032	7,424	24,586	32,010
2033-2037	9,475	22,535	32,010
2038-2042	12,093	19,917	32,010
2043-2047	15,434	16,576	32,010
2048-2052	19,698	12,312	32,010
2053-2057	25,141	6,870	32,011
2058-2062	11,904	900	12,804
Totals	\$ 106,987	\$ 129,888	\$ 236,875

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

8. Pension and Other Postemployment Benefits Plans

(a) Defined Benefit (DB) Pension Plan

General Information About the Plan

The Borough participates in the Alaska Public Employees' Retirement System (PERS). PERS is a cost-sharing multiple-employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. That report is available via the internet at <https://drb.alaska.gov/docs/reports/>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and postemployment healthcare benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Peace/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other postemployment benefits (OPEB). A complete benefit comparison chart is available at the website noted above.

The PERS DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS Defined Contribution (DC) Plan described later in these notes.

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from a DB agent-multiple-employer plan to a DB cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Alaska Statute 39.35.280 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board (ARM Board). As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

The Borough recorded the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary. Peace officers and firefighters are required to contribute 7.50% of their annual covered salary.

Employer and Other Contribution Rates

There are several contribution rates associated with the pension contributions and related liabilities. These amounts are calculated on an annual basis.

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25-year term which ends in 2039. This change results in a lower ARM Board Rates than previously adopted.

State Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary funds and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

Contribution rates for the year ended June 30, 2022 were determined in the June 30, 2020 actuarial valuations. The Borough's contribution rates for the 2022 fiscal year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
Pension	15.54%	26.99%	8.11%
Postemployment healthcare (ARHCT)	6.46%	3.12%	-%
Total Contribution Rates	22.00%	30.11%	8.11%

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

In 2022, the Borough was credited with the following contributions to the pension plan:

	Measurement Period	Borough Fiscal Year
	July 1, 2020 to June 30, 2021	July 1, 2021 to June 30, 2022
Employer contributions (including DBUL)	\$ 154,895	\$ 148,427
Nonemployer contributions (on-behalf)	86,962	79,730
Total Contributions	\$ 241,857	\$ 228,157

In addition, employee contributions to the Plan totaled \$30,425 during the Borough's fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Borough reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with the Borough were as follows:

Borough proportionate share of NPL	\$ 1,385,594
State's proportionate share of NPL associated with the Borough	189,274
Total Net Pension Liability	\$ 1,574,868

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 to calculate the net pension liability as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2021 measurement date, the Borough's proportion was 0.03777 percent, which was a(n) decrease (increase) of 0.00809 from its proportion measured as of June 30, 2020.

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Aleutians East Borough, Alaska

Notes to Basic Financial Statements

For the year ended June 30, 2022, the Borough recognized pension expense of \$505,995 and on-behalf revenue of \$271 for support provided by the State. At June 30, 2022, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (6,139)
Changes in assumptions	-	-
Changes in benefits	-	-
Net difference between projected and actual earnings on pension plan investments	-	(546,406)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	69,645	-
Borough contributions subsequent to the measurement date	148,427	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 218,072	\$ (552,545)

The \$148,427 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,

2023	\$	(63,471)
2024		(125,160)
2025		(135,389)
2026		(158,880)
2027		-
Thereafter		-
Total Amortization	\$	(482,900)

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 7.75% to 2.75% based on service. For all others, increases range from 6.75% to 2.75% based on service.
Allocation methodology	Amounts for the June 30, 2021 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2023 to 2039.
Investment rate of return	7.38%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91% of male and 96% of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for all others.

The actuarial assumptions used in the June 30, 2020 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.50%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad domestic equity	28%	6.63%
Global equity (non-U.S.)	19%	5.41%
Aggregate bonds	22%	0.76%
Opportunistic	6%	4.39%
Real assets	13%	3.16%
Private equity	12%	9.29%
Cash equivalents	-%	0.13%

Discount Rate

The discount rate used to measure the total pension liability was 7.38%. The discount rate used did not change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate of 7.38%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Borough's proportionate share of the net pension liability	0.03777%	\$ 2,052,258	\$ 1,385,594	\$ 825,511

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

(b) Defined Contribution (DC) Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a DC plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the DB plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the comprehensive annual financial report for PERS, and at the following website <https://drb.alaska.gov/docs/reports/>.

Contributions to the DC plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the Borough contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended June 30, 2022 to cover a portion of the Borough's employer match contributions. For the year ended June 30, 2022, forfeitures reduced pension expense by zero.

Employee Contribution Rate

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rate

For the year ended June 30, 2022, the Borough was required to contribute 5% of covered salary into the Plan.

The Borough and employee contributions to PERS for pensions for the year ended June 30, 2022 were \$26,290 and \$42,063, respectively. The Borough contribution amount was recognized as pension expense/expenditures.

(c) Defined Benefit OPEB Plans

As part of its participation in PERS, the Borough participates in the following cost-sharing multiple-employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The RMP is self-insured. Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. The OPEB

Aleutians East Borough, Alaska

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plans are included in the comprehensive annual financial report for PERS, at the following website <https://drb.alaska.gov/docs/reports/>.

Employer Contribution Rate

Employer contribution rates are actuarially determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended June 30, 2022 were as follows:

	Other	Peace/Fire
Alaska Retiree Healthcare Trust	6.46%	6.46%
Retiree Medical Plan	1.07%	1.07%
Occupational Death and Disability Benefits	0.31%	0.68%
Total Contribution Rates	7.84%	8.21%

In 2022, the Borough was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2020 to June 30, 2021	Borough Fiscal Year July 1, 2021 to June 30, 2022
Employer contributions - ARHCT	\$ 47,845	\$ 35,523
Employer contributions - RMP	5,891	5,626
Employer contributions - ODD	1,438	1,630
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 55,174	\$ 42,779

OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

At June 30, 2022, the Borough reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the Borough. The amount recognized by the Borough for its proportional share, the related State proportion, and the total were as follows:

Borough's proportionate share of NOA - ARHCT	\$ 973,329
Borough's proportionate share of NOA - RMP	8,520
Borough's proportionate share of NOA - ODD	11,882
Total Borough's Proportionate Share of Net OPEB Asset	\$ 993,731
State's proportionate share of the ARHCT NOA associated with the Borough	123,597
Total Net OPEB Asset	\$ 1,117,328

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

The total OPEB liabilities for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 to calculate the net OPEB assets as of that date. The Borough's proportion of the net OPEB assets is based on a projection of the Borough's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2020 Measurement Date Employer Proportion	June 30, 2021 Measurement Date Employer Proportion	Change
Borough's proportionate share of the net OPEB assets:			
ARHCT	0.02973%	0.03794%	0.00821 %
RMP	0.03195%	0.03174%	(0.00021)%
ODD	0.02560%	0.02696%	0.00136 %

For the year ended June 30, 2022, the Borough recognized OPEB expense of \$(325,371). Of this amount, \$(335,281) was recorded for on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense and on-behalf revenue is listed by plan in the table below:

Plan	OPEB expense	On-behalf revenue
ARHCT	\$ (335,281)	\$ (42,884)
RMP	8,448	-
ODD	1,462	-
Total	\$ (325,371)	\$ (42,884)

At June 30, 2022, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

Deferred Outflows of Resources	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ 633	\$ -	\$ 633
Changes in assumptions	-	2,648	-	2,648
Changes in benefits	-	-	-	-
Difference between projected and actual investment earnings	-	-	-	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions	-	168	658	826
Borough contributions subsequent to the measurement date	35,523	5,626	1,630	42,779
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 35,523	\$ 9,075	\$ 2,288	\$ 46,886

Aleutians East Borough, Alaska

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<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ (10,222)	\$ (405)	\$ (3,245)	\$ (13,872)
Changes in assumptions	(36,782)	(5,063)	(90)	(41,935)
Changes in benefits	-	-	-	-
Difference between projected and actual investment earnings	(455,466)	(7,622)	(1,905)	(464,993)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	(386)	(156)	(591)	(1,133)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (502,856)	\$ (13,246)	\$ (5,831)	\$ (521,933)

Amounts reported as deferred outflows of resources related to OPEB plans resulting from Borough contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB assets in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Year Ending June 30,</i>	ARHCT	RMP	ODD	Total
2023	\$ (154,091)	\$ (2,081)	\$ (1,008)	\$ (157,180)
2024	(104,892)	(2,085)	(1,007)	(107,984)
2025	(112,632)	(2,162)	(1,027)	(115,821)
2026	(131,241)	(2,404)	(1,091)	(134,736)
2027	-	(311)	(481)	(792)
Thereafter	-	(754)	(559)	(1,313)
Total Amortization	\$ (502,856)	\$ (9,797)	\$ (5,173)	\$ (517,826)

Actuarial Assumptions

The total OPEB liability for each plan for the measurement period ended June 30, 2021 was determined by actuarial valuations as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2021:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	Graded by service, from 7.75% to 2.75% for Peace Officer/Firefighter. Graded by service from 6.75% to 2.75% for all others.
Allocation methodology	Amounts for the June 30, 2021 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value

Aleutians East Borough, Alaska

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	of projected future contributions to the Plan for fiscal years 2023 to 2039.
Investment rate of return	7.38%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.88%.
Healthcare cost trend rates	Pre-65 medical: 6.5% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drug: 7.5% grading down to 4.5% EGWP: 7.5% grading down to 4.5%
Mortality (ARHCT, RMP and ODD Plans)	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Post-commencement mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. The rates for pre-commencement mortality were 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.
(ODD Plan)	Deaths are assumed to be occupational 75% of the time for peace officers/firefighters, 40% of the time for all others. Disability mortality in accordance with the RP-2014 Disabled Table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.
Participation (ARHCT)	100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible. 20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contributions were updated to reflect the 5% decrease from calendar year (CY) 20 and CY 21.
3. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

Aleutians East Borough, Alaska

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Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.50% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2021 are summarized in the following table:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Broad domestic equity	28%	6.63%
Global equity (non-U.S.)	19%	5.41%
Aggregate bonds	22%	0.76%
Opportunistic	6%	4.39%
Real assets	13%	3.16%
Private equity	12%	9.29%
Cash equivalents	-%	0.13%

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2021 was 7.38%. This discount rate used did not change from the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the Borough's proportionate share of the net OPEB asset calculated using the discount rate of 7.38%, as well as what the Borough's proportionate share of the respective plan's net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<i>Proportional Share</i>	<i>1% Decrease (6.38%)</i>	<i>Current Discount Rate (7.38%)</i>	<i>1% Increase (8.38%)</i>
Borough's proportionate share of the net OPEB asset:				
ARHCT	0.03794%	\$ (636,542)	\$ (973,329)	\$ (1,253,005)
RMP	0.03174%	\$ 5,561	\$ 8,520	\$ (19,155)
ODD	0.02696%	\$ (11,378)	\$ (11,882)	\$ (12,284)

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the Borough's proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2020 actuarial valuation reports as well as what the Borough's proportionate share of the respective plan's net OPEB asset would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Borough's proportionate share of the net OPEB asset:				
ARHCT	0.03794%	\$ (1,285,744)	\$ (973,329)	\$ (596,325)
RMP	0.03174%	\$ 5,561	\$ 8,520	\$ 8,045
ODD	0.02696%	\$ n/a	\$ n/a	\$ n/a

OPEB Plan Fiduciary Net Position

Detailed information about each OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

(d) Defined Contribution OPEB Plans

PERS DC Pension Plan participants (PERS Tier IV) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

Contribution Rate

AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of *all employees of all employers* in the plan". As of July 1, 2021, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,168 per year for each full-time employee, and \$1.39 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In fiscal year 2022, the Borough contributed \$16,305 in DC OPEB costs. These amounts have been recognized as expense/expenditures.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

8. Deferred Compensation Plan

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. In accordance with the Internal Revenue Code, all assets and income of the Plan are held in trust for the exclusive benefit of participants and their beneficiaries.

9. Contribution to Aleutians East Borough School District

During the year ended June 30, 2022, the Borough contributed \$1,038,800 to the Aleutians East Borough School District, which is a component unit of the Borough. Of this amount, \$800,000 was for a local contribution and \$238,800 was for in-kind support related to facility maintenance, insurance and usage of space.

10. Commitments and Contingencies

(a) Grants

The Borough participates in a number of federal and state grant programs. These programs are subject to program compliance audits by grantors or their representatives. The amount, if any, of expenditures that may be disallowed by granting agencies cannot be determined at this time, although the Borough expects such amounts, if any, to be immaterial.

(b) Helicopter Transportation Contract

During fiscal year 2014, the Borough entered into a contract to transport people and mail from Akutan Airport to the City of Akutan. On January 30, 2019, the Borough entered into a Helicopter Services Agreement with Maritime Helicopters (Maritime). Maritime agreed to provide Essential Air Service (EAS) between Akutan, and the Akutan Airport located on Akun Island and the Borough agreed to pay 50% of the EAS costs for the services provided by Maritime. The original term of this agreement began on February 1, 2020 and ended on December 31, 2020. This agreement was extended to March 31, 2021. On April 1, 2021, the Borough and Maritime entered into a new Helicopter Services Agreement. The term of the agreement began on April 1, 2021 and ends March 31, 2023. Per this Agreement, the AEB agrees to pay Maritime a monthly rate of \$75,453 for the period from April 1, 2021 through March 31, 2022 (“Year One”) totaling \$905,439 for Year One and a monthly rate of \$76,187 for the period from April 1, 2022 through March 31, 2023 (“Year Two”) totaling \$914,240 for Year Two for the services as set forth in this Agreement. In turn, Maritime agrees to pay AEB a monthly payment for fuel, transportation and hangar usage services.

(c) Litigation

A restitution payable by the Army Corps of Engineers of \$20,650,253 was awarded on December 5, 2017 in regard to the claim from Kelly-Ryan, Inc., against the Army Corps of Engineers arising from a contract dispute relating to the construction of the False Pass Harbor. Originally the project cooperation agreement between the Department of the Army and the Borough provided for cost sharing on the part of the Borough, which made the Borough liable for part of the restitution awarded. However, in December 2020, the President signed the Omnibus/COVID Bill into law. The legislation included the WRDA Bill, and the False Pass provision, which states:

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

“In a case in which the Armed Services Board of Contract Appeals or other court of competent jurisdiction has rendered a decision during the period beginning on December 1, 2017, and ending on December 31, 2022, awarding damages to a contractor relating to the adjudication of claims arising from the construction of an authorized water resources development project, notwithstanding the terms of the Project Partnership Agreement, the Secretary shall waive payment of the share of the non-Federal interest of those damages, including attorney’s fees, if - (1)(A) the contracting officer was instructed by the Corps of Engineers to modify the terms of the contract or terminate the contract; and (B) the Armed Services Board of Contract Appeals or other court of competent jurisdiction determined that the failure of the contracting officer to timely take the action described in subparagraph (A) was a material breach of the contract that resulted in damages to the contractor awarded by the Armed Services Board of Contract Appeals or the court, as applicable; or (2) the claims arose from construction of a project deauthorized under this title.”

Therefore, the Borough is no longer responsible for the restitution award.

The Borough entered into a Project Partnership Agreement with the Army Corps of Engineers for the False Pass Harbor Project. In August 2022, the Borough received notification from the Army Corps of Engineers stating that the project accounting has been completed and adjusted for the provisions of Section 349 of the WRDA bill. That provision removed the contract claim judgment from the project cost share.

The Corps completed their accounting and determined that the final amount owed by the Borough for the second 10% is \$612,769.82. The Corps stated that the second 10% could be paid for now or over a period of 30 years utilizing the Federal finance rate as defined by Section 106 of WRDA 1986. The Borough Assembly decided to pay the second 10% in full. In October 2022, the Borough paid the Corps \$612,769.82.

11. Subsequent Events

In preparing these financial statements, the Borough has evaluated all other events and transactions for potential recognition or disclosure through XXXX, 2023, the date the financial statements were issued.

12. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance). The following new accounting standards were implemented by the Borough for 2022 reporting:

GASB Statement No. 87 - Leases - Effective for year-end June 30, 2022. This Statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Borough adopted this pronouncement effective June 30, 2022 which resulted in the recognition of lease receivables, and deferred inflows of resources as of the beginning of the period.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - Effective for year-end June 30, 2022. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The Borough does not incur normal interest costs for construction, so no action was required on this statement.

GASB Statement No. 92 - Omnibus 2020 - Provisions of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The effective date for all other provisions of the Statement are to be implemented for year-end June 30, 2022. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments. No action was required on this statement.

GASB Statement No. 93 - Replacement of Interbank Offered Rates - The provisions of this Statement, except for paragraph 11b, 13 and 14, are required to be implemented for year-end June 30, 2021. The requirements in paragraph 11b, 13 and 14 are required to be implemented for year-end June 30, 2022. This Statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The Borough does not hold any investments with replacement of interbank offered rates, therefore, no action was required on this statement.

GASB Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - Effective for year-end June 30, 2022, except the portion of the pronouncement related to component unit criteria, which is effective for year-end June 30, 2020. This statement modifies certain guidance contained in Statement No. 84 and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Borough does not have a 457 plan that meets the definition of a pension plan, therefore, no action was required on this statement.

GASB Statement No. 98 - The Annual Comprehensive Financial Report - Effective for year-end June 30, 2022. Earlier application is encouraged. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The Borough does not issue an Annual Comprehensive Financial Report, therefore no action was required on this statement.

The GASB has issued several new accounting standards with upcoming implementation dates (effective dates adjusted for the issuance of GASB Statement No. 95). Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB Statement No. 91 - Conduit Debt Obligations - Effective for year-end June 30, 2023. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This Statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting.

Aleutians East Borough, Alaska

Notes to Basic Financial Statements

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements - Effective for year-end June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APA).

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements - Effective for year-end June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

GASB Statement No. 99 - Omnibus 2022 - Provisions of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for year-end June 30, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for year-end June 30, 2024.

GASB Statement No. 100 - Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62 - Effective for year-end June 30, 2024. Earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101 - Compensated Absences - Effective for year-end June 30, 2025. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Required Supplementary Information

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Aleutians East Borough, Alaska
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2022</i>	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Federal government	\$ 574,000	\$ 574,000	\$ 694,295	\$ 120,295
State of Alaska	1,829,787	1,776,301	4,390,336	2,614,035
Borough raw fish tax	2,950,000	2,950,000	6,054,977	3,104,977
Investment income	30,000	30,000	39,575	9,575
Other	75,000	75,000	1,572,867	1,497,867
Total Revenues	5,458,787	5,405,301	12,752,050	7,346,749
Expenditures				
Current:				
General government	2,722,601	2,722,601	2,989,882	(267,281)
Public works	283,300	283,300	225,867	57,433
Education	855,000	855,000	871,856	(16,856)
Community services	199,500	199,500	196,589	2,911
Total Expenditures	4,060,401	4,060,401	4,284,194	(223,793)
Excess of Revenues Over Expenditures	1,398,386	1,344,900	8,467,856	7,122,956
Other Financing Uses				
Transfers out	-	(3,375,607)	(4,078,321)	(702,714)
Net Change in Fund Balance	<u>\$1,398,386</u>	<u>\$(2,030,707)</u>	4,389,535	<u>\$ 6,420,242</u>
Fund Balance, beginning			<u>21,997,528</u>	
Fund Balance, ending			<u>\$ 26,387,063</u>	

See accompanying notes to Required Supplementary Information.

Aleutians East Borough, Alaska
Public Employees' Retirement System - Pension Plan
Schedule of the Borough's Proportionate Share of the Net Pension Liability

<i>Years Ended June 30,</i>	2022	2021	2020	2019	2018	2017	2016	2015
Borough's Proportion of the Net Pension Liability	0.03777%	0.02968%	0.02944%	0.02926%	0.03046%	0.03650%	0.03284%	0.02858%
Borough's Proportionate Share of the Net Pension Liability	\$1,385,594	\$1,751,249	\$1,611,440	\$1,453,693	\$1,574,500	\$2,040,097	\$1,592,614	\$1,332,935
State of Alaska Proportionate Share of the Net Pension Liability	189,274	725,062	641,549	419,234	588,884	260,943	426,877	782,704
Total Net Pension Liability	\$1,574,868	\$2,476,311	\$2,252,989	\$1,872,927	\$2,163,384	\$2,301,040	\$2,019,491	\$2,115,639
Borough's Covered Payroll	\$ 998,652	\$ 953,677	\$ 925,266	\$ 871,241	\$ 532,514	\$ 616,773	\$ 576,627	\$ 498,241
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	138.75%	183.63%	174.16%	166.85%	295.67%	330.77%	276.19%	267.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%	63.37%

Schedule of the Borough's Contributions

<i>Years Ended June 30,</i>	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 148,427	\$ 154,895	\$ 145,741	\$ 156,444	\$ 144,604	\$ 117,153	\$ 135,690	\$ 126,858
Contributions Relative to the Contractually Required Contribution	148,427	154,895	145,741	156,444	144,604	117,153	135,690	126,858
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 976,541	\$ 998,652	\$ 953,677	\$ 925,266	\$ 871,241	\$ 532,514	\$ 616,773	\$ 576,627
Contributions as a Percentage of Covered Payroll	15.20%	15.51%	15.28%	16.91%	16.60%	22.00%	22.00%	22.00%

See accompanying notes to Required Supplementary Information.

Aleutians East Borough, Alaska

Public Employees' Retirement System - ARHCT OPEB Plan
Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)

Years Ended June 30,	ARHCT				
	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.03794%	0.02973%	0.02949%	0.02921%	0.03052%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (973,329)	\$ (134,651)	\$ 43,757	\$ 299,740	\$ 257,835
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(123,597)	(56,002)	17,287	87,351	96,277
Total Net OPEB Liability (Asset)	(1,096,926)	(190,653)	61,044	387,091	354,112
Borough's Covered Payroll	\$ 533,861	\$ 521,918	\$ 512,113	\$ 497,243	\$ 532,514
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-182.32%	-25.80%	8.54%	60.28%	48.42%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	135.54%	106.15%	98.13%	88.12%	89.68%

Schedule of the Borough's Contributions

Years Ended June 30,	ARHCT				
	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 35,523	\$ 47,845	\$ 57,219	\$ 53,413	\$ 45,399
Contributions Relative to the Contractually Required Contribution	35,523	47,845	57,219	53,413	45,399
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 450,750	\$ 533,861	\$ 521,918	\$ 512,113	\$ 497,243
Contributions as a Percentage of Covered Payroll	7.88%	8.96%	10.96%	10.43%	9.13%

See accompanying notes to Required Supplementary Information.

Aleutians East Borough, Alaska

Public Employees' Retirement System - RMP OPEB Plan

Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)

Years Ended June 30,	RMP				
	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.03174%	0.03195%	0.03314%	0.03305%	0.03299%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (8,520)	\$ 2,266	\$ 7,928	\$ 4,205	\$ 1,721
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (8,520)	\$ 2,266	\$ 7,928	\$ 4,205	\$ 1,721
Borough's Covered Payroll	\$ 464,790	\$ 431,760	\$ 413,153	\$ 373,998	\$ 532,514
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-1.83%	0.52%	1.92%	1.12%	0.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	115.10%	95.23%	83.17%	88.71%	93.98%

Schedule of the Borough's Contributions

Years Ended June 30,	RMP				
	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 5,626	\$ 5,891	\$ 5,699	\$ 3,889	\$ 3,852
Contributions Relative to the Contractually Required Contribution	5,626	5,891	5,699	3,889	3,852
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 525,791	\$ 464,790	\$ 431,760	\$ 413,153	\$ 373,998
Contributions as a Percentage of Covered Payroll	1.07%	1.27%	1.32%	0.94%	1.03%

See accompanying notes to Required Supplementary Information.

Aleutians East Borough, Alaska
Public Employees' Retirement System - ODD OPEB Plan
Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Asset)

<i>Years Ended June 30,</i>	ODD				
	2022	2021	2020	2019	2018
Borough's Proportion of the Net OPEB Liability (Asset)	0.02696%	0.02560%	0.02633%	0.03305%	0.03299%
Borough's Proportionate Share of the Net OPEB Liability (Asset)	\$ (11,882)	\$ (6,978)	\$ (6,385)	\$ (6,418)	\$ (4,681)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (11,882)	\$ (6,978)	\$ (6,385)	\$ (6,418)	\$ (4,681)
Borough's Covered Payroll	\$ 464,790	\$ 431,760	\$ 373,998	\$ 373,998	\$ 532,514
Borough's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.56%	-1.62%	-1.71%	-1.72%	-0.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	374.22%	283.80%	297.43%	270.62%	212.97%

Schedule of the Borough's Contributions

<i>Years Ended June 30,</i>	ODD				
	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 1,630	\$ 1,438	\$ 1,123	\$ 1,075	\$ 598
Contributions Relative to the Contractually Required Contribution	1,630	1,438	1,123	1,075	598
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll	\$ 525,791	\$ 464,790	\$ 431,760	\$ 413,153	\$ 373,998
Contributions as a Percentage of Covered Payroll	0.31%	0.31%	0.26%	0.26%	0.16%

See accompanying notes to Required Supplementary Information.

Aleutians East Borough, Alaska

Notes to Required Supplementary Information Year Ended June 30, 2022

1. Budgetary Comparison Schedule

The budgetary comparison schedule is presented on the modified accrual basis of accounting.

The COVID-19 Special Revenue Fund, Trust Permanent Fund, Capital Improvements Capital Project Fund, and Bond Construction Capital Project Fund do not have a legally adopted budget; therefore, no budgetary comparison schedule has been presented for these funds.

The General Government department and Education department of the General Fund exceeded budgeted appropriations by (\$267,281) and (\$16,856) respectively.

2. Public Employees' Retirement System Pension Plan

Schedule of the Borough's Proportionate Share of the Net Pension Liability

This table is presented based on the Plan measurement date. For June 30, 2022, the Plan measurement date is June 30, 2021.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2020 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit pension plan assets.

In 2020, the discount rate was lowered from 8% to 7.38%.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

Schedule of the Borough's Contributions

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

Aleutians East Borough, Alaska

Notes to Required Supplementary Information, continued

3. Public Employees' Retirement System OPEB Plans

Schedule of the Borough's Proportionate Share of the Net OPEB Asset and Liability

This table is presented based on the Plan measurement date. For June 30, 2022, the Plan measurement date is June 30, 2021.

Changes in Assumptions:

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions effective for the June 30, 2018 actuarial valuation adopted by the Board to better reflect expected experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. Retired member contributions were updated to reflect the 5% decrease from calendar year (CY) 20 to CY 21.
3. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid for postretirement healthcare plan assets.

In 2020, the discount rate was lowered from 8% to 7.38%.

In 2020, an Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in largest projected subsidies to offset the cost of prescription drug coverage.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

Schedule of the Borough's Contributions

This table is based on the Borough's contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Borough will present only those years for which information is available.

Supplementary Information

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Aleutians East Borough, Alaska
Nonmajor Governmental Fund
Balance Sheet

	Maint- enance Reserve Capital Project	King Cove Access Capital Project	Total Nonmajor Govern- mental Funds
<i>June 30, 2022</i>			
Assets			
Cash and investments	\$ 449,904	\$ 280,770	\$ 730,674
Prepaid assets	2,400	-	2,400
Total assets	\$ 452,304	\$ 280,770	\$ 733,074
Fund Balance			
Nonspendable	\$ 2,400	\$ -	\$ 2,400
Restricted:			
King Cove access project	-	280,770	280,770
Assigned:			
Maintenance reserve	449,904	-	449,904
Total Fund Balances	\$ 452,304	\$ 280,770	\$ 733,074

Aleutians East Borough, Alaska
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year Ended June 30, 2022</i>	Maint- enance Reserve Capital Project	King Cove Access Capital Project	Total Nonmajor Govern- mental Funds
Revenues:			
Other income	\$ 513,807	\$ -	\$ 513,807
Expenditures			
Current:			
Maintenance	57,365	-	57,365
Other	4,138	-	4,138
Total expenditures	61,503	-	61,503
Net Change in Fund Balances	452,304	-	452,304
Fund Balances, beginning	-	280,770	280,770
Fund Balances, ending	\$ 452,304	\$ 280,770	\$ 733,074

Aleutians East Borough, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year Ended June 30, 2022</i>	Budget	Actual	Variance
Revenues			
Federal government:			
Payments in lieu of taxes	\$ 559,000	\$ 672,373	\$ 113,373
Fish and Wildlife grants	15,000	21,922	6,922
Total Federal government	574,000	694,295	120,295
State of Alaska:			
Raw fish tax	1,128,000	1,977,969	849,969
State fish landing tax	1,500	8,060	6,560
State extraterritorial fish tax	66,000	173,113	107,113
PERS on-behalf	-	76,189	76,189
Debt reimbursement	280,801	1,839,070	1,558,269
Community assistance	300,000	315,935	15,935
Total State of Alaska	1,776,301	4,390,336	2,614,035
Borough raw fish tax	2,950,000	6,054,977	3,104,977
Investment income	30,000	39,575	9,575
Other	75,000	1,572,867	1,497,867
Total Revenues	5,405,301	12,752,050	7,346,749
Expenditures			
General government:			
Mayor's Office:			
Salaries	84,354	84,353	1
Fringe benefits	42,525	47,071	(4,546)
Travel and per diem	38,000	21,681	16,319
Telephone	1,000	916	84
Dues and fees	2,000	2,343	(343)
Supplies	1,500	289	1,211
Lobbying	120,600	117,600	3,000
Total Mayor's Office	289,979	274,253	15,726
Assembly:			
Salaries	43,000	39,900	3,100
Fringe benefits	152,250	140,819	11,431
Travel and per diem	35,000	29,500	5,500
Dues and fees	5,000	2,020	2,980
Supplies	1,000	774	226
Total Assembly	236,250	213,013	23,237

Aleutians East Borough, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30, 2022</i>	Budget	Actual	Variance
Expenditures, continued:			
Clerk and planning management:			
Salaries	\$ 106,000	\$ 82,442	\$ 23,558
Fringe benefits	47,775	38,065	9,710
Travel and per diem	10,000	7,573	2,427
Telephone	9,000	10,852	(1,852)
Postage	1,000	151	849
Supplies	3,500	1,032	2,468
Utilities	18,000	18,118	(118)
Dues and fees	4,500	3,548	952
Elections	12,000	3,647	8,353
Total clerk and planning management	211,775	165,428	46,347
Administration:			
Salaries	187,481	196,556	(9,075)
Fringe benefits	80,875	96,128	(15,253)
Engineering	25,000	21,483	3,517
Contractual	80,000	363,107	(283,107)
Travel and per diem	11,000	2,664	8,336
Telephone	5,350	4,967	383
Postage	750	664	86
Supplies	4,500	3,834	666
Rent	10,867	10,840	27
Dues and fees	4,500	8,094	(3,594)
Total administration	410,323	708,337	(298,014)
Assistant administrator:			
Salaries	94,469	95,271	(802)
Fringe benefits	35,700	39,036	(3,336)
Travel and per diem	8,000	1,837	6,163
Telephone	1,250	1,340	(90)
Supplies	800	828	(28)
Dues and fees	1,500	1,080	420
Rent	10,723	10,701	22
Total assistant administrator	152,442	150,093	2,349

Aleutians East Borough, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30, 2022</i>	Budget	Actual	Variance
Expenditures, continued:			
Finance:			
Salaries	\$ 155,000	\$ 139,975	\$ 15,025
Fringe benefits	75,600	69,543	6,057
Travel and per diem	8,500	3,558	4,942
Telephone	10,500	9,357	1,143
Postage	1,250	1,003	247
Supplies	8,000	7,579	421
Utilities	4,500	4,293	207
Dues and fees	2,250	142	2,108
Audit	82,500	125,166	(42,666)
Total finance	348,100	360,616	(12,516)
Resource department:			
Salaries	182,705	182,705	-
Fringe benefits	73,500	87,491	(13,991)
Contractual	20,000	28,020	(8,020)
Travel and per diem	20,000	14,108	5,892
Telephone	3,000	2,842	158
NPFMC	10,000	-	10,000
Supplies	2,500	331	2,169
Dues and fees	2,000	1,170	830
BOF meeting	50,000	31,382	18,618
Rent	27,632	27,564	68
Total resource department	391,337	375,613	15,724
Communications manager:			
Salaries	106,487	107,101	(614)
Fringe benefits	35,866	39,769	(3,903)
Travel and per diem	6,000	-	6,000
Telephone	2,400	1,340	1,060
Supplies	1,250	521	729
Dues and fees	1,100	680	420
Rent	11,142	11,114	28
Advertising	10,750	7,455	3,295
Total communications manager	174,995	167,980	7,015
Other:			
Repairs	3,000	-	3,000
Utilities	20,000	27,584	(7,584)
Equipment	25,000	17,206	7,794
AEB vehicles	1,000	3,359	(2,359)
Legal	85,000	54,982	30,018
Insurance	218,000	218,645	(645)
Bank fees	12,500	9,466	3,034
Aleutian Crab	48,400	-	48,400
Web service	39,500	37,311	2,189
PERS expenditures	35,000	18,960	16,040
Miscellaneous	20,000	187,036	(167,036)
Total other	507,400	574,549	(67,149)
Total general government:	2,722,601	2,989,882	(267,281)

Aleutians East Borough, Alaska
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual, continued

<i>Year Ended June 30, 2022</i>	Budget	Actual	Variance
Expenditures, continued:			
Public works:			
Salaries	\$ 73,450	\$ 70,599	\$ 2,851
Fringe benefits	33,600	31,447	2,153
Travel and per diem	16,000	13,335	2,665
Supplies	5,000	767	4,233
Dues and fees	1,250	-	1,250
Utilities	2,000	4,218	(2,218)
King Cove access project:			
Supplies	2,000	1,838	162
Maintenance	125,000	103,663	21,337
Contractual	25,000	-	25,000
Total public works	283,300	225,867	57,433
Education:			
Local school contribution	800,000	800,000	-
Student scholarship	35,000	31,856	3,144
Student travel	20,000	40,000	(20,000)
Total education	855,000	871,856	(16,856)
Community services:			
Contribution to Eastern Aleutians Tribes	150,000	150,000	-
Community assistance - Nelson Lagoon	16,000	15,789	211
Donations	23,500	20,800	2,700
KSDP contribution	10,000	10,000	-
Total community service	199,500	196,589	2,911
Total Expenditures	4,060,401	4,284,194	(223,793)
Excess of Revenues Over Expenditures	1,344,900	8,467,856	7,122,956
Other Financing Uses			
Transfers out	(3,375,607)	(4,078,321)	(702,714)
Net Change in Fund Balance	\$ (2,030,707)	4,389,535	\$ 6,420,242
Fund Balance, beginning		21,997,528	
Fund Balance, ending		\$ 26,387,063	

Aleutians East Borough, Alaska
COVID-19 Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2022

Revenues	
Federal government	\$ 964,717
Expenditures	
Capital outlay	964,717
Total Expenditures	964,717
Net Change in Fund Balance	-
Fund Balance, beginning	-
Fund Balance, ending	\$ -

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Aleutians East Borough, Alaska
Trust Permanent Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2022

Revenues	
Investment loss	\$ (3,981,256)
Other income	47,660
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Total Revenues	(3,933,596)
<hr/>	
Expenditures - current - general government - management fee	44,648
<hr/>	
Excess of Revenues Over Expenditures	(3,978,244)
<hr/>	
Other Financing Uses	
Transfers out	(1,200,321)
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Net Other Financing Uses	(1,200,321)
<hr/>	
Net Change in Fund Balance	(5,178,565)
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Fund Balance, beginning	53,620,833
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Fund Balance, ending	\$ 48,442,268
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Aleutians East Borough, Alaska
Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2022

Expenditures

Debt service:

Principal	\$ 1,720,000
Interest	715,521

Total Expenditures	2,435,521
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Other Financing Sources

Transfers in	2,435,521
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Net Change in Fund Balance	-
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Fund Balance, beginning	-
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Fund Balance, ending	\$ -
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Aleutians East Borough, Alaska
Capital Improvements Capital Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2022

Revenues	
Federal government	\$ 245,615
State of Alaska	354,021
Other	15,000
Total Revenues	614,636
Expenditures	
Current - infrastructure:	
Contractual	122,827
Repairs	74,319
Capital outlay	2,494,828
Total Expenditures	2,691,974
Excess of Revenues Under Expenditures	(2,077,338)
Other Financing Sources - transfers in	2,077,338
Net Change in Fund Balance	-
Fund Balance, beginning	-
Fund Balance, ending	\$ -

Aleutians East Borough, Alaska
Bond Construction Capital Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2022

Revenues	
State of Alaska	\$ 66,649
Investment loss	(17,640)
Other	62,437
Total Revenues	111,446
Expenditures	
Current - infrastructure - contractual	111,350
Net Change in Fund Balance	96
Fund Balance, beginning	309,204
Fund Balance, ending	\$ 309,300

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Aleutians East Borough, Alaska
Maintenance Reserve Capital Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2022

Revenues:

Other income	\$	513,807
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Expenditures

Current - public works:

Maintenance		57,365
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Other		4,138
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Total Expenditures		61,503
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Net Change in Fund Balance		452,304
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Fund Balance, beginning		-
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Fund Balance, ending	\$	452,304
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Aleutians East Borough, Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Passed-Through Entity Identifying Number	Award Amount	Provided to Subre- cipients	Total Federal Expend- itures
Department of the Treasury					
Passed through the State of Alaska					
Department of Commerce, Community and Economic Development -					
Coronavirus Relief Fund - COVID-19	21.019	20-CRF-009	\$ 3,723,854	\$ 77,640	\$ 964,717
Department of Commerce					
Passed through the National Fish and Wildlife Foundation:					
Unallied Science Program	11.472	0303.18.062040	521,062	-	122,789
Unallied Science Program	11.472	0303.19.066233	531,217	-	122,163
Total Assistance Listing 11.472				-	244,952
Unallied Management	11.454	0303.18.061327	71,456	-	663
Total Department of Commerce				-	245,615
Total Expenditures of Federal Awards				\$ 77,640	\$ 1,210,332

See accompanying notes to the schedule of expenditures of federal awards.

Aleutians East Borough, Alaska

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Aleutians East Borough, Alaska (the Borough) excluding its component unit, Aleutians East Borough School District, under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Borough.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. Indirect Cost Rate

The Borough has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Aleutians East Borough, Alaska
Schedule of State Financial Assistance
Year Ended June 30, 2022

State Agency/Program Title	Award Number	Total Award Number	Passed Through to Subrecipients	State Expend- itures
Department of Commerce, Community and Economic Development				
King Cove Access Project	14-RR-067	\$1,958,992	\$ -	\$ 74,319
Department of Education and Early Development				
* Debt Retirement Program	N/A	1,839,070	-	1,839,070
Total State Financial Assistance			\$ -	\$ 1,913,389

* Denotes major program

The accompanying notes are an integral part of this schedule.

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Aleutians East Borough, Alaska

Notes to State Schedule of Financial Assistance for the Year Ended June 30, 2022

1. Basis of Presentation

The accompanying Schedule of State Financial Assistance (the “Schedule”) includes the state award activity of Aleutians East Borough, Alaska (the Borough) excluding its component unit, Aleutians East Borough School District, under programs of the State of Alaska for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in net position or cash flows of the Borough.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the modified accrual basis of accounting.

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Single Audit Section

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3601 C Street, Suite 600
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable Mayor and Borough Assembly
Aleutians East Borough, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Aleutians East Borough, Alaska (the Borough), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated **Month XX 2023**.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Borough's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anchorage, Alaska
XXXX, 2023



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3601 C Street, Suite 600
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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Honorable Mayor and Borough Assembly
Aleutians East Borough, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Aleutians East Borough's (the Borough) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal programs for the year ended June 30, 2022. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

Other Matter - Federal Expenditures Not Included in the Compliance Audit

The Borough's basic financial statements include the operations of the discretely presented component unit, Aleutians East Borough School District, which expended \$2,810,512 in federal awards which is not included in the Borough's schedule of expenditures of federal awards during the year ended June 30, 2022. Our compliance audit, described in the "Opinion on Each Major Federal Program, does not include the operations of Aleutians East Borough School District because the discretely presented component unit was subjected to a separate audit to perform an audit of compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Borough's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-004 and 2022-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Borough is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Borough's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-004 and 2022-005 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Borough is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Borough's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Anchorage, Alaska
XXXX, 2023

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Independent Auditor’s Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Honorable Mayor and Borough Assembly
Aleutians East Borough, Alaska

Report on Compliance for Each Major State Program

Opinion on Compliance for Each Major State Program

We have audited Aleutians East Borough’s (the Borough) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the Borough’s major state programs for the year ended June 30, 2022. The Borough’s major state programs are identified in the accompanying Schedule of State Financial Assistance.

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Our responsibilities under those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Borough’s compliance with the types of compliance requirements referred to above.

Other Matter - State Expenditures Not Included in the Compliance Audit

The Borough's basic financial statements include the operations of its component unit, the Aleutians East Borough School District (the School District) which expended \$5,269,128 of state awards which is not included in the Schedule of State Financial Assistance for the year ended June 30, 2022. Our compliance audit, described in the Opinion on Each Major State Program, did not include the operations of the School District because it was subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* for the year ended June 30, 2022.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Borough's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of the state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and which are described in the accompanying schedule of findings and questioned costs as items 2022-006. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Borough is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Borough's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance

requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-006 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Borough is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Borough's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

Anchorage, Alaska
Month XX, 2023

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no
 Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? X yes none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of major federal programs:

Federal Assistance

<i>Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
21.019	Coronavirus Relief Fund - COVID-19	Department of the Treasury

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

State Financial Assistance

Type of auditor's report issued on compliance for major State programs: Unmodified

Internal control over major state programs:

Material weakness(es) identified? yes X no
 Significant deficiency(ies) identified? X yes no

Dollar threshold used to determine a state major program: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2022

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

<u>Finding 2022-001</u>	General Ledger Reconciliation and External Financial Reporting - Material Weakness in Internal Control
<i>Criteria</i>	Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP); this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement. The general ledger and accounting records should accurately report financial transactions and year-end balances in accordance with GAAP.
<i>Condition</i>	There were material adjustments made to the general ledger and the financial statements during the course of the audit. Specifically, adjustments were required to properly record interfund transfers, accounts payable, and fixed assets.
<i>Cause</i>	Internal controls were not established to ensure that all general ledger accounts were properly reconciled and adjusted at year-end for GAAP-based financial reporting.
<i>Effect or potential effect</i>	Individual accounts were misstated, requiring multiple adjustments. Without such adjustments, the financial statements would have been materially misstated.
<i>Identification as a repeat finding</i>	Yes, see prior year finding number 2021-001.
<i>Recommendation</i>	Management should closely review the activity in the general ledger. Information should be reviewed for completeness and accuracy. Year-end balances should be reviewed in a timely manner.
<i>Views of responsible officials</i>	Management concurs with the finding and has implemented journal entry approval and bank reconciliation policies, as well as hiring a contract accountant to assist management with year-end reconciliations, closing entries and audit preparation.

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2022

<u>Finding 2022-002</u>	Segregation of Duties - Internal Control over Financial Reporting - Significant Deficiency
<i>Criteria</i>	<i>Government Auditing Standards</i> states that management is responsible for establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; using resources efficiently, economically, effectively, and equitably, and safeguarding resources; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Internal controls over financial reporting should allow management to prevent or detect and correct misstatements on a timely basis.
<i>Condition</i>	We noted that while management began taking steps in 2022 to improve segregation of duties between initiation and review/approval of cash disbursements prior to posting, the finance director has the ability to initiate and approve wire transfers, and ACH transactions without secondary approval.
<i>Cause</i>	Internal controls were not in place throughout the entire fiscal year to ensure that all transactions were reviewed and approved by an individual who did not initiate the transaction.
<i>Effect or potential effect</i>	Lack of proper internal controls related to cash disbursements and segregation of duties increases the risk that inappropriate or inaccurate transactions will be recorded to the general ledger.
<i>Identification as a repeat finding</i>	No.
<i>Recommendation</i>	Management should establish policies requiring all transactions to be reviewed and approved by a second individual who is knowledgeable of the transaction prior to disbursement, and that documentation of this review be retained.
<i>Views of responsible officials</i>	Management concurs with the finding and has established policies with borough banking institutions requiring wire transfers and ACH transactions to be initiated and approved by separate individuals.

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2022

<u>Finding 2022-003</u>	Journal Entry Review - Internal Control over Financial Reporting - Significant Deficiency
<i>Criteria</i>	<i>Government Auditing Standards</i> states that management is responsible for establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; using resources efficiently, economically, effectively, and equitably, and safeguarding resources; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Internal controls over financial reporting should allow management to prevent or detect and correct misstatements on a timely basis.
<i>Condition</i>	We noted that the finance director was able to create and post journal entries to the general ledger without separate review and approval.
<i>Cause</i>	Internal controls were not established to ensure that all journal entries are reviewed and approved by an individual who did not prepare the entry and who is knowledgeable of the facts and circumstances related to the entry.
<i>Effect or potential effect</i>	Lack of proper internal controls related to journal entries increases the risk that inappropriate or inaccurate transactions will be recorded to the general ledger.
<i>Identification as a repeat finding</i>	Yes, see prior year finding number 2021-003.
<i>Recommendation</i>	Management should adopt policies and procedures related to the journal entry review and approval process to ensure that a separate individual review all journal entries in a timely manner.
<i>Views of responsible officials</i>	Management concurs with the finding and has established policies requiring all journal entries to have secondary approval.

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2022

Section III - Federal Award Findings and Questioned Costs

<u>Finding 2022-004</u>	Noncompliance and Significant Deficiency in Internal Control - Subrecipient Monitoring
<i>Agency</i>	Department of the Treasury
<i>Pass-through Entity</i>	State of Alaska Department of Commerce, Community and Economic Development
<i>Assistance Listing Program</i>	21.019 Coronavirus Relief Fund - COVID-19
<i>Award Year</i>	FY 2022
<i>Criteria</i>	Management is responsible to ensure that subrecipients comply with the terms and conditions of 2 CFR Part 200, Subpart F. This includes ensuring that every subaward is clearly identified to the subrecipient as a subaward and include the necessary information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. This also includes verifying that every subrecipient is audited as required by Subpart F of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold.
<i>Condition</i>	We noted that management did not fully identify and comply with all subrecipient monitoring requirements applicable to the program.
<i>Cause</i>	Internal controls were not in place throughout the entire fiscal year to ensure that all required subrecipient monitoring responsibilities took place.
<i>Effect or potential effect</i>	Subrecipients may be unaware and not in compliance with the requirements of 2 CFR Part 200.
<i>Questioned costs</i>	None
<i>Context</i>	Subrecipient monitoring testing identified 1 out of 1 subawards that did not have the support to verify notification and monitoring of subrecipient compliance in accordance with 2 CFR Part 200, Subpart F.
<i>Identification as a repeat finding</i>	Yes, see prior year finding number 2021-005
<i>Recommendation</i>	Management should establish policies to address the monitoring of subrecipient compliance with 2 CFR Part 200, Subpart F.
<i>Views of responsible officials</i>	Management concurs with the finding and will establish policies to ensure that timely monitoring activity takes place and subrecipients are aware of compliance requirements applicable to subawards from issued by the Borough.

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2022

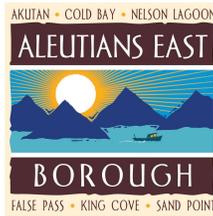
<u>Finding 2022-005</u>	Deadline for Federal Single Audit - Noncompliance and Internal Control over Compliance - Significant Deficiency
<i>Agency</i>	Department of the Treasury
<i>Pass-through Entity</i>	State of Alaska Department of Commerce, Community and Economic Development
<i>Assistance Listing Program</i>	21.019
<i>Award Year</i>	Coronavirus Relief Fund - COVID-19 FY 2022
<i>Criteria</i>	The Borough is required to submit the single audit report and Form SF-SAC within nine months of the fiscal year end.
<i>Condition</i>	The Form SF-SAC for the fiscal year ended June 30, 2022 was not filed on time.
<i>Cause</i>	The audit was not completed in time to file the form, due to a delay in closing the books and records.
<i>Effect or potential effect</i>	The Schedule of Expenditures of Federal Awards were not available in a timely manner in order to allow for timely submission of Form SF-SAC.
<i>Questioned costs</i>	None
<i>Context</i>	The Form SF-SAC is due nine months after the fiscal year end. The form for the fiscal year ended June 30, 2022 was filed late.
<i>Identification as a repeat finding</i>	No
<i>Recommendation</i>	We recommend the Form SF-SAC is filed timely in the future.
<i>Views of responsible officials</i>	Management concurs with the finding and will submit the Form SF-SAC on time in the future

Aleutians East Borough, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2022

Section IV - State Award Findings and Questioned Costs

<u>Finding 2022-006</u>	Deadline for State Single Audit - Noncompliance and Internal Control over Compliance - Significant Deficiency
<i>State Agency</i>	Department of Education & Early Development
<i>Grant Name and Award Number</i>	Debt Retirement Program N/A
<i>Award Year</i>	FY17, FY20, FY21, FY22
<i>Criteria</i>	2 AAC 45.010 (b) states an entity that expends a cumulative total of \$750,000 or more shall submit an audit report for the audit period by "...the earlier of 30 days after the entity receives its audit report for the audit period; or nine months after the end of the audit period" or a later date agreed upon in writing in advance of the date in this section.
<i>Condition</i>	The State Single Audit for the fiscal year ended June 30, 2022 was not filed on time.
<i>Questioned costs</i>	None
<i>Context</i>	The Borough's audit in accordance with 2 AAC 45 was not completed within nine months after the audit period.
<i>Cause</i>	The audit was not completed in time to file the form, due to a delay in closing the books and records.
<i>Effect or potential effect</i>	The Borough is not in compliance with 2 AAC 45.010 (b)(1).
<i>Recommendation</i>	We recommend the State Single Audit is filed timely in the future.
<i>Views of responsible officials</i>	Management concurs with the finding and will submit the State Single Audit on time in the future.



Aleutians East Borough, Alaska

Summary Schedule of Prior Audit Findings Year Ended June 30, 2022

Finding 2021-001 **General Ledger Reconciliation and External Financial Reporting - Material Weakness in Internal Control**

Finding Internal controls were not established to ensure that all general ledger accounts were properly reconciled and adjusted at year-end for GAAP-based financial reporting.

Status Aleutians East Borough has hired a full-charge bookkeeper to assist management with year-end reconciliations, closing entries, and audit preparation. The bookkeeper has sufficient skills, knowledge, and experience to assist management in ensuring that all accounts are properly reconciled, and all necessary year-end adjusting entries are posted timely prior to commencement of the financial statement audit. We consider this finding partially resolved. See finding 2022-001 in the current year.

Finding 2021-002 **Segregation of Duties - Internal Control over Financial Reporting - Significant Deficiency**

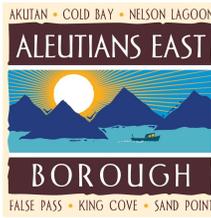
Finding Internal controls were not in place throughout the entire fiscal year to ensure that all transactions were reviewed and approved by an individual who did not initiate the transaction.

Status Aleutians East Borough has taken steps to ensure expense transactions are reviewed and approved prior to being posted to the general ledger. However, the finance director has the ability to initiate and approve wire transfer and ACH transactions without secondary approval. We consider this finding partially resolved. See finding 2022-002 in the current year.

Finding 2021-003 **Journal Entry Review - Internal Control over Financial Reporting - Significant Deficiency**

Finding Internal controls were not established to ensure that all journal entries are reviewed and approved by an individual who did not prepare the entry and who is knowledgeable of the facts and circumstances related to the entry.

Status Aleutians East Borough has hired a full-charge bookkeeper to assist with review of journal entries prepared by management. Due to travel restrictions caused by the COVID-19 public health emergency, the bookkeeper was unable to travel onsite and complete such review. We anticipate review to begin in the 4th quarter of FY 2021. We consider this finding partially resolved. See finding 2022-003 in the current year.



Aleutians East Borough, Alaska

Summary Schedule of Prior Audit Findings, continued Year Ended June 30, 2022

Finding 2021-004 **Activities Allowed and Unallowed, Allowable Costs - Internal Control over Compliance - Significant Deficiency**

Finding Internal controls were not in place throughout the entire fiscal year to ensure that all transactions were reviewed and approved by an individual who did not initiate the transaction.

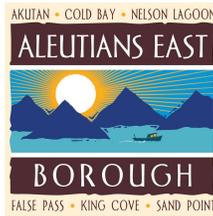
Status Resolved.

Finding 2021-005 **Noncompliance and Significant deficiency in Internal Control - Subrecipient Monitoring**

Finding Internal controls were not in place throughout the entire fiscal year to ensure that all required subrecipient monitoring responsibilities took place.

Status Not resolved. See finding 2022-004 in the current year.

DRAFT



Aleutians East Borough, Alaska

Corrective Action Plan, continued Year Ended June 30, 2022

Name of Contact Person Anne Bailey, Borough Administrator
abailey@aeboro.org
907-274-7580

Financial Statement Findings Required to be Reported in Accordance with <i>Government Auditing Standards</i>

Finding 2022-001 General Ledger Reconciliation and External Financial Reporting - Material Weakness in Internal Control

Corrective Action Plan The Aleutians East Borough has hired a contract accountant to assist management with monthly and year-end reconciliations, closing entries, and audit preparation. The contract accountant has sufficient skills, knowledge and experience to assist management in ensuring that all accounts are properly reconciled, and all necessary year-end adjusting entries are posted timely prior to commencement of the financial statement audit.

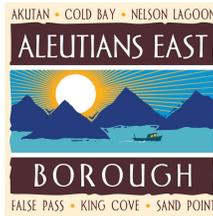
The Borough has also implemented journal entry and bank reconciliation policies and have two employees in the Finance Department that are reviewing cash registers and payroll registers.

Expected Completion Date June 30, 2023

Finding 2022-002 Segregation of Duties - Internal Control over Financial Reporting - Significant Deficiency

Corrective Action Plan Management has established a policy requiring all cash disbursements to be reviewed and approved by a second individual who is knowledgeable of the transaction prior to disbursement. If review is not possible prior to needing to make the disbursement, review is to happen as soon as possible afterwards. For transactions prepared and posted by the finance director, contract accountant will assist with reviewing the transaction. The Borough has established bank reconciliation and journal entry policies and has a second employee reviewing and approving check and payroll registers.

Expected Completion Date June 30, 2022



Aleutians East Borough, Alaska

Corrective Action Plan, continued Year Ended June 30, 2022

Finding 2022-003 Journal Entry Review - Internal Control over Financial Reporting - Significant Deficiency

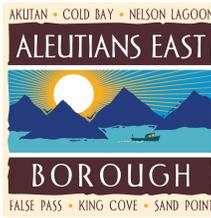
Corrective Action Plan Management has established a policy requiring all cash disbursements to be reviewed and approved by a second individual who is knowledgeable of the transaction prior to disbursement. If review is not possible prior to needing to make the disbursement, review is to happen as soon as possible afterwards. For transactions prepared and posted by the finance director, contract accountant will assist with reviewing the transaction. The Borough has established bank reconciliation and journal entry policies and has a second employee reviewing and approving check and payroll registers.

Expected Completion Date June 30, 2023

Finding 2022-004 Noncompliance and Significant Deficiency in Internal Control - Subrecipient Monitoring

Corrective Action Plan Management will establish policies to ensure that timely monitoring activity takes place and subrecipients are aware that they have to comply with the terms and conditions of 2 CFR Part 200, Subpart F. Management will create a policy to ensure that subawards of Federal funds include language clearly identifying the funds as a subaward and includes the necessary information at the time of subaward.

Expected Completion Date June 30, 2023



Aleutians East Borough, Alaska

Corrective Action Plan, continued Year Ended June 30, 2022

Finding 2022-005 **Deadline for Federal Single Audit - Noncompliance and Internal Control over Compliance - Significant Deficiency**

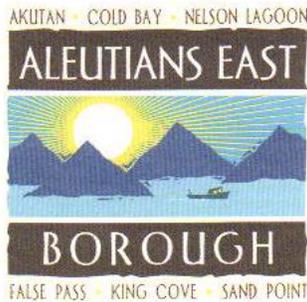
Corrective Action Plan Management will file the Form SF-SAC form soon and will submit the Form SF-SAC on time in the future.

Expected Completion Date June 30, 2023

Finding 2022-006 **Deadline for State Single Audit - Noncompliance and Internal Control over Compliance - Significant Deficiency**

Corrective Action Plan Management will file the State Single Audit soon and will submit the Single Audit on time in the future.

Expected Completion Date June 30, 2023



RESOLUTION NO. 23-59

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY ACCEPTING THE BASIC FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION, SUPPLEMENTARY INFORMATION AND SINGLE AUDIT REPORTS FOR YEAR ENDED JUNE 30, 2022

WHEREAS, the Aleutians East Borough hired BDO to audit the financial statements of the government activities, business -type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Borough as of and for the year ending June 30, 2022; and

WHEREAS, BDO has completed the audit for FY2022 and, in their opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Alaska East Borough, Alaska, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America; and

WHEREAS, the audit required a few journal entry adjustments and no restatements; and

WHEREAS, BDO reported a few findings, which Borough Administration is in the process of correcting; and

WHEREAS, Borough Administration has reviewed the FY2022 audit and submitted the Corrective Action Plan; and

WHEREAS, BDO submitted the audit and submission letter to meet the State of Alaska's submission deadline.

NOW, THEREFORE, BE IT RESOLVED by the Aleutians East Borough Assembly accepts the basic financial statements, required supplementary information, supplementary information and single audit reports for year ended June 30, 2022.

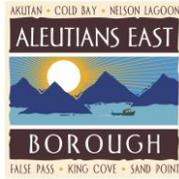
PASSED AND APPROVED BY THE ALEUTIANS EAST BOROUGH ASSEMBLY
on this 18th day of May 2023.

ALEUTIANS EAST BOROUGH, ALASKA

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Clerk



Agenda Statement

Date: May 10, 2023
To: Mayor Osterback and Assembly
From: Anne Bailey, Administrator

Re: Resolution 23-60 Accepting the Assignment and Assumption of the Borough's Tidelands Lease with Silver Bay Seafoods and Authorizing the Mayor to Negotiate and Executed the Agreement

On February 12, 2019, the Borough entered into a Tidelands Lease with Silver Bay Seafoods. The Lease term is for 35 years with one 35-year renewal (for a total of 70 years). Silver Bay is now assigning the lease to a bank as collateral for a \$390,000,000.00 loan. Such assignments are allowed in the underlying Lease when "approved in writing by the Lessor."

The documents the Borough is being requested to enter into consist of the following:

1. Assignment and Assumption of Lease;
2. Consent to Assignment of Lease; and
3. Lessor Estoppel and Agreement

Joe Levesque, the Borough Attorney stated that the easiest way to explain these documents is to think of refinancing your home or vehicle. When you refinance the Bank will require several documents to be signed by you as the borrower. In this case, the Borough is consenting to a mortgage on Silver Bay's interest under the Lease to the Bank. What the Bank demands is not only the assignment of the Lease but to assume the Lease. The Bank also requires the Borough to consent to the assignment in writing. The final document is the Lessor Estoppel and Agreement, this document makes the Bank, as Lender, the new tenant under the Lease. The Estoppel is made up of several covenants (promises) by the Borough that it will not interfere with the Bank even if the Bank takes possession and removes the Silver Bay improvements located on the Leasehold.

Joe Levesque has been working with Silver Bay Seafoods on finalizing these documents. He has not identified anything in the documents that would have a negative impact on the Borough. He did note that the change in assignment language was the only different thing from the provisions

of the Lease. The covenants mostly promise that the Borough won't interfere with their property (which is normal). And of course, the part about allowing the Bank to remove improvements. There is a provision in the Lease that the improvements may become the property of the Borough.

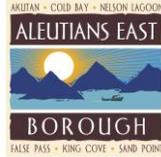
That provision reads:

Ownership of Dock and Improvements. The Dock and all improvements made to the Dock and all fixtures added to and incorporated into the use of the Dock shall become the property of the Lessor upon their construction, addition to or incorporation in to the Dock unless the Lessee, Lessor, and City of False Pass agree otherwise in writing. See 10 (e).

Joe Levesque is not aware of any side deals, but Silver Bays Bank will not loan the money unless these documents are executed.

RECOMMENDATION

Administration recommends approval of 23-60 Accepting the Assignment and Assumption of the Borough's Tidelands Lease with Silver Bay Seafoods and Authorizing the Mayor to Negotiate and Execute the Agreement.



RESOLUTION 23-60

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY ACCEPTING THE ASSIGNMENT AND ASSUMPTION OF THE BOROUGH'S TIDELANDS LEASE WITH SILVER BAY SEAFOODS AND AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE THE AGREEMENT

WHEREAS, in February 2019, the Borough entered into a Tidelands Lease with Silver Bay Seafoods; and

WHEREAS, the Lease term is for 35 years with on 35-year renewal; and

WHEREAS, Silver Bay is now assigning the lease to a bank as collateral for a \$390,000,000 loan; and

WHEREAS, such assignments are allowed in the underlying Lease when “approved in writing by the Lessor;” and

WHEREAS, the documents the Borough is being requested to enter into consist of an Assignment and Assumption of Lease; Consent to Assignment of Lease and Lessor Estoppel and Agreement; and

WHEREAS, the Borough Attorney has been working with Silver Bay Seafoods on the finalizing the documents; and

WHEREAS, Administration recommends executing the documents.

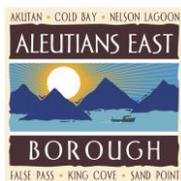
NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly accepts the assignment and assumption of the Borough's Tidelands Lease with Silver Bay Seafoods and authorizes the Mayor to negotiate and execute the agreement.

PASSED AND ADOPTED by the Aleutians East Borough on this 18th day of May, 2023.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Clerk



Agenda Statement

Date: May 12, 2023
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Resolution 23-61 Authorizing the Mayor to begin negotiations with Term Contractors for future Borough construction projects

On April 20, 2023, the Aleutians East Borough issued a Request for Qualifications for qualifications and fee information from General Contractors and specialty contractors for multiple construction term contracts in the Borough for construction, renovation, and maintenance of Borough-owned facilities, including schools, airport facilities, housing and offices.

At a minimum, the Borough expects the term contractors to be able to provide any or all of the following services, as defined by Alaska Department of Labor and Workforce Developments 2023 Minimum Rates of Pay for Laborers and Mechanics:

- Electrical: Inside Journeyman Wireman
- Mechanical: Sheet Metal Journeyman
- Carpenter (journeyman)
- Plumbing: Journeyman Pipefitter
- Excavation: Power equipment operator
- Roofer & Waterproofed
- Painters (Group 1, DB)
- Laborers

Offerors did not have to provide all the specialties/trades.

The Borough received 6 proposals by the May 11, 2023 deadline. The proposers were:

- Gould Construction, LLC General Contractor
- Klebs Mechanical Mechanical Contractor
- Kuchar Construction General Contractor
- Living Waters Mechanical and Plumbing Contractor

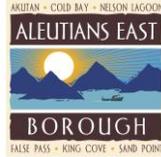
- Long Building Technologies Control System Integrator, Mechanical and Electrical Contractor and Service Provider and Security and Access Control Solutions Provider
- Wired AK Electrical Contractor

On May 12, 2023, representatives from DOWL and the Borough reviewed the proposals. Scoring criteria was based on qualifications; capacity; honesty and integrity and price information. Price information was based off hourly labor rates, overhead, profit and mark-up rates on a percentage basis; profit % on the cost of the work, subcontractor mark-up and change order mark-up. The review committee determined that all six contractors qualified, and it is recommended to select all the contractors for contractor term contracts.

If the Assembly approves these selected contractors, the Borough will execute a main agreement with each entity. The method which the Borough will solicit specific contractors for specific projects may vary. The Borough may request project-specific proposals from all applicable term contractors, or the Borough may choose one of the term contractors and work with them directly to negotiate scope, schedule, and budget for a specific project.

RECOMMENDATION

Administration recommends approval of 23-61 Authorizing the Mayor to begin negotiations with Term Contractors for future Borough construction projects.



RESOLUTION 23-61

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH ASSEMBLY AUTHORIZING THE MAYOR TO BEGIN NEGOTIATIONS WITH TERM CONTRACTORS FOR FUTURE BOROUGH CONSTRUCTION PROJECTS

WHEREAS, on April 20, 2023, the Aleutians East Borough issued a Request for Qualifications for qualifications and fee information from General Contractors and specialty contractors for multiple construction term contracts in the Borough for construction, renovation, and maintenance of Borough-owned facilities, including schools, airport facilities, housing and offices; and

WHEREAS, the Borough received six proposals by the May 11, 2023 deadline from Gould Construction, LLC; Klebs Mechanical; Kuchar Construction; Living Waters; Long Building Technologies and Wired AK; and

WHEREAS, on May 12, 2023, representatives from DOWL and the Borough reviewed the proposals and determined that all six contractors qualified, and recommend that all the contractors be selected for contractor term contracts; and

WHEREAS, if the Assembly approves the selected contractors the Borough will execute a main agreement with each entity; and

WHEREAS, the Borough may then request project-specific proposals from all applicable term contractors or choose one of the term contractors and work with them directly.

NOW THEREFORE, BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the Mayor to begin negotiations with Term Contractors for future Borough construction projects.

PASSED AND ADOPTED by the Aleutians East Borough on this 18th day of May, 2023.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Clerk



Agenda Statement

Date: May 12, 2023
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Resolution 23-62, Authorizing the Mayor to negotiate and execute a contract with DOWL to conduct a site visit and complete a condition assessment of the Sand Point School in an amount not to exceed \$53,150

On February 21, 2023, the Aleutians East Borough signed a grant from the State of Alaska Department of Education & Early Development to conduct major maintenance at the Sand Point School. The project provides for renovations at the Sand Point K-12 School and pool, including:

- Improve HVAC: replace ventilation equipment, provide exhaust ventilation system, replace kitchen ventilation equipment.
- Improve security: replace door hardware to provide access control and lockdown function.
- Replace fire alarm.
- Replace intercom system.
- Renovate pool facility addition: upgrade restrooms and lockers; replace metal roof and repair structure as required; reconstruct or repair exterior walls replace supply ventilation, ductwork, and controls; and improve drainage. Foundation work may occur if supported within the budget and after value analysis.

The Grant is in the amount of \$2,968,577. The Grant amount is \$1,929,575 and the Borough is responsible for paying the State of Alaska Recipients' Participating Share for this Project in the amount of \$1,039,002.00.

The next steps for this project will be to complete a site visit/condition assessment; complete the design (35%, 65% and 95/100%); go out to bid for a Construction Manager-General Contractor and construction.

The Borough has requested and received a proposal from DOWL in the amount of \$53,150 to conduct a site visit and complete a condition assessment for the Sand Point School. The scope of work will include:

- Site visit with the following technical disciplines:
 - Architect
 - Mechanical Engineer

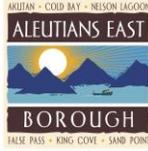
- Electrical Engineer
- Structural Engineer
- Civil Engineer
- Updated condition assessment
- Updated cost estimate

By completing this, it will help with the design process and get an updated cost estimate for the project, which we anticipate being a lot higher than the numbers that were submitted to the State of Alaska in 2020. If approved the site visit would occur this summer (estimate June 2023), then the cost estimate and updated report would follow by 30-60 days.

To pay for DOWL's services, funds in account E 20-420-000-850 Local Assistance and Tribal Consistency Fund (LATCF) will be applied. The LATCF monies may be used for maintenance projects and capital expenditures on core facilities and equipment, which includes schools.

RECOMMENDATION

Administration recommends approval of Resolution 23-62, authorizing the Mayor to negotiate and execute a contract with DOWL to conduct a site visit and complete a condition assessment of the Sand Point School in an amount not to exceed \$53,150.



Resolution 23-62

A RESOLUTION AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE A CONTRACT WITH DOWL TO CONDUCT A SITE VISIT AND COMPLETE A CONDITION ASSESSMENT OF THE SAND POINT SCHOOL IN AN AMOUNT NOT TO EXCEED \$53,150

WHEREAS, in February 2023, the Aleutians East Borough signed a grant from the State of Alaska Department of Education & Early Development to conduct major maintenance at the Sand Point School; and

WHEREAS, the next steps for this project will be to complete a site visit/condition assessment; complete the design (35%, 65% and 95/100%); go out to bid for a Construction Manager-General Contractor and construction; and

WHEREAS, DOWL has submitted a scope of services and fee proposal to conduct a site visit and complete a condition assessment for the Sand Point School in an amount not to exceed \$53,150; and

WHEREAS, if approved the Borough would enter into a contract with DOWL for these services; and

WHEREAS, funds in account E 20-420-000-850 Local Assistance and Tribal Consistency Fund will be used to pay for this work.

NOW THEREFORE BE IT RESOLVED, the Aleutians East Borough Assembly authorizes the Borough Mayor to Negotiate and Execute a Contract with DOWL to conduct a site visit and complete a condition assessment in an amount not to exceed \$53,150.

PASSED AND APPROVED by the Aleutians East Borough on this day 18th day of May 2023.

Alvin D. Osterback, Mayor

ATTEST:

Beverly Rosete, Borough Clerk

OLD BUSINESS



Memorandum

Date: May 11, 2023
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Cold Bay Water

In April 2022, the City of Cold Bay wells were tested for Per- and Polyfluoroalkyl Substances (PFAS) through the Department of Environmental Conservation. On June 3, 2022, the City received a call that their wells tested positive. Well #3 tested high at 1605 PPT and well #2 tested at 42 PPT. At the time EPA's Lifetime Health Advisory (LHA) Level that was adopted by the State of Alaska was 70 PPT. The City was informed by the State to solely use well #2 as their main well and well #3 would then only be used as backup in an emergency. Due to some conflicts the State Department of Transportation (DOT) began shipping and distributing drinking water to the community.

On June 15, 2022, the Environmental Protection Agency (EPA) lowered the LHA level from 70 PPT to .024 PPT. The new LHA was below what the tests could detect. ADEC did not adopt EPA's new lower limit. The LHA Limit would remain at 70 PPT.

On June 23, 2022, DEC sent additional testing supplies to the City. On July 21, 2022, the new test results were received. Well #2 tested at 48 PPT and Well #3 tested at 1,220 PPT, and the Storage Tank tested at 415 PPT. DOT would continue supplying drinking water.

There was a third round of testing done in November 2022. On January 20, 2023, the results were received. Well #2 tested at 142 PPT, Well #3 tested at 1,090 PPT, and the Storage Tank tested at 136 PPT. Due to the results of this round of testing both wells are now over the 70 PPT. The City was informed that drinking water would continue to be supplied until a solution is in place.

Ultimately, the State of Alaska DOT is responsible for determining a solution to the problem; however, the City is heavily engaged as outlined on the City of Cold Bay's Memo. The City has hired a PFAS expert engineer, who is currently working on other similar projects across the State and lower 48. The engineer is devising a filtration system that would be installed in the water plant. Once the plan is complete, the City plans on presenting the plan to the State to see if they can implement it.

Drilling a new well has been considered but is not the solution the community is looking at. The only contaminant that exceeds the acceptable levels in the water system is PFAS. If a new well is to be created it will take time to determine a new location that is not impacted by fuel, PFAS, and other contaminants and permitting regulations will have to be met. This is not something that can or could happen quickly.

The Borough supports the City and States efforts to determine a solution and is staying in frequent contact with the City on this issue.



City of Cold Bay – P.O. Box 10 – Cold Bay, Alaska 99571

MEMORANDUM

DATE: May 11, 2023
TO: Mayor Osterback, Administrator Anne Bailey, and Assembly
FROM: Mayor Candace Nielsen
RE: PFAS Water Issue

It has come to our attention that in the last Assembly meeting it was stated once again to drill new wells in Cold Bay. Lorie Pierce our City Clerk has spoken to the Assembly regarding this issue a few times. Drilling new wells is not the answer to resolve our PFAS issue at this time.

We began this journey in April 2022. Lorie, our City Clerk and Kurt, our Public Works Director have fervently been working with DEC, DOT, DHS, and all parties involved on this issue. DEC informed the City when the results returned positive for PFAS that due to the nature of the contamination and it being in our *public drinking water system*, the City is not allowed to take action to resolve the issue.

In the last round of testing, they also tested 6 private wells throughout the city that have not been used since 1993. Five of those wells also tested positive for PFAS. Although the limit of PFAS in those wells was low we know from the tests that the more you use a well contaminated with PFAS the higher the levels go. Drilling new wells in Cold Bay would be very costly and, in the end, very possibly not usable as they could also test positive for PFAS or the other numerous contaminations in the Cold Bay soil.

The City is currently working with a private expert PFAS Engineer, at our own expense, to design a filtration system specifically for our water plant. This engineer traveled to Cold Bay from the lower 48, to work on another PFAS issue at a local construction site. The engineer was surprised that our water was perfect minus the PFAS, which can be filtered out. He has designed and installed several filtration systems throughout the United States that have successfully taken PFAS

out of water. The City is a few months away from receiving this design. When the City receives the design we will then present it to all the parties involved to get approval for the design and funding to have the system installed. The federal government has set aside millions of dollars to fund PFAS solutions.

Cold Bay is unique in the fact that we are the only city in the State of Alaska that has PFAS in the entire public water system. The other cases of PFAS around the state are affecting private wells. Some of those cases have been on bottled drinking water for approximately 5 years. We are proactively working on a solution as we do not want to be on bottled water for several years. We want a solution in place much quicker.

DOT is ultimately the responsible party for the PFAS issue. They will continue to send drinking water to Cold Bay until a solution is put in place.

Unfortunately, this is not an overnight process but one that we will continue to put at the forefront.

We would like to thank Anne and the Borough for all the support that has been provided while we navigate these unknown waters.

Please call Lorie Pierce, City Clerk, if you have any additional questions.

Thank you,



Mayor Candace Nielsen

NEW BUSINESS



Memorandum

Date: May 11, 2023
To: Mayor Osterback and Assembly
From: Anne Bailey, Borough Administrator

Re: Donation Requests

The Aleutians East Borough has an established Donation Policy that allows entities within the Borough communities to request charitable donations. In order to provide the greatest benefit possible for the maximum number of people within the limits of the Borough’s available resources for charitable donations, the following policies will be adopted:

- a. The Borough will not make donations to benefit individuals or small groups.
- b. The Borough will consider requests for donation that benefit non-profit organizations and civic organizations so long as the project meets the criteria for charitable donations.
- c. The Borough will consider requests to join together with other donor organizations within the communities to combine our resources to fund needs greater than those that can be met by a single organization if the project otherwise meets the criteria for charitable donations.

Requests for donations must be completed and submitted by May 1 or November 1. A copy of the donation policy is attached.

In FY23, the Assembly appropriated \$23,500 for donations. In May 2022, the Assembly approved \$9,750 in FY23 donation requests (\$7,000 QTT Culture Camp; \$750 Sand Point Salmon Derby, and \$2,000 Pink Rain Champagne). This left a balance of \$13,750 for FY23 donations.

The Borough did not receive any donation requests in November 2022 but did receive four (4) requests in May 2023 that qualify for FY23 donation funds. Unfortunately, the NBC Campers request is not through a non-profit or civic organization and is for a small group of three individuals; therefore, the Borough is not permitted to make a donation for this.

A summary of what was requested and what Borough Administration recommends funding is outlined below:

Donation requests for FY23:	Requested	Recommended
NBC Campers	\$1,000.00	\$0.00 (does not qualify)
QTT Graveyard Cleanup	\$300.00	\$300.00

QTT Earth Day Fair	\$300.00	\$300.00
King Cove Fire & Rescue – Annual Firemen’s Picnic	\$3,000.00	\$3,000.00
TOTAL	\$4,600.00	\$3,600.00

If funded, there will be a balance of \$10,150.00 remaining in the Donation line-item in FY23.

The recommendation for the FY24 budget donation line item is \$23,500. The FY24 budget was introduced at the May 3, 2023 Assembly meeting and will be presented as a public hearing at the May 18, 2023 Assembly meeting. Budget approval will dictate whether the FY24 donations approved by the Assembly occur.

By May 1, 2024, the Borough received four (4) donation requests that qualify for FY24 funding. These requests are for expenses and activities that will occur within the 2024 fiscal year. An outline of what was requested and what Borough Administration recommends funding is outlined below:

Donation requests for FY24:

	Requested	Recommended
QTT Culture Camp	\$7,000.00	\$6,000.00
Agdaagux Culture Camp	\$10,000.00	\$6,000.00
City of Cold Bay EMS Salmon Derby	\$3,000.00	\$3,000.00
Pink Rain Champagne	<u>\$1,000.00</u>	<u>\$1,000.00</u>
TOTAL	\$21,000.00	\$16,000.00

A remaining balance of \$7,500.00 will remain in the FY24 donation line item for future donation requests.

Aleutians East Borough Donation Policy

The Aleutians East Borough's intention, demonstrated within this policy, is to be a responsible and supportive member of the AEB communities and to provide assistance, as it is able, to worthy projects and activities.

Requests for charitable donations from the Aleutians East Borough will be considered and evaluated in the manner set out below:

- 1) Protection of the Borough financial resources must be a high priority. This requires that the AEB set and adhere to an annual budget for charitable donations for each fiscal year:
 - a. The donation amount budgeted will be determined each fiscal year. The Assembly will consider requests in November and May of each year.
 - b. When the donations budget for a fiscal year has been expended, no further requests will be entertained although the mayor and assembly may increase the budget in the mid-year budget revision.

- 2) In order to provide the greatest benefit possible for the maximum number of people within the limits of our available resources for charitable donations, the following policies will be adopted:
 - a. The AEB will not make donations to benefit individuals or small groups.
 - b. The AEB will consider requests for donations that benefit non-profit organizations and civic organizations so long as the project otherwise meets the criteria for charitable donations.
 - c. The AEB will consider requests to join together with other donor organizations within the communities to combine our resources to fund needs greater than those that can be met by a single organization if the project otherwise meets the criteria for charitable donations.

- 3) In considering requests for charitable donations, the AEB will evaluate requests based on the responses provided on the attached form.

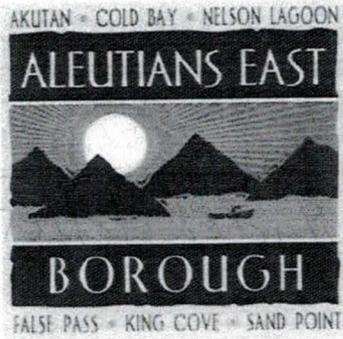
- 4) Assembly members need to have an adequate opportunity to review requests for charitable donations well in advance of meetings. To accomplish this, the following procedures are established:
 - a. Requests must be submitted in writing to the Mayor on the attached form.
 - The Mayor will pass requests, which comply with our funding criteria to the Assembly as part of the meeting packet for the November and May Assembly meetings.
 - A report showing the amount budgeted for donations for the year, and the amount spent year-to-date on donations will be included in the packet.

- 5) Requests for non-monetary donations of goods or services from the Borough with a value of less than \$100, and which meets the other criteria for funding charitable donations, will be handled by the Mayor in his sole discretion:
 - a. The Mayor will report to the Assembly at the next regular Assembly meeting on any requests, which has been handled in this manner.

Aleutians East Borough					
Donation Requests					
May 2023					
	FY23 Approved	FY23 (May 2023)	FY23 (May 2023)	FY24 (May 2023)	FY24 (May 2023)
	Amount Approved	Amount Requested	Amount Recommended	Amount Requested	Amount Recommended
Qagan TayagunginTribe (QTT)-Culture Camp	\$ 7,000.00			\$ 7,000.00	\$ 6,000.00
Agdaagux Tribe of King Cove				\$ 10,000.00	\$ 6,000.00
Sand Point Salmon Derby	\$ 750.00				
City of Sand Point Community Clean Up					
QTT Earth Day Fair		\$ 300.00	\$ 300.00		
QTT Graveyard Cleanup		\$ 300.00	\$ 300.00		
City of Cold Bay EMS				\$ 3,000.00	\$ 3,000.00
NBC Campers from Sand Point		\$ 1,000.00			
Pink Rain Champagne	\$ 2,000.00			\$ 1,000.00	\$ 1,000.00
King Cove Fire & Rescue - Annual Firemen's Picnic		\$ 3,000.00	\$ 3,000.00		
Total	\$ 9,750.00	\$ 4,600.00	\$ 3,600.00	\$ 21,000.00	\$ 16,000.00
FY23 Donation Request Amount Appropriated	\$ 23,500.00				
FY23 May 2022 Donation Requests Approved	\$ (9,750.00)				
FY23 November 2022 Donation Requests	\$ -				
FY23 May 2023 Donation Requests Recommended	\$ (3,600.00)				
FY22 Remaining Dontation Request Funds	\$ 10,150.00				
FY24 Donation Request Amount Appropriated	\$ 23,500.00				
FY24 May 2023 Donation Requests Recommended	\$ (16,000.00)				
FY24 Remaining Dontation Request Funds	\$ 7,500.00				

FY 23

Donation Request



REQUEST FOR CONTRIBUTION

THIS FORM MUST BE COMPLETED AND SUBMITTED BY **NOVEMBER 1 OR MAY 1** TO BE CONSIDERED BY THE AEB ASSEMBLY FOR FUNDING.

Today's Date: 4-24-23 Date of Event: 5-27-23
ORGANIZATION/BENEFICIARY NAME: King Cove Fire Dept.
PERSON COMPLETING THIS FORM: Chris Babcock
MAILING ADDRESS: P.O. Box 289 King Cove AK 99612
PHONE #: 907-497-2210
AMOUNT REQUESTED: \$ 3,000.00 (An amount range is acceptable)
If Approved: Who should the check made out to: King Cove Fire Dept.
If Approved: Mailing address of donation recipient: PO Box 289 King Cove
AK 99612

1. Who will benefit from this donation?

1000 Estimated number of AEB Residents
500 Estimated number of Non-AEB Residents All Ages
Is this activity open to all AEB residents? Yes No If not, please explain.

2. How does this contribution promote the best interests of the AEB? For example, tell us if this project/activity is related to the safety, health or well-being of residents. Specifically perhaps, it offers an alternative (to alcohol or drug abuse) recreation opportunity. Or supports the preservation of the Aleut culture or reinforces the subsistence life-style. Why should this activity receive AEB funds? Please limit your answer to no more than one page.

See attached letter

3. What is your estimated budget? Where does the AEB contribution fit into the budget? Who are, if any, the other donors? Please limit your answer to no more than one page.

\$10,000 - City, PPSF, Grant, APSA, Tribes

4. Are you willing to report back, without a reminder, to the Mayor and Assembly describing your project/activity within two months of the activity? Yes No

FOR OFFICIAL USE ONLY

Date Presented to the Mayor and Assembly: _____

Decision of the Mayor and Assembly:

- Approved
- Denied
- Tabled for more information

Amount of Donation Approved: _____

Date Submitted to Finance for Processing: _____

Date Payment was processed: _____

Finance's Initial: _____

Resolution No: _____

(If Applicable)

King Cove Fire & Rescue
P.O. Box 289
King Cove, AK 99612
Phone: 907-497-2210 Fax: 907-497-2556
E-Mail: kingcovedps@gmail.com

Monday, April 24, 2023

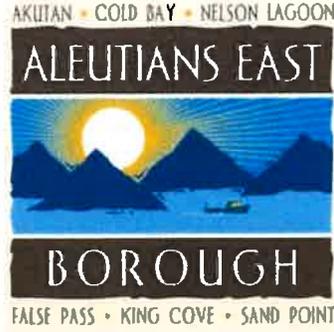
Aleutians East Borough

Each year for the past 23 years, the King Cove Volunteer Fire Department has held an annual fundraiser community picnic to support the KCFD scholarship, Annual Santa Parade and 4th of July Fireworks Display. This year it is scheduled for Saturday, May 27, 2023. We have appreciated the great support from our community and others who have supported this event. We have extremely good turnouts. In the past 23 years we have given away nearly \$23,000.00 in scholarships to King Cove High-school graduates. We are asking for donation in the amount of \$3000.00 which is what you have been able to do in the past and we appreciate it. Thank you for your support

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Babcock", with a long horizontal flourish extending to the right.

Chris Babcock Fire Chief



REQUEST FOR CONTRIBUTION

THIS FORM MUST BE COMPLETED AND SUBMITTED BY **NOVEMBER 1 OR MAY 1** TO BE CONSIDERED BY THE AEB ASSEMBLY FOR FUNDING.

Today's Date: April 12, 2023

Date of Event: May 28, 2023

ORGANIZATION/BEFEFICIARY NAME: Qagan Tayagungin Tribe Environmental Department

PERSON COMPLETING THIS FORM: Clarissa Devine

MAILING ADDRESS: P.O. Box 447, Sand Point, AK 99661

PHONE #: 907-383-6968

AMOUNT REQUESTED: \$300.00 (An amount range is acceptable)

If Approved: Who should the check made out to: Qagan Tayagungin Tribe Environmental Department

If Approved: Mailing address of donation recipient: P.O. Box 447 Sand Point, AK 99661

1. Who will benefit from this donation?

700+ Estimated number of AEB Residents

100+ Estimated number of Non-AEB Residents 0-65 Ages

Is this activity open to all AEB residents? Yes No If not, please explain.

2. How does this contribution promote the best interests of the AEB? For example, tell us if this project/activity is related to the safety, health or well-being of residents. Specifically perhaps, it offers an alternative (to alcohol or drug abuse) recreation opportunity. Or supports the preservation of the Aleut culture or reinforces the subsistence life-style. Why should this activity receive AEB funds? Please limit your answer to no more than one page.

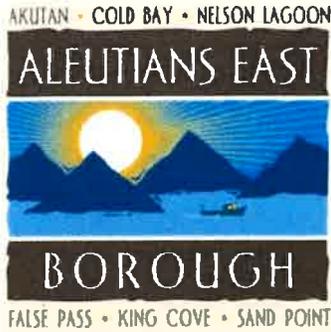
QTT hosts the Earth Day Fair annually for all community members. This event helps the community engage in healthy environmental behavior. Activities and promotional material will be presented at this event for adults and children that will help our community understand better ways to live a more clean and healthy environment.

3. What is your estimated budget? Where does the AEB contribution fit into the budget? Who are, if any, the other donors? Please limit your answer to no more than one page.

With the increase of costs and inflation we are assuming our budget to be around \$3,000. We have sent out other donation requests in hoping we will get support for this event. We are working hard to pull this event off in a timely manner and are hoping for a better outcome.

4. Are you willing to report back, without a reminder, to the Mayor and Assembly describing your project/activity within two months of the activity? Yes No

FOR OFFICIAL USE ONLY	
Date Presented to the Mayor and Assembly:	_____
Decision of the Mayor and Assembly:	
<input type="checkbox"/>	Approved
<input type="checkbox"/>	Denied
<input type="checkbox"/>	Tabled for more information
Amount of Donation Approved:	_____
Date Submitted to Finance for Processing:	_____
Date Payment was processed:	_____
Finance's Initial:	_____
Resolution No:	_____
(If Applicable)	



REQUEST FOR CONTRIBUTION

THIS FORM MUST BE COMPLETED AND SUBMITTED BY **NOVEMBER 1 OR MAY 1** TO BE CONSIDERED BY THE AEB ASSEMBLY FOR FUNDING.

Today's Date: April 12, 2023 Date of Event: June 26-30, 2023

ORGANIZATION/BEFEFICIARY NAME: Qagan Tayagungin Tribe Environmental Department

PERSON COMPLETING THIS FORM: Clarissa Devine

MAILING ADDRESS: P.O. Box 447, Sand Point, AK 99661

PHONE #: 907-383-6968

AMOUNT REQUESTED: \$300.00 (An amount range is acceptable)

If Approved: Who should the check made out to: Qagan Tayagungin Tribe Environmental Department

If Approved: Mailing address of donation recipient: P.O. Box 447 Sand Point, AK 99661

1. Who will benefit from this donation?

700+ Estimated number of AEB Residents

100+ Estimated number of Non-AEB Residents 0-65 Ages

Is this activity open to all AEB residents? Yes No If not, please explain.

2. How does this contribution promote the best interests of the AEB? For example, tell us if this project/activity is related to the safety, health or well-being of residents. Specifically perhaps, it offers an alternative (to alcohol or drug abuse) recreation opportunity. Or supports the preservation of the Aleut culture or reinforces the subsistence life-style. Why should this activity receive AEB funds? Please limit your answer to no more than one page.

QTT's Annual Graveyard Clean-up along with Environmental Teen/Youth Groups will learn about invasive species and more about our environment. This will encourage children and adults to be out in the environment while finding out supportive ways they can incorporate in their everyday living. We will be using the monies donated for supplies and prizes for adults and children. With this donation it will help support an event to help keep our community cleaner and greener.

3. What is your estimated budget? Where does the AEB contribution fit into the budget? Who are, if any, the other donors? Please limit your answer to no more than one page.

With the ever growing costs and inflation it is assumable that our budget would be in the \$1,500 - \$2,500.
We would like to try something new this year with a bbq cook out and a raffle at the end of the event to provide incentive for our community members to more willing to participate while coming together as a community

4. Are you willing to report back, without a reminder, to the Mayor and Assembly describing your project/activity within two months of the activity? Yes No

FOR OFFICIAL USE ONLY

Date Presented to the Mayor and Assembly: _____

Decision of the Mayor and Assembly:

<input type="checkbox"/>	Approved
<input type="checkbox"/>	Denied
<input type="checkbox"/>	Tabled for more information

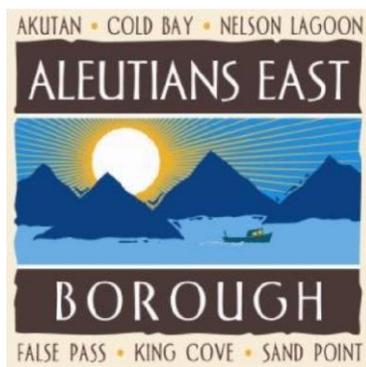
Amount of Donation Approved: _____

Date Submitted to Finance for Processing: _____

Date Payment was processed: _____

Finance's Initial: _____

Resolution No: _____
(If Applicable)



REQUEST FOR CONTRIBUTION

THIS FORM MUST BE COMPLETED AND SUBMITTED BY **NOVEMBER 1 OR MAY 1** TO BE CONSIDERED BY THE AEB ASSEMBLY FOR FUNDING.

Today's Date: _____ Date of Event: _____

ORGANIZATION/BEFEFICIARY NAME: _____

PERSON COMPLETING THIS FORM: _____

MAILING ADDRESS: _____

PHONE #: _____

AMOUNT REQUESTED: \$_____ (An amount range is acceptable)

If Approved: Who should the check made out to: _____

If Approved: Mailing address of donation recipient: _____

1. Who will benefit from this donation?

_____ Estimated number of AEB Residents
_____ Estimated number of Non-AEB Residents _____ Ages
Is this activity open to all AEB residents? Yes No If not, please explain.

2. How does this contribution promote the best interests of the AEB? For example, tell us if this project/activity is related to the safety, health or well-being of residents. Specifically perhaps, it offers an alternative (to alcohol or drug abuse) recreation opportunity. Or supports the preservation of the Aleut culture or reinforces the subsistence life-style. Why should this activity receive AEB funds? Please limit your answer to no more than one page.

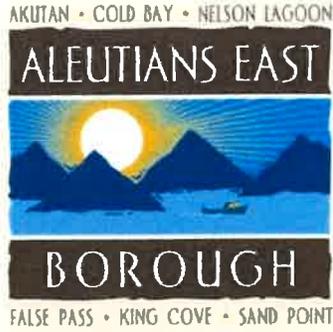
3. What is your estimated budget? Where does the AEB contribution fit into the budget? Who are, if any, the other donors? Please limit your answer to no more than one page.

4. Are you willing to report back, without a reminder, to the Mayor and Assembly describing your project/activity within two months of the activity? Yes No

FOR OFFICIAL USE ONLY
Date Presented to the Mayor and Assembly: _____
Decision of the Mayor and Assembly:
Approved
Denied
Tabled for more information
Amount of Donation Approved: _____
Date Submitted to Finance for Processing: _____
Date Payment was processed: _____
Finance's Initial: _____
Resolution No: _____
(If Applicable)

FY 24

Donation Request



REQUEST FOR CONTRIBUTION

THIS FORM MUST BE COMPLETED AND SUBMITTED BY **NOVEMBER 1 OR MAY 1** TO BE CONSIDERED BY THE AEB ASSEMBLY FOR FUNDING.

Today's Date: 4/20/23 Date of Event: 9/1-9/4/23

ORGANIZATION/BEFEFICIARY NAME: Cold Bay EMS

PERSON COMPLETING THIS FORM: Lorie Pierce

MAILING ADDRESS: PO Box 10 Cold Bay, AK 99571

PHONE #: 907-532-2401

AMOUNT REQUESTED: \$3000 (An amount range is acceptable)

If Approved: Who should the check made out to: City of Cold Bay

If Approved: Mailing address of donation recipient: PO Box 10 Cold Bay, AK 99571

1. Who will benefit from this donation?

150 Estimated number of AEB Residents
65 Estimated number of Non-AEB Residents ALL Ages

Is this activity open to all AEB residents? Yes No If not, please explain.

2. How does this contribution promote the best interests of the AEB? For example, tell us if this project/activity is related to the safety, health or well-being of residents. Specifically perhaps, it offers an alternative (to alcohol or drug abuse) recreation opportunity. Or supports the preservation of the Aleut culture or reinforces the subsistence life-style. Why should this activity receive AEB funds? Please limit your answer to no more than one page.

SEE ATTACHED PAGE

3. What is your estimated budget? Where does the AEB contribution fit into the budget? Who are, if any, the other donors? Please limit your answer to no more than one page.

Our estimated budget is \$20,000. We respectfully request \$3,000 to help offset the prize expenses and for the overall success of this fundraising event. In the past our donors have included Bearfoot Inn, G&K Electric, Alaska Airlines, Grant Aviation, Ravn, local residents and businesses, APIA, EAT, Coastal Transportation, Mr. Prime Beef, Gorilla Fireworks, just to name a few.

4. Are you willing to report back, without a reminder, to the Mayor and Assembly describing your project/activity within two months of the activity? Yes No

FOR OFFICIAL USE ONLY

Date Presented to the Mayor and Assembly: _____

Decision of the Mayor and Assembly:

- Approved
 Denied
 Tabled for more information

Amount of Donation Approved: _____

Date Submitted to Finance for Processing: _____

Date Payment was processed: _____

Finance's Initial: _____

Resolution No: _____

(If Applicable)

Request for Contribution

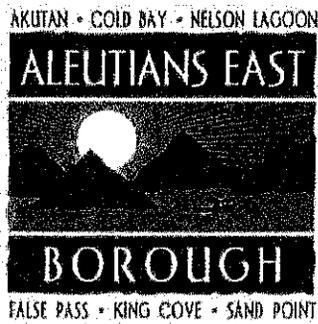
Cold Bay EMS Silver Salmon Derby 2023

2. This is an annual event that our community looks forward to each year that allows us to connect with our friends from afar. It is an opportunity for our children and adults to engage in outdoor activities to promote health and wellness and to enjoy the sunshine. This event allows an alternative to drinking and drug abuse. Historically we have a bid opening night to kick off the derby that includes dinner, sell derby packets and raffle tickets, berry contests, and an overall evening full of fun and laughter to gather, make new friendships, teach about subsistence fishing, and enjoy the outdoors fishing all weekend.

We encourage everyone to join in a 5K walk to encourage health and wellness and to get outside for mental wellness.

We are still in the planning process. During this our planning we will be including various activities to promote a healthy lifestyle instead of alcohol and drug abuse.

This event is how we provide our local EMS with the necessary equipment to serve our local communities, the borough, and beyond, and as well as for medevac services.



REQUEST FOR CONTRIBUTION

THIS FORM MUST BE COMPLETED AND SUBMITTED BY **NOVEMBER 1 OR MAY 1** TO BE CONSIDERED BY THE AEB ASSEMBLY FOR FUNDING.

Today's Date: 4-14-2023 Date of Event: August 5th-11th

ORGANIZATION/BEFEICIARY NAME: Agdaagux Trobe of King Cove

PERSON COMPLETING THIS FORM: Etta Kuzakin

MAILING ADDRESS: PO BOX 249, King Cove AK 99612

PHONE #: 907-331-8557

AMOUNT REQUESTED: \$ 10,000 (An amount range is acceptable)

If Approved: Who should the check made out to: Agdaagux Tribe of King Cove

If Approved: Mailing address of donation recipient: PO BOX 249, King Cove AK 99612

1. Who will benefit from this donation?

75-100 Estimated number of AEB Residents

20 Estimated number of Non-AEB Residents All ages Ages

Is this activity open to all AEB residents? Yes No If not, please explain.

2. How does this contribution promote the best interests of the AEB? For example, tell us if this project/activity is related to the safety, health or well-being of residents. Specifically perhaps, it offers an alternative (to alcohol or drug abuse) recreation opportunity. Or supports the preservation of the Aleut culture or reinforces the subsistence life-style. Why should this activity receive AEB funds? Please limit your answer to no more than one page.

This funding will be used to hold Agdaagux Tribe Annual Culture Camp. We will be inviting many different artist, healers, language experts, and locals to demonstrate our culture to the people of King Cove.

3. What is your estimated budget? Where does the AEB contribution fit into the budget? Who are, if any, the other donors? Please limit your answer to no more than one page.

Our Budget is \$35,000. We have received a donation from the APIA for \$10,000, but that is all we have as of now. If AEB donated to our Culture camp it will be on the main donors.

4. Are you willing to report back, without a reminder, to the Mayor and Assembly describing your project/activity within two months of the activity? Yes No

FOR OFFICIAL USE ONLY	
Date Presented to the Mayor and Assembly:	_____
Decision of the Mayor and Assembly:	
<input type="checkbox"/>	Approved
<input type="checkbox"/>	Denied
<input type="checkbox"/>	Tabled for more information
Amount of Donation Approved:	_____
Date Submitted to Finance for Processing:	_____
Date Payment was processed:	_____
Finance's Initial:	_____
Resolution No:	_____
(If Applicable)	



QAGAN TAYAGUNGIN TRIBE
P.O. BOX 447
SAND POINT, ALASKA 99661
PHONE (907) 383-5616

Aleutians East Borough
Attn: Mayor Alvin Osterback
P.O. Box 349
Sand Point, Alaska 99661

April 28, 2023

Dear Mayor Osterback and Board Members,

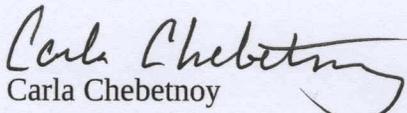
Aang! The Qagan Tayagungin Tribe is starting to prepare for the Annual Culture Camp. The camp dates for this year are July 17 - 27, 2023. Classes will be held from 9 a.m. through 5 p.m. for our campers in K- 12th grade; and from 7 - 9 p.m. for adult participants.

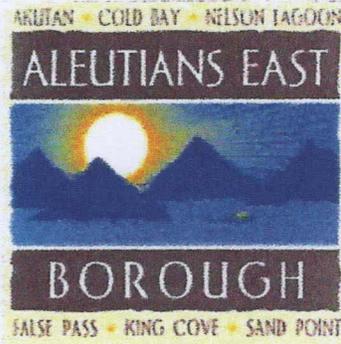
This year we will continue to learn the Unangan language, dance, and beaded head dresses, as well as traditional foods. We are also offering weaving, Aleut bentwood hat making, Mask making, and fish drying racks.

We take great pride in providing a cultural education to our community every year. It takes a significant amount of money to fund camp every year. Last year's camp had 52 campers ages K-12th grade and 32 Adults who attended. We are hoping the AEB will continue to support this valuable program, and are asking for a donation of \$7000.

Thank you very much for your time and support for the Sand Point Culture Camp!

Sincerely,


Carla Chebetnoy
Camp Director



REQUEST FOR CONTRIBUTION

THIS FORM MUST BE COMPLETED AND SUBMITTED BY **NOVEMBER 1 OR MAY 1** TO BE CONSIDERED BY THE AEB ASSEMBLY FOR FUNDING.

Today's Date: 4-28-23

Date of Event: July 17-27, 2023

ORGANIZATION/BENEFICIARY NAME: Sand Point Culture Camp

PERSON COMPLETING THIS FORM: Carla Chebetroy

MAILING ADDRESS: P.O. Box 447 Sand Point, AK 99661

PHONE #: 907-383-5616

AMOUNT REQUESTED: \$ 7000 (An amount range is acceptable)

If Approved: Who should the check made out to: QTT Culture Camp

If Approved: Mailing address of donation recipient: P.O. Box 447

Sand Point, AK 99661

1. Who will benefit from this donation?

150 Estimated number of AEB Residents

5 Estimated number of Non-AEB Residents 5-18 Ages

Is this activity open to all AEB residents? Yes No If not, please explain.

2. How does this contribution promote the best interests of the AEB? For example, tell us if this project/activity is related to the safety, health or well-being of residents. Specifically perhaps, it offers an alternative (to alcohol or drug abuse) recreation opportunity. Or supports the preservation of the Aleut culture or reinforces the subsistence life-style. Why should this activity receive AEB funds? Please limit your answer to no more than one page.

see accompanied page

3. What is your estimated budget? Where does the AEB contribution fit into the budget? Who are, if any, the other donors? Please limit your answer to no more than one page.

see accompanied page

4. Are you willing to report back, without a reminder, to the Mayor and Assembly describing your project/activity within two months of the activity? Yes No

FOR OFFICIAL USE ONLY	
Date Presented to the Mayor and Assembly:	_____
Decision of the Mayor and Assembly:	
<input type="checkbox"/>	Approved
<input type="checkbox"/>	Denied
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Amount of Donation Approved:	_____
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Resolution No:	_____
(If Applicable)	

Sand Point Culture Camp 2023

AEB Donation Request Questions 2 and 3

2. The Sand Point Culture Camp provides an alternative to alcohol and drug use for our children. We also work on preserving our Aleut culture and traditional ways. We will be gathering and preparing traditional foods, drying, smoking and salting salmon, using local plants and utilizing the low tides.

3. I have included a copy of our budget. The AEB donation would be used to provide travel for instructors, provide stipends and supplies.

We have many entities that we ask for donations. Here is a list of the following donators:

Qagan Tayagungin Tribe

Unga Tribe

Shumagin Corporation

Aleut Foundation

A/PIA

EAT's

Pauloff Harbor Tribe

City of Sand Point

AEB

Homer Fish & Wildlife

Peter Pan Seafoods

Trident Seafoods

Sand Point Silver Salmon Derby

Fundraising in the community.

Sand Point Culture Camp 2023 Budget

STIPENDS

CAMP DIRECTOR	\$7,000
REGALIA INSTRUCTOR	\$3,500
REGALIA INSTRUCTOR 2	\$3,500
DANCE INSTRUCTOR	\$3,500
DANCE INSTRUCTOR 2	\$3,500
DANCE INSTRUCTOR 3	\$3,500
DANCE INSTRUCTOR APPRENTICE	\$2,000
HAT MAKING INSTRUCTOR	\$3,500
FISH TANNING INSTRUCTOR	\$3,500
FULL CROWN HEADDRESS INST.	\$3,500
BERING SEA HEADDRESS INSTRUCTOR	\$3,500
DRUM MAKER INSTRUCTOR	\$3,500
WEAVING INSTRUCTOR	\$3,500
TRADITIONAL FOODS INSTRUCTOR	\$3,500
MODEL IQUAX INSTRUCTOR	\$3,500
BEADING INSTRUCTOR	\$3,500
FISH ART INSTRUCTOR	\$3,500
GLASS BALL BEADING INSTRUCTOR	\$3,500
LANGUAGE INSTRUCTOR	\$3,500
K-4 CLASSROOM TEACHER	\$3,000
TEACHER ASSISTANT	\$2,000
PHOTOGRAPHER	\$2,000
COOK	\$3,500
COOK ASSISTANT	\$2,500
JANITOR	\$2,000
LABORER	\$2,000
LABORER	\$2,000
TOTAL	\$86,000

TRAVEL & PER DIEM

RAVN AIRWAYS	\$14,000
AMHS	\$1,344
AK AIR	\$286
GRANT	\$7,000
PER DIEM	\$3,600
TOTAL	\$26,230

LODGING

ANCHOR INN \$12,000

SUPPLIES

REGALIA SUPPLIES \$2,000
FISH ART SUPPLIES \$2,500
HAT MAKING SUPPLIES \$2,500
DRUMMAKING SUPPLIES \$2,000
BEADING SUPPLIES \$5,000
WEAVING SUPPLIES \$200
TRADITIONAL FOOD SUPPLIES \$1,000
IQUAX SUPPLIES \$2,000
FISH TANNING SUPPLIES \$200
FUR \$2,000
CLASSROOM SUPPLIES \$2,000

TOTAL \$21,400

SWEATSHIRTS \$6,000

FOOR & JANITOR SUPPLIES

COSTCO ORDER \$6,000
AC \$1,000
TRIDENT \$1,000

TOTAL \$8,000

CAR & SKIFF RENTAL

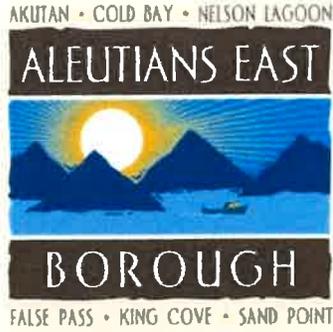
CAR RENTALS \$6,000
SKIFF RENTAL \$500

TOTAL \$6,500

GAS & PROPANE

GAS & PROPANE \$2,000

TOTAL \$168,130



REQUEST FOR CONTRIBUTION

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Today's Date: 4/20/23 Date of Event: 9/1-9/4/23

ORGANIZATION/BEFEFICIARY NAME: Cold Bay EMS

PERSON COMPLETING THIS FORM: Lorie Pierce

MAILING ADDRESS: PO Box 10 Cold Bay, AK 99571

PHONE #: 907-532-2401

AMOUNT REQUESTED: \$3000 (An amount range is acceptable)

If Approved: Who should the check made out to: City of Cold Bay

If Approved: Mailing address of donation recipient: PO Box 10 Cold Bay, AK 99571

1. Who will benefit from this donation?

150 Estimated number of AEB Residents
65 Estimated number of Non-AEB Residents ALL Ages

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SEE ATTACHED PAGE

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4. Are you willing to report back, without a reminder, to the Mayor and Assembly describing your project/activity within two months of the activity? Yes No

FOR OFFICIAL USE ONLY

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Decision of the Mayor and Assembly:

- Approved
 Denied
 Tabled for more information

Amount of Donation Approved: _____

Date Submitted to Finance for Processing: _____

Date Payment was processed: _____

Finance's Initial: _____

Resolution No: _____

(If Applicable)

Request for Contribution

Cold Bay EMS Silver Salmon Derby 2023

2. This is an annual event that our community looks forward to each year that allows us to connect with our friends from afar. It is an opportunity for our children and adults to engage in outdoor activities to promote health and wellness and to enjoy the sunshine. This event allows an alternative to drinking and drug abuse. Historically we have a bid opening night to kick off the derby that includes dinner, sell derby packets and raffle tickets, berry contests, and an overall evening full of fun and laughter to gather, make new friendships, teach about subsistence fishing, and enjoy the outdoors fishing all weekend.

We encourage everyone to join in a 5K walk to encourage health and wellness and to get outside for mental wellness.

We are still in the planning process. During this our planning we will be including various activities to promote a healthy lifestyle instead of alcohol and drug abuse.

This event is how we provide our local EMS with the necessary equipment to serve our local communities, the borough, and beyond, and as well as for medevac services.



Memorandum

Date: May 11, 2023
 To: Mayor Osterback and Assembly
 From: Anne Bailey, Borough Administrator

Re: Aleutians East Borough FY24 Health Insurance

The Aleutians East Borough currently has insurance through Premera Blue Cross Blue Shield of Alaska. It is a \$250/E Plan, which the Borough is grandfathered into.

On May 10, 2023, HUB International provided Borough Administration renewal information for FY24. The renewal for medical coverage only had a 3.00% increase, which is a lot less than the 10-12% we originally anticipated. The renewal for dental coverage remained the same resulting in a 0% change.

The cost information is as follows:

Medical Insurance			
Cost Comparison	Enrollment	Current	Renewal
Employee Only	17	\$1,649.25	\$1,698.73
Employee & Spouse		\$3,789.44	\$2,903.12
Employee & Child(ren)		\$3,132.37	\$3,336.34
Employee + Family		\$5,272.56	\$5,430.74
Monthly Premium		\$28,037.25	
Annual Premium		\$336,447.00	
% Change Over Current		3.00%	

Dental Insurance			
Cost Comparison	Enrollment	Current	Renewal
Employee Only	17	\$58.96	\$58.96
Employee & Spouse		\$120.19	\$120.19
Employee & Child(ren)		\$103.68	\$103.68
Employee + Family		\$164.90	\$164.90
Monthly Premium		\$1,002.32	

Annual Premium	\$12,027.84
% Change Over Current	0.00%

HUB International has also requested a quote for insurance coverage through the Alaska Municipal Health Trust (AMHT). AMHT is a trust development by the Alaska Municipal League to help municipalities with health care. HUB has not received the information yet.

Administration did speak with HUB and it is strongly recommended that the Borough stay with the Premera grandfathered plan. They noted that the Borough will not find another plan like this with a \$250 or even a \$500 deductible at this cost and if the Borough decides to leave they can never come back. Therefore, Administration recommends staying with the Borough's existing Health/Dental Insurance Plans.

Attachments:

1. Medical Benefit Summary – Pre-Renewal Review Template
2. Dental Benefit Summary – Pre-Renewal Review Template

Aleutians East Borough

Medical Benefit Summary

July 1, 2023

Premera BCBS of Alaska		Current / Renewal	
		Premera \$250/E Plan Grandfathered	
General Plan Information		In-Network	Out-of-Network
Provider Network		Heritage	
Annual Deductible -Individual Embedded		\$250	Shared
Annual Deductible - Family		\$750	Shared
Coinsurance		20%	40%
Annual Out-of-Pocket Maximum- Individual		\$2,250	Unlimited
Annual Out-of-Pocket Maximum- Family		\$6,750	Unlimited
Includes:		Coinsurance, Deductible & Copays	
Office Visit Primary Care		\$25	\$25
Office Visit Specialist		\$25	\$25
Preventive Care		Covered In Full	Covered In Full
Inpatient Hospital		20%*	40%*
Alternative Care - Chiropractic		\$25	\$25
Outpatient Services			
Diagnostic Lab & X-Ray		20%*	40%*
Imaging (MRI, CT, PET)		20%*	40%*
Emergency Room		\$150 Copay + 20%*	
Urgent Care		\$25	\$25
Virtual Visit (Med)		\$25	Not Covered
Pharmacy			
Retail			
Generic / Tier 1		\$10	\$10
Brand / Tier 2		\$20	\$20
Non-formulary / Tier 3		\$40	\$40
Specialty / Tier 4		\$10 / \$20 / \$40	Not Covered
Supply		30 Days	30 Days
Mail order			
Generic / Tier 1		\$20	Not Covered
Brand / Tier 2		\$40	
Non-formulary / Tier 3		\$80	
Specialty / Tier 4		Not Covered	
Supply		90 Days	
Other Services			
Routine Vision Exam (1 PCY)			\$25

		Current / Renewal	
Vision Hardware (PCY)		\$150	
Cost Comparison	Enrollment	Current	Renewal
Employee Only	17	\$1,649.25	\$1,698.73
Employee & Spouse		\$3,789.44	\$3,903.12
Employee + Child(ren)		\$3,132.37	\$3,226.34
Employee + Family		\$5,272.56	\$5,430.74
Monthly Premium		\$28,037.25	
Annual Premium		\$336,447.00	
% Change Over Current		3.00%	

***deductible applies**

This exhibit is intended as a brief comparison of benefits and does not include all benefits, exclusions or limitations. Please refer to SPD or proposal for full details.

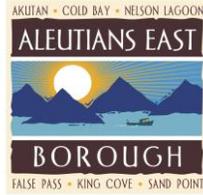
Aleutians East Borough

Dental Benefit Summary

July 1, 2023

Carrier	Current / Renewal			
	Premera Dental Standard \$2000			
General Plan Information		In-Network	Out-of-Network	
Annual Deductible - Individual		\$0		
Annual Deductible - Family		\$0		
Waived for Preventive		N/A		
Annual Maximum - Per Person		\$2,000		
Does Preventive Care Apply Toward Annual Maximum?		No		
Orthodontia - Lifetime Benefit		\$1,000		
Reasonable & Customary Percentile		80th percentile (In-State)		
Waiting Periods		None		
Covered Services				
Diagnostic & Preventive Care		100%		
Frequency		2 PCY		
Cleanings & Exams		100%		
X-rays		100%		
Sealants (Age Limits Apply)		100%		
Space Maintainers (Age Limits Apply)		100%		
Fluoride Treatments (Age Limits Apply)		100%		
Basic Services				
Endodontics		80%		
Periodontics		80%		
Oral Surgery		80%		
Anesthesia		80%		
Major Services				
Crowns		50%		
Dentures & Bridges		50%		
Implants		50%		
Orthodontia				
Dependent Children - \$1,000 Lifetime Benefit		50%		
Adults - \$1,000 Lifetime Benefit		50%		
Cost comparison		Enrollment	Current	Renewal
Employee Only		17	\$58.96	\$58.96
Employee + Spouse			\$120.19	\$120.19
Employee + Child(ren)			\$103.68	\$103.68
Employee + Family			\$164.90	\$164.90
		17		
Monthly Premium			\$1,002.32	\$1,002.32
Annual Premium			\$12,027.84	\$12,027.84
\$ Change Over Current			-	\$0
% Change Over Current			-	0.00%

REPORTS AND UPDATES



To: Honorable Mayor Osterback and AEB Assembly
From: Anne Bailey, Borough Administrator
Subject: Assembly Report
Date: May 12, 2023

King Cove Road Update

Litigation Status. The Department of Interior and Secretary of Interior Haaland have filed a Motion to Dismiss the existing litigation pending before the 9th Circuit as moot. This Motion to Dismiss is based on the earlier, DOT, self-proclaimed withdrawal from the 2019 King Cove Land Exchange Agreement.

The King Cove Group Lawyers have filed multiple pleadings opposing the Motion to Dismiss and the Purported withdrawal from the 2019 Land Exchange Agreement. These pleadings have been filed in coordination with the support of the State of Alaska which agrees that the Secretary lack the legal authority to unilaterally withdraw from the 2019 agreement without King Cove Corporation agreement and particularly with no tribal consultation and government to government consultation as required by DOI procedure and rules.

This is a very unusual case, since the Department and Secretary are principal Defendants and the State, the King Cove Corporation, the Tribes, the Borough and the City are Intervenor-Defendants. The King Cove Groups pleadings point out to the en banc panel, that this case is not moot since the King Cove Corporation as a signer of the 2019 Land Exchange Agreement still has a right to a decision in its favor that the 2019 Land Exchange Agreement is valid. The State agrees and has filed its own Opposition with the en banc panel requesting the en banc panel to uphold the agreement and deny the Interior's Motion to Dismiss.

The pleading cycle in this case was completed on May 11, 2023. Since this is a new element to the case, no timeframe can be predicted for when the Court will make a decision on the pending motions.

Other Items. The King Cove Group has remained in constant contact with the Alaska Congressional Delegation, whom continue to support the King Cove Group in its litigation and for the Land Exchange Agreement and road.

Deputy Secretary of Interior Beaudreau followed his March trip to King Cove with a proposed study of the issue by developing a supplemental Environmental Impact Study under NEPA to be completed by mid-year 2024, which is a very ambitious schedule. This process is supposed to begin with a Notice of Intent by DOI to be published in the Federal Register. One of the key issues is that the Notice of Intent would involve a land exchange but without a road proposal,

which seems to be considered “problematic” by the Department in this future study.

As of May 11, 2023 the Notice of Intent has not been published yet.

School Updates

- Sand Point DEED Grant: On February 21, 2023, Administration signed the DEED Grant application for the Sand Point School. Administration has been working with the State to determine the next steps for this project. Administration has requested a proposal from DOWL for design and project management services.
- Sand Point Pool:
 - Kuchar Construction has installed two new pool doors. They still need to paint and do some finishing work to complete the project, which will occur soon. Kuchar will also be addressing the mold and flooring issues.
 - Evolution Pools and Living Waters are still in the process of addressing additional items. An estimated time of arrival is being determined.
 - The School District has a sump pump circulating the water in the pool and is adding the necessary chemicals to prevent algae growth.

Cold Bay Clinic

The Cold Bay Clinic timeline is as follows:

Activity	Progress	Schedule
Site Visit	Completed	Completed in February 2022
35% Schematic Design	Completed	April 2023
65% Design	In Progress	April 2023
Final Design (95-100%) and Permitting	Not Started	June/July 2023
Bidding & Construction Contract Execution		
<ul style="list-style-type: none"> ● Advertising 	Not Started	July/August 2023
<ul style="list-style-type: none"> ● Notice to Proceed 	Not Started	September 2023
Construction	Not Started	September 2023 – May 2024
Project Close Out	Not Started	May 2024

Administration is still waiting for HRSA’s approval for the updated schematic design, which was submitted in November 2022 and the revised budget, which was submitted in January 2023. Administration has contacted the HRSA Project Manager in hopes of expediting a response. HRSA has confirmed that the Borough can begin expending monies for this project. Administration has submitted the first reimbursement request to HRSA and has been reimbursed \$55,589.60 for this project.

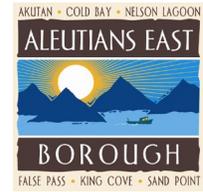
Other Items

- On April 18, 2023, the Borough and Aleutian Airways entered into a Sublease Agreement for the Cold Bay Terminal. They term is from May 1, 2023 and ends June 30, 2026. They began service to the area on May 1, 2023.

- On April 20, 2023, DOWL and the Borough advertised an RFQ soliciting qualifications and pricing information from Contractors for a Construction Contractor Term Contract. The intent is to award one more multiple Term Contract(s) for an initial duration of three years, with the option to extend up to two, one-year extensions. This has been posted on ADN, the Plans Room, the Borough's Website, the Borough's Facebook Page and within the communities. On May 11, 2023, six proposals were received by the deadline.
- On April 21, 2023, I testified before Senate Finance. I asked support for fully capitalizing Community Assistance; funding School Construction and Major Maintenance Projects, and increasing School District Funding. I also thanked Senate Finance for including School Bond Debt and Harbor Bond Debt in their FY24 budget.
- On April 26, 2023, the Borough entered into a contract with Kurt Uttecht for the Cold Bay Terminal Manager position. This contract will go into effect on July 1, 2023.
- On May 8, 2023, the Borough entered into a contract with Ricki Ruta for the Cold Bay Terminal Janitorial position. This will go into effect on July 1, 2023.
- On April 28, 2023, AML and the State of Alaska submitted a Port Infrastructure Development Program (PIDP) grant for the Cold Bay Dock.
- Administration worked with HUB International on getting health insurance quotes for FY24.
- I have also been continuously conducting day-to-day operations.

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

To: The Honorable Mayor Osterback, AEB Assembly
From: Talia Jean-Louis, Assistant Administrator
Subject: Assembly Report
Date: May 18, 2023



Healthy & Equitable Communities Grant (HEC):

The Alaska Department of Health (DOH) announces \$9 million in funding to local governments through memorandums of agreement (MOAs) in support of creating healthy and equitable communities around the state. The funding will be available through May 31, 2024 to support activities of greatest need identified by the local community.

The goal of the funding is to create and support local coalitions to develop and implement sustainable plans to improve the overall health of the community by preventing and addressing COVID-19 among underserved Alaskans at higher risk for COVID-19 related illness and death, including rural populations.

The Borough is partnering with Eastern Aleutian Tribes to implement the purchase and installation of a 2-Body Morgue for the city of False Pass and the Village Nelson Lagoon. DPH agrees to provide \$109,035 in funds in accordance with the terms of the MOA. This project is funded through two federal grants equally (50%/50% split) with ALN/CFDA codes 93.391 and 93.268. Administration is waiting for confirmation of the grant award from the State of Alaska.

Energy Efficiency and Conservation Block Grant Program (EECBG):

The Aleutians East Borough is applying for the Department of Energy EECBG grant to implement energy retrofits for the Sand Point School. On March 30, 2022, the U.S. Department of Energy (DOE) announced \$3.16 billion in new funding through the Weatherization Assistance Program (WAP) – DOE’s largest residential energy retrofit program. Retrofitting existing buildings presents an opportunity to improve the energy performance and operational costs of building assets including heating, cooling and ventilation (HVAC) systems and equipment, lighting and control systems, and the building envelope, while improving occupant control (such as with grid-interactive technologies). Retrofits also offer a chance to invest in energy burdened and underinvested areas.

Sand Point School Pool Update:

The Aleutians East Borough is looking for a qualified pool inspector to inspect and maintain the pool operation. DOWL has contracted with Councilman-Hunsaker-an integrated team of design professionals and operational specialist in the aquatic industry to complete the following:

- A. Facility Audit: Complete a current conditions evaluation of the swimming pool while on site.
- B. Maintenance Plan Creation: Provide an equipment and maintenance plan for the pool.
- C. Request for proposal (RFP) Assistance: Assist with drafting a solid scope of work for the Request of Qualifications for the pool maintenance.

Maintenance Connection:

Administration continues to utilize Maintenance Connection created by SERCC where the Borough can perform tasks such as processing maintenance request, creating work orders, setting up preventive schedules, creating purchase orders, and reordering inventory. DOWL now has access to Maintenance Connection to view and track projects from beginning to end. The most recent input into the system is;

False Pass School Leak Issue:

May 9th, 2023, Borough entered into contract with Gould Construction for the repairs of leak issues with the False Pass School: These issues include;

- Faucet leak in the custodial room wherein the room is humid with condensation.
- Leak in the urinal in the boy's restroom where plumping needs to be replaced.
- Leak in the spare classroom from rain.

Administration is also looking into quotes from companies to resolve the Sand Point and False Pass School paint issues.



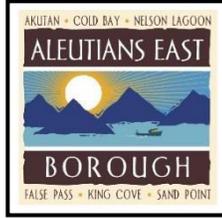
False Pass School Images.

Regular Meetings Attended:

Date	Meeting
April 14 th 2023	Cold Bay PIDP Check-in
April 18 th 2023	Sand Point Pool Update
April 19 th 2023	Cold Bay PIDP Check-in
April 19 th 2023	Akutan PDT Meeting
April 21 st 2023	Sand Point DEED Discussion
April 24 th 2023	Cold Bay PIDP Check-in
May 3 rd 2023	Akutan PDT
May 5 th 2023	Cold Bay Janitor Discussion
May 9 th 2023	Staff Meeting
May 9 th 2023	AEB On Going Project Meeting
May 10 th 2023	Akutan PDT
May 11 th 2023	EECBG Grant Meeting
May 12 th 2023	Sand Point School Discussion

May 12 th 2023	AEB Term Contract Meeting
May 17 th 2023	Akutan PDT
May 31 st 2023	Akutan PDT

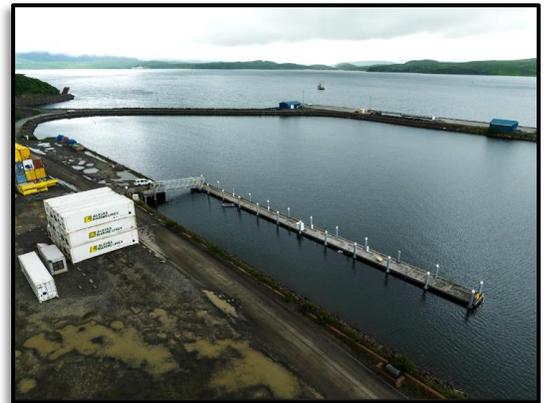
If you have any questions, comments, or concerns please contact me at 907-274-7559 or tjeanlouis@aeboro.org



To: Honorable Mayor Alvin Osterback & Borough Assembly
From: Laura Tanis, AEB Communications Director
Through: Anne Bailey, AEB Administrator
Subject: Communications Director's Report to the Assembly
Date: May 12, 2023

White Paper – New Sand Point Harbor:

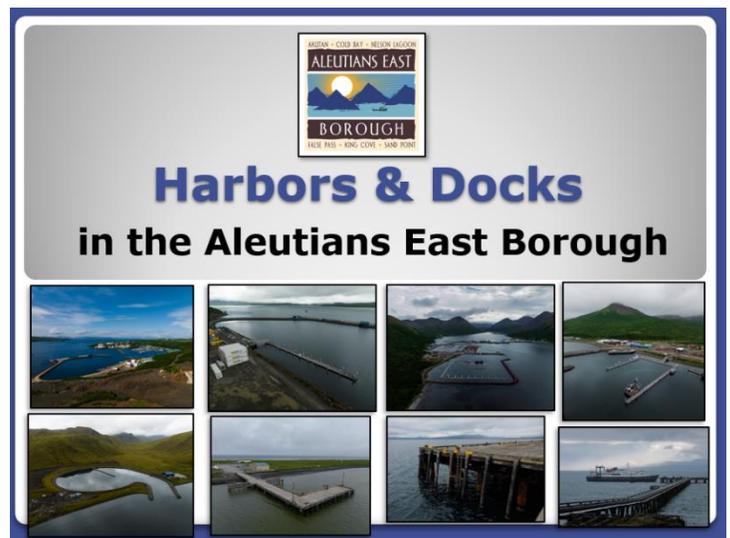
Currently, one of the projects I'm working on includes the white paper on Sand Point's New Harbor. Having the history of what has developed over time, including funding used for this project, will be helpful moving forward for the Borough Mayor, Assembly, Administration and staff. Any time administration applies for grants for this project, this document will help with providing all the information in one place.



Sand Point's New Harbor

PowerPoint Presentation:

I created a PowerPoint presentation for Mayor Osterback late last month to present to members of the Senate Transportation Committee. The presentation focused on the economic and strategic importance of our Borough's harbors and docks. It outlined the details of each facility, when they were built, repairs that have been conducted in the past, as well as additions and upgrades. In the case of the Cold Bay dock, the presentation also discussed plans to completely replace the Cold Bay Dock with a new one, and why this is so critical. It also highlighted how the Borough is working with the State of Alaska and AML to complete a PIDP grant application for design, permitting and construction.



Overall, this was a good opportunity for the Borough to provide information to the committee about some of the challenges remote communities face, including harsh weather and the high expense of bringing contractors, equipment and materials out to our communities. In addition, it was important to point out to the committee that the Borough relies heavily on the State of Alaska to provide matching grant funds and expertise to complete all of the projects the AEB is working on. Without it, we would not be able to operate and maintain our harbors for our fishing fleets, as well as docks for ferry passengers, and the transporting of goods and services for residents and businesses. All of this allows us to grow and keep our communities healthy.

Cold Bay Dock

- Cold Bay Dock is 45 years old.
- Serves as major marine hub in Aleutians for conventional and containerized general cargo, petroleum products; landing for passengers via fishing boats and Tustumena Ferry.
- Public dock: 60' wide by 360' long.
- Borough owns dock.
- Has Dock Management Agreement with City of Cold Bay to maintain and operate it.
- Projected to have 10-year life span.
- Borough conducted a Feasibility Study.
- Determined major structural elements in poor condition; show ongoing deterioration.
- Eventually, function & capability will be reduced and no longer be serviceable.
- Borough currently working with ANL and State on PIDP grant application for design, permitting & construction of new dock.
- This is a critical need for community & the region.




In the Loop:

The last In the Loop newsletter contained a feature on King Cove teacher Joy Smith. Joy has been teaching at the King Cove School for nearly a decade. She is well-known for her creative teaching methods and projects, and inspiring her students to be creative learners. Parents and principal Paul Barker remarked how passionate she is about teaching. She also caters to every pupil’s learning style and advocates on their behalf. She goes above and beyond, not only in the classroom but also within the community. This newsletter feature was part of the Borough’s Community Alignment Initiative. I will continue to reach out to our communities to feature other people who help to make each location a special place.



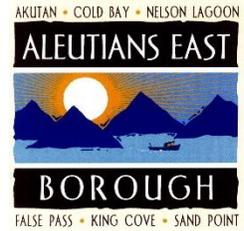
Joy Smith

Social Media – Photography:

I finished resizing photos for Sand Point. This was the last community I needed to work on, as part of photographer Kerry Tasker’s collection of AEB communities. This one, along with the other communities, will be stored in the shared drive for Administration and staff I will also post some of the photos to Facebook. There were more than 680 to go through for Sand Point. As mentioned before, having these updated photos is important for grant purposes, PowerPoint presentations, newsletter articles, social media, and other promotional purposes.



To: The Honorable Mayor Osterback, Aleutians East Borough Assembly
From: Ernie Weiss, Natural Resources Department Director
Subj: Report to the Assembly
Date: May 12, 2023



Alaska Department of Fish & Game (ADFG)

Area M will see ADFG staffing changes for the 2023 salmon season. Matt Keyse is the South Peninsula commercial salmon manager in Sand Point; Geoff Spalinger and Tyler Lawson are South Peninsula assistant managers. North Peninsula commercial salmon manager in Port Moller is Charles Russell; assistant is Will Middleton. ADFG plans a pre-season meeting May 31st in-person at the Sand Point AEB office, thank you Beverly, with a virtual connection option courtesy AEB Zoom account, thank you Charlotte. This month Commissioner Doug Vincent-Lang announced Israel Payton, former Board of Fish member, as Director of the Division of Sport Fish.

Legislature

SB 128 and HB 180: *Close Area M commercial salmon fisheries June 10 - June 30, 2023.*

- April 12th Senator Olson introduced Senate Bill 128.
- April 14th Sen. Kawasaki added on as a co-sponsor to SB 128.
- April 21st Senate Judiciary Committee hearing on SB 128.
- April 26th Representatives Cronk, McCormick, Stapp, Foster, and Tomaszewski introduce House Bill 180.
- April 28th & May 1st Senate Resources hearings – Overview Area M Fisheries
- May 3rd AEB Assembly adopts Res 23-51 Opposing SB 128 & HB 180
- May 12th Second Senate Judiciary Hearing on SB 128
- May 17th 121st day of the Alaska Legislature 2023 Session

The 2nd session of the 33rd Alaska Legislature begins January 2024. The last two years defending Alaska Peninsula salmon fisheries at the Board of Fish should have been enough. To be contd.

Alaska Board of Fisheries (BoF or Board)

On May 9th the Legislature confirmed the Governors appointees to the Board of Fish: Gerard Godfrey of Eagle River, Mike Wood of Talkeetna and Stan Zuray of Tanana by unanimous consent. Greg Svendsen of Anchorage was confirmed by a vote of 53-7. Remaining Board members are Märit Carlson-Van Dort of Anchorage, John Wood of Willow and Tom Carpenter of Cordova. The Board meets in Work Session October 12-13 at the Egan center. Agenda change requests (ACRs) are due August 14. The 2023/2024 Board cycle includes Kodiak and Cook Inlet finfish and a Joint Boards of Fish and Game meeting.

North Pacific Fishery Management Council (NPFMC or Council)

The Ecosystem Committee met May 8th to receive public input and make recommendations to the Council on the Programmatic Supplemental Environmental Impact Statement (PSEIS) for the June Council meeting, considering recent dramatic changes in the ecosystem.

The Council will consider an initial review of an analysis of the Red King Crab Savings area. Alternative 3 to also close Area 512 to pot cod fishers is concerning for local AEB interests. The Council will also receive the annual observer program report at the June meeting in Sitka.

Congratulations to our colleague Charlotte - now a member of the NPFMC Fishery Monitoring Advisory Committee and recently appointed to the North Pacific Research Board’s Advisory Panel. Well-deserved appointments!

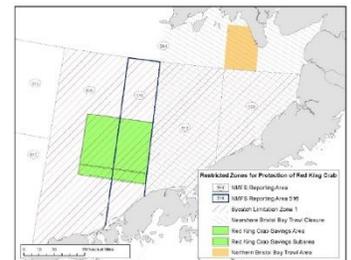
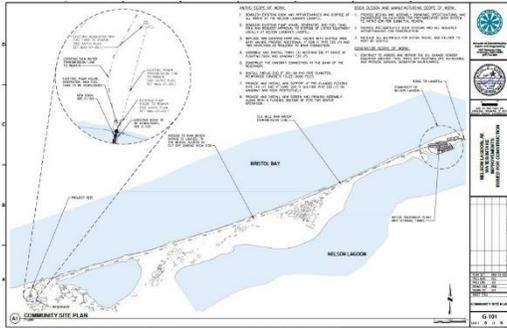


Figure 1-1 Red King Crab Savings Area and Red King Crab Savings Subarea depicted in green

Nelson Lagoon

I was able to hand carry the plat from Juneau to Anchorage after all signatures were completed - Plat of U.S. Survey No. 6429 Creating Lots 1A & 1B (AEB Res 23-41) for the new Nelson Lagoon electric upgrade. CRW picked up the signed mylar print and it has been recorded by DNR. The Nelson Lagoon power system upgrade project is moving forward with construction of the module ongoing here in Anchorage, on-site work to begin in 2024.



On April 24th I submitted a letter to DNR on behalf of the Borough in support of a Nelson Lagoon/ANTHC water project to withdraw 13,000 gallons of water per day from an unnamed lake for use as a public water supply for the Village of Nelson Lagoon. The new water intake project is slated to start this June. ANTHC is currently working on a plan for an improved water pipeline.

Recently Attended

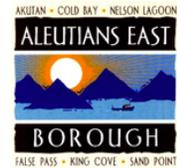
Alaska Fishing Communities	April 14, 28, May 12	Zoom
AK Senate Judiciary Senate Bill 128	April 21	Juneau
AK Marine Policy Forum	April 19	Zoom
Board of Fish Proposal 173	April 19	Web-conference
AK Senate Resources Overview: Area M Fisheries	April 28, May 1	akl.tv
AK Bycatch Advisory Council	May 1	Zoom
Fairbanks AC Fish Subcommittee	May 1	Zoom
NPFMC Ecosystem Committee	May 8	Zoom
Ferry Focus Group Workshop	May 11	Zoom

Upcoming meetings

AK Senate Judiciary Senate Bill 128	May 12	akl.tv
AK Redistricting Board	May 15	Anch/Zoom
NPFMC Crab Plan Team	May 15-19	Zoom
NMFS Cook Inlet plan	May 18	webinar
AK Bycatch Advisory Council	May 23	Zoom
Alaska Fishing Communities	May 26	Zoom
<u>ADFG South Pen Salmon pre-season</u>	May 31 10am	Sand Point/Zoom
NPFMC	June 5-13	Zoom/(Sitka)
NMFS National Standards revisions	June 18	webinar

Please call or email if you have any questions or concerns.

To: Honorable Mayor Osterback, Aleutians East Borough Assembly
From: Charlotte Levy, Natural Resources Assistant Director
Re: Report to the Assembly
Date: May 18th, 2023



Electronic Monitoring - WGOA3/EFP:

- I am coordinating with NMFS AKRO on next steps for bridge gap funding for 2024, as well as preparations for moving into a regulated program including CMCP development.

Fixed-Gear EM Project

- We have completed the data collection portion receiving video from 3 black cod pot vessels, for approximately 10 trips with observer coverage. I am working with FMA to get the observer data from those trips, finalizing the sampling design and starting the analysis.
- During FMAC, I requested the committee add a recommendation for FMA to figure out how to transition these boats into the Alaska Fixed-Gear program in time for the upcoming 2024 ADP.

Mariculture

- No updates at this time.

Board of Fisheries/Salmon

- Most of my time has been spent assisting the Area M Seiners to develop and refine the adaptive fleet management program. I am finalizing an analysis using historical fishery and genetic data to inform the management agreement.
- I am coordinating with processors and the department to integrate the ADFG daily reports into the data portal for use by fishermen. Chordata has provided several “mock-ups” for the processor and individual vessel logins. The processors have all been extremely helpful, and we have been trying to standardize the tender sample sorting methods.
- I testified at the Senate Judiciary committee on 4/21 and attended the other hearings.

AFSC Cod Tagging Project:

- We are working on the final cruise report which will be published as a NOAA process report, and developing an outreach website available to the public for updates.
- I am finalizing the first PSMFC progress report which will be available in my next packet. I also submitted the first grant invoice and the project is tracking as expected.
- I am in the process of inventorying our otoliths and researching the disposition of otoliths for chemical analysis, so we can prepare them for the age and growth lab to start getting age data.

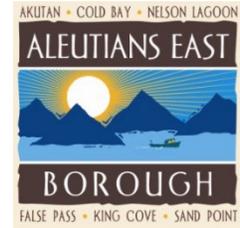
Juneau Trip:

- I attended the Western Groundfish Conference in Juneau, April 24-27. Dr. Nielsen did a fantastic presentation on our cod tagging project, which was very well received. Melanie Rickett/Josh Keaton (NMFS) presented our Trawl EM project.
- I met with Marine Exchange to discuss options for using their PACTRACS system to help us enforce fish tax collection. We came up with some ideas, and I am getting a legal briefing on the fish tax structure first - then can develop some parameters to use in PACTRACS.
- I met with Seiners lobbyist Frances Leach to discuss the data portal and Senate Resources presentation.
- I briefly talked with pollock stock assessment author Jim Ianelli about possibly restarting the WGOA winter pollock survey project.

Other Activities:

- I was appointed to the Fisheries Monitoring Advisory Committee (to replace the Trawl EM Committee) and had my first meeting May 10-11th. I was also appointed to the North Pacific Research Board Advisory Panel, Gulf of Alaska seat. My first meeting will be September.

To: Honorable Mayor Osterback and Borough Assembly
From: Jacki Brandell, Finance Director
Re: Report to the Assembly
Date: May 18, 2023



Audit- As the auditors wrap up they come across a couple of things they may need or have clarifying questions on. I have responded to the questions and prepared the subsequent reports they needed. I have been working on workbooks throughout the year to prep for the FY23. As we near the end of the fiscal year, I will be focusing more on preparing and gathering the necessary data for the upcoming audit.

Budget- Since my last report I continued to assist in reviewing and discussing the FY24 budget. New spreadsheets were created with a function built in to ensure the formulas include all figures and the totals are accurate. The budget documents have since then been completed and presented for the first reading.

Caselle – I have received the draft audit, and TB workbook. I now have the last of the data needed to upload and complete the questionnaire process. Caselle will be completing the load tables and sending back for approval, which will bring us into the set-up phase. From my understanding, this phase will consist of more interaction on the project, as the data is converted. It is during this phase that a proposed project time line will be discussed.

Financial Policies and Procedures- I am making good progress on the financial policies and procedures. Rough drafts have been written for the groups in this year's project. Currently focusing on investment account reconciliation. The policy for account reconciliation needs to align with government accounting practices and I want to ensure that entails the details needed to provide all the borough's needs for the financial data. As I research in this area, I am also working on streamlining the process for monthly reconciliations.

Investments- I have been working on spreadsheets to be used in tracking the invest accounts. Currently, the workbook needs a lot of updating each month in the formulas. I'd rather have a workbook with less of a need to updating formulas, which ensures a lower chance for error. The investment statements themselves are pretty complex, so I want the workbook to be simplified as much as possible. It can be time consuming looking for the data from the statements, so another feature I am working on integrating into the workbooks is cumulative data by GL. This will be very helpful in analyzing interest revenue and researching needs.

Routine tasks- The majority of the routine daily tasks to record the financial data have been completed. The monthly financials will be finalized once that last bit of receivable data is received and input.

I will be happy to answer any questions.

ASSEMBLY COMMENTS

PUBLIC COMMENTS

**NEXT MEETING DATE, TIME
AND PLACE**

ADJOURNMENT